

Regulated information



JENSEN-GROUP
Half-Year Results 2020

Consolidated, non-audited key figures

Income Statement

Consolidated, audited key figures

	June 30, 2020	June 30, 2019	Change
(million euro)	6M	6M	
Revenue	130,1	177,6	-26,8%
Operating result (EBIT)	2,4	16,8	-85,8%
Cash flow from operations (EBITDA) ¹	9,0	20,7	-56,5%
Financial result	-1,8	-1,1	62,7%
Profit before taxes	0,5	15,7	-96,5%
Income tax expense	-0,1	-4,0	-98,6%
Profit for the period from the continuing operations	0,5	11,7	-95,8%
Result from assets held for sale	-0,1	-0,1	15,4%
Share in result of associates and joint ventures accounted for using the equity method	0,8	-0,1	-634,8%
Result attributable to Non Controlling Interest	-0,3	-0,3	5,3%
Consolidated result attributable to equity holders (Group share in the profit)	1,5	11,8	-87,4%
Net cash flow ²	8,1	15,6	-48,3%

Balance sheet

Consolidated, audited key figures

	June 30, 2020	Dec 31, 2019	Change
(million euro)	6M	12M	
Equity	133,0	132,4	0,5%
Net financial debt (+)/Net cash (-) ³	-1,4	4,4	-132,5%
Assets held for sale	0,4	0,4	0,4%
Total assets	277,3	276,7	0,2%

Consolidated, audited key figures per share

	June 30, 2020	June 30, 2019	Change
(euro)	6M	6M	
Cash flow from operations (EBITDA) ¹	1,15	2,64	-56,4%
Profit before taxes	0,07	2,01	-96,5%
Consolidated result attributable to equity holders (EPS)	0,19	1,51	-87,4%
Net cash flow ²	1,03	2,00	-48,5%
Equity (June 30, 2020, Dec 31, 2019)	17,01	16,93	0,5%
Number of shares (end of period)	7.818.999	7.818.999	
Number of shares (average)	7.818.999	7.818.999	

Definitions

1. EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) = Operating profit (EBIT) + Depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions
2. Net cash flow = Consolidated result attributable to the equity holders + depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions
3. Net financial debt (+)/Net cash (-) = Borrowings (non-current and current) – cash and cash equivalents

Interim Financial Information June 30, 2020

Financial review and highlights half-year results 2020

- Due to the impact of Covid-19, revenue decreased from 177.6 million euro H01 2019 to 130.1 million euro H01 2020, a decrease of 26.8%.
- Operating profit (EBIT) for the first six months amounts to 2.4 million euro, which is 85.8% lower than last year.
 - The EBIT is positively affected by government support received in several countries (0.7 million euro) and by a partial insurance payment for the impact of hurricane Michael (+1.1 million euro). As part of the insurance claim is certain, the Group recognized this income.
 - The EBIT is negatively affected by 2.5 million euro one-off restructuring costs, especially related to the reduction of workforce.
- Cash flow from operations (EBITDA) for the first half-year amounts to 9.0 million euro, a 56.5% decrease compared to last year.
- Net income attributable to the shareholders amounts to 1.5 million euro (Earnings per Share of 0.19 euro), a decrease of 87.4% compared to last year.
- The Group reports a net financial cash of 1.4 million euro (including 12.2 million euro leasing debt) compared to a net debt of 4.4 million euro at year-end 2019.

Report of the Board of Directors

Impact Covid-19 on the JENSEN-GROUP activities

Revenue of the first half-year of 2020 amounts to 130.1 million euro, a decrease of 26.8% compared to prior year. The JENSEN-GROUP is experiencing a significant slowdown in order intake, a number of cancellations and several project postponements of already placed orders as a consequence of the Covid-19 crisis. The cancellations of contracts had a negative impact on EBIT of 2.9 million euro. Several customers serving the hospitality -travel and tourism- sector are experiencing an important decrease in their activities and have closed their operations temporarily. We expect that many hospitality projects in the quotation phase are going to be postponed for several months. With the current health situation in various countries, our technicians continue to face travel restrictions, which impact the installation of our systems.

On an occasional basis, the JENSEN-GROUP grants buy-back guarantees to selected customers. Due to the closing of laundries in Europe, a few extensions of buy-back guarantees up to 12 months were granted.

Although we have reacted swiftly to adapt to the new situation and due to the lower revenue, EBIT decreased during the first half-year with 85.8% compared to prior year. Several plants have adapted their capacity to the new situation. Some of our plants were closed for certain periods of time depending on the individual workload. The EBIT includes 2.5 million euro one-off restructuring costs especially related to the reduction of workforce.

The Group took measures to decrease the structural cost base:

- Implementation of a simpler business structure with 6 Business Regions;
- The integration of our factories into the Business Regions in order to benefit from cost synergies;
- Various restructuring programs leading to a reduction of our workforce by 18% compared June 30, 2020 to year-end 2019;
- A new EMT (Executive Management Team) structure with the nomination of a Chief Information Officer driving the digitalization of our processes and solutions. The current

EMT consists of Mr. Jesper M. Jensen (CEO), Mr. Fabian Lutz (CIO), Mr. Martin Rauch (CSO) and Mr. Markus Schalch (CFO).

The Group could also benefit from Government support in several countries (0.7 million euro), mainly related to payroll compensations.

JENSEN USA received a Promissory Note from the state amounting to 1.9 million USD in May 2020. During the second half of the year, the Company will apply for forgiveness but recorded this Promissory Note as liability until now. Any forgiven amount will be recorded as other income when certain.

During the first semester 2020, the JENSEN-GROUP received 111.9 million euro orders, compared to 154.6 million orders in the same period last year. On this basis, the Group expects the full year revenue and profitability to be significantly lower than prior year.

Furthermore, we are unable to fully estimate the impact of the Covid-19 crisis on our long-term performance. Whereas most of our end-markets are negatively affected, demand in the hospitality sector is particularly down and expected to remain low. Therefore, we do not expect our order intake to significantly improve to previous levels before 2022.

The Group reports a net financial cash of 1.4 million euro, including 12.2 million euro leasing debt, compared to a net debt of 4.4 million euro at year-end 2019. Despite delays in certain projects' installation leading to delayed payments, the Group was able to increase its net cash by 5.8 MEUR compared to the end of last year. The Group's borrowing agreements include financial covenants with one of the financial institutions on solvency, a positive EBITDA on an annual basis and a maximum debt/EBITDA ratio. As per June 30, 2020, the JENSEN-GROUP was in full compliance with its bank covenants.

An impairment of the financial participations was not considered as our participations in Tolon GLOBAL MAKINA Sanyı Ve Tikaret Sirketi A.S., Turkey and Inwatec ApS, Denmark performed according to our expectations.

Based on the above, the analysis of the markets, valuation of the order backlog, the analysis of the sales funnel, the future revenues, various scenarios and cash projections, the Group is of the opinion that the consequences of Covid-19 are manageable for the coming period with the knowledge as of today. Therefore the EMT has concluded that the JENSEN-GROUP is able to continue as a going concern.

Other important developments of the first 6 months

The recovery of the production facility in Panama City, hit by hurricane Michael the 10th of October 2018, progresses and discussions with the insurance are on-going. Repairs to the building continued and have lead to a capex of 0.2 million euro during the first half of 2020. The EBIT is positively affected by a partial insurance payment for the impact of hurricane Michael (+1.1 million euro). As part of the insurance claim is certain, the Group recognized this income.

The financial result is 0.7 MEUR lower than prior year, especially related to currency impact.

The result of companies accounted for under the equity method (Inwatec ApS and TOLON Global Makina A.S.) increased by 0.9 million euro year-on-year.

All the items described above resulted in a 10.3 million euro decrease in the Groups net income attributable to the shareholders (from 11.8 million euro to 1.5 million euro).

Risk factors

The most important risk factors remain rapid changes in demand, an uncertain political climate, availability of financing to our customers, high exchange rate volatility and fluctuating raw material, energy and transport prices.

Next to the risk factors reported in the Annual Report 2019, Report Board of Directors, we add following risk factor:

Pandemic

The duration, impacts and continuing instabilities of business due to the covid-19 pandemic in the longer term are not assessable today. Especially customers of the JENSEN-GROUP serving the hospitality sector (travel and tourism) are severely affected by this pandemic, which influences their investment possibilities and outlook. Any severe pandemic could affect our business, financial conditions, and operational results.

Important transactions with related parties

There were no important transactions with related parties.

Events after balance sheet date

JENSEN USA received a Promissory Note from the state amounting to 1.9 million USD in May 2020. During the second half of the year, the Company will apply for forgiveness but recorded this Promissory Note as liability until now. Any forgiven amount will be recorded as other income when certain.

In July, JENSEN GmbH was granted an amortizing KfW (Kreditanstalt für Wiederaufbau) loan amounting to 10 million euro for a period of six years.

With the current health situation in various countries, our technicians continue to face travel restrictions, which impact the installation of our systems.

Ghent, August 11, 2020

Rudy Provoost
Chairman of the Board of Directors

Jesper M. Jensen
Chief Executive Officer

Statement of the Responsible Persons

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the six months period ended June 30, 2020 which has been prepared in accordance with the IAS 34 "Interim Financial Reporting" as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the entities included in the consolidation as a whole, and that the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and of the major transactions with the related parties, and their impact on the condensed consolidated financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Ghent, August 11, 2020

Jesper M. Jensen
Chief Executive Officer

Markus Schalch
Chief Financial Officer

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of euro)</i>	<i>Notes</i>	<i>June 30 2020</i>	<i>December 31 2019*</i>
Total Non-Current Assets		63.003	62.597
Goodwill		6.819	6.861
Other intangible assets		28	38
Property, plant and equipment		37.509	39.283
Companies accounted for under equity method		7.999	7.574
Trade and other long-term receivables		4.116	3.755
Deferred taxes		6.532	5.087
Total Current Assets		214.283	214.069
Inventory		51.078	49.620
Advance payments		2.526	1.478
Trade receivables	9	57.594	69.775
Other amounts receivable		5.935	5.837
Contract assets	3	46.508	41.466
Derivative Financial Instruments	9	234	79
Trade and other receivables		110.271	117.156
Cash and cash equivalents	6, 9	49.961	45.369
Assets held for sale		447	445
TOTAL ASSETS		277.286	276.666

The notes on pages 15 to 23 are an integral part of this condensed consolidated interim financial information.

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of euro)</i>	<i>Notes</i>	<i>June 30 2020</i>	<i>December 31, 2019</i>
Equity		133.026	132.374
Share Capital		30.710	30.710
Share premium		5.814	5.814
Other reserves		-7.296	-6.776
Retained earnings		104.970	103.501
Non-Controlling Interest		-1.172	-874
Non-Current Liabilities		53.491	49.062
Government grants	4	1.686	
Borrowings		34.473	31.940
Deferred income tax liabilities		864	904
Provisions for employee benefit obligations		16.327	16.194
Derivative financial instruments	9	142	24
Current Liabilities		90.769	95.230
Borrowings		14.072	17.792
Provisions for other liabilities and charges		12.304	12.597
Trade payables	9	17.958	25.255
Contract liabilities	3	13.942	10.360
Remuneration and social security		18.273	14.141
Other amounts payable		626	1.572
Accrued expenses		8.026	8.255
Derivative financial instruments	9	75	96
Trade and other payables		58.902	59.680
Current income tax liabilities		5.491	5.162
TOTAL EQUITY AND LIABILITIES		277.286	276.666

The notes on pages 15 to 23 are an integral part of this condensed consolidated interim financial information.

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euro)	Notes	June 30, 2020	June 30, 2019
Revenue	2, 3	130.098	177.626
Total expenses		-128.374	-163.507
Other Income / (Expense)	5	662	2.697
Operating profit before tax and finance (cost)/ income (EBIT)		2.385	16.816
Financial income		1.274	1.205
Financial charges		-3.114	-2.336
Profit before tax		546	15.685
Income tax expense		-57	-3.995
Profit for the period from continuing operations		489	11.690
Result from assets held for sale		-60	-52
Share in result of associates and companies accounted for using the equity method		752	-141
Consolidated profit for the year		1.181	11.497
Result attributable to Non-Controlling Interest		-298	-283
Consolidated result attributable to equity holders		1.479	11.780
Other comprehensive income (OCI):			
Items that may be subsequently reclassified to Profit and Loss			
Financial instruments		21	26
Currency translation differences		-513	155
Items that will not be reclassified to Profit and Loss			
Actual gains/(losses) on Defined Benefit Plans		-44	305
Tax on OCI		6	-83
Other comprehensive income for the year		-530	403
OCI attributable to Non-Controlling Interest		0	0
OCI attributable to the equity holders		-530	403
Total comprehensive income for the year		651	11.900
Profit attributable to:			
Non-Controlling Interest		-298	-283
Equity holders of the company		1.479	11.780
Total comprehensive income attributable to:			
Non-Controlling Interest		-298	-283
Equity holders of the company		949	12.183
Basic and diluted earnings per share (in euro)		0,19	1,51
Weighted average number of shares		7.818.999	7.818.999

The notes on pages 15 to 23 are an integral part of this condensed consolidated interim financial information.

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of euro</i>	Capital	Share premium	Total Share Capital	Translation differences	Hedging Reserves	Actuarial gains and losses on Defined Benefit Plans	Total other Reserves	Retained earnings	Total	Non-Controlling Interest	Total Equity
December 31, 2018	30.710	5.814	36.524	437	-159	-6.623	-6.345	95.990	126.169	-200	125.969
IFRIC 23 - Uncertain tax positions Result of the period	0	0	0	0	0	0	0	-400	-400	0	-400
	0	0	0	0	0	0	0	11.780	11.780	-283	11.497
Other comprehensive income											
Currency Translation Difference	0	0	0	155	0	0	155	0	155	0	155
Financial instruments	0	0	0	0	26	0	26	0	26	0	26
Defined Benefit Plans	0	0	0	0	0	305	305	0	305	0	305
Tax on OCI	0	0	0	0	-6	-76	-83	0	-83	0	-83
Total other comprehensive income/(loss) for the year, net of tax	0	0	0	155	19	229	403	0	403	0	403
Dividend paid out	0	0	0	0	0	0	0	-7.818	-7.818	0	-7.818
June 30, 2019	30.710	5.814	36.524	592	-140	-6.394	-5.942	99.552	130.134	-483	129.651

The notes on pages 15 to 23 are an integral part of this condensed consolidated interim financial information.

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital Share premium		Total Share Capital	Translation differences	Hedging Reserves	Actuarial gains and losses on Defined Benefit Plans	Total other Reserves	Retained earnings	Total	Non-Controlling Interest	Total Equity
<i>In thousands of euro</i>											
December 31, 2019	30.710	5.814	36.524	1.361	-2	-8.135	-6.776	103.501	133.249	-874	132.374
Result of the period	0	0	0	0	0	0	0	1.479	1.479	-298	1.181
Other comprehensive income											
Currency Translation Difference	0	0	0	-503	0	0	-503	-10	-513	0	-513
Financial instruments	0	0	0	0	21	0	21	0	21	0	21
Defined Benefit Plans	0	0	0	0	0	-44	-44	0	-44	0	-44
Tax on OCI	0	0	0	0	-5	11	6	0	6	0	6
Total other comprehensive income/(loss) for the year, net of tax	0	0	0	-503	16	-33	-520	-10	-530	0	-530
Dividend paid out	0	0	0	0	0	0	0	0	0	0	0
June 30, 2020	30.710	5.814	36.524	859	14	-8.168	-7.296	104.970	134.198	-1.173	133.025

The notes on pages 15 to 23 are an integral part of this condensed consolidated interim financial information.

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euro)	Notes	June 30, 2020	June 30, 2019*
Cash flow from operating activities			
Consolidated result attributable to equity holders		1.479	11.780
Result attributable to non-controlling interest		-298	-283
Adjusted for			
- Current and deferred tax		-1.429	3.640
- Interest and other financial income and expenses		1.840	1.131
- Depreciation, amortization and impairments		3.475	3.640
- Write downs of trade receivables		736	-348
- Write downs of inventory		2.051	389
- Changes in provisions		-193	352
- Companies accounted for using equity method		-425	-76
Interest received		410	466
Changes in working capital Increase (-), decrease (+)		587	-25.313
Corporate income tax paid		272	-2.267
Net cash generated from operating activities - continuing operations		8.505	-6.888
Net cash generated from operating activities - Result from assets held for sale		-2	-6
Net cash generated from operating activities - total		8.503	-6.894
Net cash used in investing activities		-1.649	-7.129
Cash flow before financing		6.855	-14.023
Net cash used in financing activities		834	-3.780
Net Change in cash and cash equivalents		7.688	-17.803
Cash, cash equivalent and bank overdrafts at the beginning of the year		37.499	27.808
Exchange gains/(losses) on cash and bank overdrafts		-513	155
Cash, cash equivalent and bank overdrafts at the end of the year	6	44.675	10.160

*In view of a more transparent presentation of the condensed interim financial statement, the JENSEN-GROUP decided to present the Goodwill and the Intangible Fixed assets separately as well as the inventory and contract assets in the consolidated statement of financial position. Next to that, the JENSEN-GROUP has decided to present in the consolidated cash flow statement the cash flows from the companies accounted for by the equity method as well as the result attributable to non-controlling interests as cash generated from operating activities as from 2019 onwards (impact -359 thousand euro).

The notes on pages 15 to 23 are an integral part of this condensed consolidated interim financial information.

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

Notes to the condensed consolidated financial statements

Note 1 – Summary of significant accounting policies

Basis of Preparation

The JENSEN-GROUP (hereafter “The Group”) is one of the major suppliers to the heavy-duty laundry industry. The Group markets its products and services under the JENSEN brand and is a leading supplier to the heavy-duty market. The product range varies from transportation and handling systems, tunnel washers, separators, feeders, ironers and folders to complete project management for fully-equipped and professionally managed industrial laundries. The JENSEN-GROUP has operations in 23 countries and distributes its products in more than 50 countries. As per June 30, 2020, the JENSEN-GROUP employs worldwide 1,366 people.

JENSEN-GROUP N.V. (hereafter “The Company”) is incorporated in Belgium. Its registered office is at Bijenstraat 6, 9051 Sint-Denijs-Westrem, Belgium.

The JENSEN-GROUP shares are quoted on the Euronext Stock Exchange.

This condensed consolidated interim financial information is for the first half-year ended June 30, 2020. These interim financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the EU. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2019.

This condensed consolidated interim financial information should be read in conjunction with the 2019 annual IFRS consolidated financial statements.

This condensed consolidated interim financial information has not been reviewed by the external auditor.

The policies have been consistently applied to all the periods presented.

Taxation is determined annually and, accordingly, the tax charge for the interim period involves making an estimate of the likely effective tax rate for the year. The calculation of

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

the effective tax rate is based on an estimate of the tax charge or credit for the year expressed as a percentage of the expected accounting profit or loss. This percentage is then applied to the interim result, and the tax is recognized rateably over the year as a whole.

This condensed consolidated interim financial information has been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at 30 June 2020 which have been adopted by the European Union, as follows:

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2020 and have been endorsed by the European Union:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020).
- Amendments to the definition of material in IAS 1 and IAS 8 (effective 1 January 2020).
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective 1 January 2020).
- Amendments to the guidance of IFRS 3 Business Combinations, that revises the definition of a business (effective 1 January 2020).

The following new standards and amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2020 and have not been endorsed by the European Union:

- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 1 January 2022).
- IFRS 17 'Insurance contracts' (effective 1 January 2023).
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 01/01/2022).
 - Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.
- Annual Improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 01/06/2020, with early application permitted).

The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

- IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016).

The Group is currently assessing the impact of the new requirements.

This condensed consolidated interim financial information is prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

This condensed consolidated interim financial information is prepared on an accrual basis and on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The preparation of the condensed consolidated interim financial information in accordance with IAS 34 requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The areas involving a higher

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the accounting policies.

Use of estimates

The preparation of the condensed financial statements involves the use of estimates and assumptions, which may have an impact on the reported values of assets and liabilities at the end of the period as well as on certain items of income and expense for the period. Due to the impact of Covid-19, following estimates changed compared to December 31, 2019:

Note 4 – Non-current assets: the impairment test on goodwill

As a result of the events and factors described above, the Company performed a quantitative goodwill impairment test. The fair value was assessed using a discounted cash flow model.

- Current year of the model is based on management's best estimate of the free cash flow outlook for the current year and taking into account the measures taken to decrease the overhead costs.

The same level of other assumptions compared to previous reporting periods has been applied to the updated impairment testing. The outcome of the goodwill impairment tests performed at half year 2020 did not result in any impairment loss.

There are no other changes in the estimates used compared to the December 31, 2019 financial statements.

Changes in accounting policies and other changes, and their impact on equity

There are no changes in the accounting policies compared with the accounting policies used in the preparation of the financial statements as per December 31, 2019.

With view to Covid-19, several entities within the JENSEN-GROUP received government grants. The accounting rule is described below:

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

Government Grants

The government grants received by the JENSEN-GROUP are recognized in profit or loss as other income on a systematic basis over the period in which the entities recognizes the expenses for the related costs for which the grants are intended to compensate. The income of the government grants is only recognized if all the conditions are met and there is 100% certainty that no repayment can be claimed by the government. As long as not all the conditions are met, the government grant received is presented as a debt.

Note 2 – Segment reporting

The total laundry industry can be split up into consumer, commercial and heavy-duty laundry. The JENSEN-GROUP entities serve end-customers in the Heavy Duty laundry segment. They follow the same process. The JENSEN-GROUP sells its products and services under the JENSEN brand through own sales and service companies and independent distributors worldwide. In this way the JENSEN-GROUP operates only in one single segment.

The following table presents revenue and non-current asset information based on the Group's geographical areas:

	Europe + CIS		America		Middle East, Far East and Australia		TOTAL		Attributable to Belgium	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
(in thousands of euro)										
Revenue from external customers	84.174	108.971	30.312	37.604	15.612	31.051	130.098	177.626	4.740	6.564
Other segment information										
Non-current assets	44.070	42.999	3.920	3.740	8.481	9.950	56.471	56.689	96.900	97.000

The difference between the non-current assets in the table above (56.5 million euro) and the non-current assets as per the condensed consolidated statements of the financial position (63.0 million euro) relates to the deferred tax assets (6.5 million euro).

JENSEN-GROUP condensed interim financial information for six months ended on June 30, 2020

Note 3 – Contract assets and contract liabilities

<i>(in thousands of euro)</i>	<i>June 30, 2020</i>	<i>December 31, 2019</i>
Contract revenue (June 2020 - June 2019)	130.098	177.626
Contract assets	46.508	41.466
Contract liabilities	13.942	10.360

Construction contracts are valued based on the percentage of completion method. At June 30, 2020 contract assets included 11.6 million euro of accrued profit (8.0 million euro at December 31, 2019).

Due to covid-19, a number of contracts were cancelled. The related contract assets are valued at lower of cost or market. The cancellations of contracts had a negative impact on EBIT of 2.9 million euro.

Note 4 – Government Grants

<i>(in thousands of euro)</i>	<i>June 30, 2020</i>	<i>December 31, 2019</i>
Government grants	1.686	0

With view to Covid-19, different entities applied for a government grant. For these amounts received, the Group will only apply for forgiveness after June 30, 2020 and therefore the amounts are recognized as a liability.

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Note 5 – Other operating result

	<i>June 30, 2020</i>	<i>June 30, 2019</i>
<i>(in thousands of euro)</i>		
Other Income / (Expense)	662	2.697

The other operating result especially includes:

- 0.7 million euro support received from the government in different entities related to Covid-19 crisis. It mostly relates to partial compensation of payroll costs;
- 1.1 million euro related to hurricane Michael: On October 10, 2018, JENSEN USA was hit by hurricane Michael. During 2020 (1.1 million euro) and during 2019 (2.5 million euro) of the claim is certain and accounted for in P&L;
- 1.7 million euro one-off restructuring costs especially related to the reduction of workforce. The total one-off restructuring costs amount to 2.5 million euro, including 0.8 million euro non-cash costs.

Note 6 - Cash flow statement

Cash, cash equivalent and bank overdrafts include the following for the purpose of the cash flow statement:

	<i>June 30, 2020</i>	<i>June 30, 2019</i>
<i>(in thousands of euro)</i>		
Cash and cash equivalent	49.961	12.928
Overdraft	-5.286	-2.768
Net cash and cash equivalents	44.675	10.160

The cash and cash equivalent increased as the working capital reduced resulting from lower activities.

Note 7 – Commitments and contingencies

There are no major changes compared to December 31, 2019.

Note 8 – Scope of consolidation

There are no changes compared to December 31, 2019.

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Note 9 – Financial instruments

<i>(in thousands of euro)</i>	June 30, 2020	December 31, 2019
Financial assets		
Trade receivables	60.952	72.716
Derivative Financial Instruments - FX contracts	234	79
Cash and cash equivalent	49.961	45.369
Total	111.147	118.163
Financial Liabilities		
Financial debts - floating rate	8.587	8.849
Financial debts - fixed rate	22.064	22.026
Financial debts - factoring	3.583	2.773
Trade Payables	17.958	25.255
Derivative Financial Instruments - FX contracts	75	96
Derivative Financial Instruments -IRS	142	24
Total	52.268	58.999

Further to the trade receivables, The Group recorded a provision for current expected credit losses of 0.5 million euro reflecting a reduction in the credit quality of its customers related accounts receivable as a result of the covid-19 global pandemic. Management's judgements regarding expected credit losses are based on the facts available to management.

Note 10 - Related party transactions

The shareholders of the Group as per June 30, 2020 are:

JENSEN Invest:	54.4%
LAZARD Frères Gestion SAS	5.2%
Free float:	40.4%

Compensation Board and Executive Management Team: with view to Covid-19, the Board of Directors as well as the Executive Management Team decided to reduce their remuneration with a 30% solidarity correction.

Note 11 - Events after balance sheet date

JENSEN USA received a Promissory Note from the state amounting to 1.9 million USD in May 2020. During the second half of the year, the Company will apply for forgiveness and recorded this Promissory Note as liability until now. Any forgiven amount will be recorded as other income when certain.

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In July, JENSEN GmbH was granted an amortizing KfW (Kreditanstalt für Wiederaufbau) loan amounting to 10 million euro for a period of six years.

With the current health situation in various countries, our technicians continue to face travel restrictions, which impact the installation of our systems.