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

HALF-YEAR FINANCIAL REPORT
FIRST SEMESTER 2020

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1. KEY FIGURES AND HEADLINES

Ter Beke Group:

The consolidated results for the first half of 2020 were mainly influenced by the consequences of the Covid-19 pandemic, historically high pork prices and the one-off costs associated with the accelerated integration and reorganization of our Dutch processed meats activities. Nevertheless, the group manages to further reduce its debt position and continues to invest confidently in the future of its two divisions.

The **Covid-19** pandemic caused a slight decline in group turnover. As a result of the various lockdown measures, the group, especially in its ready meals division, was confronted with considerably lower sales in the Foodservice channel, where its British subsidiary KK Fine Foods Ltd in particular occupies an important position, where consumption of ready meals fell temporarily in the entire European retail channel.

Covid-19 did, however, lead to a significant increase in operational costs, which were necessary to ensure continuity of operations and safe working conditions for the group's employees in the various factories. These costs include the cost of increased absenteeism in the months of March and April, additional cleaning of the work stations and offices, additional purchases of mouth masks (for areas where this was not previously in force), the placing of Plexiglas between the various workstations on the lines, the purchase of temperature scanners and slowing down the line speed in the first weeks of the Covid-19 pandemic. Initially, a number of products had to be removed from the range because the necessary social distancing could not be respected everywhere. Due to the above measures it was again possible to produce these products in a safe way and in the meantime the entire product range is available again.

The group estimates the total impact of Covid-19 on the EBITDA result of the first half year at approximately 5.1 million EUR. In application of the rules on alternative performance measures, as imposed by ESMA and FSMA, the missed sales and the impact on production efficiency, estimated at 3.6 million EUR, was reported as underlying result, while 1.5 million EUR of costs incurred solely for the sake of Covid-19 are considered as non-underlying.

Also the **historically high prices for pork** and the sharp increases in prices for cheese and other ingredients had a negative impact on the results of the first semester, seen these increases are only passed on to customers with some delay.

Ter Beke accelerated the legal and operational **integration and reorganization** of its Dutch processed meats activities under the name Project Unity, and also took the necessary actions in Belgium and the United Kingdom in the first half of the year to further structurally reduce its cost base. These reorganizations will enable the group to safeguard its future competitive position and to consolidate its cost leadership. The total impact of these non-underlying costs on EBIT amounted to EUR 6.1 million in the first half of 2020 compared to a cost of EUR 1 million linked to reorganizations in the first half of 2019 (see notes to the income statement for further information). These actions will make a positive contribution to the group's results from the second half of the year and will have their full effect from 2021 onwards. As part of the integration of the Dutch processed meats activities, the final phase of the implementation of the uniform ERP system in the Netherlands has also been realized, which imposes an additional cost on the first half of the year, but will ensure further streamlining and flexibility in the supply of Dutch customers in the short term.

Notwithstanding Covid-19, the impact of the high raw material prices and the cost of the implemented reorganizations, the group has managed to focus on free cash flow in the first half of 2020 and thus further reduce its external **debt position**, mainly through a continued focus on managing its working capital. The payment of the dividend for financial year 2019 in the form of an optional dividend also contributed to a reduction in the debt ratio, as some 74% of shareholders opted to convert their dividend into newly issued shares.

Despite the uncertainty associated with Covid-19, the group also made a conscious decision to continue with a number of **important investment projects** for the future. These include an investment project, worth approximately EUR 8.5 million, to significantly expand the production capacity of the plant in Poland by the end of 2020.

Through the combination of the above elements:

- sales amounted to EUR 356.2 million compared with EUR 358.6 million in the first half of 2019 (-1%);
- Underlying EBITDA amounts to EUR 12.6 million compared with EUR 25.5 million in H1 2019 (-51%);
- EBITDA amounts to EUR 6.2 million compared with EUR 24.9 million in H1 2019 (-75%);
- underlying EBIT amounts to EUR -2.3 million compared with EUR 10.4 million in H1 2011 (-75%).
- EBIT amounts to EUR -10 million compared with EUR 9.4 million in the first half of 2019;
- profit after taxes amounts to EUR -9.8 million compared with EUR 4,7 million in the first half of 2019;

Processed Meats division:

The division's turnover rose by EUR 4.1 million (2%) compared with the first half of 2019. This is due in part to a number of price increases.

The processed meats industry - both for products and slicing activities - continues to be characterized by fierce price competition between retailers, resulting in continuing margin pressure for producers.

In the Netherlands, the focus of the first half of the year was on the integration of the activities of Offerman - which was acquired at the end of 2017 - in and with the longstanding Ter Beke activities in the Netherlands. This project, codenamed "Unity", included :

- An organizational integration (all activities are now managed by one management team);
- A legal integration with the deletion of 7 legal entities;
- The further and complete conversion of all entities to the standard Ter Beke ERP package, which had already been deployed in 2019;
- An operational integration;
- A rationalization of the product range and the customer portfolio.

This project involves significant restructuring costs (severance payments, depreciation of unused production lines, ...) as well as a temporary increase in personnel and logistics costs, but will result in a substantial structural cost reduction in the future.

In Belgium, investments were made in Veurne to expand the production capacity of a unique "multi-layer" packaging concept, which allows consumers to open a packaging unit twice and thus extend its shelf life without any loss of quality. In Wommelgem, investments were made in a "central mincing" department, in which tailor-made meat mixes are prepared for the entire group, including ready meals, resulting, among other things, in improved "calibration" of the fat content.

The division continues to work on innovative answers to the demand for healthier products and sustainable packaging. As part of the strategy to broaden the range of processed meats to "toppings", a number of fruit-based products ("fruit toppings" or "fruit slices") were introduced to the market. This product has a Nutriscore A and a number of references in the range also have the "vegan" label. More innovative product introductions will follow in the second half of the year, in which Ter Beke can rely on its knowledge and experience in both product development and slicing and packaging.

Ready Meals Division:

The division's turnover fell by EUR 6.4 million (-5%) in the first half of the year compared with the same period in 2019. This decrease is entirely due to the Covid-19 crisis, which caused a significant drop in sales in the Foodservice channel and also had a negative impact on sales of chilled ready meals in the retail channel as a result of (temporary) changes in consumer behaviour. KK Fine Foods Ltd. is an important supplier of the Foodservice businesses in the United Kingdom, which were closed down by order of the government during the Covid-19 crisis.

We now see that restaurants in the UK have reopened and the government has taken a number of measures to stimulate consumption, including a reduction in VAT, the 'Eat out to Help out' programme and various other campaigns. The decline in sales in the retail channel was felt across the EU, but we also see volumes picking up again in this channel after the end of the lock-down. The group estimates the negative impact of Covid-19 on the EBITDA result of the Ready Meals Division at EUR 4.1 million, including 1 million non-underlying costs directly related to Covid-19.

In Belgium, an intensive media campaign for the Come a Casa® brand was launched in the first months of 2020, following the refresh of the logo and packaging at the end of 2019. This should lead to increased brand awareness and a higher market share.

We also continued to focus on the production of Halal products, an increasing market within the ready meals segment.

Despite Covid-19, sales in Central and Eastern Europe continue to grow structurally and substantially thanks to further regional expansion and expansion of the lasagna portfolio. The important expansion investment in the factory in Poland, worth approximately EUR 8.5 million, was continued and will be completed by the end of this year - in order to be able to absorb this further growth.

As indicated, KK Fine Foods Ltd. was faced with a significant drop in sales due to the closure of pubs and restaurants, its main sales market. However, it was able to further expand its position in the UK retail channel. The high quality of its frozen meals is clearly appreciated by British consumers and the group is counting on further growth in this channel. The group also took the necessary measures to adapt the cost structure of KK Fine Foods and reduce the permanent workforce in the second half of the year.

Ter Beke remains the European market leader in the chilled Mediterranean pasta meals segment. In addition, the ready meals industry in Europe continues to offer excellent prospects despite the temporary Covid-19 impact:

- The retail channel (including hard discount) is increasing shelf space to meet the need for convenience and in response to competition from home-delivered meals.
- Ter Beke offers a range in which every consumer will find a suitable price-quality offer.
- The group expects the Foodservice activities (barring a resurgence of Covid-19) to gradually pick up again and generate their earlier sales, partly thanks to stimuli from the various governments.

Outlook

The group is confident that, barring unforeseen circumstances and a possible resurgence of Covid-19, the results of the second half of the year will substantially exceed those of the first half of the year, and expresses its confidence that the measures taken and the reorganizations that were accelerated will contribute positively to the future results.

2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TER BEKE GROUP PER 30 JUNE 2020

CONDENSED CONSOLIDATED BALANCE SHEET

in '000 EUR	30/06/2020	31/12/2019
Assets		
Non-current assets	**249 345**	**252 148**
Goodwill	77 639	78 224
Intangible non-current assets	23 463	26 116
Tangible non-current assets	137 175	138 126
Deferred tax assets	10 993	9 604
Other long term receivables	75	78
Current assets	**176 374**	**186 874**
Stocks	42 472	40 733
Trade- and other receivables	98 083	119 316
Cash and cash equivalents	35 819	26 825
Total assets	**425 719**	**439 022**
Liabilities		
Shareholders equity	**112 189**	**124 176**
Capital and issue premiums	53 191	53 191
Reserves	57 299	69 051
Non-controlling interests	1 699	1 934
Deferred tax liabilities	**4 341**	**5 768**
Long-term liabilities	**149 351**	**147 970**
Provisions	4 286	4 588
Long-term interest-bearing liabilities	141 475	139 279
Other long-term liabilities	3 590	4 103
Short-term liabilities	**159 838**	**161 108**
Short-term interest-bearing obligations	8 551	11 980
Trade liabilities and other debts	124 595	127 725
Social liabilities	24 005	19 291
Tax liabilities	2 687	2 112
Total liabilities	**425 719**	**439 022**

CONDENSED CONSOLIDATED INCOME STATEMENT

in '000 EUR	30/06/2020	30/06/2019
Revenue	**356 197**	**358 593**
Trade goods, raw and auxiliary materials	-224 520	-213 961
Services and miscellaneous goods	-56 024	-55 657
Wages and salaries	-67 429	-62 579
Depreciations costs and impairments	-16 287	-15 007
Impairments, write-offs and provisions	140	-523
Other operating income	1 456	765
Other operating expenses	-3 504	-2238
Result of operating activities	**-9 971**	**9 393**
Financial income	470	326
Financial expenses	-2 366	-2164
Result of operating activities after net financing expenses	**-11 867**	**7 555**
Tax	2 056	-2 870
Result after tax before share in the result of enterprises accounted for using the equity method	**-9 811**	**4 685**
Profit / (loss) of the period	**-9 811**	**4 685**
Profit / (loss) in the financial year: share third parties	-109	49
Profit / (loss) in the financial year: share group	-9 702	4 636
Basic profit / (loss) per share	-5,6	2,68
Diluted profit / (loss) per share	-5,6	2,68

CONDENSED COMPREHENSIVE INCOME

in '000 EUR	30/06/2020	30/06/2019
Profit / (loss) of the reported period	-9 811	4 685
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	-2 220	9
Cash flow hedge	44	-204
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	**-11 987**	**4 490**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in '000 EUR	Capital	Primes d'émission	Bénéfices réservés	Couverture du flux de trésorerie	Pensions et taxes	Option achat/vente des intérêts minoritaires	Ecarts de conversion	Attribuable aux actionnaires	Intérêts minoritaires	Total	Nombre d'actions
Balance on 1 January 2019	**4 903**	**48 288**	**74 348**	**-149**	**-913**	**-3 296**	**194**	**123 375**	**1 653**	**125 028**	**1 732 621**
Dividend			-6 930					-6 930		-6 930	
Results in the financial year			4 636					4 636	49	4 685	
Other elements of the comprehensive result for the period				-204			15	-189	-6	-195	
Comprehensive result for the period			4 636	-204	0	0	15	4 447	43	4 490	
Balance on 30 June 2019	**4 903**	**48 288**	**72 054**	**-353**	**-913**	**-3 296**	**209**	**120 892**	**1 696**	**122 588**	**1 732 621**
Balance on 1 January 2020	**4 903**	**48 288**	**71 643**	**-347**	**-371**	**-3 296**	**1 422**	**122 242**	**1 934**	**124 176**	**1 732 621**
Dividend								0		0	
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**	**48 288**	**61 941**	**-303**	**-371**	**-3 296**	**-672**	**110 490**	**1 699**	**112 189**	**1 732 621**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

in '000 EUR	30/06/2020	30/06/2019
Operating activities		
Result before taxes	-11 867	7 555
Interest	955	1 075
Depreciations costs and impairments	16 287	15 007
Write-downs (*)	761	28
Provisions	-431	376
Gains and losses on disposal of fixed assets	135	92
Cash flow from operating activities	5 840	24 133
Change in receivables more than 1 year	0	0
Change in stock	-2 392	-2 167
Change in receivables less than 1 year	22 015	7 422
Change in operational assets	19 623	5 255
Change in trade liabilities	-529	2 876
Change in debts relating to remuneration	4 791	1 221
Change in other liabilities, accruals and deferred income	-3 088	1 527
Change in operational debts	1 174	5 624
Change in the operating capital	20 797	10 879
Tax paid	-1 695	-4 084
Net cash flow from operating activities	**24 942**	**30 928**
Investment activities		
Acquisition of intangible and tangible non-current assets	-14 011	-9 654
Total increase in investments	-14 011	-9 654
Sale of tangible non-current assets	25	22
Total decrease in investments	25	22
Cash flow from investment activities	-13 986	-9 632
Financing activities		
Change in short-term financial debts	-3 077	-2 141
Increase in long-term debts	23 637	363
Repayment of long-term debts	-21 481	-13 108
Interest paid interest (via income statement)	-955	-1 075
Dividend paid by parent company	0	-6 930
Cash flow from financing activities	**-1 876**	**-22 891**
Net change in cash and cash equivalents	**9 080**	**-1 595**
Cash funds at the beginning of the financial year	26 826	23 175
Translation differences	-87	7
Cash funds at the end of the financial year	**35 819**	**21 587**

(*) includes adjustments that are part of the financial result.. This is EUR 443,16 in 2020 (largely unrealized exchange differences) and EUR -118,28 in 2019.

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 2,500 people. Ter Beke realized a turnover of EUR 728.1 million in 2019.

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 1,200 employees

DECLARATION OF CONFORMITY

The above condensed consolidated interim financial statements 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 2019, as published in the annual report to shareholders for the financial year 2019.

These condensed consolidated financial statements were authorized for issue by the Board of Directors on 27 August 2020.

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 2019. (As a reminder, the group already made the transition to IFRS 16 on 01/01/2019).

GENERAL

The General Meeting of 28 May 2020 approved the Board of Directors' dividend proposal (gross 4.00 EUR/share). The Board of Directors decided to offer the dividend in the form of an optional dividend. The group's shareholders opted for 74.02% 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 leads to a strengthening of its equity capital of EUR 3,590,776.00 (capital and share premium) through the creation of 34,660 new shares. As a result, the total number of Ter Beke shares will be 1,767,281 as from 2 July 2020. The other dividends were paid out in cash after 30 June 2020. Including total withholding tax, this amounts to a total cash payment of EUR 3,339,708. This capital increase reduces the debt ratio by approximately 0.8% compared to a 100% dividend payment in cash. As a result of the optional dividend, a cash out 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

In view of the exceptional circumstances and the impact that Covid-19 had on the results of the first half of the year, the group carried out an interim **impairment analysis** on goodwill. This is done using the discounted cash flow method. If the recoverable amount of the segment is lower than the carrying amount, we first allocate the impairment loss to the carrying amount of goodwill. Subsequently, the other segment assets are allocated pro rata to the carrying amount of each segment asset. At June 30, 2020, goodwill amounts to 33,714 thousand Euro (end of 2019: 33,714 thousand Euro) for the Processed Meats Division. For the Ready Meals Division it amounts to 43,925 thousand Euro (end 2019: 44,510 thousand Euro). The decrease in the Ready Meals Division is a translation difference. The basis of the impairment analysis mentioned above is as follows:

- The estimate for the following year of each segment's own operating cash flows. This estimate is the result of a detailed analysis of all known and estimated changes in turnover, margin and costs, adapted to the commercial environment of each segment. In doing so, we aim to strike a balance between challenge and realism.
- The cash flows of the 4 following years were applied as follows:
    - Estimated revenue growth for the coming years
    - The estimated EBITDA margin. This margin corresponds to the projections for the coming year and the long-term targets of each segment.
    - The estimated tax on the operating cash flow. We take an average tax rate of 25% for both segments. We take into account the location where the cash flows are taxed.
    - We adjust the calculated cash flows for each year in line with the replacement investments that we believe will be necessary to keep the existing production apparatus operational and with movements in working capital. The latter differ for each segment.
    - We extrapolate the calculated cash flow for the fifth year as residual value.
    - We discount these cash flows to an estimated average weighted cost of capital after tax (WACC) of 5.73%, which is the same as at the end of 2019. The basis for this calculation is a desired equity/debt ratio of 35/65 (same as at year-end 2019), an average tax rate of 25% (same as at year-end 2019). The risks in both segments are similar and therefore account for the same WACC.

- For the other parameters and analyses, we refer to the annual report for 2019, which remained largely unchanged.

The recoverable amount significantly exceeds the carrying amount in both divisions (more than 150%) given the expectation that results will recover after Covid-19 and the reorganizations that have been implemented. Consequently, this impairment analysis does not result in any impairments in any segment.

The EUR 1 million decrease in **property, plant and equipment** is mainly due to an impairment of fixed assets at Offerman of EUR 1.2 million (mainly machinery that was decommissioned after analysis of Offerman's customer & product portfolio in the context of the merger and restructuring of the Dutch entities).

The group **invested** EUR 15 million in property, plant & equipment in the first half of 2020 compared to EUR 8.8 million in the same period of 2019. This mainly concerns the continuation of efficiency investments, specific growth investments, such as the previously reported capacity expansion at the plant in Poland for an amount of EUR 8.5 million, and adjustments to the infrastructure at the various sites.

Inventories were slightly higher than last year and increased by EUR 1.7 million to EUR 42.5 million. This is partly due to slightly higher stocks of raw materials (increased buffer stocks) and partly due to higher stocks of frozen finished products at KK Fine Foods Ltd.

Furthermore, **trade receivables** decreased by EUR 21.2 million from EUR 119.3 million to EUR 98.1 million. This is the result of lower activity by Covid-19 but also of improved payment arrangements with certain retail customers during this period.

Net financial debt decreased by EUR 10.2 million to EUR 114.2 million. This decrease is mainly explained by the net cash flow from operating activities of EUR 24.9 million, less EUR 14 million of investments paid (adjusted for income from divestitures).

The calculation of net financial debt at 30 June 2020 and 31 December 2019 is as follows:

	30/06/2020	31/12/2019
Cash and cash equivalents	-35 819	-26 825
Long-term interest-bearing liabilities	141 475	139 279
Short-term interest-bearing liabilities	8 551	11 980
Net financial debts	**114 207**	**124 434**
of which IFRS 16	10 608	11 341
	103 599	113 093

In order to guarantee the group's further liquidity during the Covid 19 crisis, the group also pro-actively adjusted 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, while there is no longer any leverage covenant for 2020. 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. The liquidity headroom is calculated by comparing the net debt, excluding leasing debts, with the total available credits on the balance sheet date, excluding leasings. At 30/6/2020, this liquidity headroom exceeded EUR 100 million. Interest rates under the RCF were also adjusted.

For the main **financial instruments** included in the balance sheet, the carrying amount corresponds to their fair value at balance sheet date.

Finally, the difference in **shareholders' equity** is mainly the result of the result after taxes for the first half of the year.

NOTES TO THE INCOME STATEMENT

The most important explanations of the results were explained in the section on main trends and main events.

The evolution of the underlying EBIT and EBITDA result can be presented as follows:

	30/06/2020	30/06/2019
EBITDA	**6 176**	**24 923**
Depreciation and impairments on non-current assets	-16 287	-15 007
Write-downs, and provisions	140	-523
Result of operating activities (EBIT)	**-9 971**	**9 393**

	30/06/2020	30/06/2019
Profit from operating activities (EBIT)	-9 971	9 393
Severance payments	2 176	484
Project 'Unity' in The Netherlands	2 313	0
Impairment on fixed assets Offerman	1 248	0
M & A costs		125
Recall impact	379	0
Increase in restructuring provision		417
Expenses directly related to Covid-19	1 531	0
Underlying profit from operating activities (UEBIT)	**-2 324**	**10 419**
EBITDA	6 176	24 923
Severance payments	2 176	484
Project 'Unity' in The Netherlands	2 313	0
M & A costs		125
Recall impact	379	0
Expenses directly related to Covid-19	1 531	0
Underlying EBITDA	**12 575**	**25 532**

Results of operating activities

The ‘Services and miscellaneous goods’ category comprises:

in '000 EUR	30/06/2020	30/06/2019
Temporary workers and persons put at the disposal of the company	11 461	10 635
Repair & Maintenance	10 834	10 245
Marketing & Sales costs	1 957	2 378
Transport costs	15 269	15 715
Energy	6 454	6 584
Rent	2 761	2 659
Fees	5 016	4 238
Other	2 272	3 203
Total	**56 024**	**55 657**

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 increase compared to 2019 is partly due to a slightly higher cost of interims and partly due to higher maintenance costs. This maintenance cost was higher than normal in the first half of 2020 due to the Covid-19 related measures and also due to the steps taken to integrate the Dutch branches. As such, part of these costs are of a one-off nature.

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

Other operating income		
'000 EUR	30/06/2020	30/06/2019
Recovery of wage-related costs	331	259
Profits from the disposal of assets	17	21
Recovery insurances	35	67
Claims	701	147
Others	372	271
Total	**1 456**	**765**
	1 456	765

Other operating expenses	30/06/2020	30/06/2019
Local taxes	1 903	1 830
Claims	1 081	
Others	520	408
Total	**3 504**	**2 238**

Damages (income and expenses) include compensation obtained and paid following the termination of the agreement with certain (unprofitable) customers and compensation for damages resulting from the recall action of the previous financial year.
The other operating expenses include some realized capital losses.

Net financing costs

Net financing costs in the first half of 2020 are in line with the same period in 2019. They also include the interest expense on leases accounted for as such after the implementation of IFRS 16.

KEY DATA PER BUSINESS SEGMENT

in '000 EUR	30/06/2020			30/06/2019		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment sales	222 310	133 887	356 197	218 249	140 344	358 593
			356 197			
Segment results	-13 182	7 084	-6 098	741	12 495	13 236
Non-allocated results			-3 873			-3 843
Net financing cost			-1 896			-1 838
Taxes			2 056			-2 870
Result of companies according to equity method			0			0
Consolidated result			-9 811			4 685
Other segment information						
Segment investments	7 361	7 430	14 791	5 094	3 380	8 474
Non-allocated investments			442			394
Total investments			15 233			8 868
Segment depreciations and non-cash costs	10 179	4 694	14 873	8 835	5 492	14 327
Non-allocated depreciations and non-cash costs			1 274			1 203
Total depreciations and non-cash costs			16 147			15 530

Comparison of key data per business segment	Processed Meats	Ready Meals	Niet toegerekend	Totaal
EBIT 2020	-13 182	7 084	-3 873	-9 971
EBIT 2019	741	12 495	-3 843	9 393
Variance	-13 923	-5 411	-30	-19 364
EBITDA 2020	-3 003	11 778	-2 599	6 176
EBITDA 2019	9 576	17 987	-2 640	24 923
Variance	-12 579	-6 209	41	-18 747
IFRS-16 impact				
EBIT 2020	76	10	6	92
EBITDA 2020	1 200	242	118	1 560

Comparison of key data per business segment	Processed Meats	Ready Meals	Niet toegerekend	Totaal
U-EBIT 2020	-6 900	8 334	-3 758	-2 324
U-EBIT 2019	903	13 325	-3 809	10 419
Variance	-7 803	-4 991	51	-12 743
U-EBITDA 2020	2 031	13 028	-2 484	12 575
U-EBITDA 2019	9 838	18 300	-2 606	25 532
Variance	-7 807	-5 272	122	-12 957
IFRS-16 impact				
U-EBIT 2020	76	10	6	92
U-EBITDA 2020	1 200	242	118	1 560

CALCULATION OF EARNINGS PER SHARE

Calculation earnings per share	**30/06/2020**	**30/06/2019**
Number of outstanding ordinary shares per 1 January	1 732 621	1 732 621
Effect of issued ordinary shares		
Weighted average number of outstanding ordinary shares per 30 June of the financial year	1 732 621	1 732 621
Net profit / (loss)	**-9 702**	**4 636**
Average number of shares	1 732 621	1 732 621
Basic profit / (loss) per share	**-5,60**	**2,68**
Calculation diluted earnings per share	**30/06/2020**	**30/06/2019**
Net profit / (loss)	-9 702	4 636
Average number of shares	1 732 621	1 732 621
Dilution effect warrant plans		
Adjusted average number of shares	1 732 621	1 732 621
Diluted profit / (loss) per share	**-5,60**	**2,68**

RELATED PARTY TRANSACTIONS

In the first semester of 2020, no related party transactions took place that materially affected the group's financial position or results in this period.

MANAGEMENT ASSESSMENTS AND ESTIMATIONS

There are no material changes compared to these reported in the annual report for the financial year 2019.

MATERIAL RISKS AND UNCERTAINTIES

The main risks for the remaining months of the financial year 2020 are largely the same as the risks and uncertainties described in the annual report for the financial year 2019. 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, Francis Kint*, Managing Director, and Yves Regniers°, Chief Financial Officer, declare that to the best of their knowledge:

- the interim condensed consolidated financial statements for the first six months of the financial year 2020, 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, 28 August 2020

Francis Kint*
Managing Director

Yves Regniers°
Chief Financial Officer

* permanent representative of BV Argalix
° permanent representative of BV Esroh

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

Ter Beke NV

Report on review of the consolidated interim financial information of Ter Beke NV for the six-month period ended on 30 June 2020

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 June 2020, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as the notes.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Ter Beke NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.
The consolidated condensed statement of financial position shows total assets of 425 719 (000) EUR and the consolidated condensed income statement shows a consolidated loss (group share) for the period then ended of 9 702 (000) EUR.
The board of directors of the company is responsible for the preparation and fair presentation of the 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 consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 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 performed in accordance with the International Standards on Auditing (ISA) 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 on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Ter Beke NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union

Ghent, 27 August 2020

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Charlotte Vanrobaeys

6. CONTACTS

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

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° permanent representative of BV Esroh

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 2020:	1 March 2021 before market opening
Annual Report 2020:	At the latest on 30 April 2021
General Shareholders Meeting 2021:	27 May 2021

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 2,500 people. Ter Beke realized a turnover of EUR 728.1 million in 2019.

READY MEALS DIVISION

- produces freshly prepared dishes for the European market
- market leader in chilled lasagna in Europe
- 2 specialised 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

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®.
- has approximately 1,200 employees