INTERIM REPORT
Regulated information [1]
Brussels, August 24, 2023, 8:00 am CET

TESSENDERLO GROUP INTERIM REPORT FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2023[2]

Tessenderlo Group
EVERY MOLECULE COUNTS

[1] The enclosed information constitutes regulated information as defined in the Royal Decree of November 14, 2007, regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.
[2] Note that Tessenderlo Group published, in addition to this interim report, also a press release on the June 30, 2023 results. This press release can be consulted on our website www.tessenderlo.com.

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Note

- The half year information has been subject to a review by external auditors. Reference is made to the independent auditor's review report in chapter 4 of this report.
- Following the acquisition of Picanol Group by Tessenderlo Group, 2022 Pro forma financial information was included where relevant. The Pro forma information shows the impact as if the acquisition of Picanol Group by Tessenderlo Group would have occurred as of January 1, 2022, thereby impacting the statement of financial position per December 31, 2022 and the income statement as from January 1, 2022. These impacts are presented solely for comparison reasons. The 2022 figures of Tessenderlo Group have not been restated.
- As the group HY23 results were not significantly impacted by foreign exchange effects, the group did not report key financial indicators excluding foreign exchange impact.
- Figures may not add up due to rounding.

Management report

1. Key events

From the first half of 2023

- In January 2023, Picanol Group became a business unit in the Machines & Technologies segment of Tessenderlo Group.
- In January 2023, the Akiolis business unit (Bio-valorization segment) acquired the real estate and production assets of a former Spanish rendering company (Ribera d'Ondara, Lleida, Spain). The plant specializes in pig and poultry meat rendering and is located in one of the most intensive pig and poultry farming regions in Spain. Akiolis resumed operations in the first quarter of 2023 under the name Akiolis Iberia.
- In January 2023, Tessenderlo Group signed an agreement for the acquisition of the marketing and sales activities for ammonium thiosulfate (ATS) fertilizers produced by Esseco Srl (part of Esseco Group) in Trecate, Italy. The deal became operational in March 2023, and the fertilizers are marketed by the Tessenderlo Kerley International business unit (Agro segment).
- In January 2023, Tessenderlo Group's PB Leiner business unit (Bio-valorization segment) finalized a new joint venture with D&D Participações Societárias, which is one of Brazil's leading tannery groups. D&D Participações Societárias acquired a 40% minority stake in PB Leiner's Brazilian plant (PB Brasil Industria e Comercio de Gelatinas Ltda). The combined strength of the two companies will enable a long-term, sustainable supply of a premium bovine gelatin product range, based on PB Leiner's technology.
- In March 2023, Tessenderlo Group's business unit PB Leiner (Bio-valorization segment) held an inauguration ceremony to mark the start of PB Leiner (Hainan) Biotechnology Ltd. In November 2022, PB Leiner entered into a joint venture (80% owned by Tessenderlo Group) with Hainan Xiangtai Group for the production and sale of fish collagen peptides based on PB Leiner's technology. The first production batches of PB Leiner's SOLUGEL® premium fish collagen peptides were shipped in the second quarter of 2023.
- In April 2023, Tessenderlo Group sold 654,000 shares (which is equivalent to a participation of 14%) in Rieter Holding AG (SWX: RIEN). The sale of this financial participation in Rieter Holding AG reflects Tessenderlo Group's intention to focus more on its core business.
- In June 2023, Picanol (Machines & Technologies segment) successfully participated in the 19th edition of ITMA in Milan, Italy. ITMA is the most important four-yearly textile machinery exhibition in the world and Picanol's new Ultimax rapier weaving machine was received with much acclaim. Picanol was once again able to present itself at the event as a technology leader in airjet and rapier weaving machines.
- Construction works on the new plants in Defiance (Ohio, US) and Geleen (The Netherlands) remain on schedule. The Defiance plant will produce the leading liquid and sulfur-based fertilizers Thio-Sul®, KTS®, K-Row 23®, and sulfite chemicals for industrial markets (Agro and Industrial Solutions segments). The Defiance plant is scheduled to start operations by the end of 2024. Meanwhile, the Thio-Sul® plant in Geleen (Agro segment) is expected to be operational by mid-2024.
- As of June 2023, construction works on the new Picanol Group headquarters (Machines & Technologies segment) in Ieper (Belgium) remained on track. The opening of the new headquarters is planned for 2024.

After the balance sheet date

- In July 2023, Violleau put its new production line for organic fertilizers in Vénérolles (Aisne, France) into operation (Agro segment). The new production line has been built on the site of the Akiolis plant in Vénérolles.
- In March 2023, a share repurchase program was started for an amount not exceeding 40 million EUR. As the share price was quoted below its book value, as well as taking into account the liquidity position of the group, the Board of Directors of Tessenderlo Group was of the opinion that it was opportune to proceed with the repurchase of its own shares. By the end of July 2023, Tessenderlo Group had acquired 344,806 of its own shares at an average price of 29.61 EUR per share, for a total amount of 10.2 million EUR.

2. Group key figures

Million EUR	HY23	HY22	% Change as reported	HY22 Pro Forma	% Change compared to Pro Forma figures
Revenue	1,626.5	1,339.6	21.4%	1,707.3	-4.7%
Adjusted EBITDA[3]	205.1	247.6	-17.1%	266.0	-22.9%
Adjusted EBIT[4]	106.8	182.6	-41.5%	170.5	-37.4%
Profit (+) / loss (-) for the period	83.4	163.6	-49.0%	123.9	-32.7%
Total comprehensive income	72.3	218.8	-66.9%	179.4	-59.7%
Capital expenditure	97.9	59.3	65.1%	67.8	44.3%
Cash flow from operating activities	107.9	97.3	10.9%	103.7	4.1%
(Net financial debt) / Net cash position [5]	13.3	-48.5	nm[6]	-14.5	nm

Revenue

HY23 revenue increased by +21.4% compared to the HY22 revenue as reported and decreased by -4.7% compared to the Pro Forma HY22 revenue. The Agro revenue decreased by -18.8% because of decreased volumes and lower selling prices. The revenue of Bio-valorization and Industrial Solutions remained stable compared to prior year, while the revenue of T-Power increased by +5.8%. Picanol Group contributed 384.5 million EUR to the HY23 revenue, while the HY22 Pro Forma Picanol Group revenue amounted to 367.7 million EUR (increase by +4.5%).

Adjusted EBITDA

The HY23 Adjusted EBITDA amounts to 205.1 million EUR compared to a reported HY22 Adjusted EBITDA of 247.6 million EUR and a Pro Forma Adjusted EBITDA of 266.0 million EUR in HY22. The Adjusted EBITDA of Agro (-64.2% or -78.1 million EUR) and Bio-valorization (-30.6% or -15.4 million EUR) decreased, while the Adjusted EBITDA of Industrial Solutions and T-Power slightly increased. Picanol Group contributed 45.2 million EUR to the HY23 Adjusted EBITDA (compared to a HY22 Pro Forma Adjusted EBITDA of 18.4 million EUR).

Adjusted EBIT

The HY23 Adjusted EBIT amounts to 106.8 million EUR, compared to 182.6 million EUR in HY22 and 170.5 million EUR in HY22 Pro Forma results.

Picanol Group is fully consolidated as from January 2023. The gross carrying amount of the fair value adjustments recognized in HY23 after the completion of the Picanol Group acquisition amounted to +364 million EUR. Depreciation and amortization expenses on these adjustments impacted the HY23 Adjusted EBIT by -23.4 million EUR (compared to a HY22 Pro Forma impact of -23.7 million EUR). Please refer to note 7 - Acquisitions and disposals of the HY23 interim report for further details regarding the acquisition accounting of Picanol Group.

[3] Adjusted EBITDA equals Adjusted EBIT plus depreciation and amortization.
[4] Adjusted EBIT is considered by the group to be a relevant performance measure in order to compare results over the period 2022-2023 as it excludes adjusting items from the EBIT (Earnings Before Interests and Taxes). EBIT adjusting items principally relate to restructuring, impairment losses, provisions, gains or losses on significant disposals of assets or subsidiaries and the effect of the electricity purchase agreement.
[5] (Net financial debt) / Net cash position equals cash and cash equivalents and long term investments minus non-current and current loans and borrowings and bank overdrafts.
[6] Nm is shown in the tables when the % change is not meaningful.

Net financial debt

As per HY23, the net cash position of the group amounts to +13.3 million EUR, compared to a net financial debt of -48.5 million EUR as per HY22 and -59.5 million EUR as per year-end 2022. Significant cashflow impacts during the first six months of 2023 include:

- The HY23 cash flow from operating activities and capital expenditure for an amount of +107.9 million EUR and -97.9 million EUR respectively.
- The impact of the change in consolidation scope, following the acquisition of Picanol Group, amounts to +34.0 million EUR (including cash and cash equivalents for +39.3 million EUR).
- The sale of 654,000 shares in Rieter Holding AG (SWX: RIEN) for an amount of +80.7 million EUR. After this sale the group still holds 54,602 shares (or 1.17% of the total number of outstanding shares of Rieter Holding AG).
- The dividend paid over the financial year 2022, leading to a HY23 cash outflow of -39.9 million EUR.

Profit (+) / loss (-) for the period

The HY23 profit amounts to 83.4 million EUR compared to 163.6 million EUR and 123.9 million EUR Pro Forma in HY22. The HY23 result compared to the HY22 Pro Forma result was impacted by the following items:

- The decrease of the HY23 Adjusted EBIT compared to the HY22 Pro Forma Adjusted EBIT, partially compensated by a lower income tax expense.
- The impact of exchange losses, mainly on non-hedged intercompany loans and cash and cash equivalents in USD, amounted to -8.6 million EUR in HY23 compared to an exchange gain of +13.4 million EUR in HY22.
- The gain realized on the sale of 654,000 shares of Rieter Holding AG (+11.3 million EUR), while the HY22 Pro Forma result was negatively impacted by the unrealized financial loss on the Rieter shares, due to the revaluation to fair value as per June 30, 2022 (-33.3 million EUR).

Capital expenditure

For the six month period ended June 30, 2023 the group's capital expenditure amounts to 97.9 million EUR (HY22: 59.3 million EUR). The major capital expenditure projects relate to:

- The acquisition of the real estate and production assets of a former Spanish rendering company (Ribera d'Ondara, Lleida, Spain - Bio-valorization segment).
- The acquisition of production assets for the fish collagen peptides plant in Hainan (China) by PB Leiner (Hainan) Biotechnology Co Ltd. (Bio-valorization segment).
- The ongoing construction of a new Thio-Sul® manufacturing plant in Geleen (the Netherlands, Agro segment) and a new liquid fertilizer and industrial products plant in Defiance (the United States, Agro and Industrial Solutions segments). These factories are scheduled to be operational by mid-2024 and the end of 2024 respectively.
- The ongoing construction of a new headquarter office for Picanol Group in Ieper (Belgium, Machines & Technologies segment).
- Investments in a gasification installation of category 1 meat meals in Saint-Langis (France) by Akiolis Group (Bio-valorization segment) and a new organic fertilizer production line in Vénérolles (France) by Violleau (Agro segment).
- Further investments in production efficiency improvements, as well as in supply chain assets within DYKA Group (Industrial Solutions segment).
- The replacement of equipment and vehicles, which were previously leased, through purchase.

Cash flow from operating activities

The HY23 cash flow from operating activities amounts to 107.9 million EUR, compared to 97.3 million EUR in HY22 as reported. Lower working capital needs (-57.1 million EUR in HY23 compared to -119.8 million EUR in HY22) were able to offset the lower operational results (the HY23 Adjusted EBITDA decreased by -42.5 million EUR compared to the reported HY22 Adjusted EBITDA).

3. Operating segments performance review

GROUP KEY FIGURES - FOR THE SIX MONTH PERIOD ENDED JUNE 30					
Million EUR	HY23	HY22	% Change as reported	HY22 Pro Forma	% Change compared to Pro Forma figures
Revenue Group	**1,626.5**	**1,339.6**	**21.4%**	**1,707.3**	**-4.7%**
Agro	443.5	546.0	-18.8%	546.0	-18.8%
Bio-valorization	375.2	376.8	-0.4%	376.8	-0.4%
Industrial Solutions	384.7	380.3	1.1%	380.3	1.1%
Machines & Technologies	384.5	-	nm	367.7	4.5%
T-Power	38.6	36.5	5.8%	36.5	5.8%
Adjusted EBITDA Group	**205.1**	**247.6**	**-17.1%**	**266.0**	**-22.9%**
Agro	43.5	121.6	-64.2%	121.6	-64.2%
Bio-valorization	34.8	50.2	-30.6%	50.2	-30.6%
Industrial Solutions	52.8	48.2	9.6%	48.2	9.6%
Machines & Technologies	45.2	-	nm	18.4	146.0%
T-Power	28.7	27.5	4.2%	27.5	4.2%
Adjusted EBIT Group	**106.8**	**182.6**	**-41.5%**	**170.5**	**-37.4%**
Agro	7.2	105.5	-93.2%	86.9	-91.7%
Bio-valorization	15.6	33.5	-53.3%	32.5	-51.9%
Industrial Solutions	35.1	35.1	0.1%	31.0	13.3%
Machines & Technologies	37.7	-	nm	11.6	226.1%
T-Power	11.1	8.6	29.6%	8.6	29.6%
EBIT adjusting items	**-0.7**	**9.6**	**nm**	**9.7**	**nm**
EBIT	**106.2**	**192.1**	**-44.7%**	**180.2**	**-41.1%**

AGRO					
Million EUR	HY23	HY22	% Change as reported	HY22 Pro Forma	% Change compared to Pro Forma figures
Revenue	443.5	546.0	-18.8%	546.0	-18.8%
Adjusted EBITDA	43.5	121.6	-64.2%	121.6	-64.2%
Adjusted EBITDA margin	9.8%	22.3%		22.3%	
Adjusted EBIT	7.2	105.5	-93.2%	86.9	-91.7%
Adjusted EBIT margin	1.6%	19.3%		15.9%	

The HY23 Agro revenue decreased by -18.8%, impacted by a decrease of volumes combined with lower selling prices.

The Adjusted EBITDA decreased to 43.5 million EUR compared to 121.6 million EUR in prior year (-64.2%). The Adjusted EBITDA of Crop Vitality, Tessenderlo Kerley International and Violleau decreased because of lower sales volumes, while margins were under pressure following lower selling prices in combination with higher valued stock.

The Adjusted EBITDA of NovaSource increased thanks to the contribution of the in 2H22 acquired Lannate® product line.

BIO-VALORIZATION					
Million EUR	HY23	HY22	% Change as reported	HY22 Pro Forma	% Change compared to Pro Forma figures
Revenue	375.2	376.8	-0.4%	376.8	-0.4%
Adjusted EBITDA	34.8	50.2	-30.6%	50.2	-30.6%
Adjusted EBITDA margin	9.3%	13.3%		13.3%	
Adjusted EBIT	15.6	33.5	-53.3%	32.5	-51.9%
Adjusted EBIT margin	4.2%	8.9%		8.6%	

HY23 Bio-valorization revenue remained stable compared to prior year. Lower sales volumes and a decrease of the fat market prices could be offset by higher sales prices for gelatin products, which were increased compared to HY22 to compensate the higher raw material, energy, and transportation costs.

The HY23 Adjusted EBITDA decreased compared to prior year (-30.6%). Lower sales volumes, less favorable market circumstances for fats, as well as start-up expenses for the newly acquired operations by Akiolis Iberia (Spain) negatively impacted the result.

INDUSTRIAL SOLUTIONS					
Million EUR	HY23	HY22	% Change as reported	HY22 Pro Forma	% Change compared to Pro Forma figures
Revenue	384.7	380.3	1.1%	380.3	1.1%
Adjusted EBITDA	52.8	48.2	9.6%	48.2	9.6%
Adjusted EBITDA margin	13.7%	12.7%		12.7%	
Adjusted EBIT	35.1	35.1	0.1%	31.0	13.3%
Adjusted EBIT margin	9.1%	9.2%		8.2%	

Industrial Solutions revenue remained stable in HY23. Despite challenging market conditions, DYKA Group revenue remained stable in HY23 thanks to an improved product mix, the contribution of the production plant in Gaillon (France) acquired in 2H22 and higher sales prices compared to HY22 (during 2022 price increases were implemented to compensate the higher raw material, energy and transportation costs).

The revenue of moleko decreased, impacted by the expiration of the customer agreement with Barrick Gold at year-end 2022, while the revenue of Kuhlmann Europe increased in HY23, thanks to favorable market circumstances.

The Adjusted EBITDA increased by +4.6 million EUR (or +9.6%). Challenging market conditions led to a lower DYKA Group result while Kuhlmann Europe was positively impacted by favorable market circumstances. Moleko was able to offset the negative impact of the expiration of the customer agreement with Barrick Gold by an improved performance of its other products.

MACHINES & TECHNOLOGIES					
Million EUR	HY23	HY22	% Change as reported	HY22 Pro Forma	% Change compared to Pro Forma figures
Revenue	384.5	-	nm	367.7	4.5%
Adjusted EBITDA	45.2	-	nm	18.4	146.0%
Adjusted EBITDA margin	11.8%	-		5.0%	
Adjusted EBIT	37.7	-	nm	11.6	226.1%
Adjusted EBIT margin	9.8%	-		3.2%	

The HY23 revenue of Machines & Technologies amounted to 384.5 million EUR or +4.5% compared to the HY22 Pro Forma revenue of 367.7 million EUR. Revenue increased in Proferro (foundry and mechanical finishing) and Psicontrol (development and production of electronics), while the revenue of Picanol (weaving machines) decreased as a lower volume could not be fully offset by an increase of sales prices.

The HY23 Adjusted EBITDA increased to 45.2 million EUR (compared to the HY22 Pro Forma Adjusted EBITDA of 18.4 million EUR), thanks to an increase of the results of all three activities. The Adjusted EBITDA of Picanol increased significantly in HY23 compared to HY22, as improved margins were able to offset the lower sales volume in HY23. The HY22 Adjusted EBITDA of Picanol was negatively impacted by rising raw material prices, transportation costs and back order costs which could not be translated into higher sales prices, partially due to the large order book.

T-POWER					
Million EUR	HY23	HY22	% Change as reported	HY22 Pro Forma	% Change compared to Pro Forma figures
Revenue	38.6	36.5	5.8%	36.5	5.8%
Adjusted EBITDA	28.7	27.5	4.2%	27.5	4.2%
Adjusted EBITDA margin	74.3%	75.4%		75.4%	
Adjusted EBIT	11.1	8.6	29.6%	8.6	29.6%
Adjusted EBIT margin	28.7%	23.5%		23.5%	

The revenue of T-Power increased to 38.6 million EUR, thanks to contractual impacts, while the Adjusted EBITDA increased to 28.7 million EUR. These results were in line with expectations, as T-Power nv fulfilled all tolling agreement requirements.

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

Mr. L. Tack (CEO) and Mr. S. Haspeslagh, representative of Findar bv (COO/CFO) certify, on behalf and for the account of the company, that, to their knowledge,

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

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

Condensed consolidated interim financial statements June 30, 2023

1. Condensed consolidated income statement

The Pro forma information shows the impact as if the acquisition of Picanol Group by Tessenderlo Group would have occurred as of January 1, 2022, thereby impacting the statement of financial position per December 31, 2022 and the income statement as from January 1, 2022. These impacts are presented solely for comparison reasons. The 2022 figures of Tessenderlo Group have not been restated. Please refer to note 7 - Acquisitions and disposals.

Million EUR	note	HY23	HY22	HY22 Pro forma
Revenue	6	**1,626.5**	**1,339.6**	**1,707.3**
Cost of sales		-1,291.3	-979.6	-1,317.0
Gross profit		**335.2**	**360.0**	**390.3**
Distribution expenses		-84.4	-76.8	-85.6
Sales and marketing expenses		-48.5	-33.6	-44.0
Administrative expenses		-77.5	-59.2	-74.1
Other operating income and expenses		-17.9	-7.9	-16.0
Adjusted EBIT	6	**106.8**	**182.6**	**170.5**
EBIT adjusting items	8	-0.7	9.6	9.7
EBIT (Profit (+) / loss (-) from operations)		**106.2**	**192.1**	**180.2**
Finance (costs) / income - net	9	1.3	7.9	-21.5
Share of result of equity accounted investees, net of income tax		0.5	2.5	2.5
Profit (+) / loss (-) before tax		**107.9**	**202.6**	**161.3**
Income tax expense	10	-24.6	-39.0	-37.4
Profit (+) / loss (-) for the period		**83.4**	**163.6**	**123.9**
Attributable to:				
- Equity holders of the company		**80.4**	**163.6**	**nm**
- Non-controlling interest	**16**	**2.9**	**-0.0**	**nm**
Basic earnings per share	15	1.27	3.80	nm
Diluted earnings per share	15	1.27	3.80	nm

2. Condensed consolidated statement of comprehensive income

The Pro forma information shows the impact as if the acquisition of Picanol Group by Tessenderlo Group would have occurred as of January 1, 2022, thereby impacting the statement of financial position per December 31, 2022 and the income statement as from January 1, 2022. These impacts are presented solely for comparison reasons. The 2022 figures of Tessenderlo Group have not been restated. Please refer to note 7 - Acquisitions and disposals.

Million EUR	note	HY23	HY22	HY22 Pro forma
Profit (+) / loss (-) for the period		**83.4**	**163.6**	**123.9**
Translation differences		-11.9	28.3	28.6
Net change in fair value of derivative financial instruments, before tax		-0.3	3.7	3.7
Other movements		0.0	-0.0	-
Income tax on other comprehensive income		0.1	-0.9	-0.9
Items of other comprehensive income that are or may be reclassified subsequently to profit or loss		**-12.1**	**31.0**	**31.4**
Remeasurements of the net defined benefit liability, before tax	18	0.9	28.2	28.2
Income tax on other comprehensive income		0.2	-4.1	-4.1
Items of other comprehensive income that will not be reclassified subsequently to profit or loss		**1.1**	**24.1**	**24.1**
Other comprehensive income for the period, net of income tax		**-11.0**	**55.2**	**55.5**
Total comprehensive income		**72.3**	**218.8**	**179.4**
Attributable to:				
- Equity holders of the company		68.6	218.6	nm
- Non-controlling interest		3.7	0.1	nm

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial

3. Condensed consolidated statement of financial position

The Pro forma information shows the impact as if the acquisition of Picanol Group by Tessenderlo Group would have occurred as of January 1, 2022, thereby impacting the statement of financial position per December 31, 2022 and the income statement as from January 1, 2022. These impacts are presented solely for comparison reasons. The 2022 figures of Tessenderlo Group have not been restated. Please refer to note 7 - Acquisitions and disposals.

Million EUR	note	30/06/2023	31/12/2022	31/12/2022 Pro forma
ASSETS				
Total non-current assets		**1,623.9**	**1,147.5**	**1,679.4**
Property, plant and equipment	12	1,131.8	888.7	1,091.6
Goodwill		32.1	32.1	32.5
Intangible assets	12	324.7	107.0	357.6
Investments accounted for using the equity method		26.1	26.2	26.2
Other investments and guarantees	6	16.0	10.9	86.0
Deferred tax assets		17.4	18.2	19.5
Trade and other receivables		25.8	14.5	16.1
Long term investments	17	50.0	50.0	50.0
Total current assets		**1,440.6**	**1,153.3**	**1,412.3**
Inventories	13	665.5	566.9	674.4
Trade and other receivables	13	539.7	412.9	518.7
Current tax assets	10	14.7	16.8	23.2
Derivative financial instruments	19	0.1	0.6	0.6
Cash and cash equivalents	14/17	220.7	156.1	195.4
Assets classified as held for sale		**0.2**	**-**	**0.2**
Total assets		**3,064.7**	**2,300.9**	**3,091.9**
EQUITY AND LIABILITIES				
Total equity		**1,950.5**	**1,403.2**	**1,909.6**
Equity attributable to equity holders of the company		**1,934.4**	**1,401.8**	**1,908.1**
Issued capital		428.3	216.2	428.3
Share premium		1,743.6	238.0	1,743.6
Reserves and retained earnings		-237.5	947.6	-263.8
Non-controlling interest		**16.2**	**1.5**	**1.5**
Total liabilities		**1,114.1**	**897.6**	**1,182.4**
Total non-current liabilities		**502.2**	**444.0**	**541.8**
Loans and borrowings	17	193.4	209.3	212.1
Employee benefits	18	42.1	40.1	43.1
Provisions		115.7	121.3	121.3
Trade and other payables		7.7	6.9	6.9
Derivative financial instruments	19	4.3	10.1	10.1
Deferred tax liabilities		138.9	56.3	148.3
Total current liabilities		**612.0**	**453.6**	**640.6**
Bank overdrafts	17	0.0	0.1	0.1
Loans and borrowings	17	64.0	56.2	58.7
Trade and other payables	13	523.6	383.2	561.9
Derivative financial instruments	19	3.2	1.6	1.6
Current tax liabilities	10	3.2	1.9	3.7
Employee benefits	18	1.2	0.7	1.3
Provisions		16.6	9.8	13.3
Total equity and liabilities		**3,064.7**	**2,300.9**	**3,091.9**

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial

4. Condensed consolidated statement of changes in equity

Million EUR	note	Issued capital	Share premium	Legal reserves	Translation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance at January 1, 2023		**216.2**	**238.0**	**21.6**	**-66.8**	**2.7**	**990.0**	**1,401.8**	**1.5**	**1,403.2**
Profit (+) / loss (-) for the period		-	-	-	-	-	80.4	80.4	2.9	83.4
Other comprehensive income										
- Translation differences		-	-	-	-12.7	-	-	-12.7	0.8	-11.9
- Remeasurements of the net defined benefit liability, net of tax	18	-	-	-	-	-	1.1	1.1	-	1.1
- Net change in fair value of derivative financial instruments, net of tax		-	-	-	-	-0.2	-	-0.2	-	-0.2
- Other movements		-	-	-	-	-	-	0.0	0.0	0.0
Comprehensive income, net of income taxes		**0.0**	**0.0**	**0.0**	**-12.7**	**-0.2**	**81.5**	**68.6**	**3.7**	**72.3**
Transactions with owners, recorded directly in equity										
- Capital increases Tessenderlo Group nv	7	212.0	1,505.6	-	-	-	-	1,717.7	-	1,717.7
- Reserves related to Picanol acquisition	7	-	-	-	5.5	-	-329.7	-324.2	-	-324.2
- Own shares following Picanol acquisition	7						-887.3	-887.3	-	-887.3
- (Repurchase)/disposal of own shares	15	-	-	-	-	-	-10.1	-10.1	-	-10.1
- Dividends paid to shareholders	15	-	-	-	-	-	-47.6	-47.6	-	-47.6
- Capital increase by non-controlling interest	16	-	-	-	-	-	-	0.0	1.5	1.5
- Changes in non-controlling interest without loss of control	7/16	-	-	-	5.6	-	9.8	15.4	9.5	24.9
Total contributions by and distributions to owners		**212.0**	**1,505.6**	**0.0**	**11.1**	**0.0**	**-1,264.9**	**464.0**	**11.0**	**475.0**
Balance at June 30, 2023		**428.3**	**1,743.6**	**21.6**	**-68.3**	**2.5**	**-193.3**	**1,934.4**	**16.2**	**1,950.5**

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial statements.

Million EUR	Issued capital	Share premium	Legal reserves	Translation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance at January 1, 2022	**216.2**	**238.0**	**21.6**	**-81.2**	**-1.6**	**737.1**	**1,130.0**	**1.3**	**1,131.4**
Profit (+) / loss (-) for the period	-	-	-	-	-	163.6	163.6	-0.0	163.6
Other comprehensive income									
- Translation differences	-	-	-	28.1	-	-	28.1	0.1	28.3
- Remeasurements of the net defined benefit liability, net of tax	-	-	-	-	-	24.1	24.1	-	24.1
- Net change in fair value of derivative financial instruments, net of tax	-	-	-	-	2.8	-	2.8	-	2.8
- Other movements	-	-	-	-	-	-	0.0	-0.0	-0.0
Comprehensive income, net of income taxes	**0.0**	**0.0**	**0.0**	**28.1**	**2.8**	**187.7**	**218.6**	**0.1**	**218.8**
- (Repurchase)/disposal of own shares	-	-	-	-	-	3.3	3.3	-	3.3
Total contributions by and distributions to owners	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.3**	**3.3**	**0.0**	**3.3**
Balance at June 30, 2022	**216.2**	**238.0**	**21.6**	**-53.1**	**1.1**	**928.2**	**1,352.0**	**1.5**	**1,353.5**

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial statements.

5. Condensed consolidated statement of cash flows

The Pro forma information shows the impact as if the acquisition of Picanol Group by Tessenderlo Group would have occurred as of January 1, 2022, thereby impacting the statement of financial position per December 31, 2022 and the income statement as from January 1, 2022. These impacts are presented solely for comparison reasons. The 2022 figures of Tessenderlo Group have not been restated. Please refer to note 7 - Acquisitions and disposals.

Million EUR	note	30/06/2023	30/06/2022	30/06/2022 Pro forma
OPERATING ACTIVITIES				
Profit (+) / loss (-) for the period		**83.4**	**163.6**	**123.9**
Depreciation and amortization on tangible assets and intangible assets	6	98.3	65.0	95.4
Changes in provisions		-3.0	-3.5	-4.3
Finance (costs) / income - net		-1.3	-7.9	21.5
Loss / (profit) on sale of non-current assets		0.1	-0.5	-0.5
Share of result of equity accounted investees, net of income tax		-0.5	-2.5	-2.5
Income tax expense	10	24.6	39.0	37.4
Other non-cash items		-3.4	0.1	0.1
Changes in inventories	13	8.4	-59.8	-88.2
Changes in trade and other receivables	13	-22.5	-81.9	-88.7
Changes in trade and other payables	13	-43.0	22.0	47.9
Change in accounting estimates - inventory write off	6	-3.8	1.4	6.5
Net change in emission allowances recognized within intangible assets		-4.7	0.1	0.1
Revaluation electricity forward contracts	19	-2.4	-5.1	-5.1
Cash generated from operations		**130.1**	**129.8**	**143.5**
Income tax paid	10	-22.2	-32.4	-39.8
Cash flow from operating activities		**107.9**	**97.3**	**103.7**
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment and intangible assets	6/12	-97.9	-59.3	-67.8
Acquisition of businesses, net of cash acquired	7	39.3	-	-
Acquisition of shares of other investments		-	-	-1.6
Proceeds from the sale of property, plant and equipment		0.2	0.6	0.6
Dividends received from other investments		0.8	0.0	1.3
Proceeds from the sale of other investments	9	80.7	-	-
Proceeds from sale of short term investments	14/17	-	10.0	10.0
Cash flow from investing activities		**23.2**	**-48.7**	**-57.5**
FINANCING ACTIVITIES				
Repurchase of own shares		-8.2	-0.6	-4.0
Proceeds from the sale of shares to a non-controlling interest	7	9.1	-	-
Payment of lease liabilities	17	-10.0	-10.2	-11.0
Proceeds from new borrowings	17	5.2	30.0	32.0
Reimbursement of borrowings	17	-20.3	-49.6	-49.8
Interest paid	9	-4.3	-4.1	-5.5
Interest received		4.8	0.2	2.4
Other finance costs paid		-2.0	-1.1	-1.2
Decrease/(increase) of long term receivables		0.2	0.5	0.5
Dividends paid to shareholders	15	-39.9	-	-3.5
Cash flow from financing activities		**-65.4**	**-35.0**	**-40.1**
Net increase / (decrease) in cash and cash equivalents	**14/17**	**65.6**	**13.6**	**6.1**
Effect of exchange rate differences	14/17	-1.0	3.6	4.1
Cash and cash eq. less bank overdrafts at the beginning of the period	14/17	156.0	320.2	366.7
Cash and cash eq. less bank overdrafts at the end of the period	14/17	220.7	337.4	376.9

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial statements

6. Notes to the condensed consolidated interim financial statements

1. Reporting entity
2. Statement of compliance
3. Significant accounting policies
4. Critical accounting estimates and judgments
5. Risks and uncertainties
6. Segment reporting
7. Acquisitions and disposals
8. EBIT adjusting items
9. Finance costs and income
10. Income tax expense
11. Seasonality of operations
12. Property, plant and equipment and intangible assets
13. Working capital
14. Cash and cash equivalents
15. Equity and earnings per share
16. Non-controlling interest
17. Loans and borrowings
18. Employee benefits
19. Financial instruments
20. Contingencies
21. Related parties
22. Subsequent events

1. Reporting entity

Tessenderlo Group nv (hereafter referred to as “the company”), the parent company, is a company domiciled in Belgium. The condensed consolidated interim financial statements for the six month period ended June 30, 2023 comprises the company and its subsidiaries (together referred to as “the group”) and the group’s interests in jointly controlled entities.

2. Statement of compliance

These condensed consolidated interim financial statements for the six month period ended June 30, 2023 have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting, as adopted for use by the European Union. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group, as well as with the consolidated financial statements of Picanol Group, as at and for the year ended December 31, 2022 which have been prepared in accordance with IFRS.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 23, 2023. These condensed consolidated interim financial statements were reviewed, not audited.

3. Significant accounting policies

The accounting policies used by the group in the present condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended December 31, 2022, and are in accordance with IAS 34 Interim Financial Reporting.

There are no new or amended standards or interpretations that are effective for the first time for the interim report for the six month period ended June 30, 2023 that had a significant impact on the condensed consolidated interim financial statements.

For the six month period ended June 30, 2023, the group has not early adopted any standard, interpretation or amendment that has been issued, but is not yet effective. The group is currently assessing the new rules, and at this stage, is not expecting any of these new rules to have a significant impact on the financial statements of the group.

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

EXCHANGE RATES					
	Closing rate			Average rate	
1 EUR equals :	30/06/2023	31/12/2022	30/06/2022	30/06/2023	30/06/2022
Brazilian real	5.2788	5.6386	5.4229	5.4827	5.5565
Chinese yuan	7.8983	7.3582	6.9624	7.4894	7.0823
Costa Rican colón	591.0500	632.8700	716.4800	592.3262	715.8918
Czech crown	23.7420	24.1160	24.7390	23.6873	24.6485
Indian Rupee	89.2065	88.1710	82.1130	88.8443	83.3179
Indonesian Rupiah	16,384.5400	16,519.8200	15,552.0000	16,275.0914	15,798.5510
Mexican Peso	18.5614	20.8560	20.9641	19.6457	22.1653
Polish zloty	4.4388	4.6808	4.6904	4.6244	4.6354
Pound sterling	0.8583	0.8869	0.8582	0.8764	0.8424
Romanian leu	4.9635	4.9495	4.9464	4.9342	4.9457
Swiss franc	0.9788	0.9847	0.9960	0.9856	1.0319
Turkish lira	28.3193	19.9649	17.3220	21.5662	16.2579
US dollar	1.0866	1.0666	1.0387	1.0807	1.0934

4. Critical accounting estimates and judgments

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

The areas of judgements, estimates and assumptions used in preparing the condensed consolidated interim financial statements for June 30, 2023 are the same as those applied and disclosed in the consolidated financial statements at December 31, 2022.

5. Risks and uncertainties

Under the explicit understanding that this is not an exhaustive list, the main risk factors and uncertainties for the group for the second semester of 2023 are listed below. Additional risks of which the group is not aware may possibly exist. There may also be risks that the group currently believes to be unimportant, but which can still have an adverse effect. The order in which the individual risks are presented is neither indicative of their likelihood to occur, nor of the severity or significance of the individual risks. Please note that in the 2022 annual report additional risks were included. For a more detailed overview of the major risks for the group, we refer to the 2022 annual report.

Political risk

The current conflict in Eastern Europe and the subsequent economic and financial sanctions imposed could negatively affect the supply of MOP (muriate of potash). MOP is the key raw material used for the production of SOP (sulfate of potash) fertilizers that are produced at Tessenderlo Kerley Ham (Belgium), within the Agro segment. The group sourced MOP from Russia and Belarus before the introduction of sanctions. In HY23, the supply of MOP was provided by alternative sources.

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

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

The group is exposed to climate risks

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

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

The group is exposed to the risk of information technology failures

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

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

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

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

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

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

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

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

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

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

The group is exposed to an energy off-take agreement.

The group sold the majority of its PVC/Chlor-Alkali activities in the third quarter of 2011. The electricity purchase agreement relating to that activity was not part of the sale transaction and therefore the group is still under an obligation to purchase certain quantities of electricity. As the group no longer needs the electricity for its own use, it needs to sell the electricity on the market until the end of the contract. The value of the contract is depending on the current and future difference between market electricity prices and the generation cost based on market gas prices, and on the effect of the hourly pricing optimization as foreseen in the contract. Based on today's electricity prices and the current price of electricity futures, the contract has a negative value in the condensed consolidated interim financial statements as per June 30, 2023 (-5.6 million EUR).

The group's results are sensitive to commodity prices.

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

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

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

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

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

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

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

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

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

Risk related to the development of the economic and business cycle

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

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

We refer to note 26 - Financial instruments of the 2022 consolidated financial statements for more detailed information on the group's exposure to financial risks and its risk management policies.

Credit risk

The maximum exposure to credit risk amounts to 845.8 million EUR as of June 30, 2023 (year-end 2022: 643.8 million EUR). This amount mainly consists of current and non-current trade and other receivables (565.5 million EUR), the loans granted (9.6 million EUR, included within "Other investments and guarantees"), long term investments (50.0 million EUR), current derivative financial instruments (0.1 million EUR), and cash and cash equivalents (220.7 million EUR).

Liquidity risk

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

- a factoring program, set up at the end of 2009, and which was put on hold since 2015.
- a Belgian commercial paper program of maximum 200.0 million EUR (no amount outstanding as per June 30, 2023 nor at December 31, 2022).
- Committed bi-lateral agreements with four banks for a total amount of 250.0 million EUR (of which part can be drawn in USD) till 2027. These committed bi-lateral agreements have no financial covenants and ensure maximum flexibility for the different activities. As per June 30, 2023 none of these credit lines were used.
- 2 credit facilities have been drawn in 2022, each of 30.0 million EUR, with a maturity of 5 years (February 2027) and 7 years (April 2029). These loans contain no financial covenants.

Currency risk

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

Interest risk

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

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

The T-Power nv loan (77.2 million EUR as per June 30, 2023) is a variable interest rate instrument, for approximately 80% hedged through a series of interest rate swaps.

6. Segment reporting

The group has 5 operating segments based on the principal business activities, economic environments and value chains in which they operate, as defined under IFRS 8 Operating Segments. The information provided below is consistent with the information that is available and evaluated regularly by the Chief Operating Decision Maker (the Executive Committee).

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

- "Agro" - includes production, trading and distribution of crop nutrients and crop protection products and includes the following businesses: Crop Vitality, Tessenderlo Kerley International, NovaSource and Violleau. These activities individually meet the definition of a business segment and were aggregated under the operating segment "Agro" in line with the stipulations under IFRS 8.12. This aggregation was possible because these activities sell the same or similar products, their production process is similar and these activities have the same or the same type of customers, while the distribution method of the products is also similar. In addition, there is close cooperation between these activities and management makes decisions that simultaneously have an impact on the various activities.
- "Bio-valorization" - includes collecting and processing of animal by-products; production and distribution of gelatins and collagen peptides and rendering, production and sales of proteins and fats and includes the following businesses: PB Leiner and Akiolis. These activities individually meet the definition of a business segment and were aggregated under the segment "Bio-valorization" in line with the stipulations under IFRS 8.12. This aggregation was possible because these activities sell the same or similar products, their production process is similar and these activities have the same or the same type of customers, while the distribution method of the products is also similar. In addition, there is close cooperation between these activities and management makes decisions that simultaneously have an impact on the various activities.
- "Industrial Solutions" - includes all possible water applications (water transport, water treatment, leaching, recovery of water from industrial processes). This segment includes the following distinguishable commercial names: DYKA Group (with DYKA, JDP and BT Nyloplast), moleko and Kuhlmann Europe. These components are not considered to be separate operating segments.

- “Machines & Technologies”: covers the production, development and sale of high-tech weaving machines and other “original equipment manufacturers” industrial products. This segment includes Picanol (weaving machines), Proferro (foundry and mechanical finishing) and Psicontrol (Electronics development and production) activities. These components are not considered to be separate operating segments.
- “T-Power” - includes a gas-fired 425 MW power plant in Tessenderlo (Belgium). A tolling agreement was concluded with RWE group for a period of 15 years (until mid-year 2026) for the full capacity of the plant, with an optional 5-year extension thereafter.

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

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

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

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

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

The major line items of the income statement and statement of financial position are shown per operating segment in the table below. The income statement information is for the six month period ended June 30, while information from the statement of financial position is compared to December 31, 2022 figures. The Pro forma information shows the impact as if the acquisition of Picanol Group by Tessenderlo Group would have occurred as of January 1, 2022, thereby impacting the statement of financial position per December 31, 2022 and the income statement as from January 1, 2022. These impacts are presented solely for comparison reasons. The 2022 figures of Tessenderlo Group have not been restated.

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The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial statements

Million EUR	Agro			Bio-valorization			Industrial Solutions		
	2023	2022	2022 Pro forma	2023	2022	2022 Pro forma	2023	2022	2022 Pro forma
Revenue (internal and external)	444.7	546.8	546.8	377.4	380.5	380.5	386.5	381.0	381.0
Less: Revenue (internal)	1.2	0.9	0.9	2.2	3.7	3.7	1.8	0.7	0.7
Revenue	**443.5**	**546.0**	**546.0**	**375.2**	**376.8**	**376.8**	**384.7**	**380.3**	**380.3**
Adjusted EBIT	**7.2**	**105.5**	**86.9**	**15.6**	**33.5**	**32.5**	**35.1**	**35.1**	**31.0**
Adjusted EBITDA	**43.5**	**121.6**	**121.6**	**34.8**	**50.2**	**50.2**	**52.8**	**48.2**	**48.2**
Return on revenue (Adjusted EBITDA/revenue)	**9.8%**	**22.3%**	**22.3%**	**9.3%**	**13.3%**	**13.3%**	**13.7%**	**12.7%**	**12.7%**
Non-current segment assets excluding fair value adjustments recognized by Picanol Group	304.0	301.0	301.0	291.3	266.1	266.1	216.2	200.7	200.7
Impact of fair value adjustments recognized by Picanol Group	246.6	-	269.9	14.9	-	16.0	54.4	-	58.5
Current segment assets	395.7	450.3	450.3	326.2	294.7	294.7	245.8	232.5	232.5
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	24.5	24.7	24.7	1.7	1.5	1.5	-	-	-
Other investments and guarantees	-	-	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-
Long term investments	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	**970.8**	**775.9**	**1,045.8**	**634.1**	**562.3**	**578.2**	**516.4**	**433.2**	**491.7**
Segment liabilities	122.3	144.1	144.1	160.6	168.0	168.0	113.3	96.5	96.5
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Loans and borrowings	-	-	-	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Total equity	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	**122.3**	**144.1**	**144.1**	**160.6**	**168.0**	**168.0**	**113.3**	**96.5**	**96.5**
Capital expenditures: property, plant and equipment and intangible assets	20.6	27.4	27.4	38.8	18.5	18.5	22.8	13.1	13.1
Depreciation and amortization on property, plant and equipment and intangible assets excluding fair value adjustments recognized by Picanol Group	-18.0	-16.2	-16.2	-18.2	-16.7	-16.7	-13.7	-13.2	-13.2
Depreciation and amortization on property, plant and equipment and intangible assets of fair value adjustments recognized by Picanol Group	-18.4	-	-18.6	-1.0	-	-1.0	-4.1	-	-4.1
Reversal/(additional) inventory write-offs	4.8	-0.2	-0.2	-3.6	-1.0	-1.0	-0.3	-0.2	-0.2

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial statements.

Million EUR	Machines & Technologies			T-Power			Non-allocated			Tessenderlo Group		
	2023	2022	2022 Pro forma	2023	2022	2022 Pro forma	2023	2022	2022 Pro forma	2023	2022	2022 Pro forma
Revenue (internal and external)	384.5	-	367.7	38.6	36.5	36.5	-	-	-	1,631.7	1,344.9	1,712.6
Less: Revenue (internal)	-	-	-	-	-	-	-	-	-	5.2	5.3	5.3
Revenue	**384.5**	**0.0**	**367.7**	**38.6**	**36.5**	**36.5**	-	-	-	**1,626.5**	**1,339.6**	**1,707.3**
Adjusted EBIT	**37.7**	**0.0**	**11.6**	**11.1**	**8.6**	**8.6**	-	-	-	**106.8**	**182.6**	**170.5**
Adjusted EBITDA	**45.2**	**0.0**	**18.4**	**28.7**	**27.5**	**27.5**	-	-	-	**205.1**	**247.6**	**266.0**
Return on revenue (Adjusted EBITDA/revenue)	**11.8%**	-	**5.0%**	**74.3%**	**75.4%**	**75.4%**	-	-	-	**12.6%**	**18.5%**	**15.6%**
Non-current segment assets excluding fair value adjustments recognized by Picanol Group	97.0	-	88.8	226.4	244.0	244.0	16.9	16.1	16.1	1,152.0	1,027.8	1,116.7
Impact of fair value adjustments recognized by Picanol Group	-	-	-	-	-	-	20.6	-	20.6	336.6	0.0	365.0
Current segment assets	229.3	-	221.5	3.2	4.7	4.7	45.6	29.0	29.0	1,245.8	1,011.1	1,232.6
Derivative financial instruments	-	-	-	-	-	-	0.1	0.6	0.6	0.1	0.6	0.6
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	26.1	26.2	26.2
Other investments and guarantees	-	-	-	-	-	-	16.0	10.9	86.0	16.0	10.9	86.0
Deferred tax assets	-	-	-	-	-	-	17.4	18.2	19.5	17.4	18.2	19.5
Long term investments	-	-	-	-	-	-	50.0	50.0	50.0	50.0	50.0	50.0
Cash and cash equivalents	-	-	-	-	-	-	220.7	156.1	195.4	220.7	156.1	195.4
Total assets	**326.4**	**0.0**	**310.3**	**229.7**	**248.7**	**248.8**	**387.3**	**280.8**	**417.2**	**3,064.7**	**2,300.9**	**3,091.9**
Segment liabilities	156.3	-	187.4	12.3	8.9	8.9	145.2	146.5	146.5	710.2	564.0	751.4
Derivative financial instruments	-	-	-	-	-	-	7.6	11.7	11.7	7.6	11.7	11.7
Loans and borrowings	-	-	-	-	-	-	257.4	265.5	270.8	257.4	265.5	270.8
Bank overdrafts	-	-	-	-	-	-	0.0	0.1	0.1	0.0	0.1	0.1
Deferred tax liabilities	-	-	-	-	-	-	138.9	56.3	148.3	138.9	56.3	148.3
Total equity	-	-	-	-	-	-	1,950.5	1,403.2	1,909.6	1,950.5	1,403.2	1,909.6
Total Equity and Liabilities	**156.3**	**0.0**	**187.4**	**12.3**	**8.9**	**8.9**	**2,499.7**	**1,883.4**	**2,487.0**	**3,064.7**	**2,300.9**	**3,091.9**
Capital expenditures: property, plant and equipment and intangible assets	14.9	-	8.6	-	-	-	0.8	0.4	0.4	97.9	59.3	67.8
Depreciation and amortization on property, plant and equipment and intangible assets excluding fair value adjustments recognized by Picanol Group	-7.5	-	-6.8	-17.6	-19.0	-19.0	-	-	-	-74.9	-65.0	-71.9
Depreciation and amortization on property, plant and equipment and intangible assets of fair value adjustments recognized by Picanol Group	-	-	-	-	-	-	-	-	-	-23.4	-	-23.7
Reversal/(additional) inventory write-offs	3.0	-	-5.1	-	-	-	-	-	-	3.8	-1.4	-6.5

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial statements.

Following the acquisition of Picanol Group (note 7 - Acquisitions and disposals), the non-current segment assets are impacted by the remaining amount of acquisition accounting adjustments (336.6 million EUR as per HY23), which were recognized by Picanol Group on the date of initial consolidation of Tessenderlo Group (January 1, 2019). These fair value adjustments were recognized on property, plant and equipment, intangible assets and goodwill. The decrease compared to the 2022 Pro forma figures (365.0 million EUR) is explained by the half yearly amortization and depreciation charges.

The increase of the non-current segment assets within the operating segment Bio-valorization can mainly be explained by the acquisition of the real estate and production assets of a former rendering company in Ribera d'Ondara (Spain) by Akiolis Iberia S.L. (note 7 - Acquisitions and disposals, note 12 - Property, plant & equipment and intangible assets) as well as the acquisition of production assets for the fish collagen peptides plant in Hainan (China) by PB Leiner (Hainan) Biotechnology Co Ltd. (note 12 - Property, plant & equipment and intangible assets). The decrease of the non-current segment assets within the operating segment T-Power is mainly due to the amortization and depreciation of the fair value adjustments within T-Power nv, fully acquired in 2018. The remaining net book value of the customer list recognized amounts to 63.4 million EUR per June 30, 2023 and the half yearly amortization charge amounts to -10.6 million EUR. The increase of the non-current segment assets, compared to the Pro forma figures, within the operating segment Machines & Technologies is mainly related the new headquarter office in Ieper (Belgium), which is currently under construction.

The current segment assets of the operating segment Agro were impacted by a lower inventory, while the current segment assets of the operating segment Bio-valorization were impacted by a combination of a higher level of inventory compared to year-end 2022 as well as price inflation.

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

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

	Revenue by market			Non-current segment assets		
Million EUR	**30/06/2023**	**30/06/2022**	**30/06/2022 Pro forma**	**30/06/2023**	**31/12/2022**	**31/12/2022 Pro forma**
Europe	895.4	717.0	816.0	960.5	760.4	931.2
North-America	448.7	473.2	485.1	451.2	217.0	475.6
South-America	49.3	60.6	67.5	62.3	45.0	64.1
Asia	205.2	51.1	298.3	14.5	5.4	10.8
Rest of the world	28.0	37.7	40.4	-	-	-
Tessenderlo Group	**1,626.5**	**1,339.6**	**1,707.3**	**1,488.6**	**1,027.8**	**1,481.7**

7. Acquisitions and disposals

Acquisition of Picanol Group

On July 8, 2022, Tessenderlo Group and Picanol Group announced their intention to combine the industrial activities of both companies into one large industrial group. Since 2013, Picanol Group had a reference interest in Tessenderlo Group, and since 2019, Tessenderlo Group was fully consolidated in the results of Picanol Group. On the announcement date, Picanol Group, through its wholly owned subsidiary Verbrugge nv, held 21,860,003 (50.65%) shares in Tessenderlo Group to which 62.89% of the voting rights were attached.

Partly based on corporate opportunity considerations, it was considered by both companies advisable to be able to manage the group in the future as one integrated group with one stock exchange listing and one Board of Directors, which would also provide additional liquidity to the shareholders of Picanol Group. To this end, Tessenderlo Group shares would be offered to Picanol Group shareholders for their shares through an exchange offer.

The capital increase by contribution in kind of shares in the company Picanol nv within the framework of the voluntary public exchange offer was approved by the extraordinary general shareholders meeting on October 18, 2022.

Following this approval, Tessenderlo Group launched a voluntary public exchange offer for all shares issued by Picanol Group. More specifically, all Picanol Group shareholders were offered the opportunity to exchange their Picanol Group shares for new shares in Tessenderlo Group. The exchange ratio was 2.36 new shares in Tessenderlo Group per tendered share in Picanol Group.

During the initial acceptance period, 17,554,604 Picanol Group shares were tendered to the exchange offer. The payment of the offer price, consisting of the new shares in Tessenderlo Group and the cash consideration for the fractions of the new shares, took place on January 2, 2023. On that date Tessenderlo Group issued 41,428,134 new shares and increased its issued capital and share premium by 207,579,351 EUR and 1,473,988,607 EUR respectively. The new shares were listed on Euronext Brussels on January 2, 2023. Consequently, Tessenderlo Group owned 97.90% of the shares in Picanol Group as of January 2, 2023.

In January 2023, Tessenderlo Group mandatorily reopened its voluntary public exchange offer for all shares of Picanol Group. During this reopening, 255,735 additional Picanol Group shares were tendered to the exchange offer. Consequently, Tessenderlo Group held 99.32% of the shares of Picanol Group. The payment of the offer price, consisting of the new shares in Tessenderlo Group and the cash consideration for the fractions of the new shares, took place in February 2023. Tessenderlo Group issued 603,307 new shares and increased its issued capital and share premium by 3,022,923 EUR and 21,465,308 EUR respectively. The new shares were listed on Euronext Brussels on February 10, 2023.

Since Tessenderlo Group, together with persons acting in concert with him, held more than 95% of the shares in Picanol Group and has acquired at least 90% of the shares that were the subject of the exchange offer, Tessenderlo Group was able to oblige the remaining shareholders of Picanol Group to exchange their shares at the offer price. Tessenderlo Group therefore decided to proceed with a final reopening of the exchange offer for acceptance to acquire the remaining 121,427 Picanol Group shares. The reopening had the effect of a simplified squeeze-out.

In February 2023, Tessenderlo Group reopened its public exchange offer for all remaining shares of Picanol Group. The reopening as a simplified squeeze-out resulted in the delisting of Picanol Group by Euronext on March 3, 2023, after close of trading. During this reopening, 90,695 additional Picanol Group shares were tendered to the exchange offer, while 30,732 shares remained untendered. Since the bid was reopened as a simplified squeeze-out offer, the remaining shares of Picanol nv that were not tendered in the Exchange Offer prior to closing of the final acceptance period were transferred to the Bidder by force of law and the relevant shareholders will have to request payment of the offer price for their shares at the Deposit and Consignment Office. The payment of the offer price, consisting of the new shares in Tessenderlo Group and the cash consideration for the fractions of the new shares, took place in March 2023. Tessenderlo Group issued 286.342 new shares and increased its issued capital and share premium by 1,434,742 EUR and 10,187,880 EUR respectively. The new shares were listed on Euronext Brussels on March 17, 2023. Consequently, Tessenderlo Group holds 100% of the shares of Picanol Group.

As from January 2023 Picanol Group is fully consolidated in the results of Tessenderlo Group.

Management of the group considered that the accounting policy, to be adopted by the group with respect to the contribution in the consolidated financial statements of the group prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, is not in scope of IFRS 3 as:

- if the group would be viewed as the accounting acquirer of Picanol Group, the transaction meets the definition of a business combination, but is excluded from the scope of IFRS 3 as it incorporates a business combination between entities under common control and;
- if the group is not viewed as the accounting acquirer, the contribution is not a business combination as Picanol Group is already controlling Tessenderlo Group before the contribution and will not obtain control as a result of the contribution.

The transaction is assessed to be a ‘common control’ transaction as the control before and after the transaction remains ultimately in the hands of the same majority shareholder (Mr. Luc Tack).

As a result, the group concluded that the contribution is outside the scope of IFRS 3, and concluded that there are no IFRS requirements that specifically apply to the contribution. Consequently the group considered the requirements of IAS 8.10-12 to develop the following accounting policies for the contribution:

- Assets and liabilities are measured at their carrying amounts as reported in the financial statements of Picanol Group as before the transaction, including the acquisition accounting adjustments applied by Picanol Group on Tessenderlo Group on January 1, 2019 and the related goodwill as a result of the acquisition. This implies that assets and liabilities will reconcile with the published consolidated financial statements of Picanol Group for the year ended December 31, 2022. In the absence of IFRS principles, management considered US GAAP guidance ASC 805-50-30-5 in this respect which states: "*When accounting for a transfer of assets or exchange of shares between entities under common control, the entity that receives the net assets or the equity interests shall initially measure the recognized assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of transfer. If the carrying amounts of the assets and liabilities transferred differ from the historical cost of the parent of the entities under common control, for example, because pushdown accounting had not been applied, then the financial statements of the receiving entity shall reflect the transferred assets and liabilities at the historical cost of the parent of the entities under common control*". The acquisition accounting adjustments applied by Picanol Group on Tessenderlo Group on January 1, 2019 relate to:

  - Fair value adjustments on property, plant and equipment
  - Recognition of goodwill
  - Fair value adjustments on intangible assets
  - Fair value adjustments on an interest-bearing financial liability
  - Deferred tax liabilities as a result of the fair value adjustments described above

  The impact of the purchase price allocation adjustments on the consolidated income statement relate to:

  - Additional annual amortization and depreciation expenses of the fair value adjustments recorded on the non-current assets described above.
  - Adjustment to the interest expense of an interest-bearing financial liability as described above.
  - Deferred taxes as a result of the adjustments described above

  These adjustments in its nature will have a continuing impact on the consolidated income statement of Tessenderlo group, but the amounts will change over time.

- The total amount of equity is measured as the one reported in note 31 - Subsequent events in the published consolidated financial statements of Tessenderlo Group for the year ended December 31, 2022 (1,919.2 million EUR), after including a -9.7 million EUR adjustment related to the goodwill which Picanol Group allocated to the operating segment T-Power. In 2022, Tessenderlo Group recognized an impairment loss for an amount of -37.6 million EUR on the assets of the cash-generating unit T-Power and consequently any related goodwill should be impaired as well.
- The own shares held by Picanol Group (Picanol Group is holding 21,860,003 shares of Tessenderlo Group through its subsidiary Verbrugge nv) are valued on the basis of the value of a Tessenderlo Group share as determined before the determination of the exchange ratio (40.59 EUR). As a further simplification of the group after the transaction, Verbrugge nv merged into Picanol nv as of July 31, 2023. The group intends to cancel the own shares, now held through its direct subsidiary Picanol nv, in 2024.

The table below summarizes the impact of the acquisition of Picanol Group on the financial position of the group:

Million EUR	Fair value adjustments recognized by Picanol Group on Tessenderlo Group	Picanol Group	Total
Total non-current assets	**365.0**	**166.9**	**531.9**
Property, plant and equipment	114.9	88.0	202.9
Goodwill	0.4	-	0.4
Intangible assets	249.8	0.8	250.6
Other investments	-	75.2	75.2
Deferred tax assets	-	1.3	1.3
Trade and other receivables	-	1.6	1.6
Total current assets	**0.0**	**256.2**	**256.2**
Inventories	-	107.5	107.5
Trade and other receivables	-	103.0	103.0
Current tax assets	-	6.4	6.4
Cash and cash equivalents	-	39.3	39.3
Assets classified as held for sale	**0.0**	**0.2**	**0.2**
Total assets	**365.0**	**423.2**	**788.3**
Total non-current liabilities	**89.0**	**8.8**	**97.8**
Loans and borrowings	1.1	1.6	2.8
Employee benefits	-	3.0	3.0
Deferred tax liabilities	87.8	4.1	92.0
Total current liabilities	**0.0**	**184.2**	**184.2**
Loans and borrowings	-	2.5	2.5
Trade and other payables	-	175.8	175.8
Current tax liabilities	-	1.8	1.8
Employee benefits	-	0.6	0.6
Provisions	-	3.4	3.4
Total liabilities	**89.0**	**193.0**	**281.9**
Net assets acquired	**276.0**	**230.3**	**506.3**
Own shares Tessenderlo Group nv acquired			887.3
Total net assets acquired			**1,393.6**
Increase in capital and share premium as a result of new shares issued by Tessenderlo Group nv			-1,717.7
Reserves related to Picanol Group acquisition			**-324.2**

Acquisition: Former Spanish rendering company

In January, 2023, the group announced that its Akiolis business unit (operating segment Bio-valorization) acquired the real estate and production assets of a former Spanish rendering company (Ribera d'Ondara, Lleida, Spain). The plant specializes in the rendering of pork and poultry, and it is located in one of the densest regions for pork and poultry farms in Spain. This acquisition will expand the activities of Akiolis on the Iberian Peninsula and strengthen its position in the European rendering market. The group acquired the real estate and production assets, while the industrial process knowledge of the BU Akiolis was put in place to resume operations under the name Akiolis Iberia. Due to lack of a substantive process, the group concluded that this transaction does not meet the definition of a business combination in accordance with IFRS 3 Business combinations. The group recognized the individual identifiable assets acquired, mainly consisting of land and buildings.

Disposal: 40% minority share of PB Brasil Industria e Comercio de Gelatinas Ltda

In November 2022, the group announced that its PB Leiner business unit (operating segment Bio-valorization) reached an agreement in Brazil with D&D Participações Societárias, which is one of the country's leading tannery groups. Under the terms of this agreement, D&D Participações Societárias acquired a 40% minority stake in the shares of PB Brasil Industria e Comercio de Gelatinas Ltda. The combined strength of the two companies will enable a long-term sustainable offering of a premium product range of beef hide gelatin based on PB Leiner's technology. D&D Participações Societárias' beef hide processing chain, along with PB Leiner's global commercial network and extensive gelatin manufacturing know-how, will ensure gelatin of excellent quality. The transaction was closed in January 2023. The proceeds from the sale of 40% of the shares of PB Brasil Industria e Comercio de Gelatinas Ltda amount to approximately 26 million USD, of which approximately 16 million USD will be paid over the period 2024-2026 (which is included within current and non-current trade and other receivables as per June 2023). An amount of 9.8 million USD (9.1 million EUR) was received in cash upon completion of the transaction. In addition, the group is entitled to a contingent consideration (up to 6 million USD) depending on the future performance of the subsidiary, which is valued at zero. As the group retained control in the Brazilian subsidiary, the gain realized on the sale of this transaction for an amount of 9.8 million EUR was recognized in equity, while an amount of 9.5 million EUR was recognized as non-controlling interest.

8. EBIT adjusting items

The first half year 2023 EBIT adjusting items show a net expense of -0.7 million EUR (HY22: +9.6 million EUR) and mainly include:

- The impact and revaluation of an electricity purchase agreement (the Purchase Power Agreement), for which the own-use exemption under IAS 39 is not applicable anymore (note 19 - Financial instruments).
- Further expenses related to the transaction to combine the industrial activities of Tessenderlo Group and Picanol Group into one large industrial group (note 7 - Acquisitions and disposals).

9. Finance costs and income

Net finance result amounts to +1.3 million EUR as per June 30, 2023 (+7.9 million EUR as per June 30, 2022), and mainly includes:

- Borrowing costs for -3.5 million EUR (HY22: -4.5 million EUR) mainly including the accrued interest charges on the bond issued in 2015 with a maturity 10 years, the interest expenses on the term loan facility of T-Power nv and the interest expenses on lease liabilities (in accordance with IFRS 16 Leases). The decrease is mainly explained by the reimbursement of the bond with a maturity of 7 years ("2022 bonds") in 2022 (165.5 million EUR).
- Net foreign exchange gains and losses for -8.6 million EUR (HY22: +13.4 million EUR), mainly explained by unrealized foreign exchange losses on intercompany loans and cash and cash equivalents (mainly in USD), which are not hedged.
- The realized gain on the sale of 654,000 Rieter Holding Ag shares. These shares were sold for an amount of 80.7 million EUR, leading to a gain of +11.3 million EUR. The remaining investment in Rieter Holding Ag consists of 54,262 shares. This investment was revalued as per June 30, 2023, leading to the recognition of a loss of -0.6 million EUR in the first half of 2023 (the fair value being categorized as level 1 in the fair value hierarchy).

The total cash-out related to interest payments amounts to -4.3 million EUR, including payments for the T-Power forward rate agreements reaching their maturity date for -1.0 million EUR.

10. Income tax expense

Income tax expense amounts to -24.6 million EUR in HY23 (-39.0 million EUR in HY22) and mainly relates to the operations in the United States, Belgium and France.

The income taxes paid in HY23 amount to -22.2 million EUR (HY22: -32.4 million EUR), while the current tax asset, mainly in Belgium, decreased from 16.8 million EUR as per December 31, 2022 to 14.7 million EUR as per June 30, 2023. The current tax liabilities amount to 3.2 million EUR as per June 30, 2023 compared to 1.9 million EUR per December 31, 2022.

Deferred tax assets on fiscal losses carried forward are recognized for 11.8 million EUR (December 2022: 11.2 million EUR). These are mainly recognized on Tessenderlo Group nv, the parent company, for an amount of 8.0 million EUR (December 2022: 6.0 million EUR). The total tax losses and tax credits carried forward in Tessenderlo Group nv are estimated at 163.6 million EUR (December 2022: 148.5 million EUR). The other deferred tax assets on fiscal losses carried forward recognized amount to 3.8 million EUR (December 2022: 5.2 million EUR) and mainly relate to French fiscal losses carried forward which amount to 10.1 million EUR (December 2022: 15.9 million EUR) which were fully recognized.

11. Seasonality of operations

Tessenderlo Group demonstrates a limited seasonality pattern at group level for revenue (Pro forma first half of 2022: 51%) and operating profitability level as expressed by Adjusted EBITDA (Pro forma first half of 2022: 57%). The degree of seasonality at group level is primarily determined by selling to customers in several end markets, including food, pet food, construction, agriculture and water treatment. Two important end markets which demonstrate seasonal characteristics are construction and agriculture. The group sells into the construction markets through its operating segment Industrial Solutions in several countries in the northern hemisphere, which are typically impacted by winter weather conditions in the first and fourth quarter. Agriculture related sales made in the operating segment Agro are influenced by the planting seasons, especially the spring planting season. Most of the sales of Crop Vitality - being part of the Agro operating segment - are in the United States, and this normally leads to higher sales and operating profitability in the first half of the year.

12. Property, plant and equipment and intangible assets

For the six month period ended June 30, 2023, the group's capital expenditure amounted to 97.9 million EUR (HY22: 59.3 million EUR). The major capital expenditure projects relate to:

- The acquisition of the real estate and production assets of a former Spanish rendering company (Ribera d'Ondara, Lleida, Spain) (Bio-valorization segment).
- The acquisition of production assets for the fish collagen peptides plant in Hainan (China) by PB Leiner (Hainan) Biotechnology Co Ltd. (Bio-valorization segment).
- The ongoing construction of a new Thio-Sul® manufacturing plant in Geleen (the Netherlands, Agro segment) and a new liquid fertilizer and industrial products plant in Defiance (the United States, Agro and Industrial Solutions segments). These factories are scheduled to be operational by mid-2024 and the end of 2024 respectively.
- The ongoing construction of a new headquarter office for Picanol Group in Ieper (Belgium, Machines & Technologies segment).
- Investments in a gasification installation of category 1 meat meals in Saint-Langis (France) by Akiolis Group (Bio-valorization segment) and a new organic fertilizer production line in Vénérolles (France) by Violleau (Agro segment).
- Further investments in production efficiency improvements, as well as in supply chain assets within DYKA Group (Industrial Solutions segment).
- The replacement of equipment and vehicles, which were previously leased, through purchase.

The capital expenditure - property, plant and equipment and intangible assets - per operating segment is disclosed in note 6 - Segment reporting.

Capital expenditure contracted for at the end of the reporting period, but not yet incurred, amounts to 102.9 million EUR, which is expected to be delivered in the period 2023-2024. These commitments mainly include further investments related to the major ongoing projects mentioned above.

13. Working capital

Working capital					
Million EUR	30/06/2023	31/12/2022	31/12/2022 Pro forma	30/06/2022	30/06/2022 Pro forma
Inventories	665.5	566.9	674.4	464.9	580.9
Current trade and other receivables	539.7	412.9	518.7	467.2	562.1
Current trade and other payables	-523.6	-383.2	-561.9	-394.3	-568.2
Working capital	**681.5**	**596.6**	**631.3**	**537.7**	**574.7**

Working capital as per June 30, 2023 increased to 681.5 million EUR, compared to 631.3 million EUR as per December 31, 2022 Pro forma and 574.7 million EUR as per June 30, 2022 Pro forma.

Inventories amount to 665.5 million EUR per June 30, 2022 compared to 580.9 million EUR as per June 30, 2022 Pro forma. This further increase can be explained by an increased volume in stock as well as a higher weighted average inventory value compared to prior year (impacted by the increase of raw material prices and higher energy costs across the various operating segments). The decrease of the current trade and other receivables and payables is impacted by a lower activity as well as timing of customer and supplier payments.

The group expects to recover or settle the inventory, available as per June 30, 2023 within the next twelve months, except for the inventory of non-strategic spare parts (20.4 million EUR as per HY23, compared to 20.4 million EUR as per December 31, 2022, based on the Pro forma figures). These parts will be used whenever deemed necessary.

14. Cash and cash equivalents

Cash and cash equivalents amount to 220.7 million EUR as per June 30, 2023 (compared to 156.1 million EUR as per December 31, 2022) and include 16.4 million USD (15.1 million EUR) compared to 16.7 million USD (15.7 million EUR) as per year-end 2022.

As per June 30, 2023, two long term bank deposits are outstanding for a total amount of 50.0 million EUR, of which 30.0 million EUR will mature in November 2024 and 20.0 million EUR in December 2024. The counterparty is a highly rated international bank. The deposits have an original duration of 2 years. As the deposits had an initial maturity of more than 12 months, they were not included within “Cash and cash equivalents”, but in “Long term investments”.

15. Equity and earnings per share

Following the contribution in kind of the shares of Picanol nv, Tessenderlo Group has issued 42,317,783 shares (see also note 7 - Acquisitions and disposals), increasing the total number of shares issued to 85,472,762 shares. The number of shares as per June 30, 2023 comprised 63,482,671 registered shares (December 2022: 25,105,436) and 21,990,091 ordinary shares (December 2022: 18,049,543).

The annual shareholders’ meeting of May 9, 2023, approved a gross dividend per share of 0.75 EUR. The dividend was paid on June 2, 2023, except for an outstanding amount of 7.7 million EUR within current trade and other payables.

Basic earnings per share

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

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

Basic earnings per share		
	30/06/2023	30/06/2022
Adjusted weighted average number of ordinary shares at June 30	**63,442,402**	**43,065,150**
Profit (+) / loss (-) attributable to equity holders of the company (million EUR)	80.4	163.6
Basic earnings per share (in EUR)	**1.27**	**3.80**

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

42,317,783 shares were issued in HY23 (see also note 7 - Acquisitions and disposals) while no shares were issued in HY22. With reference to Article 7:215 § 1 of the Companies and Associations Code and Article 8:4 of the Royal Decree of April 29, 2019, implementing the Companies and Associations Code, the group announced on April 3, 2023 the start of a share repurchase program for an amount not exceeding 40 million EUR. In the period March 28 till June 30, 2023, the group bought 340,190 of its own shares at an average price of 29.61 EUR per share for a total amount of 10.1 million EUR, of which an amount of 1.9 million EUR was unpaid as per June 30, 2023.

As per June 30, 2022, the group owned 31,503 own shares (0.073% of the total number of 43,154,979 shares issued at that moment), while as per June 30, 2023, the group owns 22.231.696 own shares (26.01% of the total number of 85,472,762 issued shares). The voting rights related to own shares are suspended, while the dividend rights are expired.

Diluted earnings per share

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

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

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

16. Non-controlling interest

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

Non-controlling interest percentage	Country	30/06/2023	31/12/2022
Environmentally Clean Systems LLC	US	30.99%	30.99%
ECS Myton, LLC	US	49.00%	49.00%
PB Leiner (Hainan) Biotechnology Co. Ltd	China	20.00%	20.00%
PB Brasil Industria e Comercio de Gelatinas ltda	Brazil	40.00%	-

Non-controlling interests increased from 1.5 million EUR as per December 2022 to 16.2 million EUR as per June 2023. The share in the result of non-controlling interest increased from -0.0 million EUR as per HY22 to 2.9 million EUR as per HY23.

In January 2023, D&D Participações Societárias acquired a 40% minority stake in the shares of PB Brasil Industria e Comercio de Gelatinas Ltda (see note 7 - Acquisitions and disposals). In accordance with IFRS 10 Consolidated Financial Statements, the group concluded that this transaction did not involve the loss of control. As a result, the gain realized on the sale of this transaction for an amount of 9.8 million EUR was recognized in equity, while an amount of 9.5 million EUR was recognized as non-controlling interest.

In 2022, PB Leiner (operating segment Bio-valorization) entered into an agreement with Hainan Xiangtai Group (China) to produce and commercialize premium fish collagen peptides. Under the term of this agreement, PB Leiner (Hainan) Biotechnology Co. Ltd will produce marine collagen peptides based on PB Leiner's technology. In 2023 the subsidiary acquired production assets (note 12 - Property, plant and equipment and intangible assets). This capital expenditure was partly financed through a capital increase of 7.3 million EUR, of which 80% was contributed in cash by the group, while the 20% contribution of Hainan Xiangtai Group is outstanding within the current trade and other receivables per June 2023.

The table below summarizes the financial information of subsidiaries with a non-controlling interest at 100% as per June 30. The income statement information is for the six month period ended June 30, while information from the statement of financial position is compared to December 31, 2022 figures.

Million EUR	2023	2022
Non-current assets	21.5	0.4
Current assets	44.3	9.6
Total assets	**65.8**	**10.0**
Equity	41.6	1.5
Non-current liabilities	5.8	0.7
Current liabilities	18.4	7.7
Total equity and liabilities	**65.8**	**10.0**

Million EUR	HY23	HY22
Revenue	24.6	-
Cost of sales	-13.7	-
Gross profit	10.9	-
Adjusted EBIT	8.4	-0.0
EBIT (Profit (+) / loss (-) from operations)	8.4	-0.0
Finance (costs) / income - net	-0.7	0.0
Profit (+) / loss (-) before tax	7.7	-0.0
Profit (+) / loss (-) for the period	7.2	-0.0

17. Loans and borrowings

Loans and borrowings Million EUR	30/06/2023	31/12/2022	31/12/2022 Pro forma
Non-current loans and borrowings	193.4	209.3	212.1
Current loans and borrowings	64.0	56.2	58.7
Total loans and borrowings	**257.4**	**265.5**	**270.8**
Cash and cash equivalents	-220.7	-156.1	-195.4
Bank overdrafts[1]	0.0	0.1	0.1
Long term investments[2]	-50.0	-50.0	-50.0
Net financial debt / (Net cash position)	**-13.3**	**59.5**	**25.5**

[1] A bank overdraft is a flexible borrowing facility on a bank current account, which is repayable on demand.
[2] The 2022 and 2023 amount relate to two long term bank deposits outstanding (30.0 million EUR maturing in November 2024 and 20.0 million EUR maturing in December 2024).

As per June 30, 2023 the group net cash position amounted to +13.3 million EUR and included a lease liability, in accordance with IFRS 16 Leases, for an amount of -56.7 million EUR. Excluding the impact of IFRS 16 Leases, the net cash position would have amounted to +69.9 million EUR compared to a net financial debt of -7.3 million EUR as per year-end 2022.

Reconciliation of changes in net loans and borrowings arising from cashflows and non-cash changes:

Million EUR	Bank overdrafts	Cash and cash equivalents	Long term investments	Current lease liabilities	Non-current lease liabilities	Other current loans and borrowings	Other non-current loans and borrowings	Total
Balance at January 1, 2023	**-0.1**	**156.1**	**50.0**	**-16.8**	**-35.4**	**-39.4**	**-173.9**	**-59.5**
Change in consolidation scope	-	39.3	-	-0.8	-1.6	-1.8	-1.1	34.0
Cash flows, net	0.1	26.3	-	10.0	-	14.9	-	51.4
IFRS 16 new leases and lease modifications	-	-	-	-1.0	-11.2	-	-	-12.2
Depreciation on the acquisition accounting adjustments applied by Picanol Group	-	-	-	-	-	-	0.2	0.2
Transfers	-	-	-	-10.0	10.0	-19.7	19.7	0.0
Effect of exchange rate differences	0.0	-1.0	-	0.0	0.0	0.3	0.1	-0.6
Balance at June 30, 2023	**-0.0**	**220.7**	**50.0**	**-18.5**	**-38.2**	**-45.6**	**-155.2**	**13.3**

The group has the followings loans outstanding:

- The T-Power term loan facility agreement amounts to 77.2 million EUR as per June 30, 2023 (December 31, 2022: 90.1 million EUR). The T-Power nv assets and shares are serving as guarantee for the loan. The term loan credit facility contains a covenant stating a minimum required debt service cover ratio (based on the last 12 months cash flow available for debt service). This covenant has been complied with as per June 30, 2023
- A bond for an amount of 58.0 million EUR, issued in July 2015, with a maturity of 10 years (the "2025 bonds"), with a fixed rate of 3.375%.
- The lease liability, in accordance with IFRS 16 Leases, amounts to 56.7 million EUR (December 31, 2022: 52.2 million EUR), of which 38.2 million EUR is included in non-current and 18.5 million EUR in current loans and borrowings.
- A credit facility of 30.0 million EUR drawn in April 2022 with a maturity of 7 years. This loan with quarterly capital reimbursements, has a fixed interest rate of 1.17%, and contains no financial covenants. As per June 30, 2023, 25.7 million EUR was outstanding of which 4.3 million EUR is current.
- A loan for 30.0 million EUR starting in August 2022 with a maturity of 5 years. This loan will be reimbursed on a quarterly basis and has a fixed interest rate of 0.94% and contains no financial covenants. As per June 30, 2023, 25.0 million EUR was outstanding of which 6.7 million EUR is current.
- Tessenderlo Kerley, Inc. has a loan outstanding of 4.7 million EUR, of which 0.9 million EUR is current. The loan has a maturity of 10 years (2018-2028) at a fixed rate of 3.95%. The financed Phoenix headquarters building (Arizona, United States) is serving as guarantee for the loan.
- Several other, individually insignificant outstanding loans for an amount of 9.2 million EUR, of which 7.9 million EUR is current.

The group has access to a Belgian commercial paper program of 200.0 million EUR which remained unused at the end of June 2023 (December 31, 2022: 0.0 million EUR).

The group has access to committed bi-lateral agreements with four banks for a total amount of 250.0 million EUR (of which part can be drawn in USD) till 2027. These committed bi-lateral agreements have no financial covenants and ensure maximum flexibility for the different activities. As per June 30, 2023 none of these credit lines were used.

18. Employee benefits

The application of IAS 19 Employee benefits as per June 30, 2023 led to an increase of equity, net of taxes, by +1.1 million EUR and is mainly the result of experience gains thanks to a higher than expected return on the plan assets, while the discount rate used to calculate the present value of the defined benefit obligations remained unchanged compared to year-end 2022 (weighted average discount rate of 3.9%).

The defined benefit liability recognized in the statement of financial position decreased to 33.3 million EUR per June 30, 2023 (33.6 million EUR as per December 31, 2022), while a net pension asset was recognized for 10.4 million EUR (10.2 million EUR as per December 31, 2022), mainly related to the UK pension plan.

19. Financial instruments

The fair value of non-current loans and borrowings at fixed interest rate, measured at amortized cost, is in line with the fair value as disclosed in the consolidated financial statements as per December 31, 2022.

The fair value of trade and other receivables, other investments and guarantees, long term investments, cash and cash equivalents, current loans and borrowings, and trade and other payables approximate their carrying amount.

The following table shows the carrying amounts of derivative financial instruments measured at fair value in the statement of financial position including their levels in the fair value hierarchy:

June 30, 2023								
	Carrying amount balance sheet				Fair value hierarchy			
Million EUR	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Level 1	Level 2	Level 3	Total
Foreign currency swaps	0.0	-	-0.0	-	-	-0.0	-	-0.0
Interest rate swaps	-	-	-0.9	-1.0	-	-1.9	-	-1.9
Electricity forward contracts	0.1	-	-2.4	-3.3	-	-	-5.6	-5.6
Total	**0.1**	**0.0**	**-3.2**	**-4.3**	**0.0**	**-1.9**	**-5.6**	**-7.5**

December 31, 2022								
	Carrying amount balance sheet				Fair value hierarchy			
Million EUR	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Level 1	Level 2	Level 3	Total
Foreign currency swaps	0.1	-	-0.1	-	-	-0.0	-	-0.0
Interest rate swaps	-	-	-1.5	-1.7	-	-3.2	-	-3.2
Electricity forward contracts	0.4	-	-	-8.4	-	-	-8.0	-8.0
Electricity and gas forward contracts	0.1	-	-	-	-	0.1	-	0.1
Total	**0.6**	**0.0**	**-1.6**	**-10.1**	**0.0**	**-3.1**	**-8.0**	**-11.1**

The derivative financial instruments as per June 30, 2023 mainly relate to:

- the interest rate swaps of T-Power nv for an amount of -1.9 million EUR (December 31, 2022: -3.2 million EUR);
- an electricity forward contract, with maturity date in June 2026, for an amount of -5.6 million EUR (December 31, 2022: -8.0 million EUR).

The decrease of the fair value of the interest rate swaps is mainly related to the half yearly payments for forward rate agreements reaching their maturity date and to the increase of the EURIBOR rates. The settlement of the agreements resulted in a cash out of -1.0 million EUR as per June 30, 2023 and is included in the line "Interest paid" in the condensed consolidated statement of cash flows. The effective portion of the change in fair value is recognized in the hedging reserves (Other comprehensive income).

The fair value of the electricity forward contract is calculated as per June 30, 2023 based on a valuation model, leading to a net fair value of -5.6 million EUR (December 31, 2022: -8.0 million EUR). Because of significant unobservable inputs, a level 3 fair value measurement is applied for the fair value measurement of the electricity purchase agreement (‘PPA’ - Purchase Power Agreement), for which the own-use exemption under IFRS 9 is not applicable anymore. The value of the contract is depending on the future difference between market electricity prices and the generation cost based on market gas prices (the “sparkspread”) and on the effect of the hourly pricing optimization as foreseen in the contract. The valuation techniques and unobservable date used for measuring the fair value of the contract are in line with those used in the consolidated financial statements as per December 31, 2022. Also the sensitivity of the valuation to changes in the principal assumptions is in line with the one disclosed in the consolidated financial statements as per December 31, 2022. We refer to the 2022 consolidated financial statements for more information on the fair value calculation of the electricity forward contract.

The key assumptions used in the valuation as per June 30, 2023 are:

		HY23	2024	2025	2026
Gas forward price	EUR/MWh	50.8	55.5	46.8	36.2
Electricity forward price	EUR/MWh	139.1	138.1	128.5	112.9
Discount rate	2.9%				

The key assumptions used in the valuation as per December 31, 2022 are:

		2023	2024	2025
Gas forward price	EUR/MWh	113.1	79.4	56.3
Electricity forward price	EUR/MWh	257.2	163.5	131.0
Discount rate	2.5%			

20. Contingencies

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

Tessenderlo Group and Akiolis have taken note of a statement of objections ("notification de griefs") sent by the French Competition Authority on April 28, 2022 to, among others, the company and Akiolis companies. Tessenderlo Group nv and Akiolis companies are accused of having infringed French competition law in connection with a reorganization of its activities in 2015. Tessenderlo Group and Akiolis are cooperating with the investigation and have prepared their defense on this matter together with their lawyers. The financial impact of this case, if any, can currently not reliably be estimated based on the information in the notification.

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

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

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

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

Some plants of the group need to comply with the European regulations to cover operational emissions for products exposed to carbon leakage. In a case of a deficit, additional emission allowances will be purchased. The cost of additional emission allowances purchased during the first half of 2023 was equal to 8.4 million EUR. The surplus or deficit of emission allowances over the next year may vary, depending on several factors such as future production volumes, process optimizations and energy efficiency improvements. The carrying amount of emission allowances included in intangible assets amounts to 4.7 million EUR as per June 30, 2023 (December 31, 2022: 0.9 million EUR).

21. Related parties

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

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

The total number of voting rights amounts to 109,658,909 as per June 30, 2023. Out of these 109,658,909 voting rights (a) the exercise of the 383,588 voting rights attached to the treasury shares of Tessenderlo Group nv is suspended in accordance with article 7:217, §1, second paragraph of the Belgian Companies and associations code and (b) the exercise of the 43,058,673 voting rights attached to the shares that are held by Verbrugge nv is suspended in accordance with article 7:224 of the Belgian Companies and associations code.

As per June 30, 2023 Oostiep Group Bv was holding 36,737,624 voting rights (33.50% of the total voting rights), while Manuco International nv and Patrick Steverlynck were holding 6,316,879 voting rights (5.76% of the total voting rights).

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

As per June 2023, the group has an outstanding payable of 7.7 million EUR, related to the 2022 dividend withholding taxes, to Oostiep Group bv.

Premiums for an amount of 1.0 million EUR were paid to the Belgian pension fund, "OFP Pensioenfonds". Liabilities related to employee benefits schemes as per June 30, 2023 include 6.6 million EUR related to the "OFP Pensioenfonds" (December 31, 2022: 7.8 million EUR).

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

Transactions with joint ventures:

Transactions with joint ventures (for the six month period ended June 30, except for balance sheet comparatives at December 31)		
Million EUR	**2023**	**2022**
Transactions with joint-ventures - Sales	-	-
Transactions with joint-ventures - Purchases	30.0	34.9
Non-current assets	8.1	8.2
Current assets	0.3	0.7
Current liabilities	3.5	3.5

The notes on pages 10 to 37 are an integral part of the condensed consolidated interim financial statements

Tessenderlo Kerley Inc. has granted a 11.0 million USD loan to the joint-venture Jupiter Sulphur LLC, which was fully drawn in the period over 2017 and 2018, and which remains outstanding for 8.8 million USD (8.1 million EUR). Jupiter Sulphur LLC obtained the same amount from the other joint-venture partner. The loan is interest bearing (3.0%) and outstanding till December 2026 at the latest, whereby the cash needs in Jupiter Sulphur LLC will be taken into account. The granted loan is included in "Other investments" in the group's consolidated statement of financial position. The related interest income is considered to be insignificant and is not eliminated.

Transactions with the members of the Executive Committee:

The Executive Committee is composed by the CEO, Luc Tack, the Executive Directors (currently Findar BV, represented by Stefaan Haspeslagh) as well as any other member appointed by the Board of Directors (no one at this stage), and did not change compared to last year.

Transactions with the members of the Executive Committee		
Million EUR	30/06/2023	30/06/2022
Short-term employee benefits	1.5	2.0
Post-employment benefits	0.0	0.0
Total	**1.5**	**2.0**

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

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

Starting in 2021, Tessenderlo Kerley, Inc. rents office space of the Phoenix (United States) headquarters building to Talalay Global (United States), a company owned by Mr. Luc Tack. The contract is considered to be insignificant. Kuhlmann Europe has been selling ferric chloride and caustic soda to Truck- en Tankcleaning Tack nv, another company owned by Mr. Luc Tack, for insignificant amounts. Moreover some legal services were provided to Latexco, also a company owned by Mr. Luc Tack, however these are not considered to be significant.

These transactions were concluded at arm's length conditions and were approved by the Board of Directors.

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

Transactions with the members of the Board of Directors:

The General Shareholders' Meeting of May 9, 2023, decided to renew the mandates of Mr. Luc Tack as executive director, of Mr. Karel Vinck as non-executive director and of Mr. Wouter De Geest as independent, non-executive director. These mandates are renewed for a period of four years, i.e. until the end of the shareholders' meeting approving the annual accounts for the financial year closed on December 31, 2026.

In addition, the General Shareholders' Meeting appointed Ms. Laurie Tack and Pasma nv (with permanent representative Mr. Patrick Steverlynck) as non-executive directors, and appointed Ann Vereecke bv (with permanent representative Ms. Ann Vereecke) as an independent, non-executive director. These mandates will also end after a period of four years, i.e. until the end of the shareholders' meeting approving the annual accounts for the financial year closed on December 31, 2026.

There have been no changes to the remuneration policy of the Board of Directors, compared to the disclosures made in the 2022 annual report.

22. Subsequent events

The subsidiary Verbrugge nv was merged into Picanol nv in July 2023 (operating segment Machines & Technologies). Consequently, the own shares held by Verbrugge nv are now held directly by Picanol nv, a 100% direct subsidiary of Tessenderlo Group nv (21,860,003 shares or 25.58% of the total number of 85,472,762 issued shares). In accordance with the Companies and Associations Code, Tessenderlo Group nv will recognize an unavailable reserve within equity in the statutory accounts until the own shares will be cancelled, which is expected to be completed in 2024.

Independent auditors' report on the review of the condensed consolidated Interim financial statements as per June 30, 2023

Statutory auditor's report to the board of directors of Tessenderlo Group nv on the review of the condensed consolidated interim financial information as at June 30, 2023, and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Tessenderlo Group nv as at June 30, 2023, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements").The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2023 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, August 23, 2023
KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Joachim Hoebeeck
Bedrijfsrevisor / Réviseur d'Entreprises

Financial glossary

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

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

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

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

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

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

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

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

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

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

Trade working capital
The sum of inventories and trade receivables minus trade payables and advances received on contracts in progress within current other payables.

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

Working capital
The sum of inventories, trade and other receivables minus trade and other payables.

Alternative performance measures

The following alternative performance measures are considered to be relevant in order to compare the results over the 6 month period ended June 30, 2022 and June 30, 2023 and can be reconciled to the condensed consolidated interim financial statements as follows:

Reconciliation from Adjusted EBIT to EBIT

Million EUR	30/06/2023	30/06/2022	30/06/2022 Pro forma
Adjusted EBIT	**106.8**	**182.6**	**170.5**
EBIT adjusting items	-0.7	9.6	9.7
EBIT (Profit (+) / loss (-) from operations)	**106.2**	**192.1**	**180.2**

Reconciliation from Adjusted EBITDA to EBIT

Million EUR	30/06/2023	30/06/2022	30/06/2022 Pro forma
Adjusted EBITDA	**205.1**	**247.6**	**266.0**
EBIT adjusting items	-0.7	9.6	9.7
EBITDA	**204.5**	**257.1**	**275.6**
Depreciation	-98.3	-65.0	-95.4
EBIT (Profit (+) / loss (-) from operations)	**106.2**	**192.1**	**180.2**