JENSEN-GROUP

ANNUAL REPORT 2022

The Annual Report in the Dutch language is the official version. The English language version is provided as a courtesy to shareholders. The JENSEN-GROUP has verified, and assumes full responsibility for matching, both language versions.

In this report, the terms "JENSEN-GROUP" and "Group" refer to JENSEN-GROUP NV and its consolidated companies in general, whereas the terms "JENSEN-GROUP NV" and "the Company" refer to the holding company, registered in Belgium. Business activities are conducted by operating subsidiaries throughout the world. The terms "we", "our", and "us" are used to describe the Group.

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Consolidated key figures

Financial year ended (in thousands of euro)	December 31 2022	December 31 2021
Revenue	341,639	259,716
Operating profit (EBIT)	22,411	21,327
Operating cash flow (EBITDA)	26,210	30,827
Net interest charges	1,092	1,274
Share in result of associates and companies consolidated under equity method	986	543
Profit before taxes	21,532	19,793
Profit for the period from continuing operations	16,564	14,279
Result from assets held for sale	-139	-65
Result attributable to non-controlling interest	100	-362
Consolidated result attributable to equity holders	16,325	14,575
Added value	126,091	112,870
Net cash flow	20,124	24,075
Equity	170,567	155,417
Net financial debt (+) / net cash (-)	-11,524	-40,960
Working capital	127,894	90,686
Non-current assets (NCA)	61,526	62,384
Capital employed (CE)	189,420	153,070
Market capitalization (high)	263,966	246,298
Market capitalization (low)	189,215	178,273
Market capitalization (average)	230,328	215,022
Market capitalization (December 31)	205,612	210,331
Entreprise value (December 31) (EV)	194,088	169,371

RATIOS		
EBIT / Revenue	6.56%	8.21%
EBITDA / Revenue	7.67%	11.87%
ROCE (EBIT / CE)	13.09%	14.40%
ROE (Net profit / equity)	10.02%	10.00%
Gearing (Net debt(+) net cash (-)/ equity)		
EBITDA interest coverage	24.00	24.20
Net financial debt (+) or net cash (-)/ EBITDA	-1.00	-1.12
Working capital / revenue	31.99%	37.08%
EV/EBITDA (December 31)	7.41	5.49

Key figures per share Financial year ended (in euro)	December 31 2022	December 31 2021
Operating cash flow (EBITDA)	3.37	3.94
Consolidated result attributable to equity holders (= earnings per share)	2.10	1.86
Net cash flow	2.58	3.08
Equity (= book value)	21.98	19.88
Gross dividend	0.50	0.25
Number of shares outstanding (average)	7,786,615	7,818,999
Number of shares outstanding (year-end)	7,758,946	7,818,999
Share price (high)	33.90	31.50
Share price (low)	24.30	22.80
Share price (average)	29.58	27.50
Share price (December 31)	26.50	26.90
Price/earnings (high)	16.10	16.90
Price/earnings (low)	11.60	12.30
Price/earnings (average)	14.10	14.80
Price/earnings (December 31)	12.60	14.50

Definitions

- EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) = operating profit (EBIT) + depreciation, amortization, write-downs on trade receivables and contract assets, write-downs on inventory, changes in provisions (refer to Note 13)
- Net interest charges = interest charges – interest income
- Added value = EBIT + remuneration, social security costs and pensions + depreciation, amortization, write-downs on trade receivables and contract assets, write-downs on inventory, changes in provisions (refer to Note 13)
- Net cash flow = consolidated result attributable to the equity holders + depreciation, amortization, write-downs on trade receivables and contract assets, write-downs on inventory, changes in provisions (refer to Note 13)
- Net financial debt (+)/net cash (-) = borrowings (non-current and current) + government grant – financial fixed assets at amortized cost - financial fixed assets at fair value through OCI - cash and cash equivalents
- Working capital = inventory + advance payments + current trade receivables + contract assets – trade payables – contract liabilities
- Non-current assets = intangible assets + goodwill + property plant and equipment
- Capital employed = working capital + non-current assets (see definitions above)
- Market capitalization = share price x number of shares outstanding
- Enterprise value = market capitalization (December 31) + net financial debt (+)/net cash (-) (see definitions above)
- EBITDA interest coverage = EBITDA/net interest charges (see definitions above)

For ratios comparing figures from the consolidated statement of comprehensive income with figures from the consolidated statement of financial position, the average figure from the consolidated statement of financial position is used. The average is the opening balance + closing balance divided by two:

- ROCE (return on capital employed) = EBIT/ average capital employed
- ROE (return on equity) = consolidated result attributable to equity holders / average equity
- Average net financial debt (+) or net cash (-)/EBITDA.

Message to our Shareholders

Staying true to our core values proved vital to the continuing success of JENSEN-GROUP in 2022. As markets began to recover and demand picked up, JENSEN-GROUP was reaffirmed in its unwavering commitment to prioritize its customers through local representation in all major markets and maintaining all in-person points of sale and service with our world-wide customer base.

In a year that began with considerable order backlog, JENSEN-GROUP ended 2022 with the highest order intake in its history, returning to pre-Covid-19 activity levels for new orders and revenue.
The setback in the hospitality sector of the past years is now limited to certain areas of the globe. We are eagerly awaiting the business opportunities this will generate in the future.

Thanks to our best-in-class management and tremendous employee engagement, the Group succeeded in navigating through highly demanding and rapidly changing market conditions. We are grateful to all JENSEN-GROUP employees and our partners for skillfully coping with the daily challenges posed by supply chain disruptions. It took creativity to organize and manage production interruptions, flexibility in adjusting installation planning and execution, and steadfastness in continuously keeping our customers abreast of ongoing changes. Despite lower operational efficiency and higher than expected cost increases, JENSEN-GROUP managed to increase the 2022 net profit.

With a new strategic plan, the Executive Management Team and the Board of Directors have forged a path that is centered around key drivers of sustainable value creation, ranging from product innovation and service excellence to commercial and industrial efficiency and effectiveness, powered by the ongoing digitalization of business processes and automation of laundry solutions.

The roadmap includes initiatives and programs to transform both internal and external ways of working. Externally, the application of digitally enhanced, real-time laundry process and performance data, as well as far-reaching laundry automation will enable customers to further increase their productivity. Internally, the digital alignment of core processes and use of cloud-based systems will continue to create opportunities to simplify business practices, break down functional silos, and encourage entrepreneurship across the entire organization. In 2022, the Board also decided to incorporate ESG as an additional strategic driver to further embed sustainability across the business.

The year 2022 was characterized by the return of Trade Shows. Our partner, Inwatec, drew enthusiastic crowds around their revolutionary textile sorting system that is unique in the industry in automating the labor-intensive, soil-side area through artificial intelligence and applied robotics solutions. Supported by a skilled and enthusiastic group of technicians, aptly named the Laundry Nerds, our partner, Inwatec, exemplifies the JENSEN-GROUP investment strategy of industry leadership in technology and product innovation.

Building on a sixty-year-old tradition of creativity and invention, the Group's new product development continues to strengthen its portfolio of CleanTech solutions that increase throughput and uptime, while improving the efficiency and reusability of water and energy and extending the life of textiles. Enhanced software applications allow customers to monitor the critical metrics of typical heavy-duty laundries in real time to reach ever lower water and energy consumption levels and costs.

After our recent capital investments in our factories in Sweden, China, and USA, we continue to build on our successes, as we strive to cement our unique position as owners of production units on three continents.

United around the mission of prioritizing our customers, JENSEN-GROUP management and employees have proven in 2022 that they are able to deliver and grow under challenging circumstances. Building on the talent of its management and employees, JENSEN-GROUP continues to invest in people development and training opportunities to enable new levels of job satisfaction, growth and excellence in addressing the changing needs of our customer base.

We thank our customers for their continued trust and loyalty. We strive to meet and exceed their expectations regarding productivity, quality, reliability, and support with sustainable service and product innovation with reduced environmental impact.

We thank our employees throughout the world for their versatility and creativity, for their persistence and hard work, but most of all we thank them for the dedication they exhibit in every way to serving our customers and keeping the JENSEN spirit alive.

Finally, we thank our shareholders for their support in our pursuit of value creation and in our journey towards industry leadership.

Jesper Munch Jensen
Chief Executive Officer

Rudy Provoost
Chairman of the Board of Directors

Profile of the JENSEN-GROUP

Mission statement

It is the aim of the JENSEN-GROUP to offer the best solutions to customers worldwide in the heavy-duty laundry industry. We work for and with our customers to supply innovative and sustainable products and services, ranging from single machines, systems, turnkey solutions, and laundry process automation. Laundries supplied by the JENSEN-GROUP aim to reach the highest level of labor and energy efficiency in the industry.

We continuously invest in the development of our people and their talents.

By combining our global capabilities and local presence to customers, we are able to create profitable growth and responsible industry leadership.

Making a difference

Through technical excellence, significant investment in product development and specialized industry knowledge, the JENSEN-GROUP can plan, develop, manufacture, install and service everything from single machines and processing lines to complete turnkey solutions. Partners include textile rental suppliers, industrial laundries, central laundries as well as on-premises laundries in hospitals, hotels, and cruise ships. The Group believes that its customers know their laundry business better than anybody else and that with the help of the JENSEN-GROUP's comprehensive laundry competence and experience, the right solution for their specific requirements is found.

Organization

The JENSEN-GROUP is managed by an Executive Management Team ("EMT") composed of a Chief Executive Officer, a Chief Financial Officer, a Chief Operating Officer, and a Chief Digital Officer. The operations, consisting of production sites ("PECs") as well as Sales and Service Centers ("SSCs"), are organized in Business Regions on the continents of Europe, America and Australia and Asia. The JENSEN-GROUP factories develop, produce, and deliver a full and competitive range of products to customers through a worldwide network of SSCs and authorized local distributors. This worldwide distribution network together with its laundry design capabilities, project management expertise and after-sales service capability, make the JENSEN-GROUP uniquely positioned to act locally while meeting customer expectations fast and reliably, whether the requirement is a single machine or a complete turnkey solution anywhere in the world.

Manufacturing

The JENSEN-GROUP's manufacturing platform is composed of six factories in five countries on three continents:

- Denmark: JENSEN Denmark in Rønne and Inwatec ApS in Odense
- Sweden: JENSEN Sweden in Borås
- Germany: JENSEN GmbH in Harsum (JENSEN Components in Pattensen closed in June 2022)
- USA: JENSEN USA in Panama City, FL
- China: JENSEN China in Xuzhou.

Distribution

The JENSEN-GROUP sells its products and services under the JENSEN and Inwatec names through wholly-owned sales and service centers and through independent authorized distributors worldwide. The relative share of sales through the group's own SSCs has increased in recent years. These SSCs operate in the most important heavy-duty markets: Australia, Austria, the Benelux, Brazil, China, Denmark, France, Germany, Italy, Japan, the Middle East, New Zealand, North America, Norway, Singapore, Spain, Sweden, Switzerland and the United Kingdom. Sales and service centers play a critical coordination role for the increasing number of complex installation projects involving several production companies simultaneously. Local presence enables the Group to deliver after-sales services on demand to its customers. Furthermore, an experienced distributor network base exists in more than 50 countries.

Product development

The JENSEN-GROUP’s key technologies encompass the entire laundry process, including the washroom itself, the logistics of moving linen and textiles inside the laundry, finishing with feeders, ironers and folders, as well as software technology to control the overall process. In short, a large number of different technologies are used in the process of turning soiled linen and textiles into clean linen with a perfect finish.

Given the wide range of technologies needed to cater for the needs of its customer base, the JENSEN-GROUP does not focus on fundamental research and development. Its task is to make use of existing technologies and incorporate them into its industry’s processes with a focus on energy and labor efficiency.

In recent years, the JENSEN-GROUP has invested particularly in further upgrading and expanding its product range in laundry robotics, AI, automation, new software applications for its industry and environmentally friendly products. Many developments that target natural resource and energy savings for its customers are grouped under the CleanTech concept. Together with Veins holding, the JENSEN-GROUP has created Gotli Labs AG, offering state-of-the-art software solutions for the heavy-duty laundry industry. The integration of technology and software allows customers to monitor and track production in real time and use the acquired information to improve productivity based on relevant data. The integration of new products from Gotli Labs under the GLOBE label and the investments in Inwatec ApS for automation and AI, bring the industry up to a new level and prepare JENSEN-GROUP for Industry 4.0 and the Internet of Things. Process control and production monitoring software have become crucial in offering the customer a total laundry-operation solution.

The Group has numerous patents and patent applications on particular features of its machinery, while product development teams in the various JENSEN-GROUP competence centers continuously examine the possibility of protecting its innovative developments. The Group's ambition is to automate heavy-duty laundries as much as possible.

Patents and notarial depositions are used primarily to prove prior art. The JENSEN-GROUP protects its patents on a case-by-case basis, primarily in larger markets.

In general, the JENSEN-GROUP annually invests in the range of 2% to 3% of its turnover in Product Development.

JENSEN-GROUP in the world

Plus, a worldwide network of distributors.

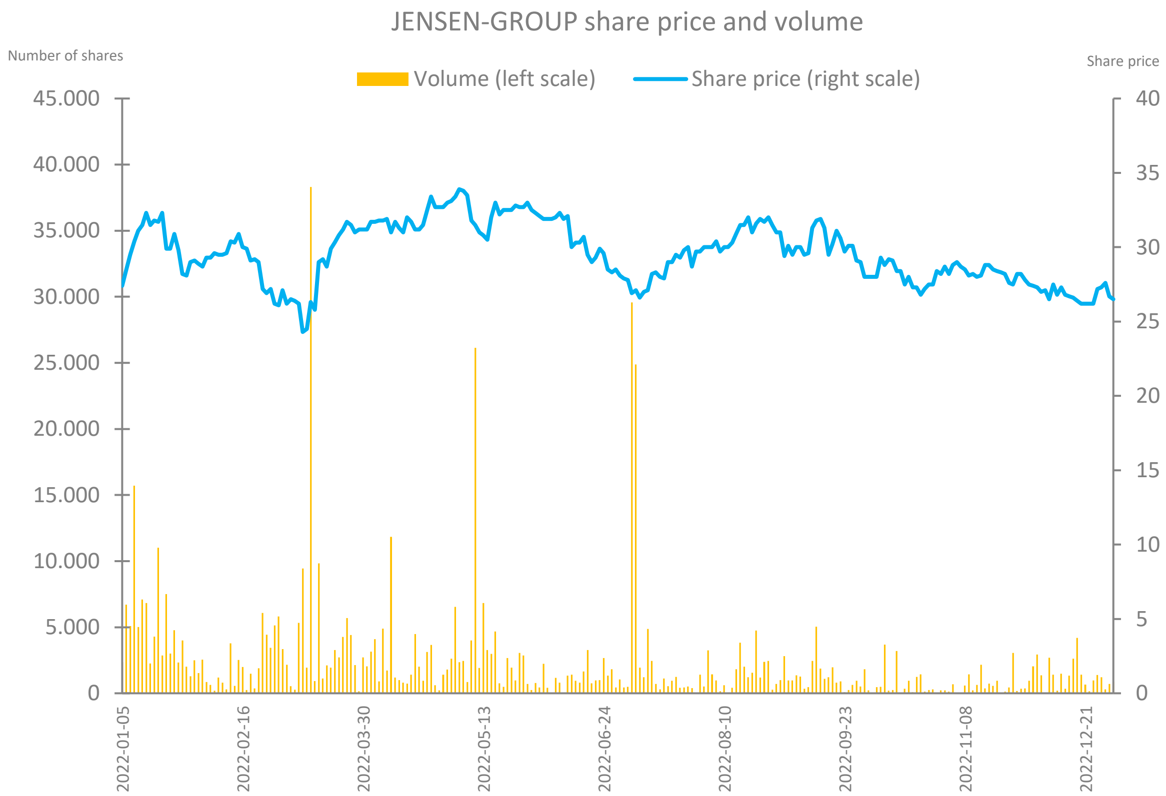
Information for shareholders and investors

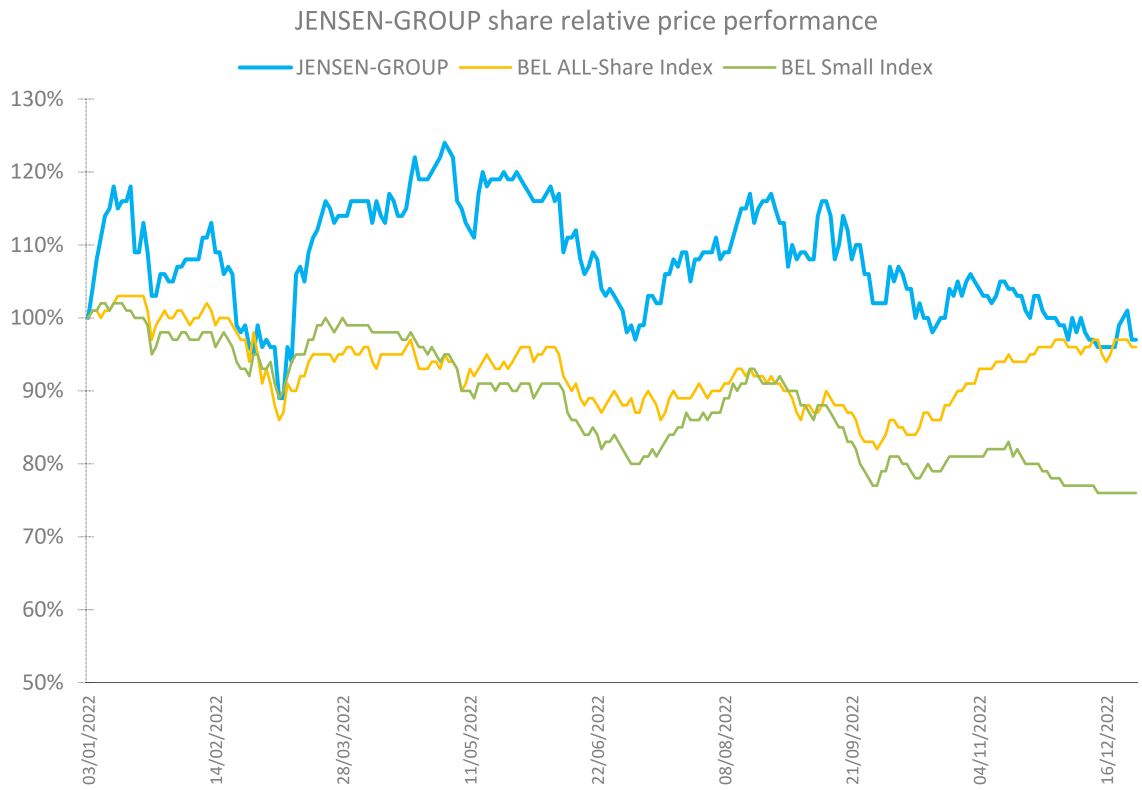
The JENSEN-GROUP NV shares are quoted on the Euronext Stock Exchange under the ticker JEN (Reuters: JEN.BR Bloomberg JEN.BB) since June 1997. The ISIN code is BE0003858751. The quote of the JENSEN-GROUP NV shares can be found online on the following websites:

- JENSEN-GROUP: https://www.jensen-group.com/investor-relations/share-price.html
- Euronext: https://live.euronext.com/en/product/equities/BE0003858751-XBRU

Share price evolution

The JENSEN-GROUP NV share price decreased from 26.9 euro at the end of 2021 to 26.5 euro at the end of 2022, with an average daily trading volume of 2,374 shares compared to 2,305 in 2021.





Investor relations

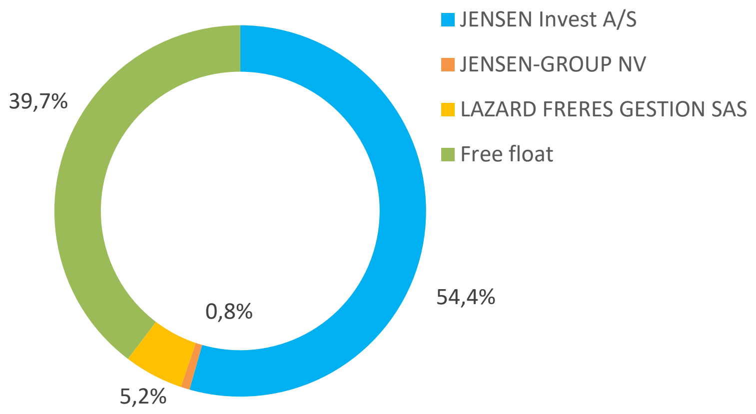
JENSEN-GROUP NV organizes its communication with shareholders and investors in the following way:

- Organizing two analysts' conference calls per year, following publication of the half-year and the full-year results.
- Communicating any major changes in the financial position and earnings of the Company.
- Distributing press releases to professional and private investors and posting them on the Company website.
- Posting the votes and minutes of the Shareholders' Meetings on the Company website.
- Providing all communication, including the Company website, in English and Dutch.
- Making information on shareholdings and the financial calendar available on the Company website.
- Attending small cap investor events upon request.
- Telephone conferences with analysts and existing or potential shareholders upon request.

Change in ownership structure

During 2022, JENSEN-GROUP NV received a notification from JENSEN Invest A/S informing that JENSEN Invest A/S holds, by virtue of a buyback of 46,776 own shares by JENSEN-GROUP NV on August 2, 2022, 55.0% of the voting rights in the company and has therefore crossed the threshold of 55%.

The ownership structure as per December 31, 2022 is set out below:



Shareholders' calendar

- May 16, 2023: 10 a.m. Annual Shareholders' Meeting
- August 2023: half-year results 2023 (Analysts' Meeting)
- March 2024: full-year results 2023 (Analysts' Meeting)

The Investor Relations Manager is also available to meet individual shareholders, analysts, specialized journalists, and institutional investors to share with them the JENSEN-GROUP's short and long-term potential, with respect to both the business as a whole and/or specific activities. Presentations, meetings, and site visits are organized upon request.

The JENSEN-GROUP Annual Report, press releases and other information are available on the Company website (http://www.jensen-group.com).

Shareholders wishing to convert registered shares into dematerialized shares can contact the Investor Relations Manager.

Shareholders and investors who want to receive the JENSEN-GROUP Annual Report, the financial statements of JENSEN-GROUP NV, press releases or other information with respect to the JENSEN-GROUP can also contact the Investor Relations Manager:

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Neerhonderd 33
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Tel. +32.9.333.83.30
E-mail: investor@jensen-group.com

Financial report 2022

Report of the Board of Directors

State of the business in 2022

The JENSEN-GROUP's revenue for the year 2022 amounted to 341.6 million euro compared to 259.7 million euro in 2021, or an increase of 31.5%. This was attributed to a higher order backlog at the end of 2021, and a continuous strong order intake during 2022. The JENSEN-GROUP received orders for 364.4 million euro in 2022, a 5.7% increase compared to the previous year and the highest order intake in its history. For both revenues and new orders, the JENSEN-GROUP is back at pre-Covid-19 activity levels, earlier than anticipated.

The EBIT of the Group amounted to 22.4 million euro in 2022, compared to 21.3 million euro in 2021, an increase of 5.2% which is the result of:

- the positive impact of higher revenues as well as lower organizational costs due to measures taken by the Group in the previous years to structurally decrease the cost base;
- the negative impact of supply chain disruptions, resulting in lower operational efficiency as well as higher than anticipated cost increases from suppliers.

The setbacks of the past years in the hospitality sector due to Covid-19 are, as at end 2022, limited to certain areas of the globe.

On the balance sheet, working capital at closing date was 127.9 million euro compared to 90.7 million euro at the end of last year. The Group reports a net financial cash position of 11.5 million euro, including 3.3 million euro of leasing debt, compared to 41.0 million euro at end 2021. The decrease in net cash is mainly caused by higher working capital, negatively affected by the industry-wide increase in material prices, as well as higher work-in-progress due to components scarcity leading to delays in the handing over of projects. The Group's borrowing agreements include financial covenants with one of the financial institutions on solvency as well as a positive EBITDA on an annual basis and a maximum debt/EBITDA ratio. As at December 31, 2022, the JENSEN-GROUP was in full compliance with its bank covenants.

An impairment of financial participations was not required as Tolon GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, in which the Group has a 49% holding, performed above expectations.

Net financial charges decreased from 2.1 million euro to 1.9 million euro, reflecting lower net interest charges.

Tax charges decreased from 5.5 million euro last year, to 5.0 million euro thanks to a lower effective tax rate (23% compared to 28% prior year).

The result of companies (TOLON) accounted for by the equity method, increased from 0.5 million euro to 1 million euro.

The above-mentioned factors resulted in an increase in net profit from 14.6 million euro to 16.3 million euro (+12%).

The 2022 results show that the JENSEN-GROUP can grow despite considerable setbacks in the supply chains, as it continues to navigate successfully through rapidly changing environments. The Group is dedicated to addressing challenges and improving profitability, by bringing the production flow and efficiency back to previous levels.

Based on the above, an analysis of its markets, order backlog, sales funnel, future revenues, various scenarios and cash projections, the Group is of the opinion that the situation in relation to Covid-19 as well as the overall business challenges and specific supply chain disruptions are manageable for the coming period with the knowledge as of today. Therefore, the Executive Management Team has concluded, and the Board of Directors concurs, that JENSEN-GROUP NV is able to continue as a going concern.

At its meeting held on March 10, 2022, the Board of Directors decided to implement a share repurchase program to buy back a maximum of 781,900 or 10% of its own shares. The shares are bought on the stock exchange by an investment bank mandated by the Board. The buy-back mandate expires on May 18, 2026.
As at December 31, 2022, the Group holds 60,053 treasury shares.

Outlook 2023

The JENSEN-GROUP received orders for 364.4 million euro in 2022, a 5.7% increase over last year's order intake and the highest order intake in its history. This rise in order intake was also influenced by the announcement of a second price increase, effective as from 1st of July 2022.

The Group expects manufacturing productivity, production output, and supplier delivery schedules to gradually improve in 2023 and normalize towards the end of the year.

Other risk factors to be considered include the impact of geopolitical and military threats, travel restrictions across the world in the event of new pandemic emerging, a slow-down in demand due to an economic recession in our key markets, the access to financing for our customers, fluctuating raw material, energy and transportation prices, the exchange rate volatility, uncertain overall political climate and competitive pressures.

Despite a challenging business environment, the Group remains confident in its ability to stay the course. Our aim for 2023 is to gradually improve the Group's profitability while strengthening our market position and increasing market share. The Group will continue to focus on customer centricity and sustainable innovation through the development of new products and services and its participation in Inwatec ApS while further enhancing the optimization and digitalization of its business processes.

Risks related to the JENSEN-GROUP's financial situation

Net profit depends on reaching a certain level of sales to absorb overhead costs.

Any major drop of activity has an immediate effect on operating profits.

The JENSEN-GROUP fully owns six production sites, in the following countries:

- China
- Denmark
- Germany
- Sweden
- USA

Each production and engineering center (“PEC”) is specialized in a specific area of the laundry operation (Washroom, Finishing Technology, Material Handling) or in a specific type of linen (flatwork, garment, or special applications such as mats, continuous roller towels or wipers).

The JENSEN-GROUP has its own distribution channels (“SSC” Sales and Service Centers or Sales Support) in the most important markets:

- Australia
- Austria
- Benelux
- Brazil
- China
- Denmark
- France
- Germany
- Italy
- Japan (Sales Support)
- Sweden
- Middle East (Sales Support)
- New Zealand
- Norway
- Singapore
- Spain
- Switzerland
- UK
- USA

Alongside the SSCs, the JENSEN-GROUP has sales representatives in:

- Czech Republic
- Poland

Furthermore, the JENSEN-GROUP has an experienced distributor network in more than 50 countries.

Each SSC is staffed to handle turnkey projects and systems, single machine sales and after-sales services.

In each PEC and SSC, the JENSEN-GROUP has the supporting functions needed to administer the legal entity. To absorb these overheads, sufficient volume is required. The activity level determines production volume and can be influenced by factors beyond our control. Since the products are investment goods, the international investment climate in healthcare, hospitality (hotels and restaurants) and industrial clothing can significantly influence the overall market demand and sales opportunities. The impact of a sudden decrease in turnover cannot be fully offset by a decrease in overheads and infrastructure costs and as such can have a negative impact on the Group's activity level, financial condition, and operating results.

<u>Currency risks and the economic and political risks of selling products in foreign countries.</u>
Sales of equipment and projects to international customers represent a major part of the net revenues. Demand for the JENSEN-GROUP products may be affected by economic and political conditions in each of the countries in which the products are sold, and by certain other risks of doing business abroad, including fluctuations in the value of currencies. Exchange rate fluctuations between the major currencies used in our operations are hedged, these being the AUD, CHF, CNY, DKK, EUR, GBP, JPY, NOK, NZD, SEK, SGD, and USD.

<u>Interest rate fluctuations could have an adverse effect on revenues and financial results.</u>
The JENSEN-GROUP is exposed to market risk associated with adverse movements in interest rates. The Group maintains long-term interest rate hedges and loans with fixed interest rates to limit this risk, but a general increase in interest rates might have an unfavorable effect on the overall investment climate and as such on the Group's business, financial condition and results of operations.

<u>The use of debt could adversely affect our financial health if covenants are not met.</u>
The JENSEN-GROUP’s major financial institution partners are Nordea, KBC and Nykredit. The Group’s borrowing agreements include financial covenants with one of the financial institutions covering solvency, a positive EBITDA on an annual basis and a maximum debt/EBITDA ratio. These covenants could have a restricting effect on the group's financial capacity.

<u>The bankruptcy of any bank could have a negative effect on the JENSEN-GROUP's cash position.</u>
The bankruptcy of one of the financial institution partners could have a significant impact on the cash position of the JENSEN-GROUP. The Group spreads its cash position across different banks and different investments to mitigate the bankruptcy risk of any one bank.

To service its debt, the JENSEN-GROUP will require a certain amount of cash flow. The ability to generate cash depends on many factors beyond the group's control.

The ability to make scheduled payments of principal and interest on debt, to fund the Group's planned capital expenditures and research and development efforts, as well as expansion capacity, will depend on the JENSEN-GROUP's ability to generate cash, on future financial results and on the development of the major financial institutions it works with. These institutions, to a certain extent, are subject to the risk factors mentioned above.

Risks related to the JENSEN-GROUP's business activities and industry

The JENSEN-GROUP's main customers are getting larger as they consolidate and become increasingly international.

An important part of the business is to deliver solutions and machines to the textile rental industry. The ongoing consolidation and internationalization in this industry is making a significantly greater part of the business dependent on relations with these larger groups.

Price fluctuations or shortages of raw materials, supply chain disruption and the possible loss of suppliers could adversely affect the operations.

The JENSEN-GROUP purchases a large number of different components as well as raw materials such as black iron, stainless steel, aluminum and electronic components. The price and availability of these raw materials and components are subject to changes in duties, market conditions affecting supply and demand, fluctuations, and shortages. In a competitive market, there is no assurance that increases or decreases in raw material and other costs will be translated quickly into higher sales or lower purchase prices. Nor can there be any assurance that the loss of suppliers or components would not have a material adverse effect on business, financial condition, and results of operations. Currently, the Group does not undertake commodity hedging.

The JENSEN-GROUP operates in a competitive market.

Within the worldwide heavy-duty laundry machinery market, the JENSEN-GROUP encounters several competitors, both small and large. There can be no assurance that significant new competitors or increased competition from existing competitors will not have an adverse effect on business, financial condition, and results of operations.

In addition, the Group may face competition from companies outside of the United States or Europe who have lower costs of production (including labor or raw materials). Such companies may pass on these lower production costs as price decreases to customers and as a result, revenues and profits could be adversely affected.

Vendor financing.

Since the 2008 financial crisis, many customers have experienced difficulties in obtaining financing to invest in expansion or equipment renewal. Under certain specific conditions the JENSEN-GROUP offers financing solutions to customers. This creates exposure for the Group in terms of having to take back machinery over the lifetime of the financing contract. The exposure is managed by aligning the take-back price to the fair second-hand market values as much as possible.

Geopolitical risks.

The JENSEN-GROUP has worldwide activities. Considering recent developments round the world and politics, a war or conflict carried out by force of arms, between nations, states or between parties is possible. Such conflicts can have an impact on the people affected, and lead to travel stops and economic down turns. The Group mitigates the risk by having back-up plans for its producing activities.

Policy choices can affect the healthcare sector.

The JENSEN-GROUP sells to industrial laundries which handle, amongst other things, linen for the healthcare sector. Policy choices at country level can affect the standards of hygiene or the financial capability of hospitals. This may influence sales at specific points in time as well as product development to find solutions for the most stringent hygiene requirements.

The JENSEN-GROUP may incur product liability expenses.

The Group is exposed to potential product liability risks that arise from the sale of its products. In addition to direct expenditures for damages, settlements and defense costs, there is a possibility of adverse publicity as a result of product liability claims. The JENSEN-GROUP cannot be sure that its existing insurance or any additional insurance will provide adequate coverage against potential liabilities and which could adversely affect its business, financial condition, and results of operations.

The JENSEN-GROUP is subject to risks of future legal proceedings.

At any given time, the JENSEN-GROUP is a defendant in various legal proceedings and litigations arising in the ordinary course of business. Although insurance coverage is maintained, there is no guarantee that this insurance coverage will be adequate to protect against all material expenses related to potential future claims for personal and property damage or that these levels of insurance coverage will be available in the future at economical prices or for that matter, available at all. A significant unfavorable judgment, the loss of a significant permit or other approval, or the imposition of a significant fine or penalty could have an adverse effect on business, financial condition and future prospects.

Environmental, social and governance risks

The JENSEN-GROUP is dependent on key personnel.

The Group is dependent on the continued services and performance of the senior management team and certain other key employees. The employment agreements with senior management and key employees are for indefinite periods of time. The loss of or difficulties to find qualified personnel or to replace any key employee could have a material adverse effect on the business, financial condition, and results of operations because of their experience and knowledge of business and customer relationships.

The nature of the business exposes the JENSEN-GROUP to potential liability for environmental claims and to the adverse effects of new and more stringent environmental, health and safety requirements.

The Group is subject to comprehensive and frequently changing federal, state, and local, environmental, health and safety laws and regulations, including laws and regulations governing emissions of air pollutants, discharges of waste and storm water and the disposal of hazardous wastes. The environmental liabilities that may result from legislation or regulations adopted in the future, the effect of which could be retroactive, cannot be predicted. The enactment of more stringent laws or stricter interpretation of existing laws could require additional expenditures, some of which could have an adverse effect on business, financial condition, and results of operations.

The Group is also subject to liability for environmental contamination (including historical contamination caused by other parties) at the sites that it owns or operates. As a result, the Group is involved, from time to time, in administrative and judicial proceedings and inquiries related to environmental matters. There can be no assurance that the JENSEN-GROUP will not be involved in such proceedings in the future, while it cannot be ascertained that the existing insurance or additional insurance will provide adequate coverage against potential liability resulting from any such administrative and judicial proceedings and inquiries. The aggregate amount of future clean-up costs and other environmental liabilities could have a material adverse effect on the Group's business, financial condition, and results of operations.

For the past several years, the JENSEN-GROUP has strictly followed an environmental remediation plan relating to its former Cissell manufacturing facility in the United States. A third-party indemnity for the remediation plan exists, with Cissell as the legal beneficiary. The most recent sampling tests, performed by a third party environmental engineering company each year, together with an exhaustive review every five years, are in line with expectations. Considering the data collected since the 2018 exhaustive review, the original endpoint of 2025 appears optimistic and several more years are likely. The next exhaustive review is scheduled for 2023. There is no guarantee that significant additional civil liability or other costs will not be incurred by us in the future with respect to the Cissell facility or other facilities.

The operations are also subject to various hazards incidental to the manufacturing, transportation and functioning of heavy-duty laundry equipment. These hazards can cause personal injury and damage to and destruction of property and equipment. There is no guarantee that, as a result of past or future operations, there will not be injury claims by employees or third parties. Furthermore, the Group also has exposure to present and future claims with respect to workers' safety, workers’ compensation, and other matters. There is no guarantee as to the actual amount of these liabilities or the timing of them. Regulatory developments requiring changes in operating practices or influencing demand for, and the cost of providing, its products and services or the occurrence of material operational problems, including but not limited to the above events, may also have an adverse effect on business, financial condition, and results of operations.

The JENSEN-GROUP operates in several locations and is subject to natural hazards.

The Group operates in 23 countries and is therefore exposed to natural hazards such as earthquakes, windstorms, or floods. Insurance coverage is taken when possible and affordable, while compliance with specific building codes is reviewed carefully. A decrease of insurance coverage in certain areas in the past years has been observed. The entities are required to have disaster recovery plans. Any severe natural disaster could affect business, financial conditions, and operational results.

Pandemic

A pandemic has a direct impact on customers serving the hospitality sector (travel and tourism) and the healthcare sector as authorities can make decisions affecting both sectors that result in reduced business and thus influencing investment possibilities and outlook. Any severe pandemic could affect business, financial conditions, and operational results.

Violation of the Ethical Business Policy and Supplier Code

Any violation of the Ethical Business Policy or Supplier Code might cause operational disruption, damage to reputation, and financial losses. The JENSEN Ethical Business Policy and Supplier Code are available on the Company website Corporate Governance (jensen-group.com) and contain provisions on how bribery and corruption are prevented as well as policies on proper conduct. To mitigate the risk, all employees will be requested to sign the Ethical Business Policy.

Internal control risk

The JENSEN-GROUP operates with several information and communication technologies (ICT).

The Group uses several tools, devices and software in its ICT and machine operating environment for its worldwide operation. Digital technologies, devices and media bear manifest risks and opportunities. Machinery is increasingly interconnected and prepared for IoT (Internet of Things). As a result, the Group faces cyber risks. Any ICT failure in the area of security and systems access or in machine operating environments might cause operational disruption, damage to reputation, and financial losses. The Group manages these risks by closely following the latest technological developments. Next to this, the Group selects the best suited suppliers for software and ICT. Cybersecurity is a major criterion when selecting these suppliers.

Non-financial information

In accordance with the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 as regards disclosure of non-financial and diversity information by certain large undertakings and groups (the "Non-Financial Reporting Directive" or "NFRD") and as required by the Belgian Companies and Associations Code (the "Companies and Associations Code") art. 3:6 § 4 and art. 3:34, the JENSEN-GROUP has added this separate section containing non-financial information which is considered to be relevant for stakeholders and by which a difference is made. Sustainability information is disclosed in line with the EU taxonomy, while ESG-related activities identified as relevant to stakeholders are disseminated through a first materiality assessment conducted in 2022 based on a stakeholder survey. The Group is continuously working on the implementation of the new Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (the "Corporate Sustainability Reporting Directive" or "CSRD").

In providing this information, the JENSEN-GROUP has considered the requirements defined by the NFRD and the Companies and Associations Code, while also drawing inspiration from the GRI Sustainability Reporting Standards: Core option.

A significant push to report on non-financial activities was given by the Board of Directors during 2022. ESG was added as a strategic driver, substantiating the common aim of the Board of Directors and Executive Management Team ("EMT") to progress on sustainable activities and reporting. ESG has become a permanent point on the agenda of the monthly EMT meetings.

In 2023, the newly appointed Head of Corporate Sustainability will focus on developing and implementing processes, procedures, and systems to be compliant with the CSRD and reporting responsibilities.

Taxonomy

The EU Taxonomy is a classification system of sustainable economic activities across various sectors jointly responsible for more than 90% of Scope 1 and 2 of Greenhouse Gas emissions ("GHG") in the EU. This tool was developed to support the green transition of the EU economy to meet its European Green Deal objectives and as a way for businesses to assess and improve their "greenness". To be considered sustainable or, in technical jargon, aligned, an economic activity must not only be listed in the EU taxonomy as eligible, but also fulfill a certain set of criteria, such as substantially contributing to environmental objectives like climate adaptation and mitigation. The reporting on taxonomy must be based on three Key Performance Indicators ("KPI") which are Revenue, Capex, and Opex.

After careful screening of the activities listed in the EU taxonomy and a thorough comparison of NACE codes, the JENSEN-GROUP did not find any taxonomy-related activity in line with its main business operations and concluded that it was neither an eligible, nor an aligned, economic activity with respect to Revenue. None of the manufacturing activities listed in the taxonomy relate to the laundry machinery business. Although the JENSEN-GROUP is considered the leader in the industry when it comes to energy and resource savings, its main activity is not aimed at the reduction of GHG emissions. However, considerable efforts to improve its sustainability are being undertaken, and the Group is reporting for the first time on a significant number of KPIs as shown below.

With respect to Capex, some expenses linked to wider eligible activities included in the EU Taxonomy, such as company cars and the renovation of its production site in the United States, were identified. Although these activities may be considered eligible, they are not aligned, because they do not fulfill the Technical Screening criteria and the other environmental objectives of the Taxonomy, as they do not substantially contribute to climate adaptation and mitigation.

With respect to Opex, expenses in line with the taxonomy were not identified. After reviewing Annex I, 1.1.3. of the Disclosure Delegated Act, we concluded that our denominator for the calculation of this KPI equaled to zero, as none of the material operating expenditures of the JENSEN-GROUP pertain to one of the cost categories that the denominator shall cover, such as research and development or expenditures related to property assets and equipment.

JENSEN-GROUP (in thousands of euro)	**December 31 2022**	**Eligible economic activities (%)**	**Non-eligible economic activities (%)**
Revenue	341,639	0	100%
Capex	4,893	39%	61%
Opex	0	0	100%

The official templates of the taxonomy KPIs, as well as the additional disclosures on gas and nuclear can be found at the end of this report on page 154.

Materiality analysis

The materiality analysis has been updated to identify and confirm sustainability topics that are most important to business and stakeholders. This was done in order to further strengthen sustainability and corporate responsibility policy and reporting, by prioritizing topics that matter the most. In order to do so and for the first time, a stakeholder survey of customers, employees and suppliers was conducted. Over 80 contacts received the questionnaire with a return rate of about 50%. The questions were related to important material topics reflecting the Group's economic, environmental, and social impact and influencing the decisions of the JENSEN-GROUP stakeholders. During this analysis, both external and internal factors were taken into consideration, including the JENSEN-GROUP vision, mission, brand, and long-term strategy, as well as the Sustainable Development Goals ("SDG") and GRI Sustainability Reporting Standards. The result is illustrated in the materiality matrix below.

The upper right quadrant represents priority topics that are relevant for society, the JENSEN-GROUP stakeholders, and our business. The Group's sustainability approach focuses mainly on these areas, including the topics "Diversity" and "Employee engagement, training & development" as integral parts of the JENSEN-GROUP culture. These topics have been matched with the related United Nations Sustainable Development Goals ("SDG"), where these are relevant to the operations of the JENSEN-GROUP (see icons above the matrix). The upper left quadrant represents strategically significant topics that are considered relevant from a stakeholders and business point of view. The areas defined in the lower quadrants are topics to be monitored closely and to be managed internally.

Based on this materiality assessment, a new set of KPIs related to some of the most important topics has been defined and a detailed monitoring installed. Reference is made to the different dimensions of the sustainability approach mentioned below for the results of this monitoring process in 2022. This monitoring process will be maintained over the coming years and the reporting on key figures expanded, so as to obtain a better understanding of performance in terms of sustainability and to implement necessary measures to improve said performance over the years.

Sustainable business framework

The JENSEN-GROUP has a strong reputation for always going above and beyond, to meet its customers' expectations. Additionally, the goal of creating sustainable innovation for a better world is deeply embedded in the Group's DNA. The textile care service is the oldest circular economy in the world, with its roots going back to the late 19th century. Extending the life of textiles is key, and equally important is the lifetime of laundry equipment.

The aim is to honor this legacy, by developing a sustainability approach around the three ESG aspects:

In order to provide a broader sustainability context, we give below a brief elaboration of the JENSEN-GROUP business model. For more information, reference is made to other sections of the Annual Report.

Business model

The aim of the JENSEN-GROUP is to lead by providing the best solutions to its worldwide customers in the heavy-duty laundry industry. Technical excellence, significant investment in product development and specialized industry knowledge enable the JENSEN-GROUP to plan, develop, manufacture, install and service everything from single machines to complete systems, turnkey solutions, and process automation.

Product development is deemed a key part of the business model, as scarcity of resources and a greater focus on ecology increase the need for sustainable laundry solutions. Sustainability goes beyond purely environmental aspects. The new bottom-line looks at the eco-social costs and benefits of having clean linen available. The well-being of the people using and processing the linen is key. As part of its total sustainability concept CleanTech, the JENSEN-GROUP develops machines and solutions that positively impact the financial success of laundries as well as the working stations for their employees.

All products designed and manufactured by the JENSEN-GROUP fall under the responsibility of its factories, called Production and Engineering Centers ("PECs"). The PECs develop, manufacture, and deliver a full range of innovative and competitive JENSEN and Inwatec products to customers through a worldwide network of Sales and Service Centers ("SSCs") and authorized local distributors. This worldwide distribution network together with its laundry manufacturing capability, project management expertise and after-sales service make the JENSEN-GROUP a credible one-stop supplier uniquely positioned to act locally, meeting customers’ requirements and expectations fast and reliably, whether for a single machine or a complete turnkey solution, anywhere in the world.

The relative share of sales through the JENSEN-GROUP's own SSCs has increased in recent years. These SSCs operate in the most important heavy-duty markets: Australia, Austria, the Benelux, Brazil, China, Denmark, France, Germany, Italy, Japan, the Middle East, New Zealand, North America, Norway, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

The JENSEN-GROUP mission is "Creating the future in laundry automation", a one-liner which is also used in marketing communication. The JENSEN-GROUP is committed to offering the best solutions to heavy-duty laundries worldwide. For this reason, the Group is in constant dialogue with its customers through local presence, to identify the best solutions for them. Based on global experience, these solutions consider the total cost of ownership and are aimed at continuously raising productivity while reducing the ecological impact of equipment and processes. In recent years, the JENSEN-GROUP has particularly invested in further upgrading and expanding its product range in laundry robotics, AI, automation, new software applications for industry and environmentally friendlier products. The Group is committed, engaged, dedicated and responsible every time it interacts with its customers.

Customers provide a broad range of textile care services in a variety of application areas:

- Healthcare laundries: a typical healthcare institution delivers a range of items to its laundry, including surgical gowns and textiles, patient drapes, patient clothing, gowns for doctors and nurses, bed linen, towels, and more. Healthcare linen demands exceptionally high standards and flexibility in the choice of washing programs to ensure textiles are clean and not contaminated.

- Hospitality laundries: clean and perfectly folded linen is part of the overall experience of any visit to a restaurant or a hotel. Hospitality laundries process a wide variety of textile including bedsheets, fitted sheets, duvet and pillow covers, mattress covers, tablecloths, napkins, placemats, aprons, and fluffy items such as bathrobes and towels.

- Industrial laundries: both large corporations and small enterprises rely on textile care services for their workwear. Professional workwear has people covered for all situations at work and includes shirts, uniform jackets and pants of every kind, overalls, military uniforms, reflective striping jackets and pants, safety vests, police and firefighter uniforms, and even flame-resistant jackets or pants. Professional garments ensure that their wearers are recognized, respected, and ultimately also protected.

- Mat laundries: dirt control mats are a calling card for every business and guarantee an excellent first impression. Shop owners and managers rely on them in all weather conditions – without mats in the entrance area, their buildings would require constant cleaning.

- Large on-premises laundries: e.g., on cruise ships, where thousands of passengers and crew members live in a limited space for days or weeks. Both for consumption and emissions, the standards for hygiene and energy efficiency are unique in the cruise ship industry. Cruise companies are very concerned about the health and well-being of all people aboard the ship.

JENSEN-GROUP's solutions cover all stages of sorting, washing, drying and finishing of linen, garments and mats.

The JENSEN equipment combines automation and high quality – while ensuring low energy, water, and chemicals consumption, saving both money and the planet.

Finally, the business model is highly scalable and serves as a platform to expand geographically. The Group aims to be present throughout the world so as to keep communication lines with its end-customers as short as possible, in order to guarantee a high-quality customer service and reduce the company's carbon footprint. Local presence was already a key competitive advantage before the Covid-19 pandemic hit the world and continues to be a critical success factor. With 24 SSCs and six PECs spread across five continents, the JENSEN-GROUP really thinks globally and acts locally.

ENVIRONMENTAL PERSPECTIVE

All JENSEN-GROUP stakeholders and, above all, customers, face a rapidly changing environment. The JENSEN-GROUP takes sustainability seriously and is pursuing a continuous energy reduction and environmental protection strategy. In particular, the increasing scarcity of water and energy calls for an increased focus on ecology.

Appropriate internal policies have been implemented to identify both internal (i.e., arising during the manufacturing process) and external (i.e., created by the use of equipment) environmental risks to business. Such risks are identified and evaluated as part of the yearly risk mapping exercise. Three main environmental risks are included in the risk map, based on the probability of the risk occurring and on its impact:

- Risk of damage due to a natural disaster;
- Risk of non-compliance with new local laws and regulations regarding environmental protection;
- Risk of being held responsible for environmental contamination we are unaware of.

Risk mitigating measures are defined, implemented, and evaluated on a yearly basis by the Executive Management Team. A dedicated project has been introduced to ensure that the JENSEN-GROUP is fully compliant with local laws and regulations. For further information on environmental risks, please refer to the 'Risk Factors' and 'Risk Management and Internal Control' sections in this Annual Report.

1. Energy consumption

1.1. Our products

The JENSEN-GROUP takes sustainability and environmental protection seriously and is pursuing a continuous energy saving strategy to meet the challenges of the future, such as climate change and the finiteness of fossil fuels.

Continuous investment in product development, alignment of its core processes and in-depth market presence enable the JENSEN-GROUP to better meet its customers' needs. Many of these developments are targeted at reducing energy and water consumption, as well as increasing the uptime of equipment. This includes continuously monitoring the performance of equipment during the development phase. Many product developments that target natural resource and energy savings for customers are grouped under the CleanTech concept. In general, the JENSEN-GROUP invests in the range of 2% to 3% of its turnover in product development every year.

CleanTech solutions consist of knowledge-based products and services that improve operational performance, productivity and efficiency while reducing CO_2 emission, energy and water consumption, waste, and pollution. The objective of the JENSEN-GROUP CleanTech concept is to increase the efficient use of primary energy and to ensure that such energy is consumed more economically in gas-heated laundry equipment. This also involves integrating water and energy recovery systems into machines.

The CleanTech technology has produced some remarkable resource and energy savings for customers in recent years as shown in the tables below. The figures are representative indicators of energy consumption of the most efficient versions of JENSEN-GROUP's energy-intensive machines, namely dryers and ironers processing a heterogeneous mix of textiles. They were recorded under ideal circumstances and may vary depending on the context of exploitation and the different requirements of each laundry business. The JENSEN-GROUP is working on aligning its reporting regarding energy data to be compliant with official calculation standards. The latter need to be recognized internationally considering that about 40% of the JENSEN-GROUP's business takes place outside of Europe.

Energy consumption (in kWh*/liter)	**< 2005**	**> 2008**	**December 31 2022**
Dryer	1.35	1.08	0.95
Gas ironer	N/A	1.20	1.10

(*) excluding consumption of electricity

After the introduction of the CleanTech concept, further technological developments in recent years have led to considerable reduction of the energy consumption of JENSEN equipment.

Average water consumption of under three liters per kg linen processed, and energy consumption of under one KW/h per kg linen processed can be reached today with JENSEN products and solutions. Further major energy reductions through water savings and automation are reported. The continuous development of innovative technologies that can be easily integrated into new or existing equipment, such as heat exchangers, heat control (InfraCare), product enhancements or software, are important steps towards the reduction of energy consumption.

The JENSEN-GROUP is working to take the energy reduction program a step further through continuous product development and automation to ensure that the machines are operated efficiently without idling, and automatically stopped if not operated. The integration of robotics into the product line, thanks to partner Inwatec, is another major contributor towards automation and efficient energy and resource management. Technology and automation are key not only to productivity, but also to sustainability.

The JENSEN-GROUP is aware of the environmental impact and finiteness of fossil fuels such as gas used for CleanTech technology. Hence, the Group is working on product solutions powered by alternative energy sources such as hydrogen and electricity. It is important, however, to underline that heavy-duty laundry equipment is fundamentally different and much more complex in terms of energy requirements than household washing machines. Consequently, the solutions to power these industrial laundry installations cannot be compared to what the electro-domestic sector can offer.

1.2. Our production

The JENSEN-GROUP has a manufacturing platform of six PECs in five countries on three continents. Each manufacturing site focuses on specific technologies for the heavy-duty industry. Environmentally friendly equipment is developed and manufactured in the most ecologically responsible way. The JENSEN-GROUP does not just limit itself to reducing CO_2 emissions and energy and water consumption of its machines but also handles valuable resources and energy sources carefully at the production stage. The reduction of energy consumption in all factories is an important goal, and the necessary steps to improve that performance are being taken. While the importance of harmonized measures is acknowledged, some external factors may vary from one geographical site to the other and require adaptations to these measures, such as different climates, quality of building constructions or local regulations, also have to be considered. Measures like temperature reduction in factories, replacement of lighting with LED lighting, as well as the integration of alternative energy sources to generate electricity and heat for the production of machinery are being studied or have already been implemented in certain cases like in China with the installation of solar panels. Furthermore, factories apply concentrated production planning with annual closings to keep the output at a constant high level. All transportation paths within the factory and from suppliers are kept as short as possible. As part of the lean management principles, these movements are constantly optimized.

Energy consumption	**December 31 2022**	**December 31 2021**
Electric consumption (in kWh)	6,967,456	6,464,703
Revenues (in thousands of euro)	341,639	259,716
kWh per euro revenue	0.020	0.025

2. Optimization of manufacturing process

2.1 Waste reduction

Technology also adds to the sustainability balance thanks to a computer program for the laser cutting system in JENSEN-GROUP's largest factory that has enabled it to optimize the use of metal sheets, reducing the annual volume of scrap steel by 30%.

(in %/total tons of steel)	December 31 2022	December 31 2021
Steel scrap	22.35	23.50

Other initiatives towards waste reduction, such as the reuse or recycling of material, have been implemented locally. The plan, however, is to harmonize these measures for all production sites and report the data in the future.

2.2 Air pollution reduction

The two factories with their own paint booths, Xuzhou/China and Rønne/Denmark, both meet high standards for emissions. These are constantly monitored, with each site employing a dedicated person in charge of environmental issues and hazardous waste.

The pollutant discharge from the paint booths consists of hazardous solid waste, liquid waste, and waste acid from the pickling station. The hazardous solid waste is stored in a separate warehouse for collection by the supplier. Its correct disposal is supervised by the Chinese and the Danish governments. The wastewater is sent to official sewage plants. The waste acid is stored in separate warehouses, supervised by government installed cameras (in China) or locked (in Denmark), and collected by a government-appointed company. This ensures that the waste acid does not pollute the environment. None of the plants have had any spills into the environment. Both paint booths are thoroughly cleaned on a regular basis, depending on the activity.

Paint booth emissions	December 31 2022	December 31 2021
Powder consumption (in kg)	60,690	54,543
Paint booth spills	0	0

An environmentally friendly manufacturing process starts with selecting the most appropriate suppliers. The JENSEN-GROUP is therefore constantly looking for partnerships with suppliers who can contribute resource- and energy-saving opportunities of any kind.

3. Mobility

As indicated in its Mission Statement, the aim of the JENSEN-GROUP is to supply customers with sustainable single machines, systems, turnkey solutions and laundry process automation. Sustainable solutions also imply that the negative impact of activities on the climate are limited as much as possible by measuring and acting on the activities mentioned above.

Furthermore, significant potential in the reduction of GHG emissions caused by employee mobility is noted. After a drastic drop in business travels and increase in virtual meetings due to the Covid-19 pandemic, 2022 marked the return of a certain normality. Nevertheless, the pandemic highlighted the possibilities of remote working, leading to a considerable increase in virtual meetings, customer support, and e-learnings. The Group aims to keep business travel to a minimum and allow home office to positively contribute to the reduction of the company carbon footprint. Electrically powered vehicles (forklifts, vans) are also being introduced in factories, with plans in place for these to become standard in all production sites in the near future.

JENSEN-GROUP will start measuring its emissions according to scope 1 and 2 in 2023. Until then and as a first indicator of employee mobility, it is reporting the average fuel consumption of company cars and the number of electric / hybrid vehicles utilized. The Group is aware that there is clear room for improvement in this area and will update the car policy guideline accordingly. The aim is a 60% rate of cars powered by a renewable energy source by 2030, knowing that for certain business activities like customer service cars must always be ready for use and we are dependent on the availability of charging stations.

Fleet	TARGET 2030	December 31 2022
Average fuel consumption (l /100 km)	N/A	5.7
Electric / hybrid cars on total fleet	60%	12%

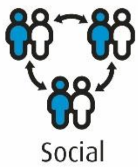
4. Climate-related risks, dependencies, and opportunities

As mentioned in the Risks factor section of this Annual Report the JENSEN-GROUP operates in 23 countries and is therefore exposed to natural hazards such as earthquakes, windstorms, or floods. It is reasonably accepted that in the long-term climate change could result in an average increase of the worldwide temperature, which could cause more frequent natural hazards. Because of this increased risk insurance coverage is taken when possible and compliance with specific building codes is reviewed carefully, to reduce the impact on the Group's performance and financial results.

The finiteness of fossil fuels and scarcity of primary resources such as water are challenging facts, but also an opportunity to develop new and better technologies that will make the JENSEN-GROUP grow as a company. Already now, the reduced water usage of solutions is considered to be a key differentiator and opportunity, with public opinion attaching ever greater importance to climate change. Limiting the water usage of solutions is a further high priority. The importance of sustainability throughout the value chain, starting from supplier selection, right through to the strategic positioning towards customers, is also stressed.

Like many companies, the JENSEN-GROUP is dependent on natural, human, and social capital for its operations. Water is increasingly becoming scarce, leading to the prioritization of further reduction of water usage in developing new machines and solutions. Employees and by extension all stakeholders appreciate these initiatives, resulting in more highly motivated employees and a better brand image throughout the value chain.

SOCIAL PERSPECTIVE



The social dimension of the ESG agenda is determined by the way that the Group deals with its people and embraces the interest of society.

1. People

1.1 Employee Health & Safety

The JENSEN-GROUP considers the wellbeing of its employees' to be mission-critical. By marking the difference in serving customers, our employees are the basis of the Group's success. The JENSEN-GROUP wants its employees around the globe to work in safe and ergonomically sound environments. All employees are encouraged to help build safe work environments by applying safety measures in their day-to-day activities. Health and safety are a priority at each JENSEN-GROUP location. At all production sites, plant managers' performance evaluations include the prevention of work accidents and remedial initiatives taken.

Every JENSEN-GROUP factory has appointed a Health & Safety Manager, who is responsible for implementing Health & Safety measures in their respective factory, starting from local regulations and requirements. At JENSEN China, an equipment operation safety management system analyzes the key safety points in the production process. Quarterly work environment committees, consisting of local management and employee representatives, are organized at different factories to discuss health & safety procedures and to review work accidents. Compliance with local health and safety laws and regulations is also part of the annual risk mapping exercise by the Executive Management Team.

As a health-measuring indicator, reports are produced on occupational accidents and, for the first time, sick leaves. These figures will serve to monitor the levels of employee health and develop corresponding solutions for maintaining healthy and safe work environments. Until 2021 the accident counts were limited to factories. As of this year and for the first time, casualties in SSCs are included. The criteria for work accidents have also been further defined: since 2022 work accidents are defined as accidents that leading to a work incapacity and reported to a work-related insurance or officially declared under local legislations.

Accidents & sick days	2021	2022	TARGET 2023
# accidents in PEC	34	36	< 30
# accidents in SSC	N/A	9	0
# sick days/employee*	N/A	5	< 5

(*) excluding long-term/ maternity / pandemic leave

1.2 Product safety

Responsibility for safety continues after the equipment is manufactured and has left the JENSEN-GROUP premises. The safety of customers' operators and of anyone using the equipment is deemed as important as that of JENSEN's own employees. All equipment complies to the best of the Group's knowledge with all European safety regulations (European Standards, ENs) and other local requirements. At the same time, machine safety must go beyond regulations. Already during the product development phase, JENSEN-GROUP focuses on the ergonomics and overall safety of equipment. Ergonomic solutions have been integrated in all sorting, handling, and finishing processes, e.g., optimized sorting belt height to reduce stress and strain caused by bending, engineered sorting stations which bring the bin chutes closer to the operators and individually adjustable height loading stations. The JENSEN-GROUP development teams also pay attention to the noise emissions of equipment, given the stress that noise pollution causes to general health and well-being. Next to that, the JENSEN-GROUP is the only supplier of corner-less remote stations and systems. A conveyor belt brings the linen right in front of the operator who only needs to pick it up with one grip and feed the piece without having to look for corners. This solution facilitates the operator's task by making it easier and more comfortable to feed large and heavy flatwork pieces into remote stations.

JENSEN-GROUP aims to automate all manual or semi-automated processes. With a hands-free operation, laundries also ensure top hygiene conditions. The product offering includes robotics from partner Inwatec ApS, which expands on this approach. When soiled linen is sorted automatically by a robot, operators do not risk getting hurt or even infected by potentially forgotten objects in the textiles (tweezers, scalpels, scissors, pens, and even larger objects).

The lifetime of textiles and equipment is also extended by not being damaged by these forgotten objects.

Removing this "dirty work" of linen sorting is a process that was not automated until a very short while ago. Inwatec's automated soil sorting system, consisting of an X-ray machine and a learning system, minimizes the need for human interaction in quality control and surveillance. Robots pick up the laundry pieces from conveyor belts and transport them to the X-ray scanner, which detects unwanted objects. At the same time, an RFID chip reader registers the garment and determines further sorting in the system. All these tasks can now be performed by a few operators who have only to empty the pockets of the refused garments. The challenge has been to make robots intelligent enough to replace human labor.

With this mindset, customers' work accidents have been reduced to an absolute minimum; even so, each occupational accident is considered as one too many. Product safety is and will therefore remain a cornerstone of the JENSEN-GROUP strategy.

1.3 Human rights

The JENSEN-GROUP has built and continues to build its success and growth on, key values best summarized as the JENSEN Spirit: respect for others, exemplary behavior, integrity, and responsibility. Those key values are part of a larger framework that is also recognized and applied by the JENSEN-GROUP, and which consists of the United Nations (UN) Universal Declaration on Human Rights, the UN Convention on the Rights of the Child, the European Convention on Human Rights, and the International Labor Organization (ILO) Fundamental Conventions.

In view of the above, the JENSEN-GROUP is committed to be an ethical and responsible company, to limit environmental impacts, and to promote the highest standards of integrity. This approach is fully reflected in the JENSEN-GROUP Ethical Business Policy Statement which is our Code of Conduct. It condemns any form of child labor or discrimination and promotes decent working conditions and freedom of association. Any violation of the Ethical Business Policy Statement might cause operational disruption, damage to reputation, and financial losses and appropriate disciplinary actions will be imposed against any officer, employee, supplier, customer, or business partner, that fails to respect the Ethical Business Policy Statement.

The JENSEN-GROUP intends to fully associate all of its suppliers, manufacturers, subcontractors, licensees and distributors, regardless of the product or service provided with this approach and these values. Accordingly, a new Suppliers' Code of Conduct was elaborated in 2022 and submitted for approval to all of the Group's most important PEC suppliers ("A-suppliers"). Almost 80% of A-Supplier signed it or referred to their own Code of Conduct in line with the one of JENSEN-GROUP. The remaining of the strategic suppliers are expected to commit to it steadily until the end of 2023. China leads the way with 98% of all strategic PEC suppliers having already approved the Suppliers' Code of Conduct.

Rate of adherence to Suppliers' Codes of Conduct	TARGET 2023	2022
A suppliers	100%	78%
A/B/C suppliers	80%	50%

1.4 Diversity

The JENSEN-GROUP is fully aware of its responsibility towards its employees. Driven by the JENSEN Spirit, its culture is open and international. The JENSEN-GROUP offers opportunities for achievement, recognizes people's contributions, gives each team member as much responsibility as possible, and offers training and development opportunities. This open culture results in job satisfaction for each employee and in long-term employment at the JENSEN-GROUP, as shown by the high average career lengths of 9 years.

Especially for engineering companies that aim at building long-term relationships with their customers (often over generations), seniority is an important success factor. Senior staff are valuable employees who become knowledge leaders in the organization. They pass their experience and knowledge on to junior staff members, both in a structured way, as in our corporate JENSEN Academy trainings, and on-the-job.

Opportunities for promotion are not preferentially offered to senior employees: the JENSEN-GROUP leadership team promotes colleagues based on their achievements, talents, and ambitions, regardless of their length of service.

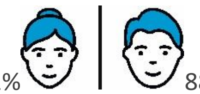
Furthermore, the JENSEN-GROUP makes no distinction in terms of age, gender, culture, religion, origin, or other form of diversity. The Group is committed to providing equal opportunity in employment and to respecting the rights and dignity of each employee. All forms of discrimination in recruitment and promotion are prohibited. The JENSEN-GROUP is driven by culture. Living the JENSEN Spirit leads to everyone doing the right things naturally.

This approach is underlined in the Ethical Business Policy Statement to be followed and respected by all employees. It can be found on the Company website and a summary is available in the introductory manual handed out to all new employees ("JENSEN Blue Book") and available on the Intranet. It clearly states, "*we provide equal opportunity in employment to all employees and applicants for employment and do not discriminate based on race, religion, political belief, color, sex, age, national origin, disability or any other illegal classification*". Reference is also made to Goal 10 of the Sustainable Development Goals to which the Group adheres fully.

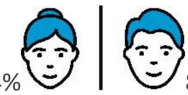
As of 2023, it is planned that all current and new employees will sign this Ethical Business Policy Statement.

There are 49 nationalities in the JENSEN-GROUP.

Female/male (total workforce 2022)

12%  88%

Female/male (management 2022)

14%  86%

As a direct consequence of the type of business, the percentage of women is rather low, though with a higher percentage in management. Furthermore, the Belgian Law of 28 July 2011 on gender diversification requires that at least one third of the Board of Directors be female. JENSEN-GROUP NV is in full compliance with this law.

The Group plans to review its Human Resources Guidelines to make sure that diversity and gender are factors taken into consideration in the recruitment process. The JENSEN-GROUP believes that talent can come in any form or shape and the JENSEN Spirit is universal.

1.5 Employee engagement, training & development

To fulfill the Group's mission and to sustain the JENSEN Spirit, great effort is made to attract and retain talented people, while developing the skills of current and future leaders. In recent years, the JENSEN-GROUP has invested heavily in the development of its employees, through corporate training, local training, and individual initiatives. Training is given through the JENSEN Academy at all organizational levels, with webinars and onboarding training for new employees, new managers, and new project managers. Training programs include technical and function-specific training, as well as leadership modules that help employees develop and cooperate in a global business environment. Developing teamwork and collaboration is critical to success.

Given the international character of the JENSEN-GROUP, digital training for office employees (sales, marketing, management, and back-office) has been offered since 2010. When the Covid-19 pandemic hit, similar approaches for staff that had previously trained on-site at the factories were quickly developed. While digital meetings cannot fully replace live training sessions either at customer sites or in our factories, the Group can now offer hybrid training solutions for most employees as well as remote customer support. This means more comfort and personal time for people, lower GHG emissions and considerable savings on travel expenses.

Furthermore, the Group is proud to function as a training center for the younger generation by offering apprenticeships in factories in a range of professions.

For the first time, key people development figures are being reported, as the Group looks forward to providing more data for comparison next year.

People development	**TARGET 2023**	**2022**
Average hours of training / employee	30	21
# Apprentices / trainees	70	60

The intention is to ensure that the JENSEN-GROUP continues to be an attractive employer for new talents and current employees. For this reason, voluntary resignations are being monitored. The churn rate in 2022 lies at 5%.

The JENSEN-GROUP aims to further strengthen its open culture and to embed it throughout the Group. For this, a variety of communication channels and platforms to inform employees about corporate targets, strategies and current developments is used. Jennet, the intranet of the JENSEN-GROUP, offers information on a wide range of subjects, including product information, HR information, and the Group's Principles and Guidelines. While Jennet is a valuable tool for disseminating information within the Group, the use of internal social media, including an app on employees' smartphones, as a modern way of sharing news and interacting is also encouraged. The various departments then determine their own priorities using these general communication tools and implement action plans to achieve them. These collaborative tools support the exchange of new ideas and insights, and ultimately, personnel and organizational development.

1.6 Our customers

The JENSEN-GROUP culture clearly makes the difference: by incorporating past experience, the present characterized by common values, and its future. The Group is keen to deepen its corporate culture throughout the organization, in the belief that this is a dynamic process that directly incorporates the needs of its customers. As customers know the laundry business better than anybody else, the JENSEN-GROUP seeks to create partnerships with them. Constant dialogue with customers, through local presence, results in long-term relationships. In this way their needs are known, creating a focus on efficiencies to provide sustainable laundry solutions and systems. The CleanTech solutions help the Group gain new customers that require ecological processes to meet Corporate Social Responsibility guidelines or to obtain quality certificates.

With the JENSEN-GROUP, customers have a strong partner that they can rely on from the moment of the initial consultation, on to the planning stage, correct installation, and start-up of the equipment and through to after-sales service. This includes regular technical inspections of the JENSEN equipment and customer training, both of which increase productivity and profitability by reducing maintenance costs for customers and helping avoid equipment downtime. It is believed that this strong business partnership between the JENSEN-GROUP and its customers places the Group in a win-win position.

2. Society

2.1 When global meets local

The JENSEN-GROUP is truly committed to serving customers to the best of its abilities, joining forces with business partners to develop mutually rewarding relationships and to supporting the communities where employment is provided.

The Group's strategy is to fully leverage its global capabilities while reinforcing its local presence in every significant market. The JENSEN-GROUP brand portfolio represents tailor-made and high-quality solutions for its customers wherever they are. In that respect, the aim is to truly make a difference by entering local level partnerships and respecting local habits and needs, as well as respecting the needs and requirements of the wider local community by living up to the highest professional standards and complying with all legal requirements.

Geopolitical instabilities, an energy crisis, the Covid-19 pandemic, and climate change are real challenges calling for immense agility and resilience. Management, staff and customers will have to stay alert and flexible. In the meantime, the Group seeks to do what it does best, which is to keep up the JENSEN spirit, nurture its relationships with customers and colleagues, and support local communities by providing decent employment and engaging in socially responsible initiatives. A tight solidarity is key to success in demanding times.

The JENSEN-GROUP has created an environment in which personal initiatives are highly appreciated, as it is strongly convinced that its employees are best placed to identify local needs in which the JENSEN-GROUP can make a difference. It is believed that JENSEN-GROUP's people live its value statement *'we think globally and act locally'* and this has resulted in many different initiatives and activities on company-wide and local levels.

Regardless of the current situation, the world is becoming a global village, where people will continue to travel, both for business and for leisure, to traditional and new destinations (emerging markets). This offers opportunities for growth, with an increased need to process hotel and catering linen, and for increasing the JENSEN-GROUP's sustainable and social contribution by providing environmentally friendly equipment.

JENSEN Teams joining forces for a good cause

Some examples from our global offices

Sending sanitary aid supplies to Ukraine
JENSEN Sweden

Preparing Christmas gifts for underprivileged children and elderly
JENSEN Spain

From Denmark to France by bike to support children with critical illnesses
JENSEN Denmark

Delivering encouraging presentations to teenagers at local schools
JENSEN Sweden

Raking the yard and building handrails for elderly people
JENSEN USA

Sending aid supplies on behalf of European offices to Ukraine
JENSEN Germany

Paris City Run „La Parisienne“ to fund research for breast cancer – with colleagues from JENSEN offices in France, Belgium, Switzerland, Singapore, Sweden

Running to support good health in Hildesheim
JENSEN Germany

GOVERNANCE

1. Corporate governance

As the JENSEN-GROUP NV share is quoted on the Euronext Stock Exchange, the Company has adopted the 2020 Belgian Corporate Governance Code (the "2020 Code") as well as a risk management and internal control process. For more information on these, please refer to the separate Corporate Governance chapter in the Annual Report and to the Corporate Governance Charter on the Company website Corporate Governance (jensen-group.com).

It is acknowledged that adopting the 2020 Code, positively contributes to a better society by inspiring greater trust among investors and other stakeholders. As maintaining trust in the brand and organization is considered to be a crucial part of the JENSEN-GROUP strategy, a strict Policy to Prevent Insider Trading and a whistleblowing procedure have been implemented, both of which significantly reduce the risk of improper conduct or appearance thereof. Please refer to page 63 of the Annual Report for more information on the insider trading policy and to the chapter below on "Business ethics" for more information on tools to prevent unethical behavior.

The JENSEN-GROUP considers integrity, honest business practices and lawful conduct amongst its topmost priorities. No business requirement can justify an illegal, unethical or unprofessional act. Success in business depends upon maintaining the trust of employees, company directors, shareholders, customers, suppliers and other business partners, as well as government authorities and the public at large.

Against that background, the JENSEN-GROUP has developed an Ethical Business Policy Statement that reflects its values and the moral, legal and business expectations that it has towards its employees and stakeholders (see the chapter above on "Human Rights" and the chapter below on "Business Ethics"). Any violation of the Ethical Business Policy Statement might cause operational disruption, damage to reputation, and financial losses and appropriate disciplinary actions will be imposed against any officer, employee, supplier, customer or business partners who fails to respect the Ethical Business Policy Statement.

It is the Group's aim to be compliant with all local tax rules. The JENSEN-GROUP maintains a transparent, honest, and co-operative approach with all tax authorities. The Group does not engage in aggressive tax planning practices.

Finally, the JENSEN-GROUP has developed an Internal Control Process. For more information about this process, please refer to the chapter on "Risk Management and Internal Control" in the Corporate Governance Statement below.

2. Business ethics

The JENSEN-GROUP strives to maintain an open culture throughout the organization. The Group's Code of Conduct outlines the responsibilities for proper practices of both individuals and the organization. These contribute to the welfare of and respect for all stakeholders.

With the *'we think globally, and act locally'* approach, considerable authority is shifted towards local management. This requires making sure that several rules are respected. At the JENSEN-GROUP, these are summarized in the 'Principles and Guidelines' which can be found on the JENSEN intranet. In addition, the JENSEN-GROUP has developed several control mechanisms to prevent unethical behavior at all levels, namely:

- an Ethical Business Policy Statement and a Suppliers Code of Conduct condemning, among other things, any form of corruption or bribery that undermines fair trade (available on the Company website).
- a Corporate Governance Charter defining the role and responsibilities of the Board of Directors (available on the Company website).
- a Policy to Prevent Insider Trading signed by all employees with access to sensitive Information (internal document).
- a Whistleblowing Hotline open for all employees and other stakeholders of the JENSEN-GROUP and operated by an independent trusted third party (accessible through the Company website).
- an ICT Policy to prevent violation of personal data and cyber-related risks signed by all employees (internal document).

These rules and procedures give all employees and anyone acting on behalf of the JENSEN-GROUP the possibility to report any suspected or actual violation of rightful business practices. There were no reports of unethical behavior in 2022, as the Group looks forward to an equally positive outcome for 2023.

Further reference can be made to the Corporate Governance Statement below of the present report for additional details about governance structure and the Board of Directors' commitment to sustainable and responsible leadership.

Conflict of interest

Under the Companies and Associations Code, the members of the Board of Directors are required to give the Chairman prior notice of any agenda items in respect of which they have a conflict of interest with the Company, either direct or indirect, whether of a financial or other nature, and to refrain from participating in the discussions of and voting on those items. Conflict of interest is therefore a standard item on the agenda of each Board of Directors meeting. In the course of 2022, three potential conflicts arose at the meeting of the Board of Directors that was held on March 10, 2022, during which the share buy-back program, the dividend proposal and the re-appointment of a Board member were discussed.

The relevant excerpts from the minutes of said Board meeting are included below:

" On March 10, 2022, at 11.30 a.m., the Board of Directors of JENSEN-GROUP NV (hereafter: “the Company”) holds a meeting via videoconference by means of which all participants can see and hear one another.

<u>The following Directors are present:</u>

- *YquitY bv, represented by Mr. Rudy Provoost*
- *SWID AG, represented by Mr. Jesper Munch Jensen*
- *TTP bv, represented by Mr. Erik Vanderhaegen*
- *Inge Buyse bv, represented by Mrs. Inge Buyse*
- *Mr. Jobst Wagner*
- *Cross Culture Research LLC, represented by Mrs. Anne Munch Jensen*

<u>The following invitees are attending</u>:

- *Werner Vanderhaeghe bv, represented by Mr. Werner Vanderhaeghe, Esq.*
- *Mr. Markus Schalch*

Mr. Provoost (hereafter: “the Chair”) presides. Mr. Vanderhaeghe acts as Secretary. The Chair points out that notice of the meeting was given by email of March 4, 2022, that all Directors are present, and that the meeting is validly constituted. The Chair then proposes that the meeting consider the following items of business.

<u>Conflict of interest</u>

The Chair informs the members of the Board that by letters dated, respectively, March 7 and March 8, 2022, and addressed to the Chair and the Company’s statutory auditor, SWID AG and Mr. Wagner gave notice of a conflict of interest in relation to the items on the agenda referred to as “Share buy-back program” and “Proposal for Dividend,” while Cross Culture Research LLC gave notice, by similar letter dated March 7, 2022, of a conflict of interest in relations to the items “Share buy-back program,” “Proposal for Dividend,” and “Proposal re-election Directors.” The letters are next handed over to the Secretary for filing with the Board’s records, and Mrs. Jensen and Messrs. Jensen and Wagner confirm that they will abstain from the discussion and the vote relative to the items on the agenda in relation to which they have notified a conflict of interest. All other members of the Board then confirm that they have no conflict of interest in relation to any of the items on the present agenda.

Following a brief review of the items on the agenda and of the various documents relative to these items that were sent to the members of the Board, the Chair moves for a decision on the items that require approval of the Board and after discussion, the Board proceeds as follows.

(…)

Report Board Committees – Review and approval proposal Nomination and Remuneration Committee of Remuneration Policy and Remuneration Report – Proposal delegation of powers – Proposal re-election Directors

(…)

The Chair then recalls for the members of the Board that the term of office of Cross Culture Research LLC as a Director will expire at this year's Annual Shareholders' Meeting and that the Nomination and Remuneration Committee has made a proposal for its re-election as referred to earlier in the meeting. The Chair confirms in this regard that Cross Culture Research LLC, represented by Mrs. Jensen, has expressed an intention to seek re-election and that under current law this Director would maintain the qualification as non-independent Director. Following a brief discussion of the Nomination and Remuneration Committee's assessment of the incumbent Director's credentials and track record on the Board and the Board Committees, the Chair moves for a decision and the Board adopts the following resolution:

"Upon a motion duly made, the Board of Directors resolves unanimously, with Mrs. Anne Munch Jensen abstaining from the discussion and vote, to propose Cross Culture Research LLC, represented by Mrs. Anne Munch Jensen, for re-election by the shareholders to the Board of Directors for a term of 4 years and with the qualification as non-executive, non-independent Director; resolves further to submit such proposal for approval by the shareholders at its Annual Meeting to be held on May 17, 2022."

(…)

Presentation and approval Financial Statements 2021 JENSEN-GROUP NV and Consolidated Accounts 2021 JENSEN-GROUP – Preparation and approval of Report to Shareholders – Preparation and approval of Corporate Governance Statement - Proposal for dividend

The Chair reviews with the Board the draft financial statements of the Company and the consolidated accounts of JENSEN-GROUP for the year ended as at December 31, 2021, the proposal for the Report to the Shareholders on the Company's and the Group's activities in the course of 2021, and the proposal for the payment of a dividend.

(...)

The Chair then recalls for the Board the discussion in the Audit and Risk Committee, as reported earlier in the meeting, on the proposed dividend payout in view of, inter alia, the continuing impact of the ongoing COVID-19 crisis and the cash position of the Company. At the Chair's suggestion, the Board resolves to adopt the following resolution:

(…)

"Upon a motion duly made, the Board of Directors resolve unanimously, but with SWID AG, represented by Mr. Jesper Munch Jensen, Cross Culture Research LLC, represented by Mrs. Anne Munch Jensen, and Mr. Jobst Wagner abstaining from the deliberation and vote, to approve the proposal for the payment of a dividend to the Company's shareholders in the amount of 0.50 Euro per share, payable as of May 31, 2022."

(…)

Share buy-back program

At the request of the Chair, Mr. Schalch outlines for the Board and comments on BDO's valuation of the Company in connection with the proposal for a share buy-back program that the Board requested at its meeting on December 9, 2021. The slide presentation by Mr. Schalch, the draft report on the subject by an ad hoc committee of independent directors, as well as the Valuation Report by BDO dated February 2022 were sent to the members of the Board with the notice of the meeting. The Board reviews in extenso the outcome of the valuation and the financial impact on JENSEN-GROUP and its bank covenants, the timing, the maximum number of shares, and the upper price limit as suggested by management and set forth in the presentation by Mr. Schalch. The Board further acknowledges the recommendation by management to select an investment bank to whom the buy-back mandate will be granted. In concluding the discussion on this item, the Chair suggests for management to liaise with the Chairman of the Board and the Chair of the Audit and Risk Committee for purposes of executing the program and instructing the mandate. The Chair then moves for a decision and the Board resolves as follows:

"Upon a motion duly made, the Board of Directors resolves unanimously but with SWID A.G., represented by Mr. Jesper Munch Jensen, Cross Culture Research LLC, represented by Mrs. Anne Munch Jensen, and Mr. Jobst Wagner abstaining from the discussion and the vote to approve the buy-back mandate and to appoint an investment bank to whom the buy-back mandate will be granted, thereby respecting the price parameters and conditions as set forth in Article 11 of the Company's by-laws and discussed at the meeting."

(…)

There being no further business to discuss, the meeting adjourns at 3.15 p.m.

Human resources

The number of employees at year-end has developed as follows:

	December 31 2022	December 31 2021
Number of employees	1.555	1.384

Investments and capital expenditures

Capital expenditures in 2022 amounted to 5 million euro (22 million euro in 2021), consisting primarily of investments in the office building in Panama City (JENSEN USA) destroyed by Hurricane Michael, and in machinery and vehicles.

In 2021, investments and capital expenditures primarily consisted of the purchase of land rights and buildings in China and the 40% increase in the shareholding in Inwatec ApS, Denmark.

Research and Development

The JENSEN-GROUP does not perform fundamental research but undertakes continuous product development. These expenses in respect of the continued operations amounted to 6.3 million euro in 2022 (5.2 million euro in 2021). Until the end of 2020, the Group did not capitalize development expenses but expensed them as incurred. For further information, refer to Note 4 below on Non-Current Assets (p.103). The depreciation period is evaluated continually, and the asset is reviewed annually for impairment.

Use of financial instruments

The JENSEN-GROUP uses derivative financial instruments to reduce its exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Group's policy not to hold derivative instruments for speculative and trading purposes.

As of December 31, 2022, currency brought forward hedges existed in an amount of 2.0 million euro and currency sold forward hedges existed in an amount of 15.6 million euro. The Group also had an Interest Rate Swap (IRS) outstanding in amounts of 15.0 million DKK with maturity 2039 and a fixed rate of 0.4350%.

Litigation

Provisions have been set up in respect of all claims that, based on prudent judgment, are reasonably accounted for. The JENSEN-GROUP keeps track of all potential litigations and pending legal cases at the Group level. In this chapter, cases against the Company or one of its subsidiaries are covered. Pending issues per major category are:

- Public and product liability claims:
  2 claims in the USA
  1 claim in Australia
  1 claim in UK
  4 claims in the EU

- Claims from employees:
  1 claim in the USA

- Commercial claims:
  2 claims in the EU
  1 claim in the USA

- Environmental risk:
  1 ongoing case in the USA

Most of these claims are covered by insurance. Based on legal advice taken, management does not expect these claims to significantly impact the Group's financial position or profitability. Where management considers it probable that a liability will arise, the potential effect of the claim has been estimated and a provision has been made.

Statement of Corporate Governance

JENSEN-GROUP NV has adopted the 2020 Code on Corporate Governance, which is available on www.corporategovernancecommittee.be, as its reference code. The Company has implemented the Code since 2004, has consistently reviewed the major requirements and evolution thereof, and regularly evaluates the Group's degree of compliance there-with. To the best of its knowledge and belief, and subject to the comments on exceptions as explained hereinafter, the Company has been and remains compliant with the 2020 Code.

The Company has adapted its Corporate Governance Charter in accordance with the 2020 Code, and the Board of Directors has thereby adopted and published the following revised documents:

- Charter of the Board of Directors, including standards of independence and requirements for Directors;
- Charter of the Nomination and Remuneration Committee;
- Charter of the Audit and Risk Committee;
- Communication Policy;
- Role and Responsibilities of the Chairperson of the Board of Directors;
- Role and Responsibilities of the Executive Management.

The Corporate Governance Charter can be found on the Company website www.jensen-group.com under the heading “Investor Relations/Corporate Governance,” and is regularly reviewed and evaluated by the Board of Directors. The Corporate Governance Charter is part of the day-to-day proceedings of the Company’s Board of Directors and Board Committees and has been and remains to the best of the Group's knowledge and belief compliant with the 2020 Code.

According to the “comply or explain” principle, the Company may deviate from the 2020 Code, provided that it duly explain the reasons for such deviation, which could be linked to the Company’s nature, organization and/or size. At present, the Company first of all departs from Recommendation 4.14 of the 2020 Code by not having an internal audit staff and instead outsourcing the internal audit function to external parties. In this regard, the Company’s Audit and Risk Committee has concluded that an in-house internal audit function would not be an effective function because:

- The JENSEN-GROUP consists of multiple smaller entities with limited turnover that are closely monitored by local management teams.
- The management teams are further monitored by the JENSEN-GROUP headquarters through quarterly operational and financial reviews and through regular management visits to the headquarters site.
- All JENSEN-GROUP subsidiaries are aware of the JENSEN-GROUP policies and procedures, and the Group's relative size continues to allow for regular communication and face-to-face meetings with all local management teams.
- For consolidation purposes, all JENSEN-GROUP companies are audited by the same accounting firm and significant risk factors are consistently reviewed in the external audit scopes of the different subsidiaries.

For these reasons, the Board's Audit and Risk Committee develops internal audit priorities both through consultation with the external auditor and based on a risk analysis, while also retaining an independent outside audit firm for specific internal audit projects. This approach is considered more effective than an in-house internal audit function as the Audit and Risk Committee can outsource the internal audit activity to a locally competent internal audit service provider.

Second, the professional qualifications and duties of the Directors to be (re-)appointed were not stipulated in the invitation and notices for the next Annual Shareholders' Meeting, which is a departure from Recommendation 5.6 of the 2020 Code. In particular, this departure is explained by the fact that these qualifications and duties have already been specified in several press releases and annual reports as including both broad international experience and operational and financial knowledge that is adequate to function in an audit and risk committee or nomination and remuneration committee.

Third, the Company deviates from Recommendation 9.1 of the 2020 Code in that it has no formal arrangement for, and therefore does not regularly assess, the interaction between the non-executive Directors and the Executive Management. This deviation is explained by the fact that in practice, the CEO and CFO always attend the Board and Board Committee meetings, while the non-executive Directors can meet the executive managers as they wish by visiting locations or requesting a separate meeting to discuss specific topics. In addition, the non-executive Directors have the opportunity to meet at least once a year in the absence of the CEO and the other executives.

In accordance with Recommendation 7.12 of the 2020 Code, the main terms and conditions of the contracts of the CEO and the other executives are approved by the Board of Directors based on the advice of the Nomination and Remuneration Committee. The contracts deviate from Recommendation 7.12, however, in that they presently do not enable the Company, nor specify where it would be appropriate, to recover or withhold the payment of variable remuneration insofar as enforceable by law, although the Board of Directors may always include such provisions in the future. Based on a comparison of market data that the JENSEN-GROUP believes reflect the current thinking about balanced compensation, the Nomination and Remuneration Committee hereby applies between 30% - 60% variable remuneration depending on the level of function. The contracts of the CEO and other executives also contain specific provisions relating to early termination.

Within the JENSEN-GROUP, neither the non-executive board members nor the executives receive any remuneration in the form of JENSEN-GROUP NV shares. This is a departure from Recommendations 7.6 and 7.9 of the 2020 Code, which is explained by the fact that the Company has had a long-standing practice of setting its remuneration policy based on an alignment of annual objectives and actions with the long-term value creation and sustainability objectives of its shareholders and other stakeholders. The Board of Directors and the Nomination and Remuneration Committee have applied that policy consistently over the past ten years and with good results, as underscored by the performance record of the Company during that period. The Board of Directors has hereby concluded, further to the advice of the Nomination and Remuneration Committee, that the grant of the JENSEN-GROUP shares would run counter to this policy and therefore decided against remuneration in such form.

For the same reason, the Board of Directors does not apply the requirement, as set out in article 7:91 of the Companies and Associations Code, to spread targets and payment of variable compensation over multiple years. To that effect, the shareholders approved an exemption from this requirement for the first time in May 2014 and most recently renewed this exemption at the Annual Shareholders' Meeting of May 2020.

Last, there are no specific agreements or systems that give the Company the right to claw back paid variable compensation, which is a departure from Recommendation 7.12 of the 2020 Corporate Governance Code. This departure is explained by the fact that the Company applies a Remuneration Policy of setting performance targets and paying out variable compensation in line with achievement levels on an annual basis. If the Company were to opt for a long-term incentive scheme based on multi-year strategic objectives, the departure from Recommendation 7.12 would be revisited.

The information found in the Corporate Governance Charter is provided “as is” and is solely intended for clarification purposes. The recommendations and policies found in the Corporate Governance Charter are in addition to, and not intended to change or interpret, any law, regulation, or the Certificate of Incorporation or Bylaws of the Company. By adopting the revised documents included in the Corporate Governance Charter, the JENSEN-GROUP does not enter into any obligation or contractual or unilateral commitments whatsoever and these documents are instead intended as guidelines in the day-to-day operations. Competences and tasks attributed to the Board of Directors are to be seen as enabling clauses, not as mandatory rules, or compelling lines of conduct.

Risk management and internal control

In accordance with the relevant provisions of the Companies and Associations Code, the JENSEN-GROUP has adopted and implemented a risk management and internal control process.

The following description of this process is based on the Integrated Internal Control Framework and the Enterprise Risk Management Framework as published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Board of Directors supervises the proper functioning of the risk management and internal control process through the Audit and Risk Committee. The Board of Directors has delegated the tasks of implementing a risk management process and internal control system to the Executive Management Team, expecting reports on both topics from the Executive Management Team at regular intervals.

Risk management

Based on a framework model prepared by an external consultant, the JENSEN-GROUP's Executive Management Team has developed a risk map describing the Company's financial, operational, strategic, and legal risks. Prepared for the first time in 2008 and reviewed on a regular basis, this map outlines and evaluates the probability of the different risks occurring, the impact of such occurrence on the results, and the measures to mitigate the risk exposure. The Executive Management Team presents the conclusions of this risk management exercise to the Audit and Risk Committee and subsequently to the Board of Directors, which discusses the significant risks and changes in risks with management on an 'as needed' basis and at least once a year.

The Executive Management Team discloses, on a quarterly basis, a certain number of risk areas as reported during the quarterly review process by the reporting entities. The Executive Management Team then re-examines those risks, formulates mitigation approaches, and looks at various ways to transfer, for areas of continuing material risk exposure to the Company, the risks to third parties.

Internal control

Definition

Internal control is a process that is defined and has to be followed by the Board of Directors, management, and other personnel. It is designed to provide reasonable assurance regarding the achievement of objectives in the following categories: a) strategic – high-level goals, aligned with and supporting its mission; b) effectiveness and efficiency of operations; c) reliability of financial reporting; and d) compliance with laws and regulations.

Control environment

The Board of Directors and the Executive Management Team have approved and adopted the JENSEN-GROUP Ethical Business Policy Statement, which sets forth the JENSEN-GROUP's mission and ethical values, describes the JENSEN-GROUP's rules of conduct, and lists the transactions that are permissible between the JENSEN-GROUP and third parties to the extent that these transactions are not covered by the legal provisions on conflict of interest. Implementation and application of the Ethical Business Policy Statement is mandatory for all companies of the JENSEN-GROUP and a review of its provisions is integrated into every training session that is organized. The Ethical Business Policy Statement is updated on a regular basis and can be found on the Company website www.jensen-group.com under the heading "Investor Relations/ Corporate Governance."

In addition, the JENSEN-GROUP has developed a whistleblowing procedure that is available to all stakeholders on the Company website under the heading "JENSEN-GROUP Whistleblowing Procedure." The Company is currently considering the need, if any, to update this procedure in view of the recently adopted Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (the "Whistleblower Directive") and the partial transposition thereof into Belgian Law by the Law of 28 November 2022 on the protection of reporters of breaches of Union or national law discovered within a legal entity in the private sector.

In 2022, the JENSEN-GROUP started to implement a Supplier Code of Conduct, which outlines the standards with regard to business integrity and ethics, labor and social standards, environment, general principles of business and related management systems that the JENSEN-GROUP expects its suppliers to comply with. To increase social and environmental responsibility, the Code of Conduct may require suppliers to go beyond compliance with locally applicable laws and regulations.

Control activities and monitoring

The JENSEN-GROUP consists of several entities that are closely monitored by local management teams. The JENSEN-GROUP headquarters further monitors the local management teams through quarterly operational and financial reviews. In addition, the Company's Group Controlling and Reporting function reviews the different entities on a quarterly basis.

The JENSEN-GROUP monitors its business with a view towards achieving a certain level of Return on Capital Employed (ROCE).

The local management teams are responsible for implementing the JENSEN-GROUP Procedures and Guidelines.

Conformity with reporting requirements

All applicable IFRS accounting principles, guidelines and interpretations are incorporated in the accounting manual, which is updated on a regular basis, and which is part of the JENSEN-GROUP Procedures and Guidelines. The JENSEN-GROUP Procedures and Guidelines are available on the JENSEN-GROUP's intranet and accessible to all local management and staff. Additional reporting is undertaken as requested by management and/or the Audit and Risk Committee and is, where appropriate, included in the accounting manual.

The Financial Managers of the JENSEN-GROUP meet at regular intervals and are on each of those occasions informed about the relevant changes in IFRS. Training is provided on an 'as needed' basis to ensure the correct implementation of such changes.

All JENSEN-GROUP companies are converting to the same ERP system over a set timeframe. All companies use the same software to report the financial data for consolidation purposes.

The JENSEN-GROUP's management has introduced, after discussion with the Audit and Risk Committee, a set of key controls to provide reasonable assurance about the reliability of financial reporting and of the financial statements made available to external parties starting in 2009. Local management has implemented these key controls, which are reassessed on a regular basis and amended if necessary. Compliance with key controls at local level is also checked periodically.

Financial Reviews

To ensure the accuracy of the reported data, the JENSEN-GROUP Controlling and Reporting function reviews on a quarterly basis the financial accuracy of all data submitted for consolidation, their consistency with the budget or rolling forecasts, deviations from the budget, forecast or previous year, and the explanations of such deviations. The JENSEN-GROUP's management then ensures proper follow-up on, and actions in response to, any deviations.

Operational Reviews

Monitoring is performed during the quarterly Business Board Reviews, which include a financial review that specifically focuses on major changes in P&L and balance sheet items, deviations from budgets or forecasts, and consistency in applying IFRS rules. The internal control system is monitored on a quarterly basis.

Management's monitoring of internal controls is performed on a continuous basis. The performance of the individual companies of the JENSEN-GROUP is measured and compared with both the rolling forecasts and figures of previous years, which may identify anomalies indicative of a control failure. Failures are promptly remedied.

For consolidation purposes, all JENSEN-GROUP companies are audited or reviewed by the same accounting firm, and significant risk factors are reviewed consistently in the external audits of the different subsidiaries. The external auditor reports twice a year to the Audit and Risk Committee on the findings of such audits or reviews and on any significant issues.

Relevant findings by the Internal Audit (which is outsourced as described above) and/or the Statutory Auditor are reported to both the Audit and Risk Committee and to the management concerned. Periodic follow-up is performed to ensure that corrective action has been taken.

All relevant financial information is presented to the Audit and Risk Committee and to the Board of Directors so as to enable both to analyze the financial statements. Prior to any external reporting, all press releases and other financial information are subject to:

- Appropriate review and controls by the JENSEN-GROUP headquarters.
- Review by the Audit and Risk Committee.
- Approval by the Board of Directors.

As reported above, the Audit and Risk Committee believes that an in-house internal audit function is not the most effective and efficient way to perform audit work within the JENSEN-GROUP. The Audit and Risk Committee has therefore, in consultation with the external auditor, and on the basis of a risk analysis, developed an internal audit plan and retains an independent outside audit firm for specific internal audit projects. The Audit and Risk Committee outsources the internal audit activity to a locally competent audit service provider.

In 2022, an internal control was performed on the proper implementation of internal control framework and an independent internal audit on Microsoft Dynamics 365.

Furthermore, significant results from prior internal audit reports are regularly reviewed with respect to progress until the related issues are fully addressed.

Information and communication

The JENSEN-GROUP Controlling provides management with transparent and reliable information in a form and timeframe that enables management to effectively carry out its responsibilities.

Every year, the JENSEN-GROUP Controlling prepares a financial reporting calendar in consultation with the Board of Directors and the Executive Management Team. This calendar is designed to allow accurate and timely reporting to external stakeholders.

Condensed consolidated half-year information is reported each August and the full Annual Report is published each March of the following year. Prior to any external reporting, all press releases and other financial information are subject to appropriate controls by the JENSEN-GROUP headquarters, to a review by the Audit and Risk Committee and to approval by the Board of Directors.

Composition of the Board of Directors

The members of the Board of Directors are appointed by a simple majority vote of the shareholders during the Annual Shareholders' Meeting.

The Bylaws of the Company allow for appointment by co-optation, which is considered a transitional arrangement whereby the Director-elect completes the mandate of the outgoing Director as opposed to taking on a new mandate. For this reason, the transition period is not considered a mandate for the purpose of the independence rule review, where the Company looks at the total years of service on the Board of Directors.

The Bylaws further require the Board of Directors to have no fewer than three, but not more than eleven, members. Board members are elected for terms of office of no more than four years.

The Bylaws are supplemented by the Charter of the Board of Directors, which outlines and details the Board's role and responsibilities. This Charter is revised from time to time and includes the following major chapters:

- "Functioning of the Board," which addresses: Directors' responsibilities; number of Board and Board Committee meetings; Company Secretary responsibilities; setting the agenda of Board meetings; Director compensation, orientation, and training; CEO evaluation; management succession; Director access to officers and employees; and use of independent advisors.
- "Board Structure," which addresses: size of the Board; selection of Directors; required qualifications including the criteria of independence; resignation from the Board; and term limits.
- "Committees of the Board," which addresses: the establishment of the Audit and Risk Committee and of the Nomination and Remuneration Committee.
- "Other Board practice," which addresses: Directors' roles and responsibilities; the terms of reference of the Board Chairman and of the Executive Management Team; interaction with institutional investors, analysts, media, customers and members of the public at large; limitation of liability; policy to prevent insider trading and market abuse; conflict of interest policy and code of conduct; and evaluation of Board performance.

For more details, please consult the Company website www.jensen-group.com under the heading "Investor Relations/Corporate Governance."

As it has consistently done in the past, the Company selects its Board members in a manner that allows for a balance in the profiles of the different Directors. The Company hereby seeks to ensure a balance between executive and non-executive Directors, Directors representing shareholders and independent Directors, and in respect of Directors' professional backgrounds, experience and gender. A majority of the members of the Board of Directors is not related to the Company's controlling shareholders.

The composition of the Board and the attendance records and remuneration packages of the individual Directors are as follows:

Name	Function	Indep.	Term Expiry	Attendance Board meetings	Committee	Attendance committees	Remuneration
YquitY bv[1] represented by Mr. Rudy Provoost	Chairman	V	2024	100%	NRC	100%	100,000
SWID AG[2] represented by Mr. Jesper Munch Jensen	Director		2025	100%			-
TTP bv[1] represented by Mr. Erik Vanderhaegen	Director		2025	100%	ARC NRC	100% 100%	60,000
Mr. Jobst Wagner [1]	Director	V	2023	86%	ARC NRC	100% 100%	59,000
Inge Buyse bv[1] represented by Mrs. Inge Buyse	Director	V	2023	71%	ARC	75%	42,000
Cross Culture Research LLC[3] represented by Anne Munch Jensen	Director		2026	100%			36,000
Total remuneration Board of Directors							**297,000**

[1]: Non-executive director

[2]: Executive director, CEO, representing the reference shareholder

[3]: Non-executive director, representing the reference shareholder

ARC: Audit and Risk committee

NRC: Nomination and Remuneration Committee

YquitY bv, represented by Mr. Rudy Provoost. Mr. Provoost holds a Master's in Psychology from the University of Ghent, a Master's in Management from Vlerick Business School, and an Executive Master's in Change from INSEAD. He has held senior leadership positions with Rexel in France, where he served as CEO and Chairman of the Board of Directors, and with Royal Philips in The Netherlands, where he was a member of the Executive Board and successively, CEO of Philips Consumer Electronics and CEO of Philips Lighting. He is currently Chairman of Voka-Flanders Alliance of Enterprises, Chambers of Commerce & Industry, a member of the Supervisory Board of Randstad, as well as a member of the Board of Directors of Elia, Pollet Water Group and Vlerick Business School. Mr. Provoost has been Chairman of the Board of the JENSEN-GROUP since May 19, 2020.

SWID AG, represented by Mr. Jesper Munch Jensen. Mr. Jensen is the CEO of the JENSEN-GROUP.

TTP bv, represented by Mr. Erik Vanderhaegen. Mr. Vanderhaegen is the former CFO of the JENSEN-GROUP. He is currently CFO of Biobest Group. Before that, he was a certified auditor, M&A Manager at Greenyard and Corporate Tax, Audit and M&A Manager at Bekaert NV.

Mr. Jobst Wagner. Mr. Wagner is Vice Chairman and co-owner of the globally active Rehau Industrial Group. He holds several other positions such as Chairman and co-owner of Four W. Holding and is the Founder and Chairman of LARIX Foundation.

Inge Buyse bv, represented by Mrs. Inge Buyse. Mrs. Buyse is CEO of AZ Groeninge. Prior to assuming her current role, she held CEO positions in Sapa, Koramic Roof Tiles and Telindus. Mrs. Buyse is also a Board member of the Flemish Symphony Orchestra.

Cross Culture Research LLC, represented by Mrs. Anne Munch Jensen. Ms. Jensen holds a Cum Laude BA in Communication, completed graduate degree requirements in cross-cultural communication from the Annenberg School of Communication, University of Pennsylvania, and holds a Master of Arts degree in French from Bryn Mawr College. Ms. Jensen started her career as an analyst at Hay Management Consultants, before heading up her own Arts Management company. She later developed extensive training and education experience in cross-cultural curriculum creation, using design thinking and project-based learning approaches.

Werner Vanderhaeghe bv, represented by Werner Vanderhaeghe, Esq. Mr. Vanderhaeghe, a Senior Partner at the law firm Kadrant Law in Brussels, Belgium, is the Company Secretary and acts as General Counsel of the JENSEN-GROUP. Before that, Mr. Vanderhaeghe was i.a. Senior Counsel at the international law firm Morgan, Lewis & Bockius LLP (Frankfurt and Brussels), and a Partner at the international law firm White & Case LLP (Brussels). In addition, Mr. Vanderhaeghe held General Counsel positions at the Bekaert Group and the Agfa-Gevaert Group.

From left to right: Inge Buyse, Erik Vanderhaegen, Rudy Provoost, Jesper Munch Jensen, Anne Munch Jensen, Jobst Wagner and Werner Vanderhaeghe.

The Board of Directors held seven meetings in 2022. The topics of discussion at these meetings included:

- The JENSEN-GROUP's overall strategy, strategic plans, risk assessment, organization, rolling forecasts and budget;
- Economic and market developments;
- The JENSEN-GROUP's financial structure, financial performance, and external reporting;
- The JENSEN-GROUP's press releases;
- Convening of the Annual Shareholders' Meeting;
- ESG strategy and reporting;
- Investment and M&A projects;

- Shareholder value creation and shareholder return;
- Corporate governance and compliance;
- Self-evaluation of the Board;
- Re-appointment of a Director;
- Insurance;
- Audit re-tender.

Depending on the items on the agenda, members of the JENSEN-GROUP's Executive Management Team were invited to the meetings of the Board and of the Board Committees.

Evaluation of the Board of Directors

The Board of Directors and the Board Committees conduct from time to time a self-evaluation exercise to determine their effective functioning. This exercise includes the completion by all Board and Board Committee members of a self-evaluation questionnaire, after which the Group General Counsel or an external party summarizes the results, trends, and comments from the individual replies. The summaries focus on the contribution of the Board of Directors and the Board Committees to the Company and specifically on areas where the Board or the Executive Management believes that the Board or its Committees could improve. The results, trends and comments are then discussed within the Board of Directors, after which action points are derived and implemented.

In addition, informal individual assessments of the Board members are made on an ongoing basis during Board meetings. In 2021, the Board of Directors conducted a self-evaluation exercise, the results of which were discussed during the Board meeting of March 2022. The Board hereby rated its overall performance at the "no improvement level", indicating solid compliance with the principal components of effective governance.

Committees established by the Board of Directors

<u>Nomination and Remuneration Committee</u>

The Nomination and Remuneration Committee consists of YquitY bv, represented by Mr. Rudy Provoost, acting as Chairman of the Committee, of Mr. Jobst Wagner and of TTP bv, represented by Mr. Erik Vanderhaegen.

Two of the three members of the Committee qualify as independent Directors.

The Nomination and Remuneration Committee met twice in the course of 2022. The topics of discussion at these meetings included:

- Discussion and approval of the remuneration report and the remuneration policy;
- Remuneration and the bonuses of the Executive Management Team of the JENSEN-GROUP;
- Self-evaluation of the Committee;
- Composition of the Board of Directors and re-election of a member of the Board;
- HR in view of the strategic process;
- Corporate governance and compliance.

In 2021, the Nomination and Remuneration Committee conducted a self-evaluation exercise, the results of which were discussed during the Nomination and Remuneration Committee meeting of March 2022. The Committee hereby rated its overall performance at the "no improvement level", indicating solid compliance with the principal components of effective governance.

The Nomination and Remuneration Committee uses its Charter as its terms of reference. The Charter can be found on the Company website www.jensen-group.com under the heading “Investor Relations/Corporate Governance” and covers:

- Authority;
- Objectives;
- Composition;
- Role of the Chairperson;
- Responsibilities;
- Meetings;
- Attendance;
- Non-consensus;
- Objectivity;
- Access to members of management;
- Reporting and appraisal;
- Remuneration report;
- Performance evaluation.

Audit and Risk Committee

The Audit and Risk Committee consists of TTP bv, represented by Mr. Erik Vanderhaegen, acting as Chairman of the Committee, of Inge Buyse bv, represented by Mrs. Inge Buyse, and of Mr. Jobst Wagner.

Two of the three members of the Committee qualify as independent Directors.

The Audit and Risk Committee met four times in the course of 2022. Two meetings were held in the presence of the external auditor PwC, represented by Mrs. Lien Winne until May 17, 2022, and by Mr. Filip Lozie after that date. The topics of discussion at these meetings included:

- Risk Management and Internal Control System;
- Summary management letters external auditor;
- Internal Audit;
- Consolidated financial results;
- Findings of the external auditor on the financial statements as at December 31, 2021;
- Findings of the review procedures on the condensed financial statements as at June 30, 2022;
- Audit plan of external auditor;
- Financial statements including non-financial information and condensed financial statements;
- The JENSEN-GROUP's financial structure;
- Press releases;

- ESG;
- Shareholder value creation and shareholder return;
- Cash management;
- Tax audit and transfer pricing;
- Insurance;
- Corporate governance and compliance;
- Self-evaluation of the Committee;
- Non-audit fees;
- Valuation rules;
- Investment and M&A projects including Purchase Price Allocation;
- Audit mandate and retendering;
- Organization of finance departments.

In 2022, the Audit and Risk Committee conducted a self-evaluation exercise, the results of which will be discussed during the Audit and Risk Committee meeting of March 2023.

The Audit and Risk Committee uses its Charter as its terms of reference. The Charter can be found on the Company website www.jensen-group.com under the heading "Investor Relations/Corporate Governance" and covers:

- Roles and responsibilities
- Number of meetings
- Composition of the Audit and Risk Committee
- Role of the Chairperson
- Presence of the external auditor
- Performance evaluation

Senior management attends each Audit and Risk Committee meeting in part, with the remainder of the meeting reserved for an executive session with the external auditor for the Committee members only.

Conflicts of interest within the Board of Directors

As required under the Companies and Associations Code, the members of the Board of Directors are expected to give the Board Chairman prior notice of agenda items in respect of which they have a direct or an indirect conflict of interest with the Company, either of a financial or other nature, and to refrain from participating in the discussion and vote on those items. The Board of Directors and the Board Chairman constantly monitor potential conflicts of interest that do not fall within the definition as set forth by the Companies and Associations Code. The review of potential conflicts of interest is therefore a standard item on the agenda of each meeting of the Board of Directors.

Three potential conflicts of interest arose in the course of 2022 at the meeting of the Board of Directors that was held on March 10, 2022, during which the share buy-back program, the dividend proposal and the re-appointment of a Board members were discussed.

In case of doubt, written confirmation of the reasons for the absence of a conflict of interest as more broadly defined is sought from the Director or the senior executive involved.

Policy to Prevent Insider Trading

The Company has had a longstanding policy on insider trading and the prevention of improper conduct or appearance in that regard. Following the introduction of new EU legislation and applicable regulations on market abuse, the Board of Directors revised its guidelines on the subject as set forth in a Protocol to Prevent Market Abuse. The purpose of this Protocol is, inter alia, to inform:

- any person who possesses inside information (either as a shareholder, Director, member of the Executive Management Team, employee, service provider or any other person by virtue of their function, duties, or employment) of: (i) their legal and regulatory duties regarding the prevention of insider dealing, tipping and the unlawful disclosure of inside information; and of (ii) the applicable sanctions.
- any person who has been identified as a Reference Shareholder, Key Manager, Person with Management Responsibility or Key Employee of the Company, of the fact that they and, by extension, their spouses, children of age living at home and advisors, may under no circumstances trade the Company's securities during a closed period, i.e.:
  - the period of 60 calendar days immediately preceding the announcement of the Company's annual results and extending through and including 48 hours following such announcement; and
  - the period of 30 calendar days immediately preceding the announcement of the Company's half-year results and extending through and including 48 hours following such announcement.
- any person who has been identified as a Reference Shareholder, Key Manager, Person with Management Responsibility or Key Employee of the Company, of the fact that they and, by extension, their spouses, children of age living at home and advisors, must notify the Compliance Officer of the Company and the Belgian Regulator (i.e., the Financial Services and Market Authority or "FSMA") of every transaction in the Company's securities if and when the total amount of transactions has reached or exceeds the threshold of 5,000 euro within a given calendar year.

The Company requires a signed statement from all those concerned, acknowledging that they have read the Protocol to Prevent Market Abuse, that they understand its content and that they agree to comply with its provisions.

The above notwithstanding, all trading in the Company's shares requires prior authorization from the Compliance Officer. In addition, all Directors and members of the Executive Management Team are required to inform the Compliance Officer on a quarterly basis of any trading respectively to confirm any non-trading in the Company's shares. Mrs. Scarlet Janssens is the Compliance Officer of the JENSEN-GROUP NV. As of December 31, 2022, the members of the Board of Directors and the Executive Management Team jointly held 18,305 shares. Next to this, Mrs. Anne Munch Jensen and Mr. Jesper Munch Jensen indirectly own shares in JENSEN-GROUP NV, as detailed in Note 8 – Equity below. No warrants are outstanding.

The Policy to Prevent Insider Trading and the relevant provisions of the Protocol to Prevent Market Abuse are included in the Charter of the Board of Directors. The Charter can be found on the Company website www.jensen-group.com under the heading "Investor Relations/Corporate Governance."

Sustainability related topics

Sustainability has been part of JENSEN-GROUP's DNA for many years. To increase the impact of the Group's measures, a Head of Corporate Sustainability reporting directly to the Executive Management Team has been appointed. With the creation of this new position, JENSEN-GROUP is taking the necessary steps to ensure that business practices, products and services are environmentally friendly and comply with legal as well as ESG requirements and regulations. By doing so, the Board of Directors reaffirms its commitment to ensuring responsible and sustainable leadership.

Indeed, the JENSEN-GROUP holds integrity, honest business practices and lawful conduct amongst its highest priorities. No business requirement can justify an illegal, unethical, or unprofessional act. Therefore, the JENSEN-GROUP has developed several control mechanisms to prevent unethical behavior, such as:

- an Ethical Business Policy Statement and a Suppliers Code of Conduct condemning, among other things, violation of human rights and child labor;
- a Corporate Governance Charter;
- a Policy to Prevent Insider Trading;
- a Whistleblowing Hotline.

For more information on these measures, please refer to the chapter on Corporate Governance on the Company website www.jensen-group.com.

Executive Management

In 2005, the Bylaws of the Company were amended so as to authorize the Board of Directors to delegate its powers of day-to-day management to an executive committee in conformity with art. 7:104 (previously art. 524 bis) of the Companies and Associations Code. The Board of Directors has not acted on that authorization to date.

In the course of 2009, an Executive Management Team was appointed, which consists of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO) and the Chief Digital Officer (CDO). The CEO chairs the Executive Management Team meetings.

The Executive Management Team is responsible for:

- Development and execution of the overall JENSEN-GROUP strategy;
- Introduction and implementation of an internal control framework and risk management processes that are in line with the nature, organization, and size of the JENSEN-GROUP;
- Implementation and deployment of the Ethical Business Policy Statement and the Suppliers Code of Conduct;

- Preparation of the financial statements and disclosures;
- Report of the CEO and CFO to the Board of Directors with respect to the financial situation of the JENSEN-GROUP;
- Presentation at regular intervals to the Board of Directors of all information necessary for the Board to carry out its duties;
- Evaluation of the manufacturing footprint.

The Executive Management Team meets at least every quarter and consists of:

- Mr. Jesper Munch Jensen, CEO;
- Mr. Fabian Lutz, CDO;
- Mr. Martin Rauch, COO;
- Mr. Markus Schalch, CFO.

From left to right: Fabian Lutz, Martin Rauch, Markus Schalch, Jesper Munch Jensen.

Mr. Jesper Munch Jensen, permanent representative of SWID AG, started his career at Swiss Bank Corporation and worked as a stockbroker on the Swiss Stock Exchange (1984-1987). After obtaining an MBA degree from Lausanne Business School, he joined the JENSEN-GROUP as an Assistant General Manager of JENSEN Holding (1991). Mr. Jensen became CEO of the JENSEN-GROUP in 1996.

Mr. Fabian Lutz holds graduate degrees in Project Management and Telematics/Information as well as a certificate of advanced studies in Business Intelligence from the Bern University of Applied Sciences. Following his practical training as federally qualified mechanic and automation engineer at Landis & Gyr (now Siemens) in Zug/Switzerland, Mr. Lutz joined the JENSEN-GROUP in 1999 as IT manager for its operations in Switzerland. Mr. Lutz was appointed Head of ICT for the JENSEN-GROUP in 2008. He has been acting as CIO of the JENSEN-GROUP since January 2020 and was nominated Chief Digital Officer in 2021.

Mr. Martin Rauch holds a Bachelor of Science degree in Electrical Engineering. After his studies in 1989, he joined JENSEN AG Burgdorf and held various positions in the technical and commercial areas. Mr. Rauch became General Manager of JENSEN AG Burgdorf in 2003 and Managing Director of JENSEN SWEDEN AB following the formation of the Garment Technology Business Unit in 2006. Mr. Rauch joined the Executive Management Team in 2009 and held various functions. He was nominated as Chief Operating Officer in 2021.

Mr. Markus Schalch holds a Master of Arts in Finance and Accounting from the Hochschule St. Gallen. He started his career in an audit firm, where he worked for two years prior to joining the Alstom Group in various finance positions. In 2000, Mr. Schalch joined a leading Swiss telecommunication firm where he became CFO of Swisscom Systems Ltd. (2002-2004) and was then appointed CFO of Swisscom Solutions AG (2005 till August 2007). Mr. Schalch joined the JENSEN-GROUP in September 2007 as CFO.

Remuneration Policy

The remuneration policy of the Company is intended to attract and retain the qualified and talented employees that are needed to support the long-term development and growth of the JENSEN-GROUP.

By offering a competitive compensation package, the Company seeks to stimulate individual performance and to align the individual interests of its employees with those of the shareholders and other stakeholders.

The JENSEN-GROUP applies a remuneration policy of setting performance targets and paying variable compensation in line with achievement levels on an annual basis. The definition of the performance measures and goals is part of the annual budgeting process, in which the budget for the year is validated in the context of the Company's long-term strategic plan. To that effect, the Company’s shareholders approved and extended an exemption from article 7:91 of the Companies and Associations Code, and its requirement to spread objectives and variable compensation payments over several years. Should the JENSEN-GROUP in future opt for a long-term incentive scheme based on multi-year strategic objectives, the departure from article 7:91 of the Companies and Associations Code will be revisited.

The compensation packages of the Board of Directors, the CEO and the Executive Management Team are reviewed by the Nomination and Remuneration Committee and approved by the Board. The shareholders approved the remuneration policy by unanimous vote at the Annual Shareholders' Meeting held on May 17, 2022.

The market conformity of the compensation packages of the Board of Directors and the Executive Management Team is periodically reviewed with the support of external, independent advisors.

Remuneration Report

Remuneration of the Board of Directors

The remuneration of the non-executive Directors is based on their responsibilities and their specific tasks within the Board. With the exception of the Board Chairman, the fees for the non-executive Directors consist of a fixed remuneration of 17,000 euro and an attendance fee of 3,000 euro per Board meeting or of 1,000 euro if the meeting is by telephone. Members of Board Committees receive a fixed fee of 7,500 euro per year and an attendance fee of 1,500 euro per meeting. The Board Chairman in turn receives a fixed fee of 100,000 euro per year, which is deemed to correspond to the actual services to be rendered. Directors do not receive any variable compensation and the CEO does not receive any compensation as a member of the Board. The Nomination and Remuneration Committee reviewed the compensation of the Board of Directors at its meeting on December 2, 2021, and found the compensation package to conform to market practice.

In 2022, the total fees paid to Board members and members of the Board Committees amounted to 297,000 euro, which is within the amount of 400,000 euro approved by the shareholders. Please refer to page 58 of this Annual Report for more details.

Mr. Jobst Wagner owns 16,805 shares. Mrs. Anne Munch Jensen and Mr. Jesper Munch Jensen indirectly own shares in JENSEN-GROUP NV, as detailed in Note 8 – Equity below.

Mrs. Anne Munch Jensen received additional compensation for her writing and editing services as well as for her ambassadors' role. The compensation for 2022 amounted to 13,500 euro.

No warrants are outstanding and there are no stock option plans for the non-executive Board members.

Remuneration of the Executive Management Team

The Nomination and Remuneration Committee prepares all recommendations relating to the appointment and the remuneration of the Executive Management Team based on proposals by the CEO. The Committee discusses in detail the remuneration policy, the pay levels, and the individual performance evaluations of members of the Executive Management Team. In so doing, the Committee takes into account whether the remuneration paid is in line with market conditions and periodically checks the market conformity of compensation packages with the assistance of external, independent advisors. The Nomination and Remuneration Committee reviewed the remuneration of the Executive Management Team at its December 2, 2021 meeting, and found the compensation packages to conform to market practice. The Committee refers to the relevant sections in the Annual Report for a detailed description of the operating results of the different divisions of the JENSEN-GROUP, and consequently the remuneration of the Executive Management Team.

The external auditor reviews the conformity of the remuneration paid to the Executive Management Team with the amounts proposed by the Nomination and Remuneration Committee and approved by the Board. The shareholders approved the remuneration report by unanimous vote at the Annual Shareholders' Meeting held on May 17, 2022.

The remuneration of the Executive Management Team is composed of a base salary and of variable compensation that is paid out in cash or used for pension plan contributions depending on the managers' country of residence, life insurance, other customary insurances, and benefits. Appointments of certain subsidiaries to the Board of Directors can also be remunerated. Executive managers are provided with all resources necessary to perform their duties.

Where pension plans are customary, the Executive Management Team participates in such pension plans.

As set forth in the above section on Remuneration of the Board of Directors, the CEO does not receive any compensation as a Board member.

Total gross salaries paid to the Executive Management Team, including the CEO, in the course of 2022 amounted to 2,414,744 euro. As required by the Companies and Associations Code, salaries of the members of the Executive Management Team are disclosed on an individual basis. The total amount is composed as follows:

In euro	2022 CEO	2022 CFO	2022 CDO	2022 COO	2021 CEO	2021 CFO	2021 CIO	2021 CSO
Basic remuneration		327,751	184,245	327,751		304,651	162,012	304,651
Invoiced services	806,928				746,185			
One-year variable remuneration	393,965	126,395	57,203	120,127	0	0	0	0
Fixed expenses		11,938	4,775	11,938		11,097	4,439	11,097
Fringe benefits		6,855	5,587	5,909		4,494	4,616	4,883
Pension plan		11,638	0	11,739		10,621	0	10,696
Total	**1,200,893**	**484,577**	**251,810**	**477,464**	**746,185**	**330,863**	**171,067**	**331,327**
Proportion fixed an variable: Fixed	67%	74%	77%	75%	100%	100%	100%	100%
Proportion fixed an variable: Variable	33%	26%	23%	25%	0%	0%	0%	0%

The basic remuneration includes the salaries of the members of the Executive Management Team and represents their total fixed compensation before local taxes and obligatory pension contributions. The basic remuneration includes the remuneration received for appointments to the Board of certain subsidiaries.

The CEO invoices his services through the separate company SWID AG. The amounts disclosed above consist of the amounts, totaling 806,928 euro (746,185 euro in 2021), that SWID AG invoiced to the Company. Invoiced services include basic remuneration, variable remuneration, fixed expenses, fringe benefits and pension plans.

The variable compensation part of the remuneration of the Executive Management Team members is targeted at 30% to 50% of the annual base salary, except in the case of the CEO, for whom the variable compensation is targeted at up to 60% of the annual base salary. No variable compensation is paid below a minimum performance threshold of 85% while in case of overperformance, variable compensation is capped at 130%. The variable remuneration of the CEO and the Executive Management Team is based on performance against the following objectives:

- Individual, qualitative objectives for 30% to 50% of the total target amount. Qualitative objectives focus on important projects and actions to be realized during the year;
- Quantitative objectives for 50% to 70% of the total, divided between:

- The financial results against JENSEN-GROUP's targets in terms of profitability, capital employed, specific elements of capital employed and/or cash flow.
- The financial results against the target of the unit for which the individual manager is accountable.

The JENSEN-GROUP targets are defined by the Board of Directors following review and discussion in the Nomination and Remuneration Committee. The targets are defined as part of the annual budget review process, in which the budget is evaluated in the context of the strategic plan. Depending on the applicable legislation and on the employee's preferences, the variable remuneration is paid out in cash, into the employees' pension plan, or in the form of other benefits.

As the amount payable in 2021 was based on the performances of 2020, the Nomination and Remuneration Committee decided in 2021 not to pay a bonus under the 2020 variable compensation plan to the Executive Management Team, the Business Region Directors and the Production and Engineering Companies managers.
As explained above, the Group operating profit and working capital were too low to justify bonus payments.

For 2022, the JENSEN-GROUP targets were set on the basis of the operating profit and revenue.

The variable compensation paid out to the Executive Management Team in 2022, based on the performances of 2021, amounted to 697,690 euro. More details about the weightings and the performance measured, are listed below:

(in thousands of euro)	Weight	Performance measured	Correspond. Remun.
Criteria Revenue	10%-20%	On target	52,044
Criteria EBIT	50%-70%	Below target	438,275
Personal targets	30% - 50%	On target	207,371

During the Annual Shareholders' Meeting held on May 19, 2020, the shareholders approved an extension of the exemption from article 7:91 of the Companies and Associations Code and in particular from its requirement to spread objectives and variable compensation payments over several years during a term of five years expiring at the Annual Shareholders' Meeting of May 2024.

Fixed expenses relate primarily to representation allowances.

The fringe benefits include the value of the employees' company cars and of the related car insurance premiums.

The pension plan is the contribution of the employer to a pension plan above contributions required by law. Three managers participate in a defined benefit plan.

No warrants are outstanding and there are currently no stock option plans.

The agreements with respect to termination of senior managers vary from country to country, subject to the locally applicable legislation. Legal regulations apply in countries where there is a legal framework, while a severance payment of up to, but not exceeding, two years' salary is granted for countries where there is no legal framework. Mr. Jesper Munch Jensen has a severance pay arrangement of 18 months, which is deemed in line with current market practice based on periodic reviews by the Nomination and Remuneration Committee of the market conformity of the compensation packages of the Executive Management Team.

There was no termination of a senior manager in 2022.

There are no change of control clauses included in the management contracts. Two managers have a two-year non-compete clause exercisable at the request of the Company. No special compensation is given in the event of voluntary departure.

No loans have been granted to members of the Executive Management Team. No unusual transactions or conflicts of interest have occurred.

The Executive Management Team holds a total of 1,500 shares in the following manner:

- Mr. Jesper Munch Jensen indirectly owns shares in JENSEN-GROUP NV, as detailed in Note 8 – Equity below.
- Mr. Fabian Lutz: no shares
- Mr. Martin Rauch: 1,500 shares
- Mr. Markus Schalch: no shares

Claw back clause

There are no specific agreements or systems that give the Company the right to claw back paid variable compensation. This means that Company currently departs from Recommendation 7.12 of the 2020 Code. This departure is explained by the fact that the Company applies a Remuneration Policy of setting performance targets and paying out variable compensation in line with achievement levels on an annual basis. Should the Company opt for a long-term incentive scheme based on multi-year strategic objectives, the departure from Recommendation 7.12 will be revisited.

There are no deviations from the Remuneration Policy to report.

The annual changes of remuneration, of the performance of the Company and of the average remuneration on an average full-time equivalent basis of employees (excluding Board of Directors and Executive Management Team) over the five last years is as follows:

(in thousands of euro)	2022	2021	2020	2019	2018
Total remuneration excluding BoD and EMT	98,667	81,209	82,280	103,344	105,046
Average number of employees	1,400	1,306	1,411	1,712	1,717
Avg remun. on an average FTE basis of the employees (excl. BoD and EMT)	71	62	58	61	61
Revenue	341,638	259,717	245,238	332,178	343,782
EBIT	22,413	21,329	12,795	23,016	26,936
Working Capital	127,894	90,686	101,934	126,723	132,743

The ratio between the highest remunerated executive and the least remunerated employee, expressed on a full-time equivalent basis, within the Company is 1% with the caveat that the basis for calculating this ratio is global and includes many different countries, functions, and roles and that overall, the Company has embedded the Social Corporate Responsibility principles in its business model.

The shareholders approved the remuneration report at the Annual Shareholders' Meeting held on May 17, 2022.

Policy with respect to appropriation of the result

Based on the result of the past year and on the current financial situation, the Board of Directors will propose an appropriate dividend.

Shareholding structure

The following are the major shareholders of the Company:

JENSEN INVEST A/S: 54.4%

JENSEN-GROUP NV: 0.8%

Lazard Frères Gestion SAS: 5.2%

Free float: 39.7%

The voting rights are described in Note 8 - Equity below.

Acquisition of own shares

The Bylaws of the Company allow the purchase of own shares. At its meeting held on March 10, 2022, the Board of Directors decided to implement a program to buy back a maximum of 781,900 or 10% of its own shares. The shares are bought on the stock exchange by an investment bank mandated by the Board. The buy-back mandate expires on May 18, 2026.

As per December 31, 2022, the Company holds 60,053 treasury shares.

As at March 9, 2023, the Company holds 113,873 treasury shares.

Relationship among shareholders

There is no agreement between the reference shareholders listed above.

Statutory Auditor

The Statutory Auditor is PwC Bedrijfsrevisoren bv, currently represented by Mr. Filip Lozie.

The Statutory Auditor and its network received worldwide fees of 494,500 euro (excl. VAT) for auditing the statutory accounts of the various legal entities and the consolidated accounts of the JENSEN-GROUP. Apart from its mandate, the Statutory Auditor and its network received during 2022 additional fees of 291.539 euro (excl. VAT) for non-prohibited services, of which 40,780 euro was invoiced to JENSEN-GROUP NV. The Company has appointed a single firm for the audit of the consolidated financial statements.

Issued capital

As at December 31, 2022, the issued share capital of the Company was 30.7 million euro, represented by 7,818,999 ordinary shares without nominal value. As at December 31, 2022, the Company holds 60,053 treasury shares.

There are no preference shares.

Pursuant to article 74, §6 of the Law of April 1, 2007 on Takeover Bids, JENSEN INVEST A/S disclosed to both the FSMA and JENSEN-GROUP NV that, as at September 1, 2007, it held in concert more than 30% of the shares with voting rights in JENSEN-GROUP NV.

Further details of the shareholders' notification are disclosed in Note 8 – Equity below.

Dividend proposal

The Board of Directors proposes to the Annual Shareholders' Meeting to approve a dividend of 0.50 euro per share. The dividend proposal is based on the net result of the Company at year-end. The dividend pay-out will amount to 3,852,563 euro, based on the number of shares outstanding as at December 31, 2022. No dividend will be distributed to the treasury shares.

Appropriation of the result

JENSEN-GROUP NV reported in its statutory accounts a net profit of 4,1 million euro. The Board of Directors proposes to appropriate this result as follows:

In euro	
Result of the year	4,121,483
Dividend	3,852,563
Appropriation to capital and reserves	1,591,405
Appropriation to retained earnings	1,322,485

This brings the total amount of retained earnings to 59,0 million euro.

Significant post-balance sheet events

MIURA and JENSEN-GROUP create a heavy-duty laundry joint-venture in Japan

On March 9, 2023 the JENSEN-GROUP and MIURA have agreed to a joint-venture whereby the JENSEN-GROUP will acquire 49% of the shares of Inax Corporation (“Inax”), a Japanese wholly owned subsidiary of MIURA. MIURA will take a 20% stake in the JENSEN-GROUP through a contribution of 49% of the shares of Inax and an add-on capital increase in cash, both at a subscription price of 36 euro per share.

The transaction will make the JENSEN-GROUP a key partner for Inax, one of the main manufacturing and distribution companies for heavy-duty laundry equipment in Japan. MIURA will become the second largest shareholder in the JENSEN-GROUP and will have one board seat in the JENSEN-GROUP, as long as the Joint-Venture Agreement remains in force.

Suspension share buy-back program and cancellation of treasury shares

On March 10, 2022, the JENSEN-GROUP announced a program to buy back a maximum of 781,900 or 10% of its own shares (the "Program"). In view of the transaction with MIURA, JENSEN-GROUP the Board of Directors at its meeting of March 9, 2023 suspended its Program until further notice. During the term of the Program, an investment bank on behalf of JENSEN-GROUP purchased 113,873 ordinary shares for an aggregate consideration of 3,423,659 euro. All repurchased shares (113,873 shares) (the "Treasury Shares") will be cancelled.

Wetteren, March 9, 2023

YquitY bv
Represented by Mr. R. Provoost
Chairman

SWID AG
Represented by Mr. J. Jensen
Director

Statement of responsible persons

We hereby certify, to the best of our knowledge, that the consolidated financial statements as at December 31, 2022, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the Company and the entities included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Jesper M. Jensen
Chief Executive Officer

Markus Schalch
Chief Financial Officer

FREE TRANSLATION

Statutory Auditor's Report to the General Shareholders' Meeting of the JENSEN-GROUP NV on the consolidated financial statements for the year ended 31 December 2022

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of JENSEN-GROUP NV (the "Company") and its subsidiaries (jointy "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 19 May 2020, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company's consolidated accounts for 21 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated accounts, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of '000 EUR 340.876 and a consolidated result attributable to equity holders of '000 EUR 16.325.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

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

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

Key audit matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the consolidated accounts of the current period. This matter was addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter 1: revenue recognition of construction contracts

Description of the Key Audit Matter

We focused on revenue recognition on construction contracts because JENSEN-GROUP NV substantially generates its revenue from projects which qualifies as construction contracts under IFRS. The recognition of revenue and the estimation of the outcome of fixed price construction contracts is complex and requires significant management judgement, in particular with respect to estimation of the cost incurred and the cost to complete the contracts. For these reasons, we identified revenue from construction contracts as a key audit matter.

Reference is made to Note 1 and 6 of the annual report. Note 1: Summary of significant accounting policies: Revenue Recognition and Note 6 Contract assets and contract liabilities. At 31 December 2022 contract assets included EUR 18,2 million of accrued profits

How our Audit addressed the Key Audit Matter

Our testing of revenue recognition of construction contracts included both tests of the design and operating effectiveness of controls, as well as substantive procedures. We tested the controls that the company has put in place over its process to record contract costs and contract revenues and the determination of the stage of completion. Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies. We also included an evaluation of the significant judgements made by management based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and technical staff of the company for specific individual transactions/projects.
We also performed testing over manual journals posted to revenue to identify unusual or irregular items. We found no material misstatements from our testing.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors' are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated accounts. The Company has prepared the non-financial information, based on Global Reporting Initiative Standards. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative Standards as disclosed in the directors' report on the consolidated accounts.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.

- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemised in the notes to the consolidated accounts.

European Uniform Electronic Format (ESEF)

We have also verified, in accordance with the draft standard on the verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter "ESEF"), the compliance of the ESEF format with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital [consolidated] financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work we have performed, we believe that the format of and marking of information in the digital consolidated financial statements included in the annual financial report of JENSEN-GROUP NV per 31 December 2022 comply in all material respects with the ESEF requirements under the Delegated Regulation.

Other statements

This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 31 March 2023

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

Filip Lozie
Réviseur d'Entreprises / Bedrijfsrevisor

Consolidated statement of financial position – Assets

(in thousands of euro)	Notes	December 31 2022	December 31 2021
Total Non-Current Assets		**111,576**	**110,968**
Goodwill	4	22,879	22,960
Intangible assets	4	4,300	4,379
Land and buildings		16,479	15,301
Machinery and equipment		4,349	4,632
Furniture and vehicles		2,507	2,145
Right of use assets		10,195	12,289
Other tangible fixed assets		23	0
Assets under construction and advance payments		794	677
Property, plant and equipment	4	34,346	35,045
Companies accounted for under equity method	22	5,573	4,829
Financial assets at amortized cost	20	5,425	5,745
Financial assets at fair value through OCI	20	26,520	28,857
Trade receivables		4,949	3,751
Other amounts receivable		3,544	911
Trade and other long-term receivables	7	8,493	4,663
Derivative financial instruments	7, 20	418	0
Deferred tax assets	5	3,622	4,491
Total Current Assets		**229,300**	**218,628**
Raw materials and consumables		40,725	35,048
Goods purchased for resale		14,100	13,068
Inventory		54,825	48,116
Advance payments		5,200	2,902
Trade receivables	7	72,882	61,226
Other amounts receivable	7	7,078	6,508
Contract assets	6	52,920	33,805
Derivative financial instruments	7, 20	499	12
Trade and other receivables	7	133,379	101,551
Cash and cash equivalents	18	35,427	65,618
Assets held for sale	21	469	441
TOTAL ASSETS		**340,876**	**329,596**

The notes on pages 88-145 are an integral part of these consolidated financial statements.

Consolidated statement of financial position – Liabilities

(in thousands of euro)	Notes	December 31 2022	December 31 2021
Equity	**8**	**170,567**	**155,417**
Share capital		30,710	30,710
Share premium		5,814	5,814
Treasury shares		-1,850	0
Other reserves		-2,346	-6,500
Retained earnings		136,496	123,742
Non-controlling interests	22	1,743	1,651
Non-Current Liabilities		**50,391**	**65,248**
Borrowings	9	34,958	48,460
Deferred tax liabilities	5	3,259	2,491
Employee benefit obligations	10	9,538	14,309
Other payables		2,636	0
Derivative financial instruments	20	0	-12
Current Liabilities		**119,919**	**108,931**
Borrowings	9	20,890	10,800
Provisions for other liabilities and charges	11	9,719	12,806
Trade payables	12	22,261	20,080
Contract liabilities	6/12	35,672	35,283
Remuneration and social security	12	11,964	13,115
Accrued expenses and other payables	12	12,384	11,680
Derivative financial instruments	12/20	34	269
Current income tax liabilities		6,995	4,898
TOTAL EQUITY AND LIABILITIES		**340,876**	**329,596**

The notes on pages 88-145 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(in thousands of euro)	Notes	December 31 2022	December 31 2021
Revenue	6	**341,639**	**259,716**
Trade goods		-175,488	-120,713
Services and other goods		-39,151	-29,050
Remuneration, social sec. costs and pensions		-99,881	-82,043
Depreciation, amortisation, write downs of assets, impairments	13	-7,155	-7,533
Total expenses		-321,675	-239,339
Other Income / (Expense)	14	2,447	950
Operating profit (EBIT)		**22,411**	**21,327**
Interest income		891	513
Other financial income		2,554	1,250
Financial income	15	3,445	1,763
Interest charges		-1,983	-1,787
Other financial charges		-3,327	-2,053
Financial charges	15	-5,310	-3,840
Share in result of associates and companies accounted for using the equity method		986	543
Profit before tax		**21,532**	**19,793**
Income tax expense	16	-4,968	-5,515
Profit for the period from continuing operations		**16,564**	**14,279**
Result from assets held for sale	21	-139	-65
Consolidated profit for the year		**16,425**	**14,214**
Result attributable to non-controlling interests	22	100	-362
Consolidated result attributable to equity holders		**16,325**	**14,575**

The notes on pages 88-145 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income – Other comprehensive income

(in thousands of euro)	Notes	December 31 2022	December 31 2021
Items that may be subsequently reclassified to profit or loss			
Financial instruments		-236	-183
Currency translation differences related to associates and companies accounted for using the equity method		-690	-894
Currency translation differences		1,624	3,505
Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		4,599	1,697
Tax on OCI		-1,147	-377
Other comprehensive income for the year		**4,150**	**3,748**
OCI attributable to non-controlling interests		0	0
OCI attributable to the equity holders		4,150	3,748
Total comprehensive income for the year		**20,575**	**17,962**
Profit attributable to:			
Non-controlling interests		100	-362
Equity holders of the company		16,325	14,575
Total comprehensive income attributable to:			
Non-controlling interests		100	-362
Equity holders of the company		20,475	18,324
Basic and diluted earnings per share (in euro)	17	2.10	1.86
Weighted average number of shares		7,786,615	7,818,999

The notes on pages 88-145 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Prior year

(In thousands of euro)	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	TRANSLATION DIFFERENCES	HEDGING RESERVES	FINANCIAL INSTRUMENTS	REMEASUREMENT GAINS/(LOSSES) ON DEFINED BENEFIT PLANS	TOTAL OTHER RESERVES	RETAINED EARNINGS	TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS	NON-CONTROLLING INTEREST	TOTAL EQUITY
December 31 2020	**30,710**	**5,814**	**0**	**-1,569**	**-96**	**0**	**-8,557**	**-10,222**	**111,095**	**137,397**	**-1,354**	**136,043**
Result of the period	0	0	0	0	0	0	0	0	14,575	**14,575**	-362	**14,214**
Other comprehensive income												
Currency translation difference related to associates and companies accounted for using the equity method	0	0	0	-894	0	0	0	-894	0	**-894**	0	**-894**
Currency translation difference - Other	0	0	0	3,480	0	0	0	3,480	25	**3,505**	0	**3,505**
Financial instruments	0	0	0	0	36	-219	0	-183	0	**-183**	0	**-183**
Defined benefit plans	0	0	0	0	0	0	1,697	1,697	0	**1,697**	0	**1,697**
Tax on OCI	0	0	0	0	-9	55	-424	-377	0	**-377**	0	**-377**
Total other comprehensive income/(loss) for the year, net of tax	**0**	**0**	**0**	**2,586**	**27**	**-164**	**1,273**	**3,722**	**25**	**3,748**	**0**	**3,748**
Capital increase	0	0	0	0	0	0	0	0	0	**0**	242	**242**
Acquisition of subsidiaries	0	0	0	0	0	0	0	0	0	**0**	3,597	**3,597**
Dividend paid out	0	0	0	0	0	0	0	0	-1,954	**-1,954**	-472	**-2,426**
December 31 2021	**30,710**	**5,814**	**0**	**1,017**	**-69**	**-164**	**-7,284**	**-6,500**	**123,742**	**153,766**	**1,651**	**155,417**

Current year

(In thousands of euro)	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	TRANSLATION DIFFERENCES	HEDGING RESERVES	FINANCIAL INSTRUMENTS	REMEASUREMENT GAINS/(LOSSES) ON DEFINED BENEFIT PLANS	TOTAL OTHER RESERVES	RETAINED EARNINGS	TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS	NON-CONTROLLING INTEREST	TOTAL EQUITY
December 31 2021	**30,710**	**5,814**	**0**	**1,017**	**-69**	**-164**	**-7,284**	**-6,500**	**123,742**	**153,766**	**1,651**	**155,417**
Result of the period	0	0	0	0	0	0	0	0	16,325	**16,325**	100	**16,425**
Other comprehensive income												
Currency translation difference related to associates and companies accounted for using the equity method	0	0	0	-690	0	0	0	-690	0	**-690**	0	**-690**
Currency translation difference - Other	0	0	0	1,628	0	0	0	1,628	-4	**1,624**	0	**1,624**
Financial instruments	0	0	0	0	789	-1,025	0	-236	0	**-236**	0	**-236**
Defined benefit plans	0	0	0	0	0	0	4,599	4,599	0	**4,599**	0	**4,599**
Tax on OCI	0	0	0	0	-197	256	-1,206	-1,147	0	**-1,147**	0	**-1,147**
										0		
Total other comprehensive income/(loss) for the year, net of tax	**0**	**0**	**0**	**938**	**592**	**-769**	**3,393**	**4,154**	**-4**	**4,150**	**0**	**4,150**
Capital increase	0	0	0	0	0	0	0	0	0	**0**	0	**0**
Acquisition of treasury shares	0	0	-1,850	0	0	0	0	0	0	**-1,850**	0	**-1,850**
Acquisition of subsidiaries	0	0	0	0	0	0	0	0	0	**0**	0	**0**
Dividend paid out	0	0	0	0	0	0	0	0	-3,891	**-3,891**	-8	**-3,899**
Hyperinflation	0	0	0	0	0	0	0	0	324	**324**	0	**324**
										0		
December 31 2022	**30,710**	**5,814**	**-1,850**	**1,955**	**523**	**-933**	**-3,891**	**-2,346**	**136,496**	**168,824**	**1,743**	**170,567**

The notes on pages 88-145 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

(in thousands of euro)	Notes	December 31 2022	December 31 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated result attributable to equity holders		16,325	14,575
Result attributable to non-controlling interests	22	100	-362
Adjusted for			
- Current and deferred tax		4,968	5,515
- Interest and other financial income and expenses		1,865	2,076
- Depreciation, amortization and impairments	13	6,405	6,778
- Write down on trade receivables	13	327	-475
- Write down on inventory	13, 14	403	621
- Write down on contract assets	6	0	948
- Changes in provisions	10, 11	-3,329	1,588
- Gain/loss on the sale of tangible fixed assets		0	26
- Income from government grants		0	-1,555
- Companies accounted for using equity method	22	-986	-543
Interest received	15	891	513
Changes in working capital increase (-), decrease (+)		**-41,612**	**9,770**
Changes in advance payments	6	-2,304	-2,212
Changes in inventory	6	-6,819	-2,979
Changes in long- and short-term amounts receivable	7	-63,718	-21,944
Changes in trade and other payables	12	31,232	36,905
Corporate income tax paid		**-3,470**	**-6,794**
Net cash generated / (used) by operating activities - total		**-18,112**	**32,681**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of intangible and tangible fixed assets	4	-5,551	-9,815
Sales of intangible and tangible fixed assets	4	11	83
Acquisition of subsidiaries and participations (net of cash acquired)	23	0	-12,247
Net cash generated / (used) by investing activities		**-5,540**	**-21,980**
Net cash flow before financing activities		**-23,652**	**10,702**
CASH FLOW FROM FINANCING ACTIVITIES			
Treasury shares	8	-1,850	0
Other financial charges	15	-785	-883
Other financial income	15	50	78
Dividend	8	-3,899	-2,425
Proceeds / (purchase) of financial instruments		1,668	-19,689
Proceeds of government grants		397	0
Proceeds/ (repayments) of borrowings		-3,408	6,304
Interest paid	15	-1,983	-1,787
Net cash generated / (used) by financing activities		**-9,811**	**-18,402**
Net increase / (decrease) in cash and cash equivalents		**-33,463**	**-7,700**
Cash, cash equivalent and bank overdrafts at the beginning of the year	**18**	**60,682**	**66,430**
Exchange gains / (losses) on cash and bank overdrafts		2,694	1,951
Cash, cash equivalent and bank overdrafts at the end of the year	**18**	**29,913**	**60,682**

The notes on pages 88-145 are an integral part of these consolidated financial statements.

Notes to the 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 and Inwatec brands and is one of the leading suppliers 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. Worldwide, the JENSEN-GROUP employs 1,555 people.

JENSEN-GROUP NV (hereafter "the Company") is incorporated in Belgium. Its registered office is at Neerhonderd 33, 9230 Wetteren, Belgium.

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

The Board of Directors approved the present consolidated financial statements for issue on March 9, 2023.

These consolidated financial statements are for the 12 months ended December 31, 2022 and are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These annual financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective as at December 31, 2022 and which have been adopted by the European Union.

These consolidated financial statements have been prepared under the historical cost convention, with financial assets and financial liabilities (including derivative instruments), assets held for sale and defined benefit plans stated at fair value through profit or loss or OCI or at amortized cost.

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

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2022 and have been endorsed by the European Union:

- 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 1 January 2022).
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021), with early application permitted).

The following new standard and amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2022 but have been endorsed by the European Union:

- IFRS 17 ‘Insurance contracts’ (effective 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023).
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective 1 January 2023).

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2022 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 01/01/2024), affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024).

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 these standards.

The main accounting policies defined by the Group are as follows:

Consolidation Methods

The consolidated financial statements are presented in euro and rounded to the nearest thousand.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in any acquired company on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognized amounts of the acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

Intercompany transactions, balances and unrealized gains and losses on transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group’s accounting policies.

Investments in associates and joint ventures are accounted for under the equity method set out in IAS28, subject to certain exceptions. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investors’ share in the profit or loss of the investee after the date of acquisition. Associates are those investments where the investor has significant influence. A joint venture is a joint arrangement where the investor has joint control but does not have direct rights to assets or obligation for liabilities. For entities where the Group holds 20% or more of the voting power of another entity, either directly or indirectly, the Group is presumed to have significant influence over that entity. The presumption of significant influence from a 20% or more investment can be rebutted where the Group can demonstrate that it has or does not have significant influence. Likewise, significant influence could be demonstrated for an investment of less than 20%. The existence of a substantial or majority ownership by another entity does not necessarily preclude the Group from having significant influence.

Use of estimates

The preparation of the 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. Estimates are based on economic data, which are likely to vary over time, and are subject to a degree of uncertainty. These mainly relate to non-current assets - right to use, contracts in progress (percentage of completion method), pension liabilities, provisions for other liabilities and charges and expected credit loss model. We refer to note 4 – Non-current assets, note 6 – Contracts assets and contract liabilities, note 10 – Provision for employee benefit obligations, note 11 – Provision for other liabilities and charges and note 20 - Financial instruments - market and other risks.

Translation of Foreign Currency - Transactions

The conversion of assets, liabilities and commitments which are denominated in foreign currencies is based on the following guidelines:

- monetary assets and liabilities are translated at closing rates;
- transactions in foreign currencies are converted at the foreign exchange rate prevailing at the date of the transaction;
- foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges;
- non-monetary assets and liabilities are translated at the foreign exchange rate prevailing at the date of the transaction.

Translation of Foreign currency - Operations

Translation

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates of the dates of the transactions); and
- all resulting translation differences are recognized as a separate component of equity.

Initial Recognition

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue Recognition

The JENSEN-GROUP has developed a five-step model for recognizing revenue from contracts with customers:

Step 1. Identifying the customer contracts

A contract creates enforceable rights and obligations. The contract may be written, oral or implied by customary business practice. A contract contains a promise (or promises) to transfer goods or services to a customer.

When identifying the customer contracts, first the customer should be determined and then it should be assessed whether a contract exists. JENSEN-GROUP defines a "customer" and a "contract" as follows:

- Customer: a party that has contracted to obtain goods or services that are an output of ordinary activities in exchange for consideration;
- Contract: an agreement between two or more parties that creates enforceable rights and obligations.

Contracts shall be combined when they are entered into at or near the same time and are negotiated as a package, payment of one depends on the other, or goods/services promised are a single performance obligation.

A contract modification or change order is accounted for as a separate contract or as a continuation of the original contract prospectively or with cumulative catch-up, depending on facts and circumstances.

Step 2. Identifying performance obligations

The second step in accounting for a contract with a customer is identifying the performance obligations.

Performance obligations are the unit of account for the purposes of applying the revenue standard and therefore determine when and how revenue is recognized. A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services, including those a customer can resell or provide to its customers.

Step 3. Determining the transaction price

The transaction price in a contract reflects the amount of consideration to which the Company expects to be entitled from a customer in exchange for goods or services transferred to that customer.

The transaction price includes only those amounts to which the Company is entitled under the present contract.

Step 4. Allocating the transaction price

The transaction price is allocated to the performance obligation in the contract based on relative standalone selling prices of the goods or services being provided to the customer.

Step 5. Recognizing revenue

Revenue is recognized when (or as) the performance obligations are satisfied. Revenue is allocated to the individual performance obligations when or as the customer obtains control over the products to be delivered or services to be performed under the customer contract.

The Group has identified one performance obligation within its contracts: the installation of a heavy-duty laundry system. Revenue related to this performance obligation is recognized over time as both the JENSEN-GROUP does not create an asset with an alternative use (not practically possible to direct or transfer the constructed asset in its completed state to another customer as the installations are typically designed around the specific needs and requirements of the customer) and its contracts provides the JENSEN-GROUP an enforceable right to payment for performance completed to date. This enforceable right to payment represents an amount that at least compensates JENSEN for performance completed to date if the contract is terminated by the customer or another party for reasons other than JENSEN's failure to perform as promised.

The JENSEN-GROUP recognizes revenue over time by measuring the progress toward complete satisfaction of the performance obligation. The JENSEN-GROUP uses the input method (costs incurred up to the balance sheet date as compared to the total estimated costs to incur to complete the project) recognizing the revenue based on the Group’s effort to satisfy the performance obligation. Any costs linked to uninstalled materials or costs incurred that relate to future activities are excluded from measuring progress towards satisfying a performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognized as an expense immediately.

The JENSEN-GROUP presents a contract as a contract asset, excluding any amounts already received by means of progress billings, if the Group has performed by transferring goods or services to a customer before the customer pays consideration or before payment is due. A contract asset is an entity’s right to consideration in exchange for goods or services that the entity has transferred to a customer.

The JENSEN-GROUP presents a contract as a contract liability when the payment is made or the payment is due (whichever is earlier), if the customer has paid a consideration before the Group transfers a good or service to the customer. A contract liability is an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

The timing of invoicing and the payment terms are discussed case by case. The billing schedule and the typical timing of the payment does not materially differentiate from the pattern of revenue recognition.

The process whereby an order is produced, installed, commissioned and handed over normally lasts a year or less.

Royalties and rentals are recognized as income when it is probable that the economic benefits associated with the transaction can be sufficiently measured and will flow to the Group. The income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Spare parts revenue is recognized at a point in time.

Other income and other expenses

Other income and other expenses relate primarily to income received from the insurance company, support from authorities, deductible tax charges, restructuring measures or other income or expenses arising from events or transactions that are clearly distinct from the ordinary business activities of the Group.

Goodwill

On the acquisition of a new subsidiary or participation, the difference between the acquisition price and the Group share of the identifiable assets, liabilities and contingent liabilities of the consolidated subsidiary or participation, after adjustments to reflect fair value, is recorded in the consolidated balance sheet under assets as goodwill. Goodwill is not amortized but tested for impairment annually, or more frequently, if events or changes in circumstances indicate a possible impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to a cash-generating unit for the purpose of impairment testing.

Intangible assets

Research and development expenses

Research costs are charged to the income statement in the year in which they are incurred.

Until the end of 2020, JENSEN-GROUP did not capitalize development expenses but expensed them as incurred. The expenses then mainly concerned product enhancements.
For specific projects (like Inwatec), development expenses are only capitalized if they are likely to yield future economic benefits. Capitalized development expenses are amortized on a straight-line basis over the estimated useful life, which is normally to be considered no longer than 20 years. The amortization period is evaluated continually, and the asset is reviewed annually for impairment.

Concessions, patents, licenses, know-how and other similar rights etc.

Investments in licenses, trademarks, etc. are capitalized from 50,000 euro upwards and amortized over 5 to 10 years. Investments in licenses, trademarks below 50,000 euro are deemed to be not material and are not capitalized but are expensed as incurred.

Property, plant and equipment

Property, plant and equipment are recorded at their acquisition value or construction cost less accumulated depreciation and impairment losses and increased, where appropriate, by ancillary costs.

The Group has broken down the cost of property, plant and equipment into major components. These major components, which are replaced at regular intervals, are depreciated over their useful lives.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives from the month of acquisition onwards. If necessary, tangible fixed assets are considered as a combination of various units with separate useful lives.

The annual depreciation rates are as follows:

Annual Depreciation rates:

Buildings	3.33%	30y
Infrastructure	10% - 20%	5y - 10y
Roof	10%	10y
Installations, plant and machinery	10% - 33%	3y - 10y
Office equipment and furnishings	10% - 20%	5y - 10y
Computer	20% - 33%	3y - 5y
Vehicles	20% - 33%	3y - 5y

Leases where the Group is acting as a lessee – Right of use assets

The Group recognizes on the balance sheet nearly all leases reflecting the right to use an asset over the lease term as well as the associated lease liability for payments required to be made by the lessee to the lessor over the lease term.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

The Group presents interest paid on its lease liabilities as financing activities in the cashflow statement. Variable payments as well as amounts paid for short-term and low-value leases are presented in the 'operating activities' line.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the intention to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below 5,000 euro). Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Impairment of assets

Assets other than inventories, deferred tax assets, employee benefits and derivative financial instruments and assets arising from construction contracts are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of its fair value less cost to sell and its value in use), an impairment loss is recognized in the profit and loss statement. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the assets belong.

Reversals of impairment losses recognized are recorded in income up to the initial amount of the impairment loss. Goodwill is tested for impairment at least once a year. Impairment on goodwill can never be reversed at a later date.

Inventories and contracts in progress

Inventories are valued at the lower of cost or net realizable value. Depending on the different ERP systems, cost is determined by the first-in, first-out (FIFO) method or by the weighted average method. For produced inventories, cost means the full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses.

Provisions for liabilities and charges

A provision is recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of the provision is the best estimate of the expenditure required to settle the present value of the obligation at the balance sheet date. The provisions are discounted when the impact of the time value of money is material.

Provisions for take-back obligations are recorded when JENSEN-GROUP sells equipment to a customer for which the customer wants to enter into a leasing contract with a leasing company. In case of customer default, the leasing company can request JENSEN-GROUP to take back the machine in certain situations (see 'Vendor financing, p.23). Based on historical data an appropriate percentage of the outstanding receivable is recorded and reversed a rato of the repayment by the customer.

Employee benefits

Some of the Group's employees are eligible for retirement benefits under defined contribution and defined benefit plans.

The provision for employee benefit obligations is based on the calculation of an external, independent actuary. The calculation is based on the projected unit credit method.

Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the income statement as incurred.

Defined benefit plans

For defined benefit plans, the amount recorded in the balance sheet is determined as the present value of the benefit obligation less the fair value of any plan assets. All past service costs are recognized in P&L.

The actuarial gains and losses are recognized in the period in which they occur outside profit and loss, in the consolidated statement of comprehensive income.

Deferred taxes

Deferred tax is recognized in full, using the liability method, on temporary differences arising between the value of assets and liabilities for tax purposes and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Accrued charges and deferred income

Accrued charges are costs that have been charged against income but not yet disbursed at balance sheet date. Deferred income is revenue that will be recognized in future periods.

Financial instruments

Financial instruments are recorded at trade date. The fair value of the financial instruments is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

Accounts and notes receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The JENSEN-GROUP applies the lifetime expected credit loss model. For specific cases, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payments as well as forward-looking information such as economic forecasts, regulatory environment, GDP, employment, politics or other external market indicators are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. This policy of credit risk management is applied throughout the JENSEN-GROUP by the individual entities based on the local historical data and forward-looking information.
The simplified approach is applied.

Cash and cash equivalent

Cash and cash equivalent includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Payables (after one year and within one year)

Amounts payable are carried at nominal value at the balance sheet date.

Derivative financial instruments

The Company uses derivative financial instruments to reduce the exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company’s policy not to hold derivative financial instruments for speculative or trading purposes.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Recognition of any resulting gain or loss depends on the nature of the item being hedged. Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value, with changes in value included in the income statement.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income. When the firm commitment or forecasted transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Otherwise, the cumulative gain or loss is removed from other comprehensive income and recognized in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss is recognized in the income statement immediately. Any gain or loss arising from changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognized in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss recognized in other comprehensive income is recognized in the income statement immediately.

Financial assets at amortized cost

All movements in financial assets at amortized cost are accounted for at trade date. Financial assets at amortized cost are carried at purchase price.

Financial assets at fair value through OCI (Other comprehensive income)

All movements in financial assets at fair value through OCI are accounted for at trade date. Financial assets at fair value through OCI are carried at fair value. Unrealized gains and losses from changes in the fair value of such assets are recognized in equity as financial assets at fair value through OCI reserves. When the assets are sold or impaired, the accumulated fair value adjustments are also included in the OCI. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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 recognize 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.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

Consolidated statement of cash flows

The consolidated cash flow statement reports the cash flow during the period classified by analyzing the cash flow from operating, investing and financing activities.

Business combination

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

Segment reporting

The Company is operating in a single business segment: Heavy-Duty Laundry.

Closing date and length of accounting period

All accounting periods presented represent 12 months of operations starting on January 1 of each year.

Change in valuation rules

There are no changes in the accounting policies compared with the accounting policies used in the preparation of the consolidated financial statements as per December 31, 2021.

In 2022, all the conditions for considering Turkey as a hyperinflationary economy by IFRS standards are now fulfilled and consequently, the IAS 29 standard on financial reporting in hyperinflationary economies became applicable. Consequently, the Group applies hyperinflation accounting to its Turkish subsidiaries as from January 1st, 2022. The IAS 29 standard requires the restatement of the non-monetary elements of the assets and liabilities of the country in hyperinflation as well as its income statement to reflect the evolution of the general purchasing power of its functional currency, resulting in a profit or a loss on the net monetary position which is recorded in net income. In addition, the financial statements of this country are translated at the closing rate for the related period. The impact of the application of IAS 29 for Turkey are described in note 22.

Note 2: Scope of consolidation

The parent Company, JENSEN-GROUP NV, and all the subsidiaries that it controls are included in the consolidation.

Note 3: Segment reporting

The Board of Directors has examined the Group's performance and has identified a single business segment. The total laundry industry can be split up into Consumer, Commercial and Heavy-Duty laundry. The JENSEN-GROUP entities serve end-customers only in the Heavy-Duty laundry segment. Most of these laundries range from large on premises laundries to large international textile rental groups. Basically, all JENSEN-GROUP customers follow the same processes. The JENSEN-GROUP sells its products and services under the JENSEN and INWATEC names through own sales and service companies and independent distributors worldwide. In this way the JENSEN-GROUP operates only in a single segment.

The following table presents revenue and certain asset information based on the Group's geographical areas. The basis for attributing revenues is based on the location of the customer:

	Europe		America		Asia and Australia		TOTAL		Attributable to Belgium	
(in thousands of euro)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue from external customers	207,331	149,254	72,527	62,907	61,781	47,555	**341,639**	**259,716**	15,981	19,284
Non-current assets	91,356	90,629	6,001	4,118	10,382	11,730	**107,739**	**106,477**	96,899	96,938
Non allocated assets							233,137	223,119		
Total assets							**340,876**	**329,596**		
Capital expenditure	-2,577	-13,834	-2,197	-634	-93	-7,511	**-4,867**	**-21,979**		

The difference between non-current assets in the table above (107.8 million euro) and the non-current assets as per the consolidated statement of financial position (111.6 million euro) relates to the deferred tax assets (3.6 million euro) and derivative financial instruments (0.4 million euro).

Note 4: Non-current assets

Goodwill

December 31 2021 (in thousands of euro)	Goodwill
ACQUISITION COST	
At the end of the preceding year	**8,860**
Translation differences	17
Acquisition of subsidiaries	0
Additions	16,068
Disposals	0
Transfers	0
Total acquisition cost	**24,945**
DEPRECIATIONS AND AMOUNTS WRITTEN DOWN	
At the end of the preceding year	**1,981**
Translation differences	4
Acquisition of subsidiaries	0
Depreciation	0
Disposals	0
Transfers	0
Total depreciations and amounts written down	**1,985**
Net carrying amount December 31, 2021	**22,960**

On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec from 30% to 70%. This led to a 16.1 million euro increase in goodwill.

December 31 2022 (in thousands of euro)	Goodwill
ACQUISITION COST	
At the end of the preceding year	**24,945**
Translation differences	-77
Additions	0
Disposals	0
Transfers	0
Total acquisition cost	**24,868**
DEPRECIATIONS AND AMOUNTS WRITTEN DOWN	
At the end of the preceding year	**1,985**
Translation differences	4
Depreciation	0
Disposals	0
Transfers	0
Total depreciations and amounts written down	**1,989**
Net carrying amount December 31, 2022	**22,879**

The goodwill arises mainly from the acquisitions of JENSEN Australia, JENSEN Austria, JENSEN Benelux, JENSEN France, JENSEN Italia, JENSEN Norway, JENSEN Spain, JENSEN Sverige (Sweden), JENSEN Switzerland and Inwatec.

The JENSEN-GROUP identifies the cash flow-generating units (CGU) as being the Group. JENSEN-GROUP assists the heavy-duty laundry industry worldwide by designing and supplying sustainable single machines as well as systems and integrated solutions. The success of JENSEN-GROUP results from combining the global skills with the local presence. The non-current assets of the plants are managed together, and the cash flows generated by the usage of these plants come from one group of local, regional or global customers that are approached with the same deliverable, being the optimization of the heavy-duty laundry activity. Therefore, the non-current assets of the plants are allocated to one CGU for impairment testing purposes.

Goodwill is subject to a yearly impairment test, close to year-end, that is based on a number of critical judgments, estimates and assumptions, based on value in use and applying a discounted free cash flow approach. JENSEN-GROUP believes that its estimates are very reasonable; they are based on the past experience, external sources of information (such as long-term growth rate and discount rate) and reflect the best estimates by management. The goodwill is assessed close to year-end. The recoverable amount of the goodwill is determined based on a calculation of its value in use to the cash-generating unit.

The main judgments, assumptions and estimates for the cash-generating unit are:

- The first year of the model is based on management's best estimate of the free cash flow outlook for the coming year;
- For the second, third, fourth and fifth years of the model, cash flows are based on our LT plan;
- Cash flows beyond the first five years are extrapolated, usually with a growth rate of 0% of free cash flows;
- Projections are discounted at the weighted average cost of capital (WACC), which lies between 7% and 12%;
- This calculated enterprise value is compared to the book value.

The test includes a sensitivity analysis on key assumptions used, among them the WACC, free cash flow and long-term growth percentage: the occurrence of any of the following individual less favorable assumptions would not lead to an impairment of goodwill: WACC of 12%, free cash flow of 95% of the projections of free cash flows used for the calculation of the impairment test and a long-term growth of 1%. JENSEN-GROUP has completed its annual impairment test on goodwill and concluded from this that no impairment allowance is necessary.

Although JENSEN-GROUP believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

Intangible Fixed Assets

December 31 2021 (in thousands of euro)	Know-how and Product Development	Licenses	Other intangibles	TOTAL
ACQUISITION COST				
At the end of the preceding year	**343**	**875**	**432**	**1,650**
Translation differences	2	0	0	2
Acquisition of subsidiaries	4,101	1,641	0	5,742
Additions	642	0	0	642
Disposals	0	0	0	0
Transfers	0	0	0	0
Total acquisition cost	**5,088**	**2,516**	**432**	**8,036**
DEPRECIATIONS AND AMOUNTS WRITTEN DOWN				**0**
At the end of the preceding year	**343**	**829**	**432**	**1,603**
Translation differences	-1	0	0	-1
Acquisition of subsidiaries	972	108	0	1,080
Depreciation	490	485	0	974
Disposals	0	0	0	0
Transfers	0	0	0	0
Total depreciations and amounts written down	**1,803**	**1,421**	**432**	**3,657**
Net carrying amount December 31, 2021	**3,284**	**1,095**	**0**	**4,379**

December 31 2022 (in thousands of euro)	Know-how and Product Development	Licenses	Other intangibles	TOTAL
ACQUISITION COST				
At the end of the preceding year	**5,088**	**2,516**	**432**	**8,036**
Translation differences	0	0	0	0
Additions	658	0	0	658
Disposals	0	0	-432	-432
Transfers	0	0	0	0
Total acquisition cost	**5,746**	**2,516**	**0**	**8,262**
DEPRECIATIONS AND AMOUNTS WRITTEN DOWN				
At the end of the preceding year	**1,803**	**1,421**	**432**	**3,657**
Translation differences	7	0	0	7
Depreciation	487	243	0	730
Disposals	0	0	-432	-432
Transfers	0	0		0
Total depreciations and amounts written down	**2,297**	**1,664**	**0**	**3,962**
Net carrying amount December 31, 2022	**3,449**	**852**	**0**	**4,300**

Development expenses are only capitalized if they are likely to yield future economic benefits for specific projects (e.g. Inwatec). The capitalized development expenses are amortized on a straight-line basis over the estimated useful life, which is normally to be considered no longer than 20 years. The amortization period is evaluated continually, and the asset is reviewed annually for impairment.

Development costs of 6.3 million euro (5.2 million euro in 2021) were expensed during the year. These costs are accounted for in the lines ‘services and other goods’, ‘employee compensations and benefit expense’ and ‘depreciation, amortization, write-down of assets’.

Licenses relate to the capitalization of the license costs of the ERP system and of other IT tools.

Property plant and equipment

December 31 2021 (in thousands of euro)	Land and Buildings	Machinery and equipment	Furniture and vehicules	Right to use assets	Other tangible assets	Assets under construct ion	TOTAL
ACQUISITION COST							
At the end of the preceding year	**34,912**	**29,346**	**12,354**	**14,609**	**0**	**158**	**147,688**
Translation differences	534	979	271	918	-1	35	2,735
Acquisition of subsidiaries	18	206	0	0	0	0	224
Additions	226	462	455	8,702	0	606	10,451
Disposals	-45	-802	-950	-6,677	0	0	-8,473
Transfers	123	0	0	0	0	-123	0
Total acquisition cost	**35,767**	**30,191**	**12,130**	**17,553**	**-1**	**677**	**96,316**
DEPRECIATIONS AND AMOUNTS WRITTEN DOWN							
At the end of the preceding year	**19,091**	**24,078**	**9,353**	**4,591**	**0**	**0**	**57,113**
Translation differences	389	681	244	226	-1	0	1,539
Acquisition of subsidiaries	10	147	0	0	0	0	157
Depreciation	1,012	1,451	1,263	2,239	0	0	5,965
Disposals	-36	-798	-877	-1,793	0	0	-3,505
Transfers	0	0	0	0	0	0	0
Total depreciations and amounts written down	**20,466**	**25,559**	**9,984**	**5,264**	**-1**	**0**	**61,271**
Net carrying amount December 31, 2021	**15,301**	**4,632**	**2,146**	**12,289**	**0**	**677**	**35,045**

Acquisition of subsidiaries: On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec ApS from 30% to 70%. As the JENSEN-GROUP holds 70%, the participation is consolidated by the full consolidation method as from March 26, 2021. Before that date, it was consolidated by the equity method.

December 31 2022 (in thousands of euro)	Land and Buildings	Machinery and equipment	Furniture and vehicules	Right to use assets	Other tangible assets	Assets under construct ion	TOTAL
ACQUISITION COST							
At the end of the preceding year	**35,767**	**30,191**	**12,130**	**17,553**	**-1**	**677**	**96,316**
Translation differences	-122	-116	27	-163	0	41	-334
Additions	594	953	1,473	947	23	1,849	5,839
Disposals	-42	-586	-1,053	-2,993	0	0	-4,674
Transfers	1,773	0	0	0	0	-1,773	0
Total acquisition cost	**37,969**	**30,442**	**12,577**	**15,343**	**22**	**794**	**97,147**
DEPRECIATIONS AND AMOUNTS WRITTEN DOWN							
At the end of the preceding year	**20,466**	**25,559**	**9,984**	**5,264**	**-1**	**0**	**61,271**
Translation differences	-96	-89	54	11	0	0	-120
Depreciation	1,085	1,289	1,115	2,182	0	0	5,671
Disposals	35	-665	-1,083	-2,308	0	0	-4,021
Transfers	0	0	0	0	0	0	0
Total depreciations and amounts written down	**21,490**	**26,094**	**10,069**	**5,148**	**-1**	**0**	**62,801**
Net carrying amount December 31, 2022	**16,479**	**4,348**	**2,507**	**10,195**	**23**	**794**	**34,346**

During 2022, the net carrying amount of tangible fixed assets decreased by 0.7 million euro. Excluding the depreciation charges of 5.7 million euro, tangible fixed assets increased by 5 million euro. The investments in 2022 related primarily to investments in the office building in Panama City (JENSEN USA) destroyed by Hurricane Michael, and in machinery and vehicles.

The net book value of the property, plant and equipment pledged as security for liabilities amounts to 6.1 million euro (6.0 million euro at December 2021).

Note 5: Deferred Taxes

Deferred tax assets and liabilities are attributable to the following items:

(in thousands of euro)	December 31 2020	Acquisition of subsidiaries	Through profit or loss	Through OCI	Exchange differences	December 31 2021	DTA	DTL
Inventories	442	-169	-94	0	0	**179**	-435	614
Fixed assets	-429	-1,044	-420	0	-7	**-1,900**	68	-1,968
Provisions	4,288	35	710	-424	0	**4,609**	4,196	413
Tax losses	160	0	-54	0	0	**106**	102	4
Deferred taxes on differences between tax and local books	-207	0	-446	55	349	**-250**	495	-745
Currency result in permanent financing	-773	0	-37	0	0	**-810**	0	-810
Financial instruments	17	0	58	-9	0	**65**	65	1
Total deferred tax assets (net)	**3,498**	**-1,178**	**-284**	**-379**	**343**	**2,000**	4,491	-2,491

(in thousands of euro)	December 31 2021	Acquisition of subsidiaries	Through profit or loss	Through OCI	Exchange differences	December 31 2022	DTA	DTL
Inventories	179	0	-369	0	0	**-190**	1,263	-1,453
Fixed assets	-1,900	0	-207	0	-7	**-2,114**	-668	-1,446
Provisions	4,609	0	-294	-1,206	0	**3,109**	2,981	128
Tax losses	106	0	22	0	0	**128**	128	0
Deferred taxes on other differences between tax and local books	-250	0	732	256	-63	**675**	35	640
Currency result in permanent financing	-810	0	-145			**-955**		-955
Financial instruments	65	0	-159	-197	0	**-291**	-117	-174
Total deferred tax assets (net)	**2,000**	**0**	**-421**	**-1,147**	**-69**	**363**	3,622	-3,259

Acquisition of subsidiaries: On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec ApS from 30% to 70%. As the JENSEN-GROUP holds 70%, the participation is consolidated by the full consolidation method as from March 26, 2021. Before that date, it was consolidated by the equity method.

The decrease relates to the deferred tax assets recognized on the timing differences between group's accounting books and its tax books.

The split between long-term and short-term deferred taxes for the financial year ended December 31, 2022 is as follows:

(in thousands of euro)	Deferred taxes
Long-term	-1,100
Short-term	1,463
Total deferred tax (net)	**363**

The deferred tax assets originate mainly from JENSEN GmbH (0.9 million euro), JENSEN Italia (0.7 million euro) and JENSEN USA (0.7 million euro).

Deferred tax assets have been recorded because management and the Board are convinced that, in accordance with the Company's valuation rules, the assets can be realized within a reasonable time frame. The Group is prudent in recognizing deferred tax assets on tax losses carried forward.

Note 6: Contract assets and contract liabilities

(in thousands of euro)	December 31 2022	December 31 2021
Contract revenue	341,639	259,716
Contract assets	52,920	33,805
Contract liabilities	35,672	35,283

The above contract assets represent the Group's right to consideration in exchange for goods or services that it has transferred to a customer. Amounts could however not already be invoiced as the right to consideration is not yet unconditional because additional obligations remain to be delivered to the customer.
Construction contracts are valued based on the percentage of completion method. On December 31, 2022 contract assets included 18.2 million euro of accrued profit (10.5 million euro at December 31, 2021).
Contract assets are higher in general due to higher activity and to the components scarcity increasing the number of unfinished machines.
Contract liabilities remain high at year-end because of higher activities and high invoicing at year-end.

The contract revenue is related to construction contracts for customers. The payment conditions are negotiated per contract individually. The billing schedule and the typical timing of the payment do not materially differ from the pattern of revenue recognition. The aim is that the payments reflect the timing of the satisfaction of the performance obligation. As at December 31, 2022, we have 12.6 million euro of outstanding performance obligations resulting from current contracts that will be performed after 2023 (18.7 million euro at December 31, 2021). These performance obligations are mainly related to shipyards. There are no performance obligations that last longer than 12 months between the start of the production and handover. For cruise yards, the installation of the laundry takes less than 12 months. There can, however, be a gap up to 24 months between the installation of the laundry and the final completion of the vessel. For this period, the JENSEN-GROUP signs performance bonds.

The reconciliation of contract assets and liabilities is as follows:

(in thousands of euro)	Contract assets	Contract liabilities
December 31 2021	**33,805**	**35,283**
Revenue recognised that was included in the contract liability balance at the beginning of the period		-25,438
Increase due to cash received, excluding amounts recognised as revenue during the period		25,110
Write down recognized during the year	0	
Transfer from contract assets recognised at the beginning of the period to receivables	-20,545	
Increases as a result of changes in the measure of progress	39,909	
Translation differences	-249	717
December 31 2022	**52,920**	**35,672**

Note 7: Trade and other receivables

(in thousands of euro)	December 31 2022	December 31 2021
Trade receivables	80,337	67,942
Provision for doubtful debtors	-2,506	-2,965
Taxes	2,010	2,332
Other amounts receivable	4,544	2,386
Contract assets	52,920	33,805
Deferred charges and accrued income	4,068	2,837
Derivative financial instruments	499	12
Total trade and other receivables	**141,872**	**106,349**
Trade receivables	4,949	3,751
Other amount receivable	3,544	911
Non-current portion	**8,493**	**4,663**
Current portion	**133,379**	**101,687**

Non-current portion

The other amounts receivable include cash guarantees for an amount of 0.8 million euro, as well as financing of customers for an amount of 2.4 million euro. We refer to note 20, Financial instruments - market and other risks, for more details.

Current portion

Compared to 2021, trade receivables and contract assets increased end of 2022 due to higher activities and are negatively affected by the consequences of missing components with which to finish machines and systems prior to invoicing.

Advances received from customers, mainly on project activities, are recognized in “Contract liabilities” in accordance with the accounting principle whereby receivables and payables may not be netted against each other.

Note 8: Equity

Issued capital

As at December 31, 2022, the issued share capital was 30.7 million euro, represented by 7,818,999 ordinary shares without nominal value. There were no preference shares. All shares are fully paid.

As at December 31, 2021, the issued share capital was 30.7 million euro, represented by 7,818,999 ordinary shares without nominal value. There are no preference shares. All shares are fully paid. As per December 31, 2022, the Company holds 60,053 treasury shares.

Detailed information on the capital statement as per December 31, 2022 and 2021 is set out below.

Capital statement (position as at December 31, 2022)	Amounts (in thousands of euro)	Number of shares
A. Capital		
1. Issued capital		
At the end of the previous year	30,710	
Changes during the year	0	
At the end of this year	30,710	
2. Capital representation		
2.1 Shares without nominal value	30,710	7,818,999
2.2 Registered or bearer shares		
Registered		4,314,057
Dematerialized		3,504,942
B. Own shares held by		
the company or one of its subsidiaries	1,850	60,053
C. Commitments to issue shares		
1. As a result of the exercise of conversion rights	0	0
2. As a result of the exercise of subscription right	0	0
D. Authorized capital not issued	30,710	

The following notifications have been received of holdings in the company's share capital during 2022:

JENSEN Invest A/S, JF Tenura ApS, the heirs of Mr. Jørn M. Jensen, Mr. Jesper M. Jensen, The Jørn M. Jensen and Lise M. Jensen Family Trust, Mrs. Anne M. Jensen and Mrs. Karine Munk Finser

JENSEN INVEST A/S, Ejnar Jensen Vej 1, 3700 Rønne, Denmark

	Number of shares	Total shares	%
- Number of shares	4,253,781	7,818,999	54.40%
- Voting rights	4,253,781	7,758,946	54.82%

The chain of control is as follows: 54% of the shares in JENSEN-GROUP NV are held by JENSEN Invest A/S and 0.03% by the heirs of Mr. Jørn M. Jensen. JF Tenura Aps holds 100% of the shares in Jensen Invest A/S. SWID AG, represented by Mr. Jesper M. Jensen holds and controls 51% of the shares in JF Tenura Aps. The other 49% of the shares in JF Tenura Aps are held by Mrs Anne Munch Jensen and Mrs Karine Munk Finser as the ultimate beneficial owners of the Jørn Munch Jensen and Lise Munch Jensen Family Trust.

During 2022, JENSEN-GROUP NV received a notification from JENSEN Invest A/S informing that JENSEN Invest A/S holds, by virtue of a buy back of 46,776 own shares by JENSEN-GROUP NV on August 2, 2022, 55.0% of the voting rights in the company and has therefore crossed the threshold of 55%.

Lazard Frères Gestion SAS

25, rue de Courcelles, 75008 PARIS, France

	Number of shares	Total shares	%
- Number of shares	403,429	7,818,999	5.16%
- Voting rights	403,429	7,758,946	5.20%

The chain of control is as follows: Compagnie Financière Lazard Frères SAS controls Lazard Frères Gestion SAS, Lazard Group LLC controls Compagnie Financière Lazard Frères SAS, Lazard Ltd controls Lazard Group LLC. Lazard Frères Gestion SAS acts independently from Compagnie Financière Lazard Frères, Lazard Group LLC, Lazard Ltd and from the rest of the Lazard Group, including Lazard Asset Management, a Company under American law.

Capital statement (position as at December 31, 2021)	Amounts (in thousands of euro)	Number of shares
A. Capital		
1. Issued capital		
- At the end of the previous year	30,710	
- Changes during the year	0	
- At the end of this year	30,710	
2. Capital representation		
2.1 Shares without nominal value	30,710	7,818,999
2.2 Registered or bearer shares		
- Registered		4,314,057
- dematerialized		3,504,942
B. Own shares held by		
- the company or one of its subsidiaries	0	0
C. Commitments to issue shares		
1. As a result of the exercise of conversion rights	0	0
2. As a result of the exercise of subscription rights	0	0
D. Authorized capital not issued	30,710	

The following notifications have been received of holdings in the company's share capital during 2021:

JENSEN Invest A/S, JF Tenura ApS, the heirs of Mr. Jørn M. Jensen, Mr. Jesper M. Jensen, The Jørn M. Jensen and Lise M. Jensen Family Trust, Mrs. Anne M. Jensen and Mrs. Karine Munk Finser

JENSEN INVEST A/S, Ejnar Jensen Vej 1, 3700 Rønne, Denmark

	Number of shares	Total shares	%
- Number of shares	4,253,781	7,818,999	54.40%
- Voting rights	4,253,781	7,818,999	54.40%

The chain of control is as follows: 54% of the shares in JENSEN-GROUP are held by JENSEN Invest A/S and 0.03% by the heirs of Mr. Jørn M. Jensen. JF Tenura Aps holds 100% of the shares in Jensen Invest A/S. SWID AG, represented by Mr. Jesper M. Jensen holds and controls 51% of the shares in JF Tenura Aps. The other 49% of the shares in JF Tenura Aps are held by Mrs Anne Munch Jensen and Mrs Karine Munk Finser as the ultimate beneficial owners of the Jørn Munch Jensen and Lise Munch Jensen Family Trust.

Lazard Frères Gestion SAS

25, rue de Courcelles, 75008 PARIS, France

	Number of shares	Total shares	%
- Number of shares	403,429	7,818,999	5.16%
- Voting rights	403,429	7,818,999	5.16%

The chain of control is as follows: Compagnie Financière Lazard Frères SAS controls Lazard Frères Gestion SAS, Lazard Group LLC controls Compagnie Financière Lazard Frères SAS, Lazard Ltd controls Lazard Group LLC. Lazard Frères Gestion SAS acts independently from Compagnie Financière Lazard Frères, Lazard Group LLC, Lazard Ltd and from the rest of the Lazard Group, including Lazard Asset Management, a Company under American law.

Each share has one vote. The voting rights are in line with the Companies' and Associations' Code. The articles of association do not include other regulations with respect to voting rights.

The regulations with respect to transfer of shares are in line with the Companies' and Associations' Code. The articles of association do not include other regulations with respect to transfer of shares.

Share premium

The share premium results primarily from the merger of LSG, which then took the name of JENSEN-GROUP NV. The closing balance of the share premium is 5.8 million euro.

Treasury shares

The Bylaws (art. 11) allow the Board of Directors to buy back own shares. At its meeting held on March 10, 2022, the Board of Directors decided to implement a program to buy back a maximum of 781,900 or 10% of its own shares. The shares are bought on the stock exchange by an investment bank mandated by the Board. The buy-back mandate expires on May 18, 2026.

As at December 31, 2022, the Company holds 60,053 treasury shares.

Translation differences

In this annual report the consolidated financial statements are expressed in thousands of euro. All balance sheet captions of foreign companies are translated into euro, which is the Company's functional and presentation currency, using closing rates at the end of the accounting year, except for capital and reserves, which are translated at historical rates. The income statement is translated at average rates for the year. The resulting translation difference, arising from the translation of capital and reserves and the income statement, is shown in a separate category of other comprehensive income under the caption 'translation differences'.

The translation differences increased by 0.9 million euro, mainly following the strengthening of the USD from 1.13 at the end of 2021 to 1.07 at the end of 2022.

The exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. In total, 0.7 million euro of currency loss are transferred from financial result to other comprehensive income.

The exchange rates used for the translation were as follows:

Currency	Average rate		Closing rate	
	2022	2021	2022	2021
AED	3.8762	4.3453	3.9274	4.2481
AUD	1.5174	1.5747	1.5693	1.5615
BRL	5.4432	6.3814	5.6386	6.3101
CHF	1.0052	1.0814	0.9847	1.0331
CNY	7.0801	7.6340	7.3582	7.1947
DKK	7.4396	7.4371	7.4365	7.4364
EUR	1.0000	1.0000	1.0000	1.0000
GBP	0.8526	0.8600	0.8869	0.8403
JPY	138.0050	129.8575	140.6600	130.3800
NOK	10.1015	10.1634	10.5138	9.9888
NZD	1.6585	1.6725	1.6798	1.6579
SEK	10.6274	10.1449	11.1218	10.2503
SGD	1.4520	1.5897	1.4300	1.5279
TRY	17.3849	10.4670	19.9649	15.2335
USD	1.0539	1.1835	1.0666	1.1326

Hedging reserves

The Group designates foreign exchange contracts and interest rate swaps as ‘cash flow hedges’ of its foreign currency and interest exposure. Any change in fair value of the hedging instrument and the hedged item (attributable to the hedged risk), as of inception of the hedge, is deferred in OCI if the hedge is deemed effective (note 20).
At year-end, an amount of 0.5 million euro was deferred in other comprehensive income.

Gains and losses recognized in the hedging reserve in OCI (other comprehensive income) on forward foreign exchange contracts as of December 31, 2022 will be released to the income statement at various dates between one and six months.

Gains and losses recognized in the hedging reserve in other comprehensive income on interest rate swap contracts as of December 31, 2022 will be continuously released to the income statement until the repayment of the bank borrowings.

Remeasurement gains and losses on defined benefit plans

JENSEN-GROUP has four defined benefit plans. In line with prior years, the Group has adopted the amended IAS 19 ‘Employee Benefits’ and recognizes all actuarial gains and losses directly in OCI. The accumulated loss of the four plans amounts to 3.9 million euro.

Dividend

The Board proposes to the Annual Shareholders’ meeting to approve a dividend of 0.50 euro per share. The dividend proposal is based on the net result of the Company at year-end. The dividend pay-out will amount to 3,852,563 euro, based on the number of shares outstanding as at December 31, 2022. No dividend will be distributed to the treasury shares.

In respect of 2021, the Board proposed, and the Shareholders approved, a dividend payment of 0.50 euro per share. The dividend proposal was based on the strong financial position at year-end.

Capital risk management

JENSEN-GROUP’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to minimize the cost of capital.

Note 9: Financial debt

The non-current and current borrowings can be summarized as follows:

(in thousands of euro)	December 31 2021	Proceeds	Repayments	Reclass from LT to ST	CTA	December 31 2022
LT loans with credit institutions	41,862	310	-309	-12,678	-105	29,080
LT loans other	1,029	245	0	0	0	1,274
LT factoring	2,758	0	0	-12		2,746
Subtotal	*45,649*	*555*	*-309*	*-12,690*	*-105*	*33,100*
LT loans - Operating lease liabilities	2,811					1,858
Total non-current borrowings	48,460					34,958

(in thousands of euro)	December 31 2021	Proceeds	Repayments	Reclass from LT to ST, or transfer	CTA	December 31 2022
Current portion of LT borrowings	2,795	50	-2,476	12,678	-19	13,028
Credit institutions	4,936	629	0	2	-52	5,514
Payments received (factoring)	1,325	0	0	-423	7	909
Subtotal	*9,056*	*679*	*-2,476*	*12,257*	*-64*	*19,451*
Operating lease liabilities - ST	1,744					1,439
Total current borrowings	10,800					20,890
Total borrowings	**59,260**					**55,848**

Total borrowings decreased from 59.3 million euro at December 31, 2021 to 55.8 million euro at December 31, 2022, because of repayments.

The Group factored trade receivables in a total amount of 3.7 million euro (2.7 million euro long-term and 0.9 million euro short-term). As control is not substantially transferred to the third party, the factoring arrangement does not result in the de-recognition of any amount from the balance sheet.

Due to the higher activities, working capital needs increased and cash decreased. The Group still has a net cash position. In order to reduce the risk on cash, the Group invested in financial assets for a total amount of 31.9 million euro (34.6 million euro last year). We refer to note 20, Financial instruments - market and other risks, for more details. Cash and cash equivalents decreased from 65.6 million euro to 35.4 million euro. All this together resulted in a decrease of the net cash position from 41.0 million euro to 11.5 million euro net cash.

The following table gives the maturities of the non-current debt:

(in thousands of euro)	December 31 2022	December 31 2021
Between 1 and 2 years	5,355	15,588
Between 2 and 5 years	23,865	27,242
> 5 years	5,738	5,630
Total non-current borrowings	**34,958**	**48,460**

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates before and after the effect of the IRS (interest rate swaps) at balance sheet date are as follows:

(in thousands of euro)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	TOTAL
Credit institutions	18,543	3,034	21,582	4,464	47,623
Other	0	0	0	1,274	1,274
Payments received (factoring)	909	811	1,935	0	3,655
Operating lease liabilities	1,439	1,510	348		3,297
Total	20,891	5,355	23,865	5,738	55,849
IRS covered	0	118	355	1,540	2,013
Total non-covered	20,891	5,237	23,510	4,198	53,835

Management believes that the carrying value of the loans at fixed rate approximates to the fair value.

For details on the IRS we refer to note 20, Financial Instruments - Market and other risks.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(in thousands of euro)	December 31 2022	December 31 2021
EUR	38,379	39,128
DKK	6,029	6,369
CNY	8,143	9,208
Total	52,551	54,705
Operating lease liabilities	3,297	4,555
Total borrowings	**55,848**	**59,260**

With respect to the Group's borrowings, debt covenants are in place (solvency, positive EBITDA on an annual basis and a maximum debt/EBITDA ratio). During the year, there were no breaches of these covenants.

Debt covered by guarantees

(in thousands of euro)	December 31 2022	December 31 2021
Mortgages	6,029	6,369
Letter of Intent	13,727	13,725
Total	**19,756**	**20,094**

The carrying value of the property, plant and equipment pledged as security for liabilities amounts to 6.0 million euro.

Note 10: Employee benefit obligations

(in thousands of euro)	December 31 2022	December 31 2021
Provisions for defined benefit plan	9,201	14,090
Provisions for other employee benefits	337	219
Total employee benefit obligations	**9,538**	**14,309**

The provision for other employee benefits relates to defined contribution plans in Austria and Germany.

Benefit plan

JENSEN GmbH, JENSEN France, JENSEN Italia and JENSEN AG Burgdorf maintain defined retirement benefit plans. These plans generally provide benefits that are related to an employee's remuneration and years of service.

The liabilities for the JENSEN-GROUP in respect of the defined benefit schemes are calculated by independent actuaries, taking into consideration projected final salaries and using assumptions such as discount rate, mortality, turnover, salary evolution, inflation.

The weighted average duration of the defined benefit obligation at year-end 2022 is 13.95 years (2021: 16.71).

At December 31, 2022, the total net liability amounted to 9.2 million euro. The net liability decreased because of changes in the assumptions and because of experience effects. Overall, the increase of the discount rate resulted in a gain of 6.1 million euro, while the increase of the inflation rate, the salary increase rate and the 'Interest credited to accounts' (in Switzerland) led to a loss of 1.2 million euro. Experience gains of 0.2 million euro are linked to full valuations performed in Germany, France and Italy and reflect mainly the changes in population and current salary and pension increases.

For the defined benefit plans, the net cost for 2022 was 0.4 million euro (2021: 0.1 million euro).

(in thousands of euro)	December 31 2022	December 31 2021
Current service cost	268	-27
Interest cost	143	84
Interest income on plan assets	-24	-3
Administrative expenses and taxes	18	20
Pension expenses	**405**	**74**

The change in net liability recognized during 2022 and 2021 is set out in the table below:

(in thousands of euro)	December 31 2022	December 31 2021
Net defined benefit liability (asset) at the beginning of year	**14,090**	**16,198**
Defined benefit cost included in P&L	405	74
Employer contribution or benefits paid by employer	-771	-615
Total remeasurements included in OCI	-4,622	-1,689
Effect of changes in foreign exchange rates	99	122
Net defined benefit liability (asset) as of end of year	**9,201**	**14,090**

The changes in defined benefit obligations and plan assets can be summarized as follows:

(in thousands of euro)	December 31 2022	December 31 2021
Defined benefit obligation at end of prior year	**20,675**	**21,815**
Current service costs	268	-27
Interest expense	143	84
Benefits paid	-1,524	-110
Participants' contribution	191	178
Effect of changes in demographic assumptions	2	-492
Effect of changes in financial assumptions	-4,854	-618
Effect of experience adjustments	170	-563
Effect of changes in foreign exchange rates	410	408
Defined benefit obligation at end of year	**15,481**	**20,675**

(in thousands of euro)	December 31 2022	December 31 2021
Fair value of plan assets at end of prior year	6,585	5,617
Contributions	962	793
Return on plan assets	-60	14
Interest income on plan assets	24	3
Benefits paid	-1,524	-110
Administrative expenses	-18	-20
Effect of changes in foreign exchange rates	311	288
Fair value of plan assets at end of year	**6,280**	**6,585**

(in thousands of euro)	December 31 2022	December 31 2021
Defined benefit obligation	15,481	20,675
Fair value of plan assets	6,280	6,585
Net defined benefit liability (asset)	**9,201**	**14,090**

The major assumptions made in calculating the provisions can be summarized as follows:

	Discount rate		Rate of price inflation		Expected rates of salary increase	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Switzerland	2.10%	0.35%	1.25%	1.00%	1.75%	1.50%
France	3.75%	0.86%	N/A	N/A	3.00%	2.00%
Germany	3.67%	1.01%	2.25%	1.75%	3.00%	3.00%
Italy	3.70%	0.90%	2.66%	2.00%	N/A	N/A

Discount rates increased significantly over 2022, as a result of increasing yields on international bonds. This trend is observed for both the Eurozone and Switzerland. With regard to the inflation rate in the Eurozone, we calculated with a price inflation of 2.25% for Germany and 2.66% for Italy (respectively 1.75% and 2.00% used last year) applying the inflation curve to the cashflows for these plans. In France, inflation has no impact on the benefit. The expected salary increase rates have increased in Switzerland and France, following last year's developments.

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: Investment instruments other than bonds, are expected to outperform (corporate) bonds in the long term but create volatility and risk in the short term. The allocation of the plan assets is monitored to ensure this is appropriate in respect of the lifetime of the plan.
- Changes in bond yields: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds, as required by IAS 19.83. A decrease in corporate bond yields will increase the plans' liabilities. For funded schemes, this will be partially offset by an increase in the fair value of the plan's assets.

The sensitivity of the defined benefit obligation to changes in the assumptions is:

(in thousands of euro)	Change in assumption	Impact on DBO
Discount rate	-25bp	548
	+25bp	-502
Weighted avg duration (in years)	-25bp	14
	+25bp	14

The above sensitivity analyzes are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

The percentage of plan assets by asset allocation is as follows:

- Equity securities: 4.83%
- Debt securities: 52.36%
- Real estate: 22.75%
- Other: 20.06%

The contributions expected to be paid to the plan and to direct payments during the annual period beginning after the reporting period is estimated at 1.0 million euro.

There is one pension plan in place in Belgium that is legally structured as a defined contributions plan. The cost of this plan for JENSEN-GROUP NV amounted to 0.07 million euro for accounting year 2022 (2021: 0.06 million euro).

Because of the Belgian legislation applicable to 2nd pillar pension plans (so-called "Vandenbroucke Law"), all Belgian Defined Contribution plans have to be considered under IFRS as Defined Benefit plans. The Vandenbroucke Law states that in the context of defined contribution plans, the employer must guarantee a minimum of 1.75% annual return on contributions as of 2016, and a minimum of 3.75% on contributions made before 2016.

Because of this minimum guaranteed return for Defined Contributions plans in Belgium, the employer is exposed to a financial risk (there is a legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods). These plans should therefore be classified and accounted for as Defined Benefit plans under IAS 19.

In the past the Company did not apply the Defined Benefit accounting for these plans because higher discount rates were applicable and the return on plan assets provided by insurance companies was sufficient to cover the minimum guaranteed return. As a result of the continuously low interest rates offered by the European financial markets, employers in Belgium effectively assumed a higher financial risk related to the pension plans with a minimum fixed guaranteed return than in the past, requiring them to measure the potential impact of Defined Benefit accounting for these plans.

We asked an external party to estimate the potential additional liabilities and they concluded that no potential additional liabilities exist as at December 31, 2022.

Note 11: Provisions for other liabilities and charges

(in thousands of euro)	December 31 2022	December 31 2021
Provisons for warranties	7,786	7,423
Provisions for take-back obligations	873	893
Other provisions	1,060	4,490
Provisions for other liabilities and charges	**9,719**	**12,806**

Changes in provisions can be analyzed as follows:

(in thousands of euro)	December 31 2021	Additions	Reversals (Utilizations)	Translation Differences	December 31 2022
Provisions for warranties	7,423	5,364	-4,979	-22	**7,785**
Provisions for take-back obligations	893	82	-102	0	**873**
Other provisions	4,490	308	-3,736	-2	**1,060**
Total provisions	**12,806**	**5,754**	**-8,817**	**-25**	**9,719**

Warranties

A provision is recorded for expected warranty claims on products sold during the year. Assumptions used to calculate the provision for warranty claims are based on current sales levels and current information on warranty calls under the standard warranty period (up to 18 months) for the main products. The warranty provision at the end of 2022 is slightly higher than the provision at the end of 2021 because of higher activities in 2022.

Take-back obligations

A provision for take-back obligations is recorded when JENSEN-GROUP sells equipment to a customer for which the customer wants to enter into a leasing contract with a leasing company. In some cases, the leasing company requires a take-back clause. In case of customer default, the leasing company can request JENSEN-GROUP to take back the machine. This creates exposure for the Company in terms of having to take back machinery over the lifetime of the financing contract.

Other provisions

The other provisions are set up for legal claims that, based on prudent judgment, are reasonably accounted for. Most of these claims are covered by insurance. Based on legal advice taken, management does not expect these claims to significantly impact the Group's financial position or profitability. In 2021, additional provisions were set up for restructuring and closing of activities. These provisions were utilized in 2022.

Note 12: Trade and other payables

(in thousands of euro)	December 31 2022	December 31 2021
Trade payables	22,261	20,080
Contract liabilities	35,672	35,283
Remuneration and social security	11,964	13,115
Other amounts payable	2,918	2,408
Accrued expenses and deferred income	9,466	9,266
Derivative financial instruments	34	269
Total trade and other payables	**82,315**	**80,421**

Because of higher activities in 2022 compared to the previous year, the trade payables and contract liabilities increased.

Note 13: Depreciation, amortization, write-downs of assets, impairments

(in thousands of euro)	December 31 2022	December 31 2021
Depreciation, amortization	6,405	6,778
Write down on trade receivables	327	-475
Write down on contract assets	0	948
Write down on inventory	397	621
Change in provisions	26	-339
Total depreciation, amortization, write downs of assets	**7,155**	**7,533**

During 2022, impairments on trade receivables were reversed as payments from customers were received. We also refer to note 20, Financial Instruments - Market and other risks, for more information on the credit loss model of the Group.

In 2021, a write-down on contract assets of 0.9 million euro was recognized relating to the start of the bankruptcy proceedings of a German customer.

Note 14: Other operating result

(in thousands of euro)	December 31 2022	December 31 2021
Other Income / (Expense)	2,447	950

In 2022, the other operating result mainly includes positive effects relating to the closing of activities of 0,6 million euro, reversal of provisions relating to a claim, sales commissions received and some minor government support amounts relating to Covid-19.

In 2021, the other operating result mainly included:

- JENSEN USA received a Promissory Note from the state of Florida amounting to 1.9 million USD in May 2020. On March 17, 2021, forgiveness was granted, and the amount was recorded as other income.
- Other support from the authorities, mostly related to payroll compensation in several countries (2.1 million euro in 2021)
- One-off restructuring costs of 3.6 million euro, especially related to the reduction of workforce and closing of activities.

Note 15: Financial income and financial charges

(in thousands of euro)	December 31 2022	December 31 2021
Financial income	3,445	1,763
Interest income	891	513
Other financial income	50	78
Currency gains	2,505	1,172
Financial cost	-5,310	-3,840
Interest charges	-1,983	-1,787
Other financial charges	-785	-884
Currency losses	-2,541	-1,169
Total net finance cost	**-1,865**	**-2,076**

The interest income especially relates to the income from the cash pool.

The revaluation of balance sheet positions and hedging contracts at closing rate results in a currency gain or loss. Depending on the nature of the currency result, it is recorded in operating or financial result.

The other financial charges relate especially to bank charges and to financial discounts granted to customers.

Note 16: Income tax expense

Income tax expenses can be analyzed as follows:

(in thousands of euro)	December 31 2022	December 31 2021
Current taxes	-4,547	-5,231
Deferred taxes	-421	-284
Total income tax expense	**-4,968**	**-5,515**

Tax expenses decreased because of timing differences. For more details, we refer to the table " reconciliation of the effective tax rate".

For the disaggregation of the deferred taxes, we refer to the table in note 5 – Deferred taxes.

Relationship between tax expense and accounting profit as per December 31, 2022 and December 31, 2021:

Reconciliation of effective tax rate

(in thousands of euro)	December 31 2022	December 31 2021
Accounting profit before taxes	21,532	19,793
Theoretical income tax expense	4,911	4,242
Theoretical tax rate	22.81%	21.43%
Tax effect of disallowed expenses	11	1,068
Tax adjustments for prior year	-234	0
Tax effect of tax losses	280	567
Income not subject to taxes	0	-362
Actual tax expenses	4,968	5,515
Effective tax rate	23.07%	27.86%

The effective tax rate (23.07%) is in line with the theoretical tax rate of 22.81%.

During 2022, three tax audits took place in three different entities. One tax audit is still ongoing. The Group has accounted for the necessary provisions based on the best estimate of the expected outcome of these audits.

The theoretical tax rate is the weighted average of the theoretical tax rates of the different entities.

Note 17: Earnings per share

Basic earnings per share are calculated by dividing the Group share in the profit for the year of 16.3 million euro (14.6 million euro in 2021) by the weighted average number of ordinary shares outstanding during the years ended December 31, 2022 and 2021.

	December 31 2022	December 31 2021
Basic earnings per share (in euro)	2.10	1.86
Weighted avg shares outstanding	7,786,615	7,818,999

Note 18: Statement of cash flows

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

(in thousands of euro)	December 31 2022	December 31 2021
Cash and cash equivalent	35,427	65,618
Overdraft	-5,514	-4,936
Net cash and cash equivalents	**29,913**	**60,682**

The decrease in net cash is mainly caused by higher working capital, negatively affected by the industry-wide increase in material prices as well as higher work-in-progress due to components scarcity.

Note 19: Commitments and contingencies

JENSEN-GROUP has given the following commitments:

(in thousands of euro)	December 31 2022	December 31 2021
Letters of intent	13,727	13,725
Bank guarantees	16,597	13,750
Mortgages	6,029	6,369
Repurchase commitments	8,730	8,930

Management does not expect these contingencies to significantly impact the Group's financial position or profitability.

Note 20: Financial instruments – Market and other risks

The table below gives an overview of the Group's financial instruments. The carrying amounts are assumed to be close to the fair value.

(in thousands of euro)	December 31 2022		December 31 2021	
	Carrying amount	Fair value amount	Carrying amount	Fair value amount
FINANCIAL ASSETS				
Financial assets at amortized cost	5,425	4,695	5,745	5,571
Financial assets at fair value through OCI	26,520	26,520	28,857	28,857
Other LT receivables	2,371	2,169	0	0
Trade receivables	77,831	77,831	64,977	64,977
Derivative financial instruments - FX contracts	499	499	12	12
Cash and cash equivalent	35,427	35,427	65,618	65,618
Total	148,073	147,140	165,209	165,036
FINANCIAL LIABILITIES				
Financial debts	48,897	47,926	50,621	50,674
Financial debts - factoring	3,655	3,655	4,084	4,084
Trade payables	22,261	22,261	20,080	20,080
Derrivative financial instruments - FX contracts	452	452	269	269
Derrivative financial instruments -IRS	-418	-418	-12	-12
Total	74,846	73,876	75,042	75,095

The following methods and assumptions were used to estimate the fair values:

- Financial assets at amortized cost: in order to reduce the risk on cash, the Group decided to invest part of its cash into financial assets. Part of the cash is invested in bonds. These are classified as financial assets at amortized cost as the asset is held within a business model whose objective is to collect the contractual cash flow and the contractual terms give rise to cash flows that are solely payments of principal and interest.
- Another part of the cash is invested in bonds that are classified as financial assets at fair value through OCI. These bonds are not held for trading and the Group has irrevocably elected at initial recognition to recognize in this category. The Group considers this classification to be more relevant.
- Long term receivables relate to financing of customers. The fair value of the long-term receivables Is estimated by discounting future cash flows using the effective interest rates currently available for receivables having similar terms, credit risk and remaining maturities.
- Trade receivables, cash and cash equivalent and trade payables approximate to their carrying amounts due to the short-term maturities of these instruments.
- Trade receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are made to account for expected losses on these receivables. As at December 31, 2022, we believe the carrying amounts of such receivables, net of allowances, are not to be materially different from their calculated fair value.

- The fair value of the financial debts is estimated by discounting future cash flows using the effective interest rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group enters into derivative financial transactions with financial institutions. Derivatives valued using valuation techniques with market observable input are mainly interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves.

Exposure to foreign currency, interest rate and credit risk arises in the normal course of the JENSEN-GROUP business. The Company analyzes each of these risks individually and defines strategies to manage the economic impact on the JENSEN-GROUP's performance in line with its internal policies.

Derivative financial instruments are valued by an independent financial institution, based on the interest and currency rates on the liquid markets. The financial instruments are measured at fair value in the level 2 category.

Reconciliation of assets and liabilities

(in thousands of euro)	December 31 2022	December 31 2021
Assets: derivative financial instruments	917	12
LT liabilities: derivative financial instruments	0	12
ST liabilities: derivative financial instruments	-34	-269
Total	883	-245
Fair value forex contracts	465	-257
Fair value interest rate swaps	418	12
Total	883	-245

Foreign currency risk

JENSEN-GROUP incurs currency risks on borrowings, investments, (forecasted) sales, (forecasted) purchases whenever they are denominated in a currency other than the functional currency of the subsidiary. The currencies giving rise to risk are primarily the US Dollar, Swiss Franc, Swedish Krona, Danish Krone, British Pound, Chinese Yuan, Australian Dollar and New Zealand Dollar.

The main derivative financial instruments used to manage foreign currency risk are forward exchange contracts.

It is the Company's policy not to hold derivative instruments for speculative or trading purposes.

With respect to currencies, JENSEN-GROUP adopts the policy of:

- Having hedges on all firm commitments in foreign currencies on a rolling 12 months basis;
- All deviations from the policy need to be approved by the Audit and Risk Committee.

As such these hedges are considered as cash flow hedges. They are contracted as a matter of procedure regardless of any expectations regarding foreign currency developments. The objective is to lock in the margin at the time of signing a project contract with a customer.

All foreign exchange contracts are centralized within the JENSEN-GROUP treasury department and are contracted purely based on the input of the different subsidiaries.

The currency risks resulting from translations of the financial statements of non-euro-based companies are not hedged (note 8 – Equity).

The table below provides an indication of the company's net foreign currency positions per December 31, 2022 and December 31, 2021 for firm commitments and forecasted transactions. Negative exposure means that we will sell foreign currency, buy euro. Positive exposure means that we will buy foreign currency, sell euro. The open positions are the result of the application of JENSEN-GROUP risk management policy.

2022

(in thousands of euro)	Total exposure	Total derivatives	Open position
EUR/USD	-	2,500	2,500
EUR/GBP	- 1,103	1,508	405
EUR/AUD	- 8,965	9,145	180
EUR/SEK	3,404	-2,004	1,400
EUR/NZD	- 1,424	1,248	-176

2021

(in thousands of euro)	Total exposure	Total derivatives	Open position
EUR/USD	-2,376	2,500	124
EUR/GBP	-2,314	1,459	-855
EUR/AUD	-4,494	6,521	2,027
EUR/SEK	5,952	-3,509	2,443
EUR/CHF	1,599	-2,014	-415

Production is generated:

- in European subsidiaries, which conduct their activities in euro, Danish Krone and in Swedish Krona;
- in the USA, where activities are conducted in USD; and
- in China, where activities are conducted in CNY.

The table below gives an overview of the sensitivity analysis for 2022:

(in thousands of euro)	Change in currency	Impact net profit[1]	Impact on equity
USD	-15.43%	-1,969	-4,787
	15.43%	2,017	4,066
GBP	-4.74%	-225	-197
	4.74%	188	216
AUD	-8.76%	-605	-317
	8.76%	629	378
NZD	-8.27%	-71	-29
	8.27%	65	34
CAD	-10.28%	29	0
	10.28%	-28	0
CNY	-7.76%	390	-390
	7.76%	-311	456
SEK	-6.48%	480	-378
	6.48%	-442	430
CHF	-8.52%	99	-832
	8.52%	-109	988
DKK	-0.08%	13	-650
	0.08%	-13	110
SGD	-9.19%		-223
	9.19%		268
JPY	-11.62%		-18
	11.62%		23
BRL	-22.07%		-29
	22.07%		46
AED	-14.47%		-26
	14.47%		35
NOK	-8.62%	-18	-45
	8.62%	27	53

[1]: *The estimation is based on the standard deviation of daily volatilities of the foreign exchange rates during the past 360 days at December 31, 2022 and using a 95% confidence interval.*

These calculations are a purely theoretical calculation and do not take into account the gain or loss of sales resulting from the increased relative weakness or strength of currencies.

At December 31, 2022, the Group held the following foreign exchange contracts. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

Curr	Sell	Avg exchange rate	Maturity	Fair value (in thousands of euro)
EUR/GBP	1,316,869	0.87	3-2-2023	19
EUR/AUD	14,194,800	1.55	12-5-2023	276
EUR/USD	2,500,055	1.00	20-1-2023	164
DKK/SEK	11,247,823	1.43	30-12-2024	43
EUR/NZD	2,108,544	1.69	23-2-2023	-6

Curr	Buy	Avg exchange rate	Maturity	Fair value (in thousands of euro)
EUR/SEK	21,935,603	10.94	2-2-2023	-28

All of these foreign exchange contracts are designated and effective as cash flow hedges. The changes in fair value during 2022 amounting to 0.2 million euro after taxes have been deferred in equity. No ineffectiveness has been recorded.

At December 31, 2021, the Group held the following foreign exchange contracts. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

Curr	Sell	Avg exchange rate	Maturity	Fair value (in thousands of euro)
EUR/GBP	1,248,742	0.86	31-1-2022	-27
EUR/AUD	10,389,080	1.59	18-5-2022	-96
EUR/USD	2,840,486	1.14	3-2-2022	-3
DKK/SEK	18,069,997	1.42	30-12-2024	-66

Curr	Buy	Avg exchange rate	Maturity	Fair value (in thousands of euro)
EUR/CHF	2,100,000	1.04	28-1-2022	12
EUR/SEK	35,344,322	10.07	31-1-2022	-76

All of these foreign exchange contracts were designated and effective as cash flow hedges. The changes in fair value during 2021 amounting to 0.08 million euro after taxes were deferred in equity. No ineffectiveness was recorded.

Interest rate risk

The Company uses derivative financial instruments to reduce exposure to adverse fluctuations in interest rates. It is the Company's policy not to hold derivative instruments for speculative or trading purposes.

All financing within the JENSEN-GROUP is centralized in the treasury department. This makes it easier for the JENSEN-GROUP to respect its policy of hedging using IRS.

In respect of interest-bearing financial liabilities, the table below indicates their effective interest rates at balance sheet date as well as the periods in which they roll over. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

2022

(in thousands of euro)	Effective interest rate	Carrying amount	< 1 month	> 1 month < 3 months	> 3 months < 12 months	1-5 years	> 5 years
FLOATING RATE							
EUR	1.15% - 3,44%	5,584	3,084	0	0	2,500	0
CNY	3,94% - 4,8%	8,143	2,426	163	489	5,065	0
Total floating		13,727	5,510	163	489	7,565	0
FIXED RATE							
EUR	1.22% - 2.0%	29,134	0	513	11,543	15,695	1,384
DKK[1]	0.44% -1.5%	6,036	27	54	245	1,356	4,354
Total Fixed		35,170	27	567	11,787	17,051	5,738
FACTORING							
EUR		3,655	76	151	682	2,746	0
Total		**52,551**	**5,612**	**881**	**12,958**	**27,362**	**5,738**

[1]: Includes both loans at fixed rates and loans at floating rate covered by IRS.

2021

(in thousands of euro)	Effective interest rate	Carrying amount	< 1 month	> 1 month < 3 months	> 3 months < 12 months	1-5 years	> 5 years
FLOATING RATE							
EUR	1.15%	4,953	2,453	0	0	2,500	0
CNY	4,26%-5,72%	8,772	2,482	110	329	5,852	0
Total floating		13,725	4,935	110	329	8,352	0
FIXED RATE							
EUR	1,22% - 1,5%	30,535	0	500	1,501	27,505	1,029
DKK[1]	0,44% -1,5%	6,362	30	60	268	1,404	4,601
Total Fixed		36,897	30	559	1,769	28,909	5,630
FACTORING							
EUR		4,084	110	221	994	2,758	0
Total		**54,706**	**5,075**	**890**	**3,092**	**40,019**	**5,630**

1: Includes both loans at fixed rates and loans at floating rate covered by IRS.

The following table sets out the conditions of the interest rate swaps:

2022

Curr	SWAP amount	Fixed interest	Maturity	Fair value (in thousands of euro)
DKK	14,972,800	0.44%	30-12-2039	418
TOTAL in EUR	2,013,420			418

The interest rate swaps are designated and effective as cash flow hedges. The changes in fair value during 2022 amounting to 0.3 million euro after taxes have been deferred in equity. No ineffectiveness has been recorded.

2021

Curr	SWAP amount	Fixed interest	Maturity	Fair value (in thousands of euro)
DKK	15,882,483	0.44%	30-12-2039	12
TOTAL in EUR	2,135,776			12

The interest rate swaps were designated and effective as cash flow hedges. The changes in fair value during 2021 amounting to 0.009 million euro after taxes were deferred in equity. No ineffectiveness was recorded.

As disclosed in the above table, 13.7 million euro of the Company's interest-bearing financial liabilities bear a variable interest rate. This amount does not include the 2.0 million EUR loan that is covered by an interest rate swap. The Company estimates that the reasonably possible change of the market interest rates applicable to its floating rate debt is as follows:

(in thousands of euro)	Carrying amount	Effective interest rate	Possible rates at December 31, 2022
EUR	5,584	1.15% - 3,44%	0% - 5.73%
CNY	8,143	3,94% - 4,8%	3.08% - 5.66%
Total in EUR	**13,727**		

Applying the reasonably possible increase/decrease in the market interest rate mentioned above to our floating rate debt at December 31, 2022, with all other variables held constant, 2022 profit would have been 0.5 million euro lower/higher.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

As part of the credit risk policy historical data about trade receivables overdue is used. As explained in the valuation policies additional forward-looking information is used.

Under the Group's credit policy, project customers are required to either provide an advance payment or to provide a guarantee (ex. L/C, bank guarantees). We examine the creditworthiness of each new customer and of existing customers that start buying higher amounts.

The consolidated ageing schedule of the trade receivables is as follows:

2022

(in thousands of euro)	Current	< 60 days	> 60 days < 90 days overdue	> 90 days < 120 days overdue	> 120 days overdue	Total
Outstanding trade receivables	56,759	7,995	2,135	1,787	6,712	**75,388**
Collateral held as security						**0**
Net exposure	56,759	7,995	2,135	1,787	6,712	75,388
Provisions accounted for						**-2,506**
Total						**72,882**

2021

(in thousands of euro)	Current	< 60 days	> 60 days < 90 days overdue	> 90 days < 120 days overdue	> 120 days overdue	Total
Outstanding trade receivables	41,271	13,648	2,446	2,045	4,781	**64,191**
Collateral held as security	-792					**-792**
Net exposure	40,479	13,648	2,446	2,045	4,781	63,399
Provisions accounted for						**-2,965**
Total						**60,434**

Balances due within 12 months equal their carrying balances as the impact of the discounting is not significant.

Trade debtors and other amounts receivable are shown on the balance sheet at amortized cost (in general, the original amount invoiced) less an amount for expected credit losses.

Given the nature of our activities, being project business, and seen the significant concentration of the accounts receivable/contract assets relating to individually significant projects within the Group, allowances that cover both incurred and future expected losses are calculated on an individual basis, however taking into account aggregated data about the past experience with similar clients.

In applying IFRS 9, the JENSEN-GROUP makes significant judgements in determining the realizable value in respect to trade receivables. The JENSEN-GROUP applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the lifetime expected credit losses, the JENSEN-GROUP takes into account the assessment of the probability of default and the exposure at default (including estimated coverage by credit insurance and other forms of collateral).

The historical credit loss experience of individual customers is reviewed on a regular basis and adjusted if necessary to reflect the differences in the current and expected economic conditions versus the historical conditions.

In addition to the ECL (expected credit loss) provisions based on historical experience and future expectation, the Group recognizes individually managed exposures on a case-by-case basis, to the extent not covered by the ECL model.

The roll forward of the provision for doubtful debtors is set out below:

(in thousands of euro)	**December 31 2022**
Impairment Doubtful Debtors - Opening balance	2,965
Additions	551
Reversals	-1,026
Exchange difference	17
Impairment Doubtful Debtors - Closing balance	2,506

During 2022, impairments on trade receivables were reversed as payments from customers were received.

There are no customers with a concentration of more than 10% of the total outstanding receivables.

The bank credit ratings (S&P) as per December 31, 2022 are:

- Nordea: AA-
- KBC: A+
- Nykredit: AA-

Note 21: Assets held for sale

The assets held for sale amounting to 0.5 million euro relate to the former Cissell building in Kentucky (former CLD activities). The costs related to the building (0.1 million euro) are presented as result from assets held for sale.

Note 22: Related party transactions

The shareholders of the Company as per December 2022 are:

JENSEN INVEST A/S:	54.4%
JENSEN-GROUP NV:	0.8%
Lazard Frères Gestion SAS:	5.2%
Free float:	39.7%

During 2022, JENSEN-GROUP NV received a notification from JENSEN Invest A/S informing that JENSEN Invest A/S holds, by virtue of a buy back of 46,776 own shares by JENSEN-GROUP NV on August 2, 2022, 55.0% of the voting rights in the company and has therefore crossed the threshold of 55%.

Key management compensation can be summarized as follows:

In thousands of euro	December 31 2022	December 31 2021
Fees paid to Board members	297	322
Gross salaries paid to senior managers	2,415	1,634

For more details on the remuneration of senior management, we refer to the Remuneration Report included in the Report of the Board of Directors.

Companies accounted for using the equity method

On January 29, 2016 JENSEN-GROUP acquired an equity stake of 30% in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey and agreed to acquire in total an additional 19% of the shares over the coming three years. In 2017, the JENSEN-GROUP increased its shareholding by 6.33% to 36.33%, in 2018 by another 6.33% to 42.66% and finally in 2019 by 6.34% to 49%.

As the JENSEN-GROUP holds less than 50% of TOLON, this participation is consolidated by the equity method.

In thousands of euro	December 31 2022	December 31 2021
Companies accounted for using the equity method	5,573	4,829

The JENSEN-GROUP applies IAS29 for the consolidation of its Turkish subsidiaries.
For the application of this standard, and to restate the income statements and non-monetary assets and liabilities at December 31, 2022, we used the producer price index (PPI) "PPI.ITUR" as from January 2005, published by the Turkish Statistical Institute (Turkstat):

- PPI as per 31.12.2021 is 1,022.25
- PPI as per 31.12.2022 is 2,021.19

The impact of the first-time application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for the financial year ended December 31, 2022 was:

- Income statement – Share of associates accounted for using equity method: loss of 0.4 million euro
- Balance sheet – Companies accounted for under equity method (participations): loss of 0.05 million euro.

Last year's figures have not been restated.

Non-controlling interests

In 2016, the JENSEN-GROUP and Veins Holding BV have joined forces to form a new company, Gotli Labs AG. As the JENSEN-GROUP has de jure control over Gotli Labs AG (over 50% of the shares), this participation is fully consolidated. Contractually, JENSEN-GROUP is entitled to 40% of the results, with the other 60% shown in the income statement as "income attributable to non-controlling interest".

On January 2, 2018, JENSEN-GROUP acquired an equity stake of 30% in Inwatec ApS (Denmark), with the option to increase its shareholding between 2020 and 2023. On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec ApS from 30% to 70%. As the JENSEN-GROUP holds 70%, the participation is consolidated by the full consolidation method as from March 26, 2021. Before that date, the participation was consolidated by the equity method.

In thousands of euro	December 31 2022	December 31 2021
Result attributable to non-controlling interest	100	-362
Equity part of NCI	1,743	1,651

For the legal structure, we refer to note 26.

Note 23: Acquisitions

On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec from 30% to 70%. Inwatec ApS is a Danish company, part of Europe’s robotic hub Odense Robotics, manufacturing modern high-end solutions for industrial laundries. Inwatec's core competence lies in the field of software and mechanical development for laundry automation and robotics.

The initial shareholding of 30% acquired in 2018 is re-valued at fair value based on a discounted free cash flow valuation of Inwatec ApS as per March 26, 2021. This revaluation results in an increase of 0.6 million euro. The amount is recognized in comprehensive income, other income in 2021.
In addition, the non-controlling interest was revalued at fair value and amounted to 3.6 million euro.
The goodwill resulting from this transaction is attributable to the highly developed products, the innovation potential and the future developments.

There were no acquisitions in 2022.

Note 24: Non-audit fees

The statutory Auditor is PwC Bedrijfsrevisoren bv, represented by Mr. Filip Lozie.

The Statutory Auditor and its network received worldwide fees of 494,500 euro (excl. VAT) for auditing the statutory accounts of the various legal entities and the consolidated accounts of the JENSEN-GROUP. Apart from its mandate, the Statutory Auditor and its network received during 2022 additional fees of 291,539 euro (excl. VAT) for non-prohibited services, of which 40,780 euro was invoiced to JENSEN-GROUP NV. The JENSEN-GROUP has appointed a single audit firm for the audit of the consolidated financial statements.

Note 25: Events after the Balance Sheet date

MIURA and JENSEN-GROUP create a heavy-duty laundry joint-venture in Japan

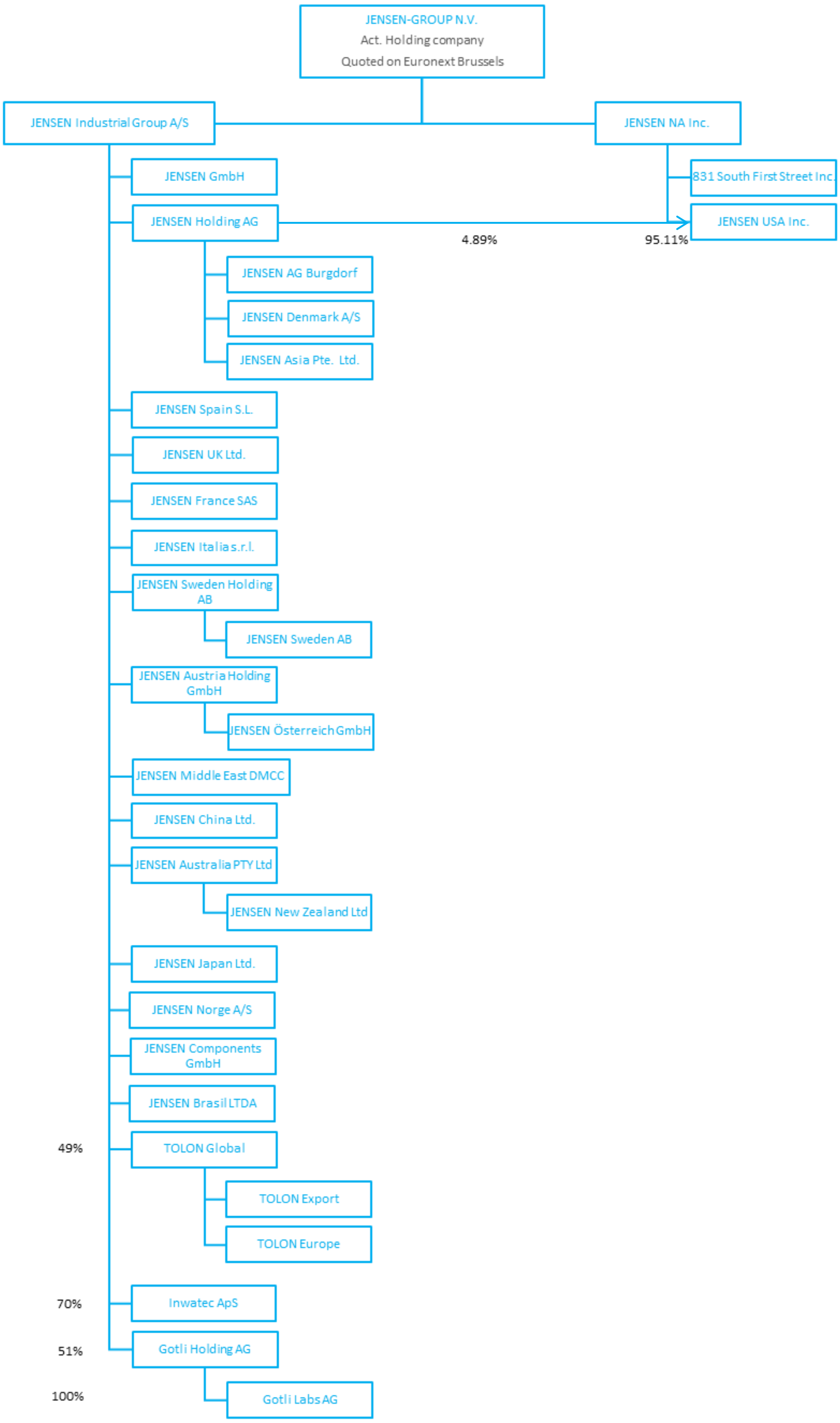
On March 9, 2023 the JENSEN-GROUP and MIURA have agreed to a joint-venture whereby the JENSEN-GROUP will acquire 49% of the shares of Inax Corporation (“Inax”), a Japanese wholly owned subsidiary of MIURA. MIURA will take a 20% stake in the JENSEN-GROUP through a contribution of 49% of the shares of Inax and an add-on capital increase in cash, both at a subscription price of 36 euro per share.

The transaction will make the JENSEN-GROUP a key partner for Inax, one of the main manufacturing and distribution companies for heavy-duty laundry equipment in Japan. MIURA will become the second largest shareholder in the JENSEN-GROUP and will have one board seat in the JENSEN-GROUP, as long as the Joint-Venture Agreement remains in force.

Suspension share buy-back program and cancellation of treasury shares

On March 10, 2022, the JENSEN-GROUP announced a program to buy back a maximum of 781,900 or 10% of its own shares (the "Program"). In view of the transaction with MIURA, JENSEN-GROUP the Board of Directors at its meeting of March 9, 2023 suspended its Program until further notice. During the term of the Program, an investment bank on behalf of JENSEN-GROUP purchased 113,873 ordinary shares for an aggregate consideration of 3,423,659 euro. All repurchased shares (113,873 shares) (the "Treasury Shares") will be cancelled.

Note 26: Legal structure



Note 27: Consolidation scope as at December 31, 2022

Consolidated companies	Registered office	Participation percentage
Belgium		
JENSEN-GROUP NV	Neerhonderd 33 9230 Wetteren	Parent Company
TOLON Europe BV	Neerhonderd 33 9230 Wetteren	49%
Australia JENSEN Laundry Systems Australia PTY Ltd.	Unit 16, 38-46 South Street Rydalmere NSW 2116	100%
Austria		
JENSEN Austria Holding GmbH	Reinhartsdorfgasse 9 2324 Schwechat-Rannersdorf	100%
JENSEN ÖSTERREICH GmbH	Reinhartsdorfgasse 9 A-2324 Schwechat-Rannersdorf	100%
Brazil		
JENSEN-GROUP BRASIL COMERCIO E SERVICOS DE EQUIPAMENTOS DE LAVANDERIA LTDA	Rua Aparecida José Nunes de Campos 19 CEP 18087-089, Jardim do Paço, Sorocaba-SP	100%
China		
JENSEN Industrial Laundry Technology (Xuzhou) Co., Ltd	Phoenix Avenue, Xuzhou Clean Technology Zone 221121 Xuzhou, Jiangsu Province, P.R. China	100%
Denmark		
JENSEN Industrial Group A/S	Industrivej 2 3700 Rønne	100%
JENSEN Denmark A/S	Industrivej 2 3700 Rønne	100%
Inwatec ApS	Hvidkærvej 30 5250 Odense SV	70%

France		
JENSEN France SAS	2 “Village d’entreprises” ZA de la Couronne des Près Avenue de la Mauldre 78680 Epône	100%
Germany		
JENSEN GmbH	Jörn-Jensen-Stra β e 1 31177 Harsum	100%
JENSEN Components GmbH	Ludwig-Erhard-Strasse 18 30982 Pattensen	100%
Italy		
JENSEN Italia s.r.l.	Strada Provinciale Novedratese 46 22060 Novedrate	100%
Japan		
JENSEN Japan Co., Ltd.	4-9-1-203 Imagawa, Urayasu-city 279-0022 Japan	100%
Middle East		
JENSEN Industrial Laundry Systems M.E. DMCC	JENSEN Industrial Laundry Systems M.E. DMEE Unit No: 204 Fortune Tower Plot No: JLT-PH1-C1A Jumeirah Lakes Towers Dubai UAE	100%
Norway		
JENSEN NORGE AS	Østensjøveien 36 0667 OSLO	100%
New Zealand		
JENSEN New Zealand Ltd	C/- MinterEllisonRuddWatts 15 Customs Street Auckland Central 1010	100%

Singapore		
JENSEN Asia PTE Ltd.	No. 6 Jalan Kilang #02-01 Dadlani Industrial House Singapore 159406	100%
Spain		
JENSEN Spain S.L.	Calle Energia, 34 Poligono Famades ES-08940 Cornella de Llobregat (Barcelona)	100%
Sweden		
JENSEN Sweden AB	Företagsgatan 68 504 94 Borås	100%
JENSEN Sweden Holding AB	Box 363 503 12 Borås	100%
Switzerland		
JENSEN AG Burgdorf	Buchmattstrasse 8 3400 Burgdorf	100%
JENSEN Holding AG	Buchmattstrasse 8 3400 Burgdorf	100%
GOTLI Holding	Industriestrasse 51 6312 Steinhausen	51%
GOTLI Labs AG	Industriestrasse 51 6312 Steinhausen	51%
Turkey		
TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S.	A.O.S.B. 10007. Sk. No:9 Çiğli, İzmir	49%
TOLON EXPORT MAKİNE TİCARET A.Ş.	10007 SOK. NO:9 AOSB ÇİĞLİ İzmir	49%
United Kingdom		
JENSEN UK Ltd.	Unit 5, Network 11 Thorpe Way Industrial Estate Banbury, Oxfordshire OX16 4XS	100%

US		
JENSEN NA Inc.	Corporation Trust Center Orange Street 1209 Wilmington - Delaware	100%
JENSEN USA, Inc.	Aberdeen loop 99 Panama City, FL 32405	100%
831 South 1st Street, Inc.	831 South 1st Street Louisville, KY 40203	100%

SUMMARY STATUTORY FINANCIAL STATEMENTS

JENSEN-GROUP NV

Summary balance sheet of JENSEN-GROUP NV

Financial year ended (in thousands of euro)	31 December 2022	31 December 2021
Fixed assets	96,899	96,938
Tangible fixed assets	238	280
Financial fixed assets	96,661	96,658
Current assets	37,780	37,035
Stocks and contracts in progress	4,448	3,608
Amounts receivable within one year	4,454	3,064
Deposits		0
Own shares	1,591	
Cash at bank and on hand	27,188	30,341
Deferred charges and accrued income	99	22
TOTAL ASSETS	**134,679**	**133,973**

Financial year ended (in thousands of euro)	31 December 2022	31 December 2021
Capital and reserves*	**100,222**	**99,955**
Capital	30,710	30,710
Share premium account	5,814	5,814
Treasury shares	1,591	
Reserves	3,071	3,071
Accumulated profits	59,036	60,360
Provisions and deferred taxes	199	733
Provisions for liabilities and charges	199	733
Long-term debts	10,000	20,000
Bank loans	10,000	20,000
Short-term debts	24,258	13,285
Financial debts	10,000	0
Amounts payable within one year	13,535	12,749
Accrued charges and deferred income	723	536
TOTAL LIABILITIES	**134,679**	**133,973**

Summary income statement of JENSEN-GROUP NV

Financial year ended (in thousands of euro)	31 December 2022	31 December 2021
Operating income	17,229	19,157
Turnover	15,147	19,284
finished goods and contracts in progress	834	-1,022
Other operating income	1,248	895
Operating charges	-16,713	-18,350
Raw materials, consumables and goods for resale	7,551	10,013
Services and other goods	7,259	6,271
Remuneration, social security and pensions	2,278	2,133
Depreciation	98	75
Write-downs	-15	51
Provisions for liabilities and charges	-534	-263
Other operating charges	76	70
Operating profit	**516**	**807**
Financial result	3,662	1,802
Financial income	4,213	2,114
Financial charges	-551	-312
Result for the year before taxes	**4,178**	**2,609**
Income taxes	-57	-46
Result for the year	**4,121**	**2,563**

Appropriation result JENSEN-GROUP NV

Financial year ended (in thousands of euro)	31 December 2022	31 December 2021
Profit to be appropriated	64,481	64,269
Profit (loss) for the period available for appropriation	4,121	2,563
Profit (loss) brought forward	60,360	61,706
Appropriations to capital and reserves	1,591	0
Result to be carried forward	**-59,037**	**-60,360**
Profit to be carried forward	59,037	60,360
Distribution of profit	**-3,853**	**-3,909**
Dividends	-3,853	-3,909

(in euro)	2022 (12 months)	2021 (12 months)
Current profit per share after taxes [1]	0.53	0.33
Number of shares outstanding (average)	7,786,615	7,818,999
Number of shares outstanding (yearend)	7,758,946	7,818,999

[1] The current profit after tax is the same as the net profit excluding extraordinary gains and losses (both adjusted for taxes).

Statutory financial statements of JENSEN-GROUP NV

In accordance with article of the Belgian Companies' and Associations' Code, a summary version of the statutory financial statements of JENSEN-GROUP NV is presented. These have been prepared in accordance with Belgian Accounting Standards. The management report and statutory financial statements of JENSEN-GROUP NV and the report of the Statutory Auditor thereon are filed with the appropriate authorities and are also available at the Company's registered offices.

The Statutory Auditor has issued an unqualified opinion on the statutory financial statements of JENSEN-GROUP NV.

JENSEN-GROUP NV has both a holding function and a commercial function as the sales and service company for the Benelux area.

The Board of Directors proposes to the Annual Shareholders' Meeting to approve a dividend of 0.50 euro per share. The dividend proposal is based on net result of the Company at year-end. The dividend pay-out will amount to 3,852,563 euro, based on the number of shares outstanding as at December 31, 2022. No dividend will be distributed to the treasury shares.

In 2021, JENSEN-GROUP NV moved from Sint-Denijs-Westrem to Wetteren.

The full version of the statutory financial statements of JENSEN-GROUP NV is available on the Company website www.JENSEN-GROUP.com.

Valuation rules

The valuation rules are in accordance with the Royal Decree of April 29, 2019.

Financial fixed assets

Since JENSEN-GROUP NV has a holding function, we emphasize that, in accordance with our valuation rules and accounting legislation in Belgium, financial fixed assets are valued at their initial acquisition price or paid-in capital. Write-offs on the financial fixed assets are taken when they are deemed to be of a permanent nature. If it appears that write-offs taken previously are no longer needed, they are reversed. Financial fixed assets are never valued above acquisition price or paid-in capital.

Intangible fixed assets

The intangible fixed assets consist of goodwill that arises from the acquisitions of the distribution activity in the Benelux. For statutory purposes, goodwill is amortized over a period of five years.

Tangible fixed assets

Tangible fixed assets are recorded at their acquisition value or construction cost, increased, where appropriate, by ancillary costs. Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life from the month of acquisition onwards.

On tangible fixed assets, the depreciation rules are:

Caption	Method	Rate
Infrastructure	Straight line	10% - 20%
Installations, machinery and equipment	Straight line	20%
Office equipment and furniture	Straight line	20%
Vehicles	Straight line	20%

Inventories and contracts in progress

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method. For produced inventories, cost means the full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses.

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Amounts receivable

Trade amounts receivable and other amounts receivable are carried at nominal value. Allowances are made to amounts receivable where uncertainty exists as to the receipt or payment dates of the whole or a part of the balance. Supplementary write-offs are also recorded where the realizable value at the balance sheet date is lower than the carrying value.

Investments and cash at bank and in hand

Deposits with financial institutions are carried at nominal value. Write-downs are applied where the realizable value at the balance sheet date is lower than the historical cost.

Provisions for liabilities and charges

Provisions for liabilities and charges are assessed on an individual basis to address the risks and future costs which they are intended to cover. They are maintained only to the extent that they are required following an updated assessment of the liabilities and charges for which they were created.

Amounts payable (after one year and within one year)

Amounts payable are carried at nominal value at the balance sheet date. The only elements which are recorded in the accrued charges and deferred income accounts are charges payable at the balance sheet date in respect of past or prior years.

Financial instruments

The Company uses derivative financial instruments to reduce its exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company's policy not to hold derivative instruments for speculative or trading purposes.

Derivative financial instruments are recognized initially at cost, their premium is amortized pro rata temporis. At year-end, the financial instruments are measured at market value using the mark-to-market mechanism. The unrealized losses are recognized in the income statement whereas the unrealized gains are deferred.

The hedged balance sheet positions (outstanding receivables and payables) are recorded at the hedging rate.

Treasury shares

The treasury shares are accounted for at lower of cost or market price at the balance sheet date.

General information

1. Identification

- Name: JENSEN-GROUP NV
- Registered office: Neerhonderd 33, 9230 Wetteren.
- The Company was incorporated on April 23, 1990 and exists for an unlimited period of time.
- The Company has the legal form of a “naamloze vennootschap/société anonyme” and operates under Belgian Company Law.
- The statutory purpose of the Company consists in the following, both in Belgium and abroad, on its own behalf or in the name of third parties, for its own account or for the account of third parties:
    - Any and all operations related directly or indirectly or connected with the engineering, production, purchase and sale, distribution, import, export and representation of laundry machines and systems and the manufacture thereof;
    - Providing technical, commercial, financial and other services for affiliated businesses, including commercial and industrial activities in support;
    - Obtaining an interest, in any manner, in any and all businesses that pursue the same, a similar or related purpose or that are likely to further its own business or facilitate the sale of its products or services, also cooperating or merging with these businesses and, in general, investing, subscribing, purchasing, selling and negotiating financial instruments issued by Belgian or foreign businesses;
    - Managing investments and participations in Belgian or foreign businesses, including the standing of sureties, guaranteeing bills, making payments in advance, loans, personal or material sureties for the benefit of these businesses and acting as their proxy holder or representative;
    - Acting in the capacity of director, providing advice, management and other services for the benefit of the management and other services for the benefit of other Belgian or foreign businesses, by virtue of contractual relations or statutory appointment and in the capacity of external consultant or governing body of any such business.

The Company may undertake both in Belgium and abroad, any and all industrial, trade, financial, bonds and stocks and real property transactions that are likely to extend or further its business directly or indirectly or that are related therewith. It may acquire any and all movable and real property items, even if these are related neither directly nor indirectly to the Purpose of the Company.

It may obtain, in any manner, an interest in any and all associations, ventures, businesses or companies that pursue the same, a similar or related purpose or that are likely to further its business or facilitate the sale of its products or services, and it may cooperate or merge therewith.

- The Company is registered in the Commercial Register of Ghent, section Dendermonde and is subject to VAT under the number BE 0440.449.284
- The Bylaws of the Company can be consulted at the registered office of the Company and on the Company

website www.jensen-group.com. The annual accounts are filed with the National Bank of Belgium. Financial reports of the Company are published in the financial press and are also available on the Company website www.jensen-group.com. Other documents that are publicly available and that are mentioned in the reference document can be consulted at the registered office of the Company or on the Company website www.jensen-group.com. The Annual Report of the Company is sent every year to the holders of registered shares as well as to any shareholder who wish to receive it.

2. Share Capital

- The registered share capital amounts to 30,710,108 euro and is represented by 7,818,999 shares without nominal value. There are no shares that do not represent the share capital. All shares are ordinary shares; there are no preference shares. The shares are dematerialized or registered shares, depending on the shareholder's preference. The dematerialized shares have been issued either by way of an increase of capital or by exchanging existing registered or bearer shares for dematerialized shares. Each shareholder may request the exchange of his/her shares either into registered shares or into dematerialized shares. At least two directors will sign a share certificate. Signature stamps may replace the signatures.

- Evolution of the share capital:

Date	Share capital	Currency	Number of shares
24/05/2002	42,714,560	euro	8,264,842
20/05/2008	42,714,560	euro	8,252,604
13/01/2009	42,714,560	euro	8,039,842
30/11/2011	42,714,560	euro	8,002,968
04/10/2012	30,710,108	euro	8,002,968
12/05/2016	30,710,108	euro	7,818,999

Annex I

Taxonomy-related templates

Proportion of turnover from products or services associated with Taxonomy-eligible and aligned economic activities – FY 2022

				Substantial contribution criteria						DNSH criteria ("Does Not Signifcantly Harm")											
	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Category (enabling activity)	Category "(transitional activity)"	
Economic activities		KEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)	N/A	0	0																		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1.)		0	0																		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	N/A	0	0																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	0																		
Total (A.1 + A.2)		**0**	**0**																		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non eligible activities		341639	100																		
Total (A + B)		**341639**	**100**																		

Capital expenditure from products or services associated with Taxonomy-eligible and aligned economic activities – FY 2022

				Substantial contribution criteria						DNSH criteria ("Does Not Signifcantly Harm")										
	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year 2022	Taxonomy-aligned proportion of CapEx, year 2021	Category (enabling activity)	Category "(transitional activity)"
Economic activities		KEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)	N/A	0	0																	
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		0	0																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Transport by motorbikes, passenger cars and commercial vehicle	6.5	1146	23																	
Renovation of existing buildings	7.2	1849	38																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		2995	61																	
Total (A.1 + A.2)		**2995**	**61**																	
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non eligible activities		1898	39																	
Total (A + B)		**4893**	**100**																	

Operational expenditure from products or services associated with Taxonomy-eligible and aligned economic activities – FY 2022

				Substantial contribution criteria						DNSH criteria ("Does Not Signifcantly Harm")										
	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year 2022	Taxonomy-aligned proportion of OpEx, year 2021	Category (enabling activity)	Category "(transitional activity)"
Economic activities		KEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)	N/A	0	0																	
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		0	0																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	N/A	0	0																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	0																	
Total (A.1 + A.2)		**0**	**0**																	
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non eligible activities		0	0																	
Total (A + B)		**0**	**0**																	

Standard templates for the disclosure referred to in Article 8(6) and (7)
The information referred to in Article 8(6) and (7) shall be presented as follows, for each applicable key performance indicator (KPI)

Template 1 Nuclear and fossil gas related activities		
	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

The JENSEN-GROUP has no main activity related to nuclear & fossil gas. Therefore, templates 2-5 do not apply.

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