

terbeke

driven by **the zeal for your everyday meal**

**HALF-YEAR FINANCIAL REPORT
FIRST SEMESTER 2021
(Free translation from the official Dutch version)**



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1. KEY FIGURES AND HEADLINES

Ter Beke Group:

As expected, the first half of the year was characterized by a significant improvement of the results compared to the first half of 2020 -thanks to the initiatives taken earlier to improve the profitability of the company and despite a continuing impact of COVID-19 on the food service business (mainly at KK Fine Foods).

As previously announced, the sale of the captive reinsurance company Ter Beke Luxembourg was completed on June 18th, 2021. This - together with the costs related to the change in CEO - resulted in a non-underlying cost of EUR 5.4 million.

Furthermore, the group succeeded in further reducing its net indebtedness. Compared to the end of 2020, net debt decreased by EUR 8 million and leverage (net debt / underlying EBITDA in the last 12 months) decreased further to 1.5 times.

This resulted in the following key results:

- o A decline in revenue from EUR 356 million to EUR 342 million
- o An increase in underlying EBITDA from EUR 13 million to EUR 27 million
- o An increase in EBIT from -10 to + EUR 7 million
- o A decrease in net debt since the end of 2020 by EUR 8 million

The result is the combination of:

- o A decrease in sales due to the continued impact of COVID-19 on our sales in the food service channel (particularly at KK Fine Foods) compared to last year where covid impacted sales from the end of March 2020.
- o A decrease in sales due to the termination or non-renewal of a number of non-profitable contracts.
- o Better purchasing conditions compared to last year, although in a macro-economic environment where a number of costs (packaging, ingredients) are strongly rising and have to be passed on to the customers.
- o A lower cost due to the operational and legal integration of the companies in the Netherlands and the "zero based budgeting" programme that was started at the end of last year.
- o A decrease in non-underlying costs compared to last year, despite the impact of the sale of the captive reinsurance company and the costs related to the change in CEO that were incurred in the first half of the year.

The debt ratio decreased due to a continued focus on managing working capital. The implementation of a scrip dividend will result in a limited cash outflow in the second half of the year as 56.39% of the shareholders opted to participate in the share capital increase.

As a result of the combination of all of the above:

- o the underlying EBITDA amounts to EUR 27.1 million compared to EUR 12.6 million in 2020
- o EBITDA is EUR 21.7 million compared to EUR 6.2 million in 2020
- o Underlying EBIT is EUR 12.7 million compared with EUR -2.3 million in 2020
- o EBIT is EUR 7.3 million compared to EUR -10.0 million in 2020
- o the result after taxes is EUR 1.5 million compared to EUR -9.8 million in 2020

Processed Meats Division:

The turnover of the division decreased by EUR 6.3 million (-3%) compared to 2020. This was mainly due to the termination or non-renewal of a number of unprofitable contracts in 2021.

The processed meats industry - both for products and slicing activities - continues to be characterised by fierce price competition, which ultimately benefits the consumer.

In the Netherlands, the market share of meat and meat products with a "Beter Leven Keurmerk" (ENG. Better Life Certificate) is considerable. In order to encourage pig farmers to implement the animal welfare criteria of the "Beter Leven" (Better Life) concept, they are rightly paid a premium. Through so-called "automatic price changes", this premium is also applied further down the chain, so that raw material price increases are translated into the price of end products. In Belgium too, there are numerous voices today in favour of such a programme, which would guarantee the animal welfare and the viability of the entire chain.

In the Benelux countries, the UK and Germany - where Ter Beke is primarily active in processed meats - many consumers are showing increasing interest in healthier recipes (e.g. less salt), better traceability and sustainable production. Sustainability in the processed meats industry is mainly about stronger chain cooperation and recyclable or reduced packaging. Ter Beke is in a leading position to respond to this.

Furthermore we see an increase in importance of, for example, the Nutri-Score and similar alternatives. Here too, Ter Beke assumes its role and we are actively cooperating with our customers to further optimise the quality of our products.

Ready Meals Division:

The turnover of the division decreased by EUR 8.1 million (-6%) compared to 2020. This decrease is mainly due to the impact of COVID-19. Since March 2020, the closure of (and the restrictions within) the food service industry caused a decline in sales in the food service channel. In 2021, sales in this channel continued to be hit particularly hard by the COVID-19 pandemic - especially at our UK subsidiary KK Fine Foods Ltd. However, we do see that the relaxation of the measures is leading to a very gradual recovery in sales.

Furthermore, the group also incurred costs to ensure the safety of its employees, but these were less significant when compared to the first half of last year.

Ter Beke has a network of five production facilities thus being able to deliver the whole of Europe. As a reminder, Ter Beke is the European market leader in its Ready Meals segment, briefly described as chilled, Mediterranean pasta meals. During the first half of the year, the division also succeeded in starting up its first production aimed at the Russian market.

Highlights for the various companies in the Ready Meals Division:

- o Freshmeals (with production in Marche and Wanze) continues to focus on both chilled lasagna and pasta preparations in family & single-portion packaging. Thanks to a constant focus on innovation, the cluster also keeps continuously bringing new products into the market.
- o Stefano Toselli continues to focus on chilled and frozen lasagna products.
- o Pasta Food Company - Ter Beke's "beachhead" in Central and Eastern Europe - put an additional production line into service in early 2021.
- o KK Fine Foods was impacted significantly by the closure of (or social distancing and other restrictions at) pubs and restaurants, its most important sales market. This despite further expansion of its portfolio in retail where the high quality of the frozen meals is clearly appreciated by the consumer and where continued growth is experienced.

The ready meals industry in Europe continues to offer good perspectives:

- o The retail channel (including discount) is increasing shelf space in order to meet the need for convenience, also in response to competition from home-delivered meals.
- o For each consumer, there is a range of products that meet their quality-price expectations.
- o The group expects the food service activities (barring further lockdown due to COVID-19) to gradually pick up, partly thanks to the stimuli provided by the various governments.
- o There is a continued focus on innovation. For example, the 'Summer Lasagna' - a cold served lasagna - was launched this summer (see picture on the front page). This was launched in both the retail channel and the food service channel.

2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TER BEKE GROUP PER 30 JUNE 2021

CONDENSED CONSOLIDATED BALANCE SHEET

In '000 EUR	<u>30/06/2021</u>	<u>31/12/2020</u>
Assets		
Non-current assets	236.851	245.108
Goodwill	78.150	77.759
Intangible assets	21.529	22.224
Tangible non-current assets	129.393	136.463
Deferred tax assets	7.698	8.587
Other long term receivables	81	75
Current assets	137.025	156.492
Stocks	38.790	37.865
Trade- and other receivables	87.073	99.484
Cash and cash equivalents	9.596	19.143
Assets clasfified as held for sale	1.566	
Total assets	373.876	401.600
Liabilities		
Shareholders equity	112.421	116.578
Capital and issue premiums	56.782	56.782
Reserves	54.069	58.041
Non-controlling interests	1.570	1.755
Deferred tax liabilities	5.345	4.636
Long-term liabilities	101.085	114.631
Provisions	3.591	3.897
Long-term interest-bearing liabilities	93.156	106.873
Other long-term liabilities	4.338	3.861
Short-term liabilities	155.025	165.755
Short-term interest-bearing obligations	8.409	12.179
Trade liabilities and other debts	125.235	133.197
Social liabilities	19.792	18.603
Tax liabilities	1.589	1.776
Total liabilities	373.876	401.600

CONDENSED CONSOLIDATED INCOME STATEMENT

In '000 EUR	<u>30/06/2021</u>	<u>30/06/2020</u>
Revenu	341 803	356 197
Trade goods, raw and auxiliary materials	-200 633	-224 520
Services and miscellaneous goods	-52 696	-56 024
Wages and salaries	-62 181	-67 429
Depreciations costs and impairments	-14 617	-16 287
Impairments, write-offs and provisions	214	140
Other operating income	1 549	1 456
Other operating expenses	-6 142	-3 504
Result of operating activities	7 297	-9 971
Financial income	702	470
Financial expenses	-2 979	-2 366
Result of operating activities after net financing expenses	5 020	-11 867
Tax	-3 495	2 056
Result of the period	1 525	-9 811
Result in the financial year: share third parties	-83	-109
Result in the financial year: share group	1 608	-9 702
Basic profit per share	0,91	-5,6
Diluted profit per share	0,91	-5,6

CONDENSED COMPREHENSIVE INCOME

In '000 EUR	<u>30/06/2021</u>	<u>30/06/2020</u>
Result of the reported period	1.525	-9.811
Other elements of the result recognised in the shareholders' equity		
Other elements of the result that can subsequently be reclassified to the results		
Translation differences	1.324	-2.220
Cash flow hedge	63	44
Other elements of the result that cannot subsequently be reclassified to the results		
Revaluation of net liabilities regarding defined benefit pension schemes	0	0
Related deferred taxes	0	0
Comprehensive income	2.912	-11.987

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in '000 EUR	Capital	Capital	Share	Reserved	Cash flow	Pensions	Call/put option	Translation	Attributable to	Minority	Total	Number of
	reserves	premiums	profits (*)	hedge	and taxes	on minority	interests	differences	the	interests		shares
									shareholders (*)			
Balance on 1 January 2020	4.903	0	48.288	71.643	-347	-371	-3.296	1.422	122.242	1.934	124.176	1.732.621
Dividend				-6.930					-6.930		-6.930	
Results in the financial year				-9.702					-9.702	-109	-9.811	
Other elements of the comprehensive result for the period					44			-2.094	-2.050	-126	-2.176	
Comprehensive result for the period				-9.702	44	0	0	-2.094	-11.752	-235	-11.987	
Balance on 30 June 2020	4.903	0	48.288	55.011	-303	-371	-3.296	-672	103.560	1.699	105.259	1.732.621
Balance on 1 January 2021	5.001	0	51.781	62.327	-250	110	-3.296	-850	114.823	1.755	116.578	1.767.281
Dividend				-7.069					-7.069		-7.069	
Decrease of minority interests as result of call/put option				-174			349		175	-175	0	
Results in the financial year				1.608					1.608	-83	1.525	
Other elements of the comprehensive result for the period					63			1.251	1.314	73	1.387	
Comprehensive result for the period				1.608	63	0	0	1.251	2.922	-10	2.912	
Balance on 30 June 2021	5.001	0	51.781	56.692	-187	110	-2.947	401	110.851	1.570	112.421	1.767.281

(*) Balance restated on 30 June 2020 taking into account the dividend for the financial year 2019 approved by the general meeting amounting to EUR 6.930 thousand.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

In '000 EUR	<u>30/06/2021</u>	<u>30/06/2020</u>
Operating activities		
Result before taxes	5 020	-11 867
Interest	1 403	955
Depreciations costs and impairments	14 617	16 287
Write-downs (*)	248	761
Provisions	-346	-431
Gains and losses on disposal of fixed assets	3 998	135
Cash flow from operating activities	24 940	5 840
Change in receivables more than 1 year	0	0
Change in stock	-730	-2 392
Change in receivables less than 1 year	12 064	22 015
Change in operational assets	11 334	19 623
Change in trade liabilities	-12 805	-529
Change in debts relating to remuneration	1 443	4 791
Change in other liabilities, accruals and deferred income	-815	-3 088
Change in operational debts	-12 177	1 174
Change in the operating capital	-843	20 797
Tax paid	-1 903	-1 695
Net cash flow from operating activities	22 194	24 942
Investment activities		
Acquisition of intangible and tangible non-current assets	-8 931	-14 011
Acquisition of shares in participations	0	0
Total increase in investments	-8 931	-14 011
Sale of tangible non-current assets	166	25
Sale of shares in participations	-3 840	
Total decrease in investments	-3 674	25
Cash flow from investment activities	-12 605	-13 986
Financing activities		
Change in short-term financial debts	-2 760	-3 077
Increase in long-term debts	373	23 637
Repayment of long-term debts	-15 156	-21 481
Interest paid interest (via income statement)	-1 403	-955
Acquisition of non-controlling interest	-266	
Dividend paid by parent company	0	0
Cash flow from financing activities	-19 212	-1 876
Net change in cash and cash equivalents	-9 623	9 080
Cash funds at the beginning of the financial period	19 143	26 826
Translation differences	76	-87
Cash funds at the end of the financial period	9 596	35 819

(*) includes adjustments that are part of the financial result..

3. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ON THE COMPANY

Ter Beke (Euronext Brussels: TERB) is an innovative Belgian group that markets fresh food in many European countries.

The group has 2 core activities: processed meats and ready meals, has 12 industrial sites in Belgium, the Netherlands, France, Poland and the United Kingdom and employs around 2,650 people. Ter Beke realized a turnover of EUR 717.4 million in 2020.

READY MEALS DIVISION

- produces freshly prepared dishes for the European market
- market leader in chilled lasagna in Europe
- 2 specialized production sites in Belgium (Wanze and Marche-en-Famenne), 1 in France (Mézidon-Valée d'Auge), 1 in Poland (Opole) and 1 in the United Kingdom (Deeside)
- brand names Come a casa®, Vamos® and Stefano Toselli® in addition to numerous distribution brands
- has approximately 1,300 employees

PROCESSED MEATS DIVISION

- producer and slicer of deli meats for the Benelux countries, the United Kingdom and Germany
- 2 production sites in Belgium (Wommelgem and Lievegem) and 1 in the Netherlands (Borculo)
- 6 meat cutting and packaging centers of which 3 in Belgium (Wommelgem, Lievegem and Veurne) and 3 in the Netherlands (Wijchen, Ridderkerk and Aalsmeer)
- innovative in the pre-packed processed meats segment; distribution brands and own brand names such as Pluma®, Daniël Coopman®, Kraak-Vers® and FairBeleg®.
- has approximately 1,350 employees

DECLARATION OF CONFORMITY

The above condensed consolidated interim financial statements for the six-month period ended 30 June 2021 have been prepared in accordance with IAS-34 Interim Financial Reporting as adopted by the EU. These statements do not contain all the information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the reporting period ended 31 December 2020, as published in the Annual Report to shareholders for the financial year 2020.

These condensed consolidated financial statements were authorized for issue by the Board of Directors on 26 August 2021.

VALUATION AND INTERPRETATION RULES

The accounting standards used in the preparation of the condensed interim consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the period ended 31 December 2020. Standards and interpretations applicable for the financial year beginning 1 January 2021 do not have a material impact on the balance sheet. The Group also expects that the standards and interpretations published but not yet applicable for the financial year beginning 1 January 2021 will have no material impact.

The methods for valuing assets and liabilities measured at fair value were consistently applied for each applicable category (Level 1: derivatives and Level 3: put/call option relating to KK Fine Foods Ltd.) as described in the 2020 Annual Report. There are no material changes for Level 3 with respect to unobservable market figures as compared to 31 December 2020. No transfers between categories took place during the first 6 months of 2021.

GENERAL

The General Meeting of 27 May 2021 approved the Board of Directors' dividend proposal (gross 4.00 EUR/share). The group's shareholders opted for 56.39% of their shares entitled to dividend to be contributed in exchange for new shares rather than the payment of the dividend in cash.

For Ter Beke this results in a strengthening of its equity of EUR 2,790,569.60 (capital and share premium) through the creation of 26,936 new shares. As a result, the total number of Ter Beke shares will be 1,794,217 as from 1 July 2021. The creation of new shares will also increase the denominator in the calculation of the earnings per share for the entire financial year. The other dividends were paid out in cash on July 5th 2021. Including total withholding tax, this amounts to a total cash payment of EUR 4,278,554.40. This capital increase reduces the debt ratio by approximately 0.7% compared to a 100% dividend payment in cash. As a result of the scrip dividend, a cash outflow was avoided (in proportion to the contribution of the dividend rights to Ter Beke's capital).

With the exception of slightly higher activity at the end of the calendar year, the group's figures are virtually unaffected by seasonal effects.

NOTES TO THE BALANCE SHEET

Under IAS-34, the balance sheet as at 30 June 2021 should be compared with the balance sheet as at 31 December 2020.

The group invested EUR 7.2 million in property, plant & equipment in the first half of 2021 compared to EUR 15 million in the same period of 2020. This mainly concerns the continuation of efficiency investments and adjustments to the infrastructure at the various sites.

Inventories were slightly higher than last year and increased by EUR 0.9 million to EUR 38.8 million and are due to slightly higher stocks of finished products in the Ready Meals Division, which were low at the end of 2020 in the run-up to the Brexit.

The assets held for sale are related to the transfer of the building in Aalsmeer to assets available for sale.

Furthermore, trade receivables decreased by EUR 12.4 million from EUR 99.5 million to EUR 87 million. This is due to lower turnover figures and strong customer follow-up.

The net financial debts decrease by EUR 7.9 million to EUR 92 million. This decrease is mainly explained by the use of the net positive cash flow from operating activities of EUR 22.2 million, minus EUR 12.6 million paid investments (corrected for income from divestments) with paid interests of EUR 1.4 million and purchase of a minority interest of EUR 0.3 million.

The calculation of net financial debt at 30 June 2021 and 31 December 2020 is as follows:

In '000 EUR	<u>30/06/2021</u>	<u>31/12/2020</u>
Cash and cash equivalents	-9.596	-19.143
Long-term interest-bearing liabilities	93.156	106.873
Short-term interest-bearing liabilities	8.409	12.179
Net financial debts	91.969	99.909

In order to guarantee the group's further liquidity during the COVID-19 crisis, the group also renegotiated its covenants under the EUR 175 million Revolving Credit Facility (RCF) with the consortium of banks. The net debt/adjusted EBITDA leverage covenant ratio (all excluding IFRS 16) was adjusted to 4.25 for 30/6/2021 and 3.75 for 31/12/2021. Furthermore, a temporary liquidity covenant was agreed whereby the group must maintain a liquidity headroom of at least EUR 20 million for the period up to and including 31/12/2021. At 30/6/2021, this liquidity headroom exceeded EUR 120 million.

Given the fact that the leverage under the RCF definition falls back to 1.5 at 30/6/2021, the financing cost will fall back to a normal level as of 1/7/2021.

The difference in equity is mainly the result of the profit after tax for the first half of the year and the dividend approved by the General Shareholders Meeting.

NOTES TO THE INCOME STATEMENT

The most important explanations of the results were explained in the section on key figures and headlines.¹

In '000 EUR	<u>30/06/2021</u>	<u>30/06/2020</u>
EBITDA	21.700	6.176
Depreciation and impairments on non-current assets	-14.617	-16.287
Write-downs, and provisions	214	140
Result of operating activities (EBIT)	7.297	-9.971

In '000 EUR	<u>30/06/2021</u>	<u>30/06/2020</u>
Profit from operating activities (EBIT)	7 297	-9 971
Back on Track (incl severance payments)		2 176
Project 'unity' in the Netherlands		2 313
Impairment fixed assets Offerman		1 248
M & A costs		
Recall impact		379
Increase in restructuring provision		1 531
Costs related to the change in CEO	1 085	
Impact sale Captive TB Luxembourg	4 329	
Expenses directly related to COVID-19		
Underlying profit from operating activities (EBIT)	12 711	-2 324
EBITDA	21 700	6 176
Severance payments		2 176
Project 'unity' in the Netherlands		2 313
M & A costs		
Recall impact		379
Costs related to the change in CEO	1 085	
Impact sale Captive TB Luxembourg	4 329	
Expenses directly related to COVID-19		1 531
Underlying EBITDA	27 114	12 575

¹ For the definitions of EBIT, EBITDA, UEBIT, UEBITDA and 'non-underlying' income and expenses, we refer to page 81 of the Annual Report 2020.

Results of operating activities

The 'Services and miscellaneous goods' category comprises:

in '000 EUR	<u>30/06/2021</u>	<u>30/06/2020</u>
Temporary workers and persons put at the disposal of the company	10.104	11.461
Repair & Maintenance	9.478	10.834
Marketing & Sales costs	1.825	1.957
Transport costs	13.456	15.269
Energy	6.562	6.454
Rent	2.274	2.761
Fees	4.572	5.016
Other	4.425	2.272
Total	52.696	56.024

The 'rent' category consists of the short term leases and low value leases that Ter Beke (based on the possible exemptions in IFRS 16) did not capitalize.

The decrease compared to 2020 is partly due to a more proactive cost control.

We note a strong decrease in the cost of temporary labour and of transportation costs. Transportation costs decreased due to lower sales.

The items 'Other operating income and expenses' consist of:

Other operating income

'000 EUR	<u>30/06/2021</u>	<u>30/06/2020</u>
Recovery of wage-related costs	461	331
Recovery of logistic costs	52	
Profits from the disposal of assets	1	17
Recovery insurances	100	35
Claims	140	701
Others	795	372
Total	1 549	1 456

Other operating expenses

	<u>30/06/2021</u>	<u>30/06/2020</u>
Local taxes	1 918	1 903
Loss on sale participation	3 977	
Loss on sale fixed assets	22	152
Claims	185	1 081
Others	40	368
Total	6 142	3 504

The other operating income is in line with 2020. The other operating costs show a strong increase due to the loss on the disposal of the captive reinsurance company Ter Beke Luxembourg. This sale also has a one-off negative impact on the consolidated cash flows from investing activities. Through this sale Ter Beke further reduces its recurring fixed cost base.

Net financing costs

Net finance costs in the first half of 2021 are 25% higher than in the same period of 2020. This is due to the interest rate increase following the waiver that the Group applied for in 2020 on its Revolving Credit Facility (RCF) in the context of the COVID-19 crisis. The group expects the interest expense to decrease substantially again as a result of the positive covenant ratio 'net debt to adjusted EBITDA'.

Taxes

The tax expense amounts to EUR 3.5 million compared to an income of EUR 2 million last year. This change is due to a better result before taxes compared to last year, but also to the non-deductible character of the loss on the sale of the captive reinsurance company Ter Beke Luxembourg.

KEY DATA PER BUSINESS SEGMENT

In '000 EUR	30/06/2021			30/06/2020		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment sales	216.052	125.751	341.803	222.310	133.887	356.197
Segment results	9.031	7.261	16.292	-13.182	7.084	-6.098
Non-allocated results			-8.995			-3.873
Net financing cost			-2.277			-1.896
Taxes			-3.495			2.056
Result of companies according to equity method			0			0
Consolidated result			1.525			-9.811
Other segment information						
Segment investments	3.917	2.506	6.423	7.361	7.430	14.791
Non-allocated investments			733			442
Total investments			7.156			15.233
Segment depreciations and non-cash costs	8.434	5.501	13.935	10.179	4.694	14.873
Non-allocated depreciations and non-cash costs			468			1.274
Total depreciations and non-cash costs			14.403			16.147

Comparison of key data per business segment
In '000 EUR

	Processed Meats	Ready Meals	Non-allocated	Total
EBIT 2021	9 031	7 261	-8 995	7 297
EBIT 2020	-13 182	7 084	-3 873	-9 971
Variance	22 213	177	-5 122	17 268
EBITDA 2021	17 465	12 762	-8 527	21 700
EBITDA 2020	-3 003	11 778	-2 599	6 176
Variance	20 468	984	-5 928	15 524

Comparison of key data per business segment
In '000 EUR

	Processed Meats	Ready Meals	Non-allocated	Total
U-EBIT 2021	9 031	7 261	-3 581	12 711
U-EBIT 2020	-6 900	8 334	-3 758	-2 324
Variance	15 931	-1 073	177	15 035
U-EBITDA 2021	17 465	12 762	-3 113	27 114
U-EBITDA 2020	2 031	13 028	-2 484	12 575
Variance	15 434	-266	-629	14 539

CALCULATION OF EARNINGS PER SHARE

In '000 EUR		
Calculation earnings per share	<u>30/06/2021</u>	<u>30/06/2020</u>
Number of outstanding ordinary shares per 1 January	1.767.281	1.732.621
Effect of issued ordinary shares		
Weighted average number of outstanding ordinary shares per 30 June of the financial year	1.767.281	1.732.621
Net profit	1.608	-9.702
Average number of shares	1.767.281	1.732.621
Basic profit per share	0,91	-5,60
Calculation diluted earnings per share	<u>30/06/2021</u>	<u>30/06/2020</u>
Net profit	1.608	-9.702
Average number of shares	1.767.281	1.732.621
Dilution effect warrant plans		
Adjusted average number of shares	1.767.281	1.732.621
Diluted profit per share	0,91	-5,60

OUTLOOK FOR 2021

The group continues to work on a further recovery of the results.

RELATED PARTY TRANSACTIONS

In the first half of 2021, no related party transactions took place that had a material impact on the group's financial position or results in this period.

MATERIAL RISKS AND UNCERTAINTIES

The main risks for the remaining months of the financial year 2021 are largely the same as the risks and uncertainties described in the Annual Report for the financial year 2020. They mainly concern risks and uncertainties related to the quality and price fluctuations of the raw materials used. Furthermore, the group remains vigilant to limit the impact of the COVID-19 pandemic as much as possible.

4. DECLARATION BY THE RESPONSIBLE PERSONS

The undersigned, Dirk Goeminne*, Chairman of the Board of Directors, and Yves Regniers**, Chief Financial Officer, declare that, to the best of their knowledge:

- the interim condensed consolidated financial statements for the first half year of the financial year 2021, which have been prepared in accordance with the International Financial Accounting Standards ("IFRS"), give a true and fair view of the assets, the financial situation and the results of Ter Beke NV and the companies included in the consolidation;
- the interim financial report gives a true and fair view of the most important events that have occurred during the first half of the financial year 2020, the transactions to be mentioned with related parties and the main risks and uncertainties for the remaining months of the financial year;

Lievegem, 27 August 2021

Dirk Goeminne*

Chairman of the Board of Directors

* permanent representative of Fidigo NV

Yves Regniers**

Chief Financial Officer

** permanent representative of Esroh BV

5. REPORT FROM THE STATUTORY AUDITOR ON THE HALF-YEAR INFORMATION

Statutory auditor's report to the board of directors of Ter Beke NV on the review of the condensed consolidated interim financial information as at 30 June 2021 and for the 6-month period then ended

FREE TRANSLATION OF A REPORT ORIGINALLY PREPARED IN DUTCH

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Ter Beke NV as at 30 June 2021, the condensed consolidated statements of income and other comprehensive income, changes in equity and cash flows for the 6-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2021 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Antwerp, 26 August 2021

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises

Statutory Auditor

represented by

Filip De Bock

Bedrijfsrevisor / Réviseur d'Entreprises

6. CONTACT

If you have any questions regarding this half-year financial report or you would like further information, please contact:

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CFO

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You can also review this half-year financial report and send us your questions through the Investor relations module on our website (www.terbeke.com). The Dutch version of this half-yearly report is the sole official version.

7. FINANCIAL CALENDAR

Annual Results 2021:	25 February 2022 before market opening
Annual Report 2021:	At the latest on 29 April 2022
General Shareholders Meeting 2022:	25 May 2022

8. TER BEKE IN BRIEF

Ter Beke (Euronext Brussels: TERB) is an innovative Belgian group that markets fresh food in many European countries.

The group has 2 core activities: processed meats and ready meals, has 12 industrial sites in Belgium, the Netherlands, France, Poland and the United Kingdom and employs around 2,650 people. Ter Beke realized a turnover of EUR 717.4 million in 2020.

READY MEALS DIVISION

- produces freshly prepared dishes for the European market
- market leader in chilled lasagna in Europe
- 2 specialized production sites in Belgium (Wanze and Marche-en-Famenne), 1 in France (Mézidon-Canon), 1 in Poland (Opole) and 1 in the United Kingdom (Deeside)
- brand names Come a casa®, Vamos® and Stefano Toselli® in addition to numerous distribution brands
- employs approximately 1,300 employees

MEAT DIVISION

- producer and slicer of deli meats for the Benelux countries, the United Kingdom and Germany
- 2 production sites in Belgium (Wommelgem and Lievegem) and 1 in the Netherlands (Borculo)
- 6 meat cutting and packaging centers of which 3 in Belgium (Wommelgem, Lievegem and Veurne) and 3 in the Netherlands (Wijchen, Ridderkerk and Aalsmeer)
- innovative in the pre-packed processed meats segment; distribution brands and own brand names such as Pluma®, Daniël Coopman, Kraak-Vers® and FairBeleg®.
- employs approximately 1,350 employees