20220727708489

Årsredovisning för

Recticel AB

556152-2748

Räkenskapsåret
2021-01-01 - 2021-12-31

Innehållsförteckning: **Sida**

Förvaltningsberättelse	1-2
Resultaträkning	3
Balansräkning	4-5
Kassaflödesanalys	6
Noter	7-16
Underskrifter	17

Fastställelseintyg

Undertecknad styrelseledamot i Recticel AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2022-

Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Gislaved 2022-06-30

Johan Runbergen
Styrelseledamot

Årsredovisning för

Recticel AB

556152-2748

Räkenskapsåret

2021-01-01 - 2021-12-31

Innehållsförteckning: **Sida**

Förvaltningsberättelse	1-2
Resultaträkning	3
Balansräkning	4-5
Kassaflödesanalys	6
Noter	7-16
Underskrifter	17

Fastställelseintyg

Undertecknad styrelseledamot i Recticel AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2022-

Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Gislaved 2022-

Johan Runberger
Styrelseledamot

Förvaltningsberättelse

Styrelsen för Recticel AB, 556152-2748, med säte i Gislaved, får härmed avge årsredovisning för räkenskapsåret 2021-01-01 - 2021-12-31.

Allmänt om verksamheten

Bolagets verksamhet innefattar i huvudsak tillverkning och försäljning av polyuretancellplaster och produkter därav, bland annat sängar, madrasser, produkter för fordonsindustrin och övrig industri för konsumentmarknaden. Produktionsenheter finns i Gislaved och i Mönsterås.

Recticel AB:s ambition är att utveckla produkter och utbilda marknaden om materialets användningsområden för att stärka polyuretancellplastens ställning som möjligheternas material.

Koncernredovisning upprättas av Recticel S.A/N.V och Recticel AB kommer med stöd av undantagsregeln i Årsredovisningslagen 7 kap 2§ inte upprätta någon koncernredovisning för 2021.

Företaget har sitt säte i Gislaved.

Ägarförhållanden

Bolaget är helägt dotterbolag till Recticel S.A/N.V., org nr 0405 666 668 med säte i Bryssel, Belgien.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i Tkr

	2021	*2020*	*2019*	*2018*	*2017*
Nettoomsättning	539 279	446 976	474 583	517 056	488 329
Resultat efter fin poster	38 257	55 204	42 675	33 997	13 776
Avkastning på eget kapital %	10	16	15	13	6
Soliditet %	83	80	81	71	66

Definitioner: se not 32

Väsentliga händelser under räkenskapsåret

I slutet av verksamhetsåret beslutade bolagesstämman i Recticel S.A/N.V. att affärsområdet Bedding samt affärsområdet Engineered Foams skulle avyttras med effekt under 2022.

Förväntad framtida utveckling

Bolaget förväntar sig att 2022 blir ett mer normalt år jämfört med 2020 och 2021 då Covid-19 haft en stor påverkan på den globala ekonomin. Även om starten på 2022 väldigt mycket har haft en negativ prägel, på grund av kriget i Ukraina, så ser vi ljust på framtidsutsikterna och tror på en bra utveckling för helåret 2022.

Forskning och utveckling

Grundforskning och utveckling sker inom ramen för Recticelkoncernens centrala utvecklingslaboratoriums verksamhet, SID med placering i Wetteren i Belgien, men naturligtvis i nära samarbete med respektive berörda enheter inom Recticel AB och dotterbolag.

Användning av finansiella instrument

Bolaget är i sin verksamhet exponerad för finansiella risker. Gemensam koncernpolicy, som fastställs av styrelsen, ligger till grund för hanteringen av dessa risker på olika nivåer i koncernen.

Valutarisk

Bolaget har intäkter och kostnader i olika valutor och är därmed exponerad för risker avseende valutakursrörelser. Denna risk påverkar resultatet. Hanteringen av valutarisker sker, till övervägande del, centralt i koncernen. Det säkringsinstrument som används är terminskontrakt.

Ränterisk
Bolagets finansieringskostnad påverkas av förändringar i marknadsräntan. Räntebindningen på koncernens finansiella tillgångar och skulder är kort och huvudsakligen till rörlig ränta.

Hållbarhetsupplysningar
Se not 29.

Tillstånds-eller anmälningspliktig verksamhet enligt miljöbalken
Recticel AB bedriver tillståndspliktig verksamhet enligt miljöbalkens krav. Koncessionsnämndens tillstånd daterat 1991-11-04 avser tillverkning och bearbetning av polyuretancellplast till en volym motsvarande upp till 16 000 ton per år. Under 2021 har inte någon förändring av verksamheten skett som påverkar fastställda kriterier.

För tillverkning av polyuretancellplast krävs isocyanat som under transport, lossning och användning utgör en potentiell säkerhetsrisk. All hantering av isocyanat sker enligt gällande lagkrav och branschpraxis. Villkorskraven i tillståndet kräver bl a som riktvärde en reningsgrad av isocyanatutsläpp till luft från skumningsprocessen på minst 95% under 97% av skumningstiden.

Villkorskravet avseende luftemissioner säkerställs genom årliga mätningar enligt fastställt kontrollprogram. Genomförda mätningar har gett resultat som med god marginal innefattas i villkorskravet.

I verksamheten genererat kemiskt avfall omhändertas enligt gällande lagstiftning. Det fasta industriavfallet källsorteras och vidarehanteras av godkända entreprenörer.

I Mönsterås är verksamheten anmälningspliktig avseende den mängd aceton som användes i del av tillverkningsprocessen (polyuretanspray). Den idag anmälda mängden aceton utnyttjas inte till fullo. Under 2021 har inte någon förändring av verksamheten skett som påverkar fastställda rutiner.

Bolaget är kvalitetscertifierat enligt standarden ISO 9001:2015 och miljöcertifierat enligt standarden ISO 14001 (endast Mönsteråsenheten). Dessutom arbetar bolaget utifrån ett omfattande säkerhetssystem uppbyggt enligt principerna ISO 14001 och AFS 2001:1.

Eget kapital

Belopp i Tkr	*Aktie-kapital*	*Reserv-fond*	*Balanserat resultat*	*Årets resultat*	*Totalt*
Vid årets början	9 000	8 400	223 271	36 148	276 819
Omföring av föreg års vinst			36 148	-36 148	-
Årets resultat				29 376	29 376
Vid årets slut	**9 000**	**8 400**	**259 419**	**29 376**	**306 195**

Förslag till disposition av företagets vinst eller förlust

	Belopp i kr
Styrelsen föreslår att till förfogande stående medel:	
Balanserat resultat	259 419 425
Årets resultat	29 375 856
Totalt	288 795 281
Disponeras för	
Balanseras i ny räkning	288 795 281
Summa	288 795 281

Vad beträffar resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

Resultaträkning

Belopp i Tkr	*Not*	*2021-01-01-2021-12-31*	*2020-01-01-2020-12-31*
Nettoomsättning	*3*	539 279	446 976
Kostnad för sålda varor		-450 525	-337 346
Bruttoresultat		88 754	109 630
Försäljningskostnader		-27 190	-19 561
Administrationskostnader		-19 013	-25 276
Övriga rörelseintäkter	*4*	372	1 259
Övriga rörelsekostnader		-4 741	-20 657
Rörelseresultat	*5,6,7*	38 182	45 395
Resultat från finansiella poster			
Ränteintäkter och liknande resultatposter		240	10 041
Räntekostnader och liknande resultatposter	*8*	-165	-232
Resultat efter finansiella poster		38 257	55 204
Bokslutsdispositioner	*9*	-1 797	-11 574
Resultat före skatt		36 460	43 630
Skatt på årets resultat	*10*	-7 084	-7 482
Årets resultat		29 376	36 148

Balansräkning

Belopp i Tkr	*Not*	*2021-12-31*	*2020-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Dataprogram	*11*	600	854
		600	854
Materiella anläggningstillgångar			
Byggnader och mark	*12*	6 698	6 792
Maskiner och andra tekniska anläggningar	*13*	16 703	14 148
Inventarier, verktyg och installationer	*14*	982	875
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	*15*	1 763	7 708
		26 146	29 523
Finansiella anläggningstillgångar			
Andelar i koncernföretag	*16*	261 642	261 642
Andra långfristiga värdepappersinnehav	*17*	10	10
Uppskjuten skattefordran	*18*	237	-
		261 889	261 652
Summa anläggningstillgångar		288 635	292 029
Omsättningstillgångar			
Varulager mm			
Råvaror och förnödenheter		34 521	30 797
Varor under tillverkning		9 303	9 840
Färdiga varor och handelsvaror		20 849	12 601
		64 673	53 238
Kortfristiga fordringar			
Kundfordringar		54 351	50 696
Fordringar hos koncernföretag		26 981	19 611
Övriga fordringar		5 513	4 719
Förutbetalda kostnader och upplupna intäkter	*19*	1 947	2 007
		88 792	77 033
Kassa och bank		389	379
Summa omsättningstillgångar		153 854	130 650
SUMMA TILLGÅNGAR		442 489	422 679

Balansräkning

Belopp i Tkr	*Not*	*2021-12-31*	*2020-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital	*20*		
Bundet eget kapital			
Aktiekapital	*21*	9 000	9 000
Reservfond		8 400	8 400
		17 400	17 400
Fritt eget kapital			
Balanserad vinst eller förlust		259 419	223 271
Årets resultat		29 376	36 148
		288 795	259 419
Summa eget kapital		306 195	276 819
Obeskattade reserver			
Ackumulerade överavskrivningar	*22*	21 200	23 704
Periodiseringsfonder	*23*	58 400	54 100
		79 600	77 804
Kortfristiga skulder			
Skulder till kreditinstitut		-	1
Leverantörsskulder		18 529	15 223
Skulder till koncernföretag		6 683	17 068
Skatteskulder		2 218	1 462
Övriga kortfristiga skulder		10 224	10 541
Upplupna kostnader och förutbetalda intäkter	*24*	19 040	23 761
		56 694	68 056
SUMMA EGET KAPITAL OCH SKULDER		442 489	422 679

Kassaflödesanalys

Belopp i Tkr	*Not*	*2021-01-01-2021-12-31*	*2020-01-01-2020-12-31*
Den löpande verksamheten			
Resultat efter finansiella poster	25	38 257	55 204
Justeringar för poster som inte ingår i kassaflödet, m m	26	3 970	3 625
		42 227	58 829
Betald inkomstskatt		-6 565	-7 411
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**35 662**	**51 418**
Kassaflöde från förändringar i rörelsekapital			
Ökning(-)/Minskning (+) av varulager		-11 435	-8 490
Ökning(-)/Minskning (+) av rörelsefordringar		-12 063	16 782
Ökning(+)/Minskning (-) av rörelseskulder		-12 119	11 197
Kassaflöde från den löpande verksamheten		**45**	**70 907**
Investeringsverksamheten			
Förvärv av dotterbolag		-	-62 133
Förvärv av immateriella anläggningstillgångar		-23	-417
Förvärv av materiella anläggningstillgångar		-12	-8 939
Kassaflöde från investeringsverksamheten		**-35**	**-71 489**
Finansieringsverksamheten			
Kassaflöde från finansieringsverksamheten			
Årets kassaflöde		**10**	**-582**
Likvida medel vid årets början		**379**	**961**
Likvida medel vid årets slut	**27**	**389**	**379**

Noter

Not 1 Redovisningsprinciper

Belopp i Tkr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning

Nettoomsättningen innefattar det verkliga värdet av vad som erhållits eller kommer att erhållas för sålda varor och tjänster i bolagets löpande verksamhet. Nettoomsättning redovisas exklusive mervärdesskatt, returer och rabatter. Intäkter redovisas när inkomsten kan beräknas på ett tillförlitligt sätt och när huvudsakligen alla risker och rättigheter som är förknippade med ägandet övergått till köparen, vilket normalt inträffar i samband med leverans.

Ränteintäkter redovisas i enlighet med effektivräntemetoden.

Utdelning redovisas när rätten att erhålla utdelningen är säkerställd.

Leasingavtal

Alla leasingavtal redovisas som operationella leasingavtal, vilket innebär att att leasingavgiften fördelas linjärt över leasingperioden.

Skatt

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock inte för temporära skillnader som härrör från första redovisningen av goodwill. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdesberäknats.

Ersättningar till anställda

Kortfristiga ersättningar
Kortfristiga ersättningar i koncernen utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro,sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

Ersättningar efter avslutad anställning
I Recticel AB förekommer såväl avgiftsbestämda som förmånsbestämda pensionsplaner. I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande. Bolagets resultat belastas för kostnader i takt med att de anställdas pensionsberättigande tjänster utförts. Vid förmånsbestämda planer står företaget i allt väsentligt riskerna för att ersättningarna kommer att kosta mer än förväntat och att avkastningen på relaterade tillgångar kommer att avvika från förväntningarna. Recticel AB redovisar förmånsbestämda pensionsplaner i enlighet med K3:s förenklingsregler.

Ersättningar vid uppsägning
Ersättningar vid uppsägning utgår bolaget beslutar att avsluta en anställning före den normala

tidpunkten för anställningens upphörande eller då en anställd accepterar ett erbjudande om frivillig avgång i utbyte mot sådan ersättning. Om ersättningen inte ger företaget någon framtida ekonomisk fördel redovisas en skuld och en kostnad när företaget har en legal eller informell förpliktelse att lämna sådan ersättning. Ersättningen värderas till den bästa uppskattningen av den ersättning som skulle krävas för att reglera förpliktelsen på balansdagen.

Immateriella anläggningstillgångar

Övriga immateriella anläggningstillgångar
Övriga immateriella tillgångar som förvärvats av företaget är redovisade till anskaffningsvärde minus ackumulerade avskrivningar och nedskrivningar. Utgifter för internt genererad goodwill och varumärken redovisas i resultaträkningen som kostnad då de uppkommer.

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod. Avskrivningen redovisas som kostnad i resultaträkningen.

Immateriella anläggningstillgångar	*År*
Förvärvade immateriella tillgångar	
Dataprogram	5

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången. När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.

Tillkommande utgifter
Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde. Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

Materiella anläggningstillgångar	*%*
Övervärde byggnad	5
Markanläggningar	5
Byggnader	4
Skumningsmaskin	4
Fastighetsinventarier	5
Maskiner och andra tekniska anläggningar	14-25
Fordon	10-25
IT-utrustning, hårdvara	25
IT-utrustning, programvara	14-33

Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag med ägarintresse i
Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag det finns ägarintresse i redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag
Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Varulager
Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt först in- först ut- principen. I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick. Verkligt värde utgörs av beräknat försäljningsvärde med avdrag för beräknad försäljningskostnad. Kollektiv värdering är tillämpad för homogena varugrupper. Inkuransen är bedömd efter individuell prövning.

Finansiella tillgångar och skulder
Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Redovisning i och borttagande från balansräkningen
En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförts till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

Värdering av finansiella tillgångar
Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Räntebärande finansiella tillgångar värderas till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden.

Vid värdering till lägsta värdets princip respektive vid bedömning av nedskrivningsbehov anses företagets finansiella instrument som innehas för riskspridning ingå i en värdepappersportfölj och värderas därför som en post.

Värdering av finansiella skulder
Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

Utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs och orealiserade kursvinster och kursförluster ingår i resultatet.

Orealiserade kursvinster på långfristiga fordringar och skulder avräknas mot orealiserade kursförluster varefter överskjutande kursvinst eller kursförlust redovisas i resultaträkningen som en finansiell intäkt eller finansiell kostnad.

Kursvinster/kursförluster på rörelserelaterade fordringar och skulder redovisas som övriga

rörelseintäkter/rörelsekostnader.

Kursdifferenser avseende finansiella tillgångar och skulder redovisas under resultat från finansiella investeringar.

Terminskontrakt avseende kurssäkring för framtida in- och utbetalningar i utländsk valuta värderas ej på balansdagen. Skillnaden mellan de uppnådda terminskurserna och den avistakurs som råder då respektive valutaaffär förfaller, redovisas i rörelseresultatet och hänförs till det kostnads- eller intäktsslag terminsaffären är avsedd att täcka.

Koncernmellanhavande
Skuld mot moderbolaget Recticel S.A/N.V. hanteras via koncernkonto hos moderbolaget. Detta innebär att samtliga transaktioner mot moderbolaget, oavsett köp av varor eller lånetransaktion, ingår och redovisas som kortfristig skuld till koncernföretag. Förändring av posterna redovisas i kassaflödet som "kassaflöde från den löpande verksamheten".

Kassaflödesanalys
Kassaflödesanalys upprättas enligt direkt metod i enlighet med Redovisningsområdets rekommendationer RR 7. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar.

Not 2 Uppskattningar och bedömningar

Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

De uppskattningar och antaganden som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag nedan.

Prövning av nedskrivningsbehov för tillgångars värde
Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Värdering av kundfordringar
Vardering av osäkra kundfordringar sker individuellt baserat på bedömd betalningsförmåga. Kundfordringarna består av en relativt stor mängd kunder, dvs. det finns darmed oftast ingen enskild stor fordran vilket ger en god riskspridning.

Värdering varulager
Varulager utgör en väsentlig post i bolaget. De områden som innefattar väsentliga bedomningar i varulager utgörs av inkurans pga. trögrorlighet och lägsta vardets princip.

Bedömd nyttjandeperiod för materiella anläggningstillgangar
De antaganden som gjorts avseende ekonomisk livslängd per anläggningstyp framgår av not under rubriken Materiella anläggningstillgångar. Bedömningen sker med utgångspunkt från den erfarenhet företagsledningen har av liknande tillgångar och den tänkta användningen i verksamheten.

Förekomsten av eventualförpliktelser
Bolaget är avtalspart i ett flertal avtal av varierande karaktär. Avtalens komplexitet kan vara av varierande karaktär och bolaget är därav av naturliga skäl, exponerade för större risker som negativt kan påverka affärsverksamheten. Företagsledningen utför löpande uppskattningar och bedömningar avseende ingångna avtal för att bedöma bolagets riskexponering och risken for att ingångna avtal kan leda till ett utflöde av resurser för koncernen.

Not 3 Nettoomsättning per rörelsegren och geografisk marknad

Nettoomsättning per rörelsegren

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Varuförsäljning	535 765	435 987
Tjänsteuppdrag	3 514	10 989
Summa	**539 279**	**446 976**

Not 4 Övriga rörelseintäkter

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Valutaeffekter	230	530
Övrigt	142	729
Summa	**372**	**1 259**

Not 5 Anställda och personalkostnader

Medelantalet anställda

	2021-01-01-2021-12-31	*Varav män*	*2020-01-01-2020-12-31*	*Varav män*
Sverige	174	124	165	120
Totalt	**174**	**124**	**165**	**120**

Redovisning av könsfördelning i företagsledningar

	2021-12-31	*2020-12-31*
Andel kvinnor		
Styrelsen	43%	40%
Övriga ledande befattningshavare	8%	14%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Styrelse och VD	-	-
Övriga anställda	60 974	62 025
Summa	**60 974**	**62 025**
Sociala kostnader	24 737	21 284
(varav pensionskostnader) 1)	3 771	7 046

1) Av företagets pensionskostnader avser 0 (f.å. 0) företagets VD och styrelse. Företagets utestående pensionsförpliktelser till dessa uppgår till 0(f.å. 0).

Not 6 Arvode och kostnadsersättning till revisorer

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Öhrlings PricewaterhouseCoopers AB		
Revisionsuppdrag	267	255
Andra uppdrag	-	18
KPMG AB		
Andra uppdrag	204	97

Med revisionsuppdrag avses lagstadgad revision av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal.

Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

Not 7 Operationell leasing - leasetagare

Årets leasingkostnader avseende leasingavtal, uppgår till 8 579 (8 174) TSEK, varav lokalhyra utgör 6 945 (6 095) TSEK.

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal:		
Inom ett år	6 424	8 076
Mellan ett och fem år	2 627	838
Senare än fem år	56	-
	9 107	8 914

Not 8 Räntekostnader och liknande resultatposter

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Räntekostnader, koncernföretag	86	122
Räntekostnader, övriga	79	109
Kursdifferenser	-	1
Summa	**165**	**232**

Not 9 Bokslutsdispositioner

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Förändringar avskrivningar utöver plan	2 503	-5 874
Förändring av periodiseringsfond	-4 300	-5 700
Summa	**-1 797**	**-11 574**

Not 10 Skatt på årets resultat

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Aktuell skatt	-7 321	-7 472
Förändring av uppskjuten skatt avseende temporära skillnader	237	-10
	-7 084	**-7 482**

Avstämning av effektiv skatt

	2021-01-01-2021-12-31		*2020-01-01-2020-12-31*	
	Procent	Belopp	Procent	Belopp
Resultat före skatt		34 261		43 630
Skatt enligt gällande skattesats	20,6%	-7 058	21,4%	-9 337
Ej avdragsgilla kostnader		-419		-182
Ej skattepliktiga intäkter		449		2 089
Schablonränta på periodiseringsfond		-56		-52
Redovisad effektiv skatt		**-7 084**		**-7 482**

Not 11 Dataprogram

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	17 019	16 602
-Nyanskaffningar	23	417
Vid årets slut	17 042	17 019
Ackumulerade avskrivningar		
-Vid årets början	-16 165	-15 935
-Årets avskrivning	-277	-230
Vid årets slut	-16 442	-16 165
Redovisat värde vid årets slut	**600**	**854**

Not 12 Byggnader och mark

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	54 589	54 345
-Nyanskaffningar	-	244
-Omklassificeringar	1 836	-
-Övriga förändringar	-819	-
Vid årets slut	55 606	54 589
Ackumulerade avskrivningar		
-Vid årets början	-47 797	-46 788
-Årets avskrivning	-1 111	-1 009
Vid årets slut	-48 908	-47 797
Redovisat värde vid årets slut	**6 698**	**6 792**

Not 13 Maskiner och andra tekniska anläggningar

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	104 988	98 810
-Nyanskaffningar	-	6 178
-Omklassificeringar	4 752	-
-Övriga förändringar	-18	-
Vid årets slut	109 722	104 988
Ackumulerade avskrivningar		
-Vid årets början	-90 840	-89 002
-Årets avskrivning	-2 179	-1 838
Vid årets slut	-93 019	-90 840
Redovisat värde vid årets slut	**16 703**	**14 148**

Not 14 Inventarier, verktyg och installationer

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	4 572	4 613
-Nyanskaffningar	12	85
-Avyttringar och utrangeringar	-	-126
-Omklassificeringar	498	-
	5 082	4 572
Ackumulerade avskrivningar		
-Vid årets början	-3 697	-3 269
-Återförda avskrivningar på avyttringar och utrangeringar	-	124
-Årets avskrivning	-403	-552
	-4 100	-3 697
Redovisat värde vid årets slut	**982**	**875**

Not 15 Pågående nyanläggningar och förskott materiella anläggningstillgångar

	2021-12-31	*2020-12-31*
Vid årets början	7 708	5 276
Omklassificeringar	-7 086	-
Investeringar	1 360	2 432
Övrigt	-219	-
Redovisat värde vid årets slut	**1 763**	**7 708**

Not 16 Andelar i koncernföretag

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	261 642	199 509
-Förvärv	-	62 133
Redovisat värde vid årets slut	**261 642**	**261 642**

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag

Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr / Säte	*Antal-andelar*	*Kapital andel i %*	*Rösträtts andel i %*	*Redovisat värde*
Recticel AS, 30030872, Oysans, Norway	2 678	100	100	37 855
Recticel OY, 1832847-7, Kouvola, Finland	367 500	100	100	223 787
				261 642

	Eget kapital	*Resultat*
Recticel AS, 30030872, Oysans, Norway	31 583	6 033
Recticel OY, 1832847-7, Kouvola, Finland	87 795	-2 372

Not 17 Andra långfristiga värdepappersinnehav

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	10	10
Redovisat värde vid årets slut	**10**	**10**

Not 18 Uppskjuten skatt

2021-12-31	*Uppskjuten skattefordran*	*Uppskjuten skatteskuld*	*Netto*
Väsentliga temporära skillnader			
Övriga temporära skillnader	237	-	237
Uppskjuten skattefordran/skuld	237	-	237
Uppskjuten skattefordran/skuld (netto)	**237**	**-**	**237**

2020-12-31			
Väsentliga temporära skillnader			
Övriga temporära skillnader	-	-	-
Uppskjuten skattefordran/skuld	-	-	-
Uppskjuten skattefordran/skuld (netto)	**-**	**-**	**-**

Not 19 Förutbetalda kostnader och upplupna intäkter

	2021-12-31	*2020-12-31*
Förutbetalda hyror	1 041	1 565
Förutbetalda försäkringar	623	-
Övriga poster	283	442
	1 947	**2 007**

Not 20 Disposition av vinst eller förlust

Förslag till disposition av företagets vinst eller förlust
Styrelsen föreslår att fritt eget kapital, kronor 288 795 281, disponeras enligt följande:

Belopp i tkr	*2021-12-31*
Balanseras i ny räkning	288 795
	288 795

Not 21 Antal aktier och kvotvärde

	2021-12-31	*2020-12-31*
Antal aktier	90 000	90 000
Kvotvärde, kr	100	100

Not 22 Ackumulerade överavskrivningar

	2021-12-31	*2020-12-31*
Ackumulerade överavskrivningar	21 200	23 704
	21 200	**23 704**

Not 23 Periodiseringsfonder

	2021-12-31	*2020-12-31*
Periodiseringsfond, avsatt vid beskattningsår 2015	-	7 500
Periodiseringsfond, avsatt vid beskattningsår 2016	8 700	8 700
Periodiseringsfond, avsatt vid beskattningsår 2017	6 000	6 000
Periodiseringsfond, avsatt vid beskattningsår 2018	9 700	9 700
Periodiseringsfond, avsatt vid beskattningsår 2019	10 700	10 700
Periodiseringsfond, avsatt vid beskattningsår 2020	11 500	11 500
Periodiseringsfond, avsatt vid beskattningsår 2021	11 800	-
	58 400	**54 100**

Not 24 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	*2020-12-31*
Upplupna semesterlöner	9 746	7 216
Upplupna sociala avgifter	6 134	6 336
Upplupen försäkring	-	1 048
Övriga poster	3 160	9 161
	19 040	**23 761**

Not 25 Betalda räntor och erhållen utdelning

	2021-01-01-2021-12-31	*2020-01-01-2020-12-31*
Erhållen utdelning	-	9 763
Erhållen ränta	98	-
Erlagd ränta	-165	-79

Not 26 Justering för poster som inte ingår i kassaflödet

	2021-12-31	*2020-12-31*
Avskrivningar	3 970	3 629
Orealiserade kursvinster	-	-4
	3 970	**3 625**

Not 27 Likvida medel

	2021-12-31	*2020-12-31*
Följande delkomponenter ingår i likvida medel:		
Banktillgodohavande	389	379
	389	**379**

Ovanstående poster har klassificerats som likvida medel med utgångspunkten att:
- De har en obetydlig risk för värdefluktuationer.
- De kan lätt omvandlas till kassamedel.
- De har en löptid om högst 3 månader från anskaffningstidpunkten.

Not 28 Ställda säkerheter och eventualförpliktelser

Ställda säkerheter

	2021-12-31	*2020-12-31*
Ställda säkerheter	*Inga*	*Inga*

Eventualförpliktelser

Bolaget har övriga eventualförpliktelser som uppgår till 271 Tkr (271 Tkr).

Not 29 Väsentliga händelser efter räkenskapsårets slut

I samband med att affärsområdet Engineered Foams avyttrades till Carpenter AB, beslutades att per den 1 maj 2022 överfördes verksamheten från Recticel AB till ett nytt bolag; Recticel Insulation AB.

Not 30 Hållbarhetsrapport

Företaget lämnar ingen hållbarhetsrapport, enligt 6 kap. 10§ ÅRL. Moderföretaget upprättar rapporten, Recticel S.A / N.V. med organisationsnummer 0405 666 668 med säte i Bryssel, Belgien.
Hållbarhetsredovisningen för Recticel S.A / N.V. finns tillgänglig på moderföretagets hemsida
www.rectivel.com

Not 31 Koncernuppgifter

Den största koncernen som bolaget tillhör är Recticel S.A/N.V med dotterbolag.

Inköp och försäljning inom koncernen
Av koncernens totala inköp och försäljning mätt i kronor avser 38,8% (35,4%) av inköpen och 3% (5%) av försäljningen andra företag inom hela den företagsgrupp som koncernen tillhör.

Bolag Recticel S.A/N.V org nr 0405 666 668 med säte i Bryssel, Belgien, är det moderföretag som upprättar koncernredovisning. Recticel AB är ett helägt dotterföretag till Recticel S.A/N.V.
Koncernredovisning för Recticel S.A/N.V. finns tillgänglig på moderföretagets hemsida
www.recticel.com

Not 32 Nyckeltalsdefinitioner

Nettoomsättning:
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster:
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Avkastning på eget kapital (%):
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Soliditet:
(Totalt eget kapital + (100 % - aktuell bolagsskattesats av obeskattade reserver)) / Totala tillgångar.

Underskrifter

Gislaved 2022- 03 - 30

Olivier Leemans
Styrelseordförande

Johan Runberger
Styrelseledamot

Fredrik Johansson
Styrelseledamot

Helen Simar
Styrelseledamot

François Desné
Styrelseledamot

Vår revisionsberättelse har lämnats 2022- 03 30

Öhrlings PricewaterhouseCoopers AB

Mats Angslycke
Auktoriserad revisor

Underskrifter

Gislaved 2022-

Olivier Leemans
Styrelseordförande

Johan Runberger
Styrelseledamot

Fredrik Johansson
Styrelseledamot

Helen Simar
Styrelseledamot

Vår revisionsberättelse har lämnats 2022-

Öhrlings PricewaterhouseCoopers AB

Mats Angslycke
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i Recticel AB, org.nr 556152-2748

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Recticel AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Recticel ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Recticel AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Recticel AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övrig upplysning

Revisionen av årsredovisningen för räkenskapsåret 2020 har utförts av en annan revisor som lämnat en revisionsberättelse daterad 30 juni 2021 med omodifierade uttalanden i Rapport om årsredovisningen.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Recticel AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Recticel AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Jönköping den 30 juni 2022

Öhrlings PricewaterhouseCoopers AB

Mats Ängslycke
Auktoriserad revisor

RECTICEL
The passion for comfort

Embracing a new

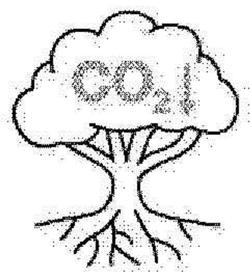
2021 Annual Report

The FSC® certification provides an assurance that the wood and paper used for this annual report have been harvested in a socially and environmentally responsible manner. The FSC's Chain of Custody certification provides a way in which the material can be tracked from the certified initial source through the manufacturing process to the end user.

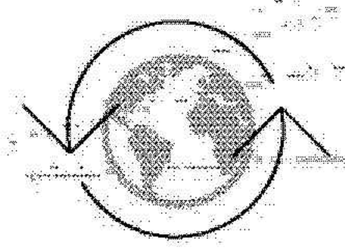
Our impact on climate change

Over the lifetime of their use, the insulation products we sold in 2021 will offset our total 2021 carbon footprint by **51 TIMES***

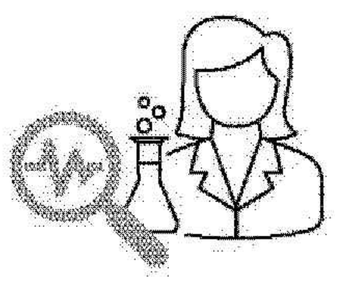
** Ratio between avoided emissions and carbon footprint scope 1,2 & 3. It is based on 2021 revenues of the business lines Insulation, Bedding and Engineered Foams, excluding FoamPartner which was acquired on 31 March 2021.*



	Compared to 2020
CLIMATE POSITIVE MULTIPLE	+ 11%
CARBON FOOTPRINT INDICATOR	- 4%
CARBON INTENSITY	- 17%



RECYCLING	+ 76%



SUSTAINABLE R&D PROJECTS	+ 17%

Embracing change

19 February 2019
- Closing of divestment of Proseat joint venture

30 June 2020
- Closing of divestment Automotive Interiors business line
- Closing of divestment Eurofoam joint venture

10 November 2020
- Announcement of acquisition FoamPartner
- Two-leg strategy with focus on Insulation and Engineered Foams

26 February 2021
- Launch of divestment process Bedding business line

19 March 2021
- Announcement of acquisition Gór-Stal Sp. z o.o. (board business)

1 April 2021
- Closing of FoamPartner acquisition
- Integration of Flexible Foams & FoamPartner to create Engineered Foams business line

19 May 2021
- Greiner AG launches unsolicited offer on Recticel

11 October 2021
- Strategy update with focus on Insulation
- Announcement of intended divestment of Engineered Foams to Carpenter Co.

18 November 2021
- Announcement of binding agreement with Aquinos Group for divestment Bedding business line

December 2021
06/12
- SGM approves divestment of Engineered Foams business line to Carpenter Co.

07/12
- Announcement of binding agreement with Carpenter Co. for divestment of Engineered Foams business line

24/12
- SGM approves divestment of Bedding business line to Aquinos Group

11 January 2022
- Greiner AG unsolicited offer expires

28 February 2022
- Baltisse NV buys 22.6% of Recticel shares from Greiner AG

March 2022
21/03
- Announcement of acquisition of Trimo d.o.o.

31/03
- Closing of Bedding business line divestment to Aquinos Group

April 2022
14/04
- Exercising put option to sell 25% in Proseat JV to Sekisui

29/04
- Closing ofTrimo d.o.o. acquistion

A conversation with the Chairman of the Board of Directors and the Chief Executive Officer

Johnny Thijs and Olivier Chapelle reflect on a year in which Recticel weathered a range of challenges, including the continuing pandemic and unexpected business developments. They share some insights into their plans and expectations for 2022 and explain the new and positive direction that the company is taking.

Recticel undertook a major strategic overhaul between 2019 and early 2021, with the intention of basing the company on two pillars, Insulation and Engineered Foams. How did these two business lines perform financially in 2021?
These two businesses performed above expectations in 2021, as we confirmed on 19 May 2021 by a substantial increase in our profit guidance. Both businesses were able to cope with the successive waves of the pandemic without impacts on performance. In addition, they managed to pass through raw material cost increases into the selling prices in real time. As a consequence, Recticel generated record results in 2021. Moreover, our Engineered Foams business has successfully integrated the activities of FoamPartner, acquired on 31 March 2021, and has delivered the expected synergies.

The next twelve months will bring another major strategic change, as Recticel evolves into a pure player in insulation. Why did you decide to take this direction?
In September 2020, we defined a strategy based upon two activities, Insulation and Engineered Foams. They both had solid growth perspectives and offered a natural hedge against business cyclicality, given their very complementary product, segment and geographic positioning. As a consequence, we announced in February 2021 our intention to divest the Bedding activities, a process that we immediately initiated. The execution of this strategy was progressing according to plan and the evolution of our stock price reflected the support of the market. We were forced to change that strategy by the unsolicited takeover bid by Greiner on all Recticel shares, following their acquisition of the 27% participation of Compagnie du Bois Sauvage. We deemed the Greiner offer unfavourable and unacceptable for all stakeholders: customers, employees and shareholders. We designed a bold defence to fend off the Greiner offer: the sale of Engineered Foams to Carpenter Co. and subsequent development of Recticel into a pure insulation player. The strategy revision is another token of our company's agility.

In March you announced that you have signed an agreement to acquire the insulated panel specialist Trimo d.o.o.. How important is this acquisition for Recticel's future?
This is a key development for our company because it will enable us to accelerate growth with a category – insulated panels – that complements our existing insulation boards, vacuum insulated panels and thermo-acoustic boards. It will also enable Recticel to enter into the industrial building segment and to reinforce our presence in a region of Europe in which we had no substantial presence.

In 2021, you embarked on a renewed sustainability journey with firm objectives for 2025. Will Recticel continue to work towards those goals as an Insulation company?
In fact, we embarked on our sustainability journey in 2015 and have since updated our objectives with a new set of even more ambitious targets to be reached by 2025. As a pure insulation player, our contribution is essentially about fighting climate change, which is the core of our sustainability objectives.

As a major industrial player specialising in chemistry, are ESG commitments important in your daily business?
Yes, we have firm commitments to environmental and social contribution, and we have continued to update them with more ambitious targets. As well as considering the impact of our products on climate change, we also develop solutions that will enable full circularity of our product offerings. Our ESG commitments are equally important for our shareholders, given the increased focus of investors and shareholders on companies that deliver ESG contributions.

Last year's business environment was still largely dominated by the COVID-19 pandemic. What was the impact on Recticel and your customers?
The 2020 COVID-19 pandemic and the subsequent very steep recovery put a lot of pressure on supply chains, and in the case of Recticel, on the supply of raw materials. Tight supply and higher prices for the raw materials we use made it challenging for us to deliver to our customers on time, in full. Our supply chain teams have done an excellent job in meeting our customer's expectations. And our commercial teams have been extremely reactive, quickly adapting selling prices in order to mitigate margin impact. That has been achieved quite successfully.

What can Recticel partners and shareholders expect in the coming year?
We sincerely thank our employees, customers and shareholders for their contributions, their trust and their support, which have enabled our company to emerge successfully from difficult and perilous circumstances in 2021. In particular, we thank our shareholders for supporting our new strategy, as demonstrated in the shareholder meetings held in December 2021. We now look forward to a future focused on our insulation activities, and all our stakeholders can expect ambition, growth and success in the future, with a first milestone of doubling our sales by 2025.

The transformation of Recticel

Recticel has always been a Group embracing change and evolving in ways that add value for our stakeholders and for wider society. The transformation that began in 2010 – involving restructuring of our business activities and rationalisation of our manufacturing footprint – resulted in significant performance improvement. As soon as we had achieved that landmark, we embarked on a programme of reshaping and investing to boost the business, optimise our portfolio and streamline our organisation.

In 2020, despite the disruption caused by the global COVID-19 pandemic, Recticel was perfectly positioned for further strategic transformation. We divested our Automotive Interiors business line and our Eurofoam joint venture. In 2021, we acquired FoamPartner and formed the new Recticel Engineered Foams business line. We began the process of divesting our Bedding business line, entering into a binding agreement with Aquinos Group in November. We also announced our acquisition of the thermal insulation board business of Gór-Stal Sp. z o.o. in Poland. This binding agreement was later cancelled by the owners. Recticel is taking the appropriate legal steps to enforce the acquisition and obtain full damages.

Sustainable innovation has remained at the core of everything we do. It is vital not just for the development of our portfolio of products and services, but also for the creation of state-of-the-art business strategies that sustain our future. When circumstances changed again in 2021, we did not hesitate to revisit our strategy. Following an unsolicited offer from Greiner AG to acquire the majority share in our company, we immediately focused on reviewing all our options with the aim of protecting the interests of our shareholders and employees.

In December 2021, we signed an agreement with Carpenter Co. for the divestment of the recently formed Recticel Engineered Foams business line. We are satisfied that Carpenter Co. is a strong strategic fit for Recticel Engineered Foams, with a highly complementary footprint and product portfolio. The deal enables us to pursue our insulation business and ESG objectives while safeguarding the potential of the Engineered Foams business line and its highly skilled employees, as well as the interests of all our stakeholders.

March 2022 saw the closing of the Bedding business line divestment to Aquinos Group, as well as a pivotal development in the execution of our new strategy: the acquisition of Trimo d.o.o., one of Europe's leading providers of sustainable premium insulated panels for the construction industry, with operations in Slovenia and Serbia.

Recticel is now confidently beginning a new chapter in its history, with a strategy founded on sustainable innovation. In 2022, we will move forward as a pure play insulation company, a specialised business with a wealth of experience and a set of further refined objectives. These include the goals set out in our Sustainability Strategy, which was revised for 2021-2025 and which is supported by two pillars: the Sustainable Innovation Plan and the People Priority Plan. Based on clearly defined material aspects and KPIs, our Sustainability Strategy will continue to ensure that we maximise our positive climate impact, boost circular efficiencies, drive market driven innovation to develop sustainable solutions for our customers and help to protect and engage our employees and other stakeholders. With the long-term needs and challenges of our business sectors and society as our compass, it is sustainability that nourishes and sustains our competitiveness.

1 Restructuring of the business activities & rationalising the manufacturing footprint **[2010-2018]**

2 Reshaping & investing to boost the business **[2018-2022]**

Recticel at a glance

At 31.12.2021*

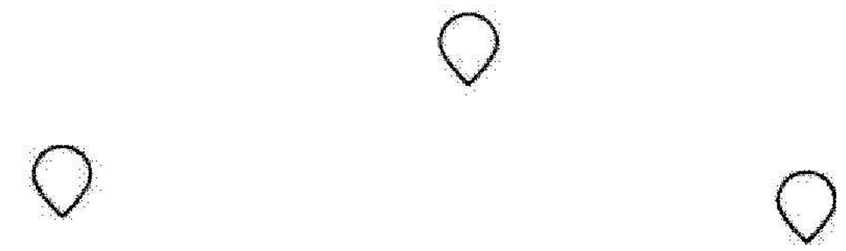
M€ 1,032.8
consolidated sales

3,556
employees

43
sites

Present in 19
countries

Recticel around the world



Key data	Europe	Asia	United States
% of consolidated net sales	88%	6%	6%
Number of employees	3,082	283	191
Number of sites	30	8	5

* *Continuing operations: Insulation & Engineered Foams. The Bedding sale is accounted for in discontinued operations as per IFRS 5 in the 2021 financial reporting.*

Our mission, vision and values

Our corporate mission, vision and values have guided us through a process of change.

We consistently leverage our expertise to offer competitive, high value-added solutions that generate shared value for our customers, employees, other stakeholders and society.

We aim to be the leading solution provider in all our markets by responding to key global challenges such as climate change, energy conservation, a growing and ageing population, and noise pollution. To achieve this, we focus on efficiency, mutual benefits, innovation and long-term sustainability.

Our values describe how we interact, do business and work together at Recticel as we successfully execute our corporate strategy and realise our objectives.

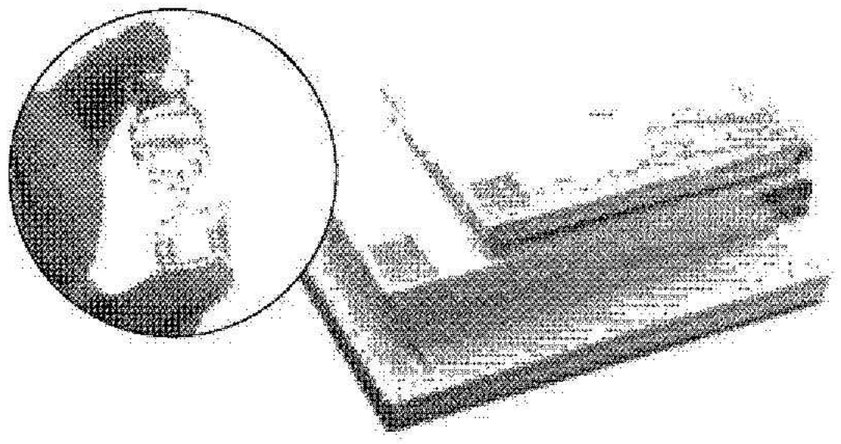
In the coming months, we will revisit our mission, vision and values and refine them to truly underpin our future as a pure play insulation specialist.

Highlights of 2021 and early 2022

January 2021

Insulation – TURVAC

Through its TURVAC joint venture, the Recticel Insulation business line won a significant contract with two major international pharmaceutical companies for the delivery of high-performing thermal vacuum insulated panels (VIP) needed to transport and store ultra-low temperature vaccines.



Insulation – TECUN Insulation

To further establish the Insulation business line as a Centre of Excellence, a new e-learning platform was launched to share and improve its employees' technical product and application knowledge.

TECUN
RECTICEL TECHNICAL UNIVERSITY

April 2021

Recticel Engineered Foams

Recticel completed the acquisition of the Swiss-based company FoamPartner, which then merged with the Recticel Flexible Foams business line to form the new Engineered Foams business line.

RECTICEL
Engineered Foams

March 2021

Sustainable Innovation - PUReSmart

PUReSmart

PUReSmart project partner Covestro commissioned a new plant for chemical recycling. The PUReSmart chemical recycling project is coordinated by Recticel and funded by the EU's Horizon 2020 Innovation and Research programme.

July 2021

Engineered Foams – New Shepard

By supplying foams for Blue Origin's sub-orbital reusable launch vehicle, New Shepard, Recticel was part of the system's historic first human flight on 20 July 2021. Recticel also supplied high-performance foam-based thermal and acoustic protection systems for the company's New Glenn rocket fairing.

BLUE ORIGIN

September 2021

Recticel – ESG ratings

MSCI upgraded Recticel's ESG rating from 'A' to 'AA' (on a scale from AAA to CCC), ranking the Group in the top 6% of the MSCI Commodities Chemicals universe.

MSCI

CDP positioned Recticel among the 33% of companies that have a B score or higher.

CDP
DISCLOSURE INSIGHT ACTION

Engineered Foams – NIVA™

Recticel Engineered Foams launched a new range of foams free from halogenated fire retardants (TCCP) for a more natural sleep experience.

Niva
NATURAL INNOVATION

October 2021

Recticel – ESG ratings

Based on a limited Core Framework analysis, Sustainalytics ranked Recticel as 'Medium' within the Commodity Chemicals universe.

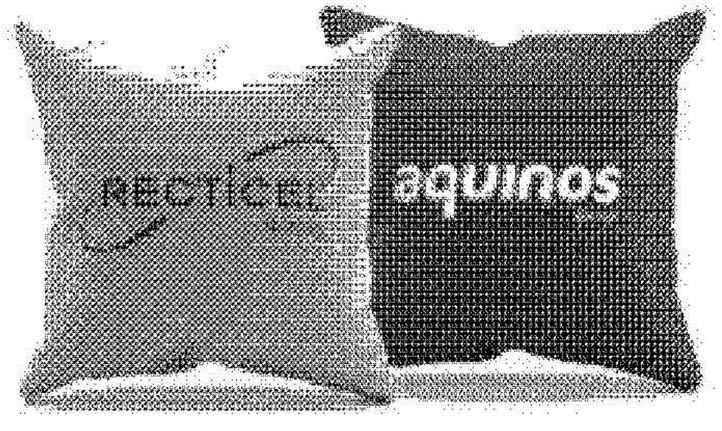
November 2021

Engineered Foams – Award

Recticel Engineered Foams won the prestigious UTECH Europe Automotive Award for product and innovation with OBoSky® Nature, a particularly fine-pored foam for headliners with a very homogeneous cell structure and uniform colour.

Recticel – Aquinos Group

Recticel signed a deal with Aquinos Group, a Portuguese privately owned industrial group active in the upholstery and bedding market, for the divestment of the Bedding business line. The deal was closed on 31 March 2022.



December 2021

Engineered Foams – Carpenter Co.

Recticel signed a deal with Carpenter Co., an American privately owned industrial group and one of the world's largest producers of foam products, for the sale of the Recticel Engineered Foams business line.

January 2022

Insulation – Eurowall® E

Recticel Insulation introduced Eurowall® E insulation boards with Euroclass E fire classification for cavity wall insulation. The boards are designed to meet the new fire safety regulation for buildings from 10 to 25 m height, which will come into force in Belgium on 1 July 2022.

February 2022

Insulation – PEFC certified

Recticel Insulation obtained the renowned PEFC label for its multilayer thermal insulation solutions, making it the first PIR/PUR manufacturer authorised to use this environmental label.

April 2022

Recticel – Trimo d.o.o.

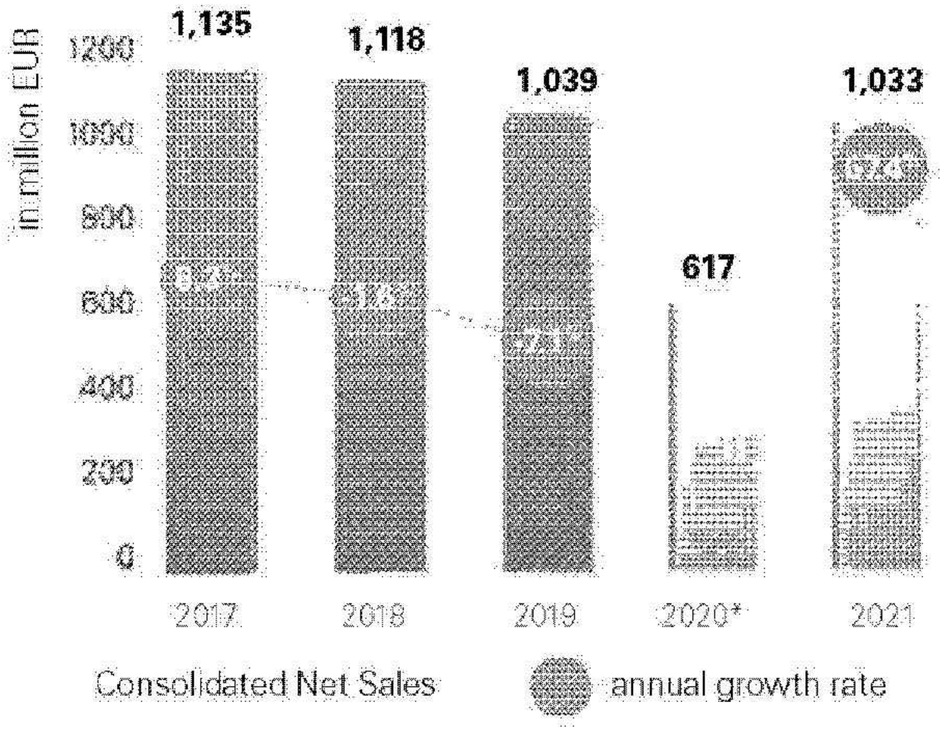
Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimo d.o.o. (Slovenia).

Recticel - Proseat

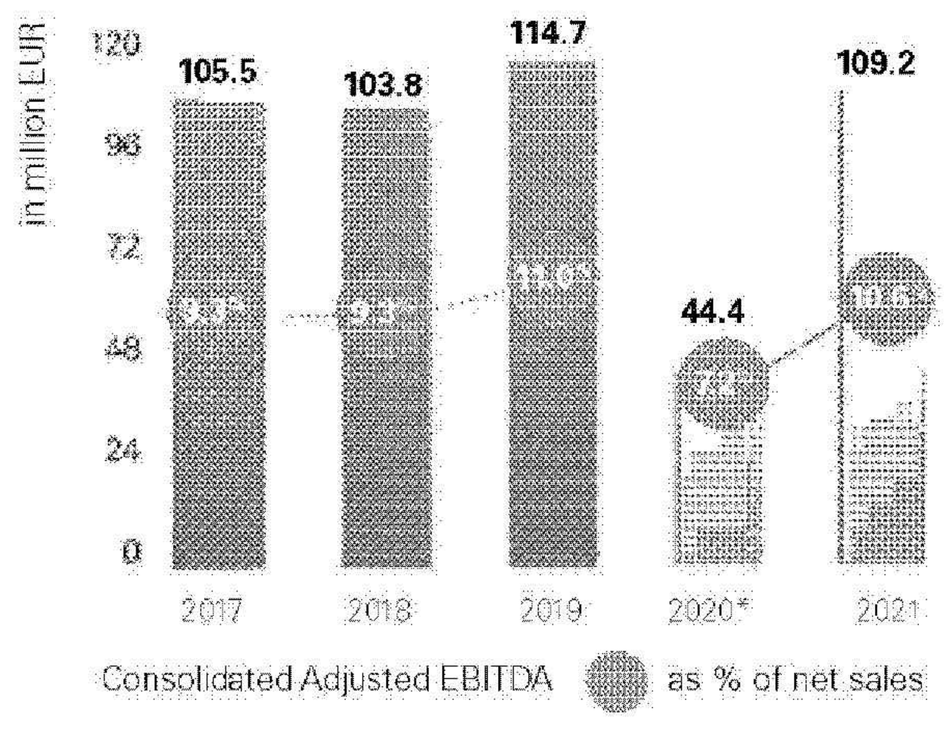
Exercising put option to sell 25% in Proseat JV to Sekisui.

2021 Financial results

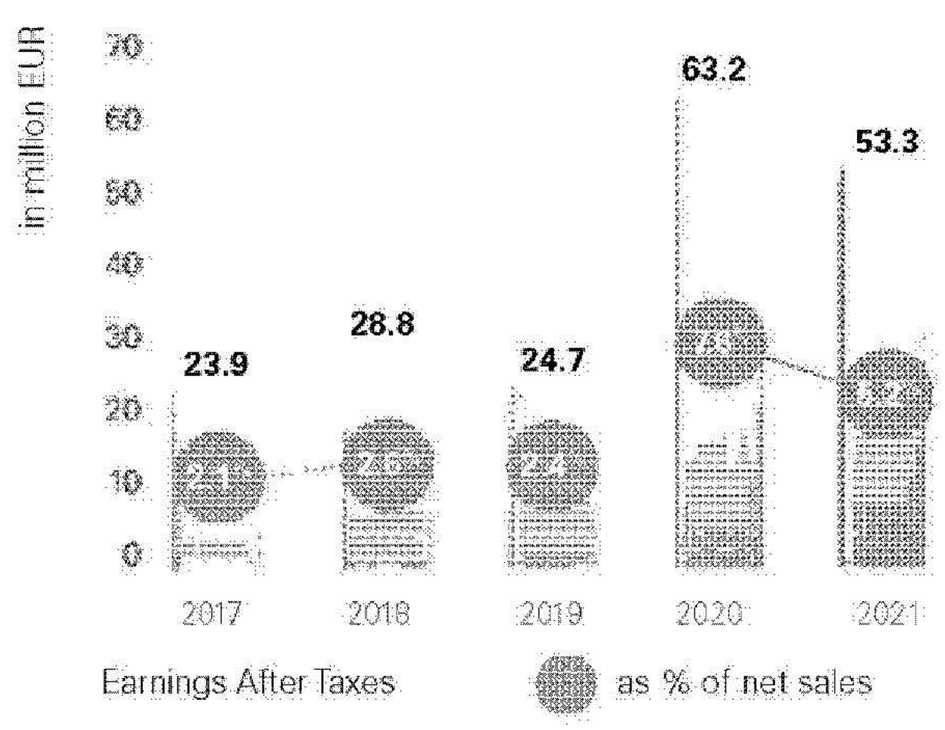
Consolidated Net Sales



Combined Adjusted EBITDA (2017-2019) & Consolidated Adjusted EBITDA (2020 & 2021)



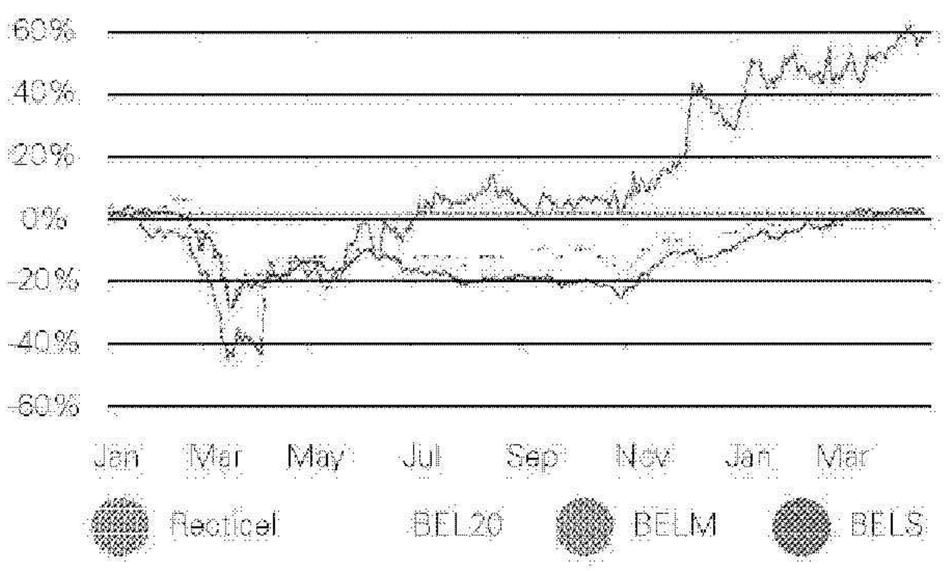
Earnings After Taxes



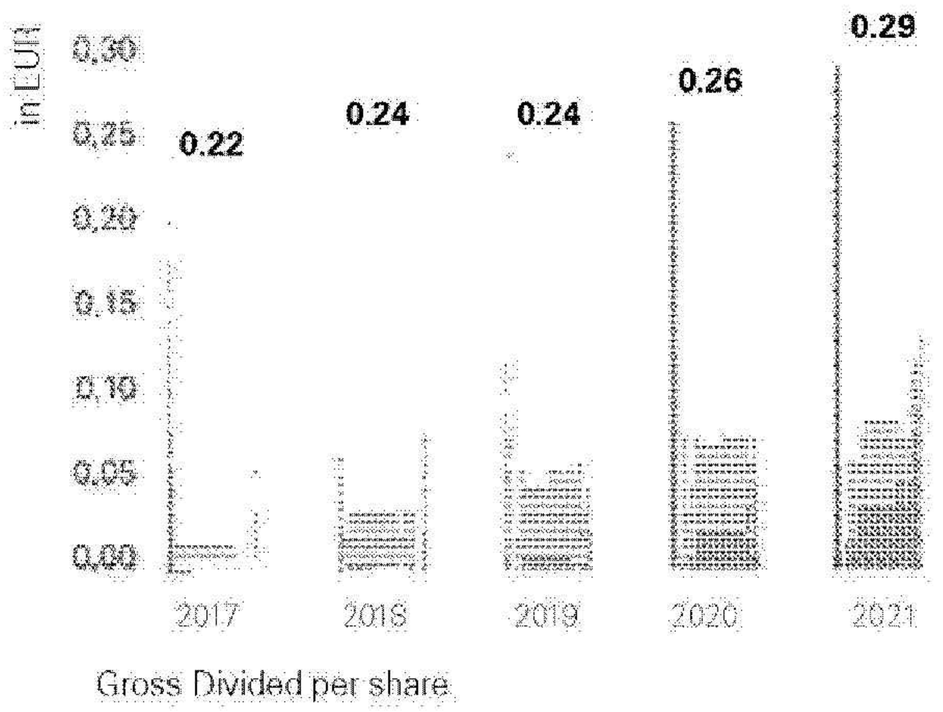
* In 2021, the Bedding business line has been accounted for as discontinued operation (IFRS 5). The 2020 figures have been restated accordingly. Previous years have not been restated and are shown as published (grey colour).

Recticel (Euronext™: REC.BE – Reuters: RECTt.BR – Bloomberg: REC.BB) is listed on the Euronext™ stock exchange in Brussels and is part of the BEL Mid® index (Euronext™: BELM – Reuters: BELM – Bloomberg: BELM; index weighting: 2.65% - situation 11 April 2022).

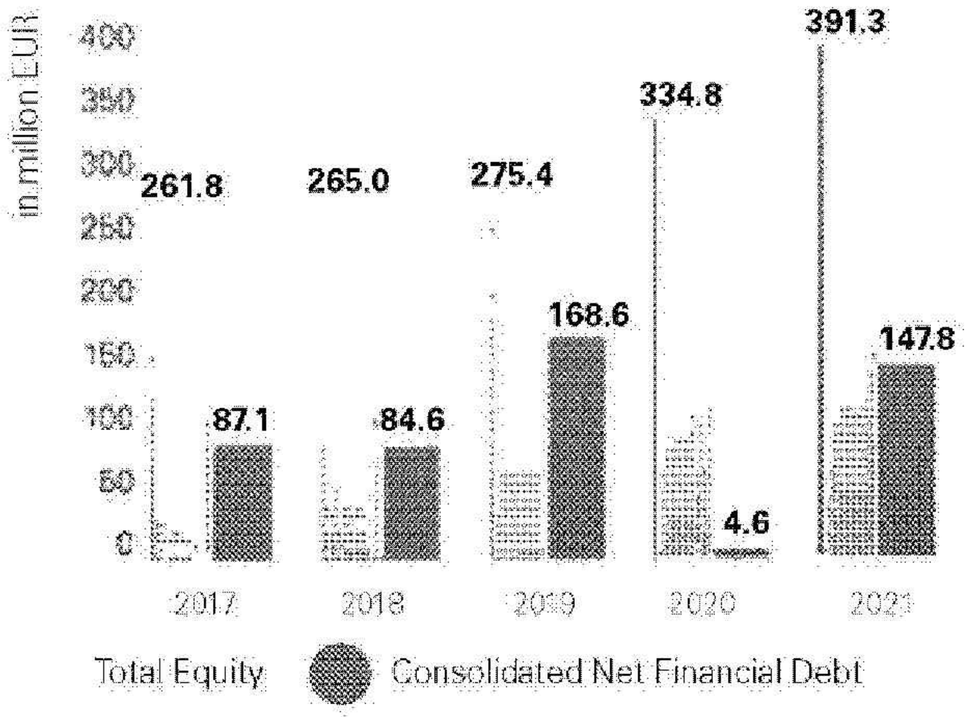
Share Price Evolution vs BEL20, BEL Mid, BEL Small (period 01.01.2021-20.04.2022)



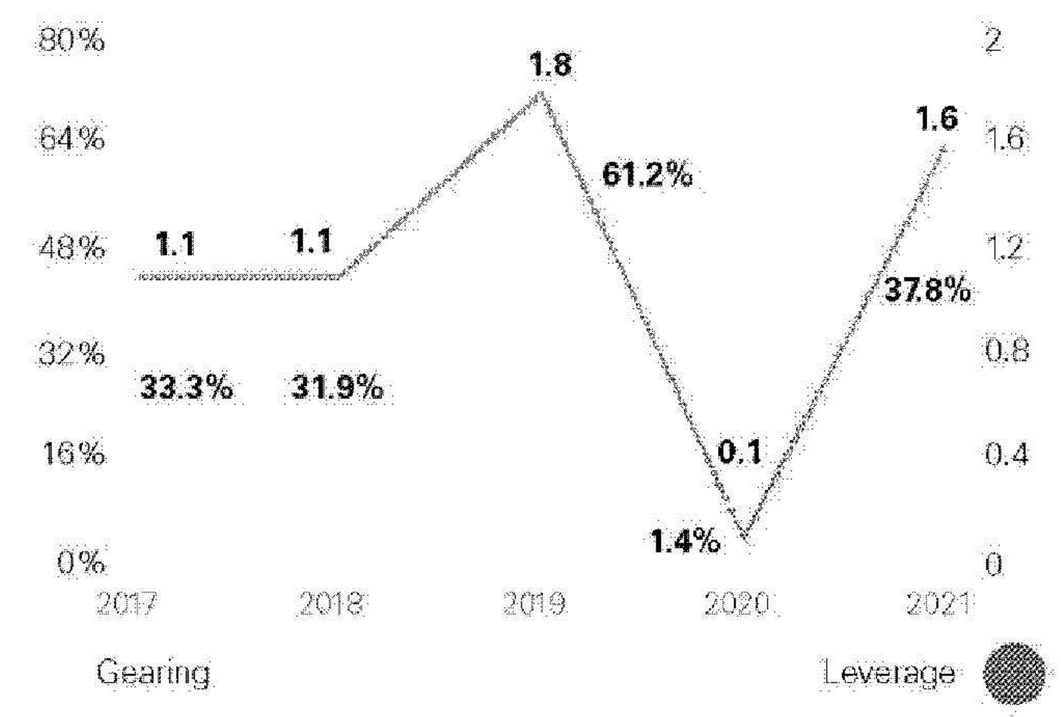
Gross Dividend per Share



Total Equity versus Net Financial Debt



Gearing and Leverage Ratio



2021 Sustainability results

* New target defined in 2021

		2020	2021	Target	Target year	Year to year progress
CLIMATE ACTION PLAN	**CLIMATE POSITIVE MULTIPLE** (ratio between avoided emissions and carbon footprint scope 1, 2, 3)	46	51	75	2030	11%
	RECTICEL CARBON FOOTPRINT INDICATOR (ratio between tonnes of CO_2e scope 1, 2, 3 and tonnes production volume, compared to 100% activity level of 2013)	82	79	60	2030	-4%
	CARBON INTENSITY (ratio between tonnes of CO_2e scope 1&2 and €m revenue, compared to 100% in 2020)	100	83	75	2025	-17%
TRANSITION TO A CIRCULAR ECONOMY	**RECYCLING** Tonnes of post-consumer flexible polyurethane foam produced by Recticel from recycled mattresses	1,059	1,864	≥5,000	2025	76%
INNOVATION FOR SOCIETAL NEEDS	**R&D PROJECTS** - % of active R&D projects classified as sustainable	58	68	80	2025	17%
	- Number of sustainable R&D projects ready to be brought to market		5	≥3*	2025	
LOWER HS&E IMPACT	**FREQUENCY 1:** Number of Lost Time Accidents x 1,000,000 / Number of hours performed	5.3	6.4	≤2	2025	21%
	FREQUENCY 2: Number of [Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases] x 1,000,000 / number of hours performed		10.4	≤5*	2025	
AN INSPIRING & REWARDING PLACE TO WORK	**% EMPLOYEE PARTICIPATION IN E-LEARNING** - Legal e-learning		94%			
	- Cybersecurity		96%			
	GENDER DIVERSITY in senior management		18%	25%*	2030	

INNOVATION PLAN

SUSTAINABLE

A detailed description of our strategy and progress during 2021 can be found in our Non-Financial Information Statement (**Chapter 2.3 of this Annual Report**).

About this report

In this report, we present financial and non-financial information relating to the Recticel Group for 2021 and early 2022.

The 2021 annual report is structured to emphasise the Group's new strategy as well as our enduring commitment to positive transformation with sustainability at its core.

Part 1 of the report – A New Future Built on Sustainable Innovation – explains how Recticel continues to place innovation front and centre, in both its business strategy and its ESG approach. Section 1 describes the background to our decision to move forward as a pure play insulation company, summarising the market context and illustrating how this strategic reorientation supports our sustainability goals. Section 2 contains a review of all Recticel business lines in 2021. Section 3 sets out the Group's ESG approach and our progress in relation its Sustainable Innovation Plan and People Priority Plan.

Part 2 – Management Report – provides the financial results and financial status of the Recticel Group. This part of the report also includes the Corporate Governance section and the Non Financial Information statement.

This report is available online.
For greater insight into Recticel, visit our corporate website: **www.recticel.com**

TABLE OF CONTENTS

1. A NEW FUTURE BUILT ON SUSTAINABLE INNOVATION **17**

1.1. Transforming to a pure play insulation company **18**
1.1.1. Insulation market trends and challenges 19
1.1.2. Insulation boards in residential buildings 21
1.1.3. Insulated panels in industrial construction 23
1.1.4. Our pure insulation product portfolio: unlocking sustainability 25
1.1.5. Our sustainability compass 26

1.2. 2021 business review: innovation for sustained value **31**
1.2.1. Recticel Insulation 32
1.2.2. Recticel Engineered Foams 33
1.2.3. Recticel Bedding 34

1.3. 2021 ESG approach: innovation for a better world **35**
1.3.1. Our sustainability strategy 36
1.3.2. Sustainable Innovation Plan 37
1.3.3. People Priority Plan 38
1.3.4. Digitalisation 39
1.3.5. Training and Development 40
1.3.6. We never compromise on safety 40
1.3.7. Cybersecurity 41
1.3.8. Pursuing ESG ratings and transparency 41
1.3.9. 2021 Board of Directors & Management Committee 43

2. MANAGEMENT REPORT **45**

2.1. Report of our Board of Directors **46**
2.1.1. Consolidated Group results 48
2.1.2. Financial position 52
2.1.3. Market segments 53
2.1.4. Profit appropriation policy 55
2.1.5. Dividend payment 55

2.2. Corporate governance statement **56**
2.2.1. Applicable rules and reference code 57
2.2.2. Internal control and risk management 57
2.2.3. External audit 58
2.2.4. Composition of the Board of Directors 59
2.2.5. Committees set up by the Board of Directors 62
2.2.6. The Executive Management 64
2.2.7. Remuneration report for financial year 2020 65
2.2.8. Transactions and other contractual ties between the Company and members of the Board of Directors or members of the Management committee 75
2.2.9. Insider trading and market manipulation 75
2.2.10. Diversity policy 75
2.2.11. Relationships with the reference shareholders and other elements related to possible public takeover bids and others 76
2.2.12. Statement on non-financial information 77

2.3. Non-financial information statement **78**
2.3.1. Introduction 79
2.3.2. Activities of the company 80
2.3.3. A strategy for sustainability: Growing together towards a PUre future 81
2.3.4. Recticel targets and results 88
2.3.5. Independent limited assurance report on selected sustainability indicators of the non-financial information statement 99
2.3.6. Taxonomy eligibility 101
2.3.7. ESG performance 102

2.4. Financial report **103**
2.4.1. Consolidated financial statements 104
2.4.2. Notes to the consolidated financial statements for the year ending 31 December 2021 112
2.4.3. Recticel NV/SA - General information 179
2.4.4. Recticel NV/SA - Condensed statutory accounts 180
2.4.5. Risk factors and risk management 182
2.4.6. Declaration by the responsible officers 185
2.4.7. Auditor's report on the consolidated financial statements for the year ending 31 December 2021 185

3. GLOSSARY **189**

4. KEY FIGURES 2013-2021 **192**

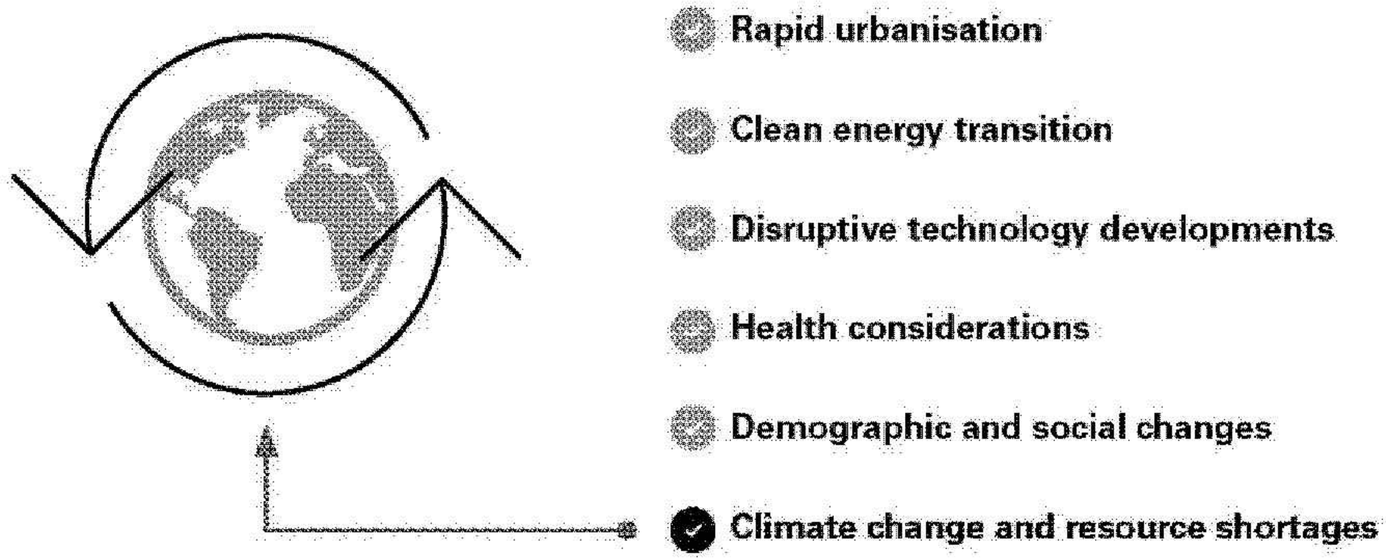
1.1 Transforming to a pure play insulation company

Following the divestments of the Recticel Engineered Foams and Bedding business lines, Recticel will be a pure play insulation company. This strategic change presents significant potential for our shareholders and other stakeholders. We will move forward with no debt in a market that has solid long-term fundamentals. For investors, the insulation segment is less cyclical, offers more visibility and provides cleaner margins. The move will also give us unprecedented opportunities to pursue our R&D objectives and intensify our sustainability efforts.

In March 2022, we announced a key move in the execution of our new strategy: the signing of an agreement to acquire Trimo d.o.o., one of Europe's leading providers of sustainable premium insulated panels for the building industry. Trimo d.o.o. currently operates from two sites (Trebnje, Slovenia, and Šimanovci, Serbia) and sells its insulated panels and building solutions in more than 60 countries around the world. In 2021, Trimo employed about 480 people and generated net sales of EUR 138.4 million. The company's products, technologies and markets are a perfect complement to our current portfolio. The acquisition, which was closed on 29 April 2022, will enable Recticel to expand in an adjacent insulation category while increasing its geographic reach.

Insulation market trends and challenges

Today's industrial landscape, and indeed society in general, is impacted by a limited number of megatrends. These have not changed significantly in the last decade and are set to dominate for the coming years as well. They include rapid urbanisation, clean energy transition, disruptive technology developments, health considerations, demographic and social changes, and climate change and resource shortages. While all of these shape our lives, the environmental challenges – which include climate action failure, biodiversity loss and ecosystem collapse as well as natural resource depletion – will have the greatest impact on our basic human needs.



Of these, climate change and resource scarcity will have the biggest impact on our basic human needs.

Source: https://www.adlittle.com/en/insights/prism/trends-megatrends
https://www.weforum.org/reports/global-risks-report-2022

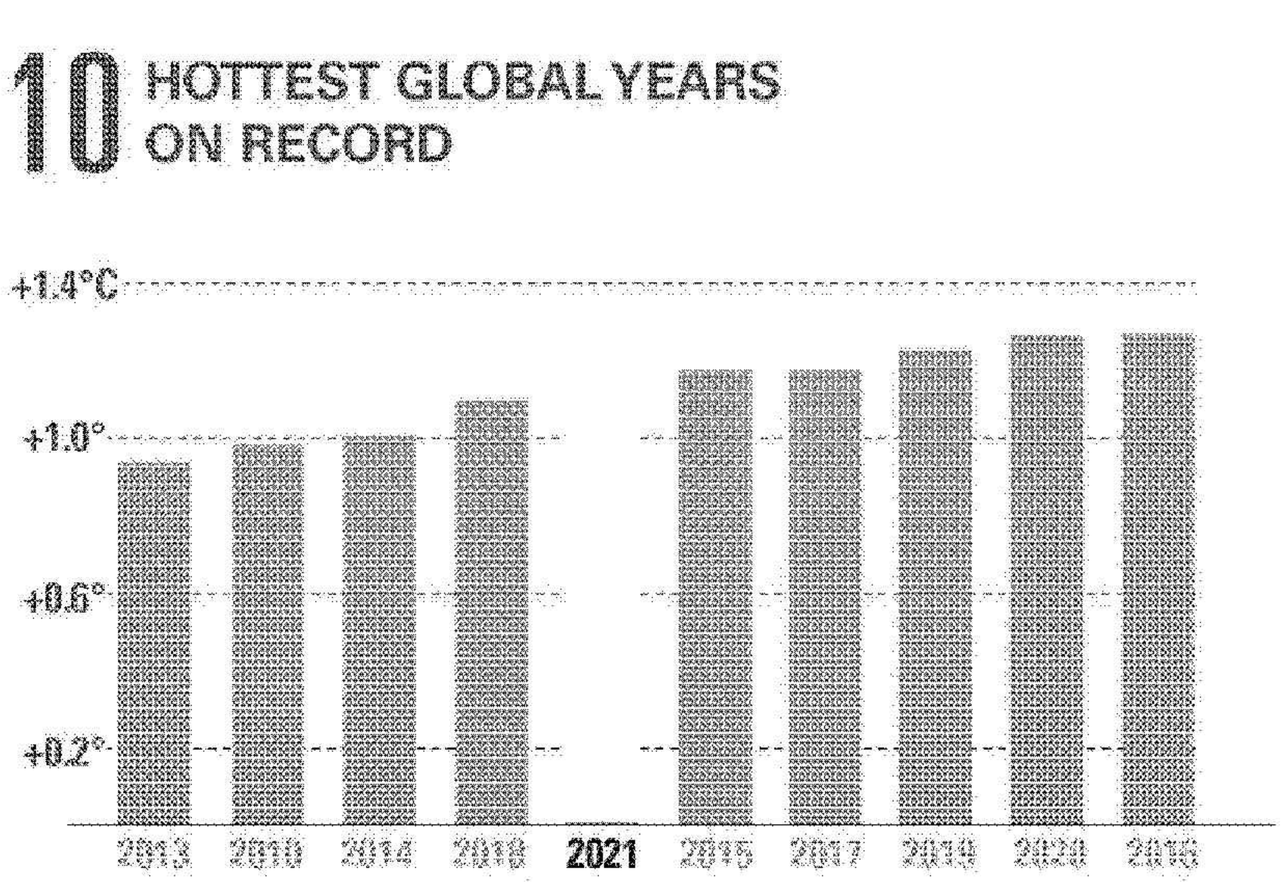
Scarce resources and global heating: our biggest challenges

As the earth's population continues to escalate, it is increasingly difficult to sustain the demand for food, energy and materials. There is an urgent need for solutions that are more energy-efficient, less wasteful and less reliant on our planet's dwindling resources.

The creation of a circular economy is one such solution. Other possibilities include the optimisation of raw materials. Recticel focuses on both of these and also considers the environmental impact of its products throughout their entire lifecycle, from responsible sourcing of raw materials to the dismantling and recycling of components at the end of the product's life.

Along with the scarcity of resources, the need to address climate change is an increasingly urgent factor in all industrial activities and decisions. Year-end data compiled by NASA (National Aeronautics and Space Administration) and NOAA (National Oceanic and Atmospheric Administration) indicates that 2021 was the sixth-hottest year on record, with temperatures 1.10°C warmer than at the beginning of the 20th century. The world is lagging behind on the commitments made in the 2015 Paris Agreement to limit global warming to below 2°C. The COP 26 conference in 2021 resulted in renewed agreements to revisit and strengthen emissions targets, as well as the introduction of new measures to cut methane emissions and fossil fuels. In April 2022, the Intergovernmental Panel on Climate Change (IPCC) confirmed that the time for action is now and that the greenhouse gas emissions can be halved by 2030[1].

[1] https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/



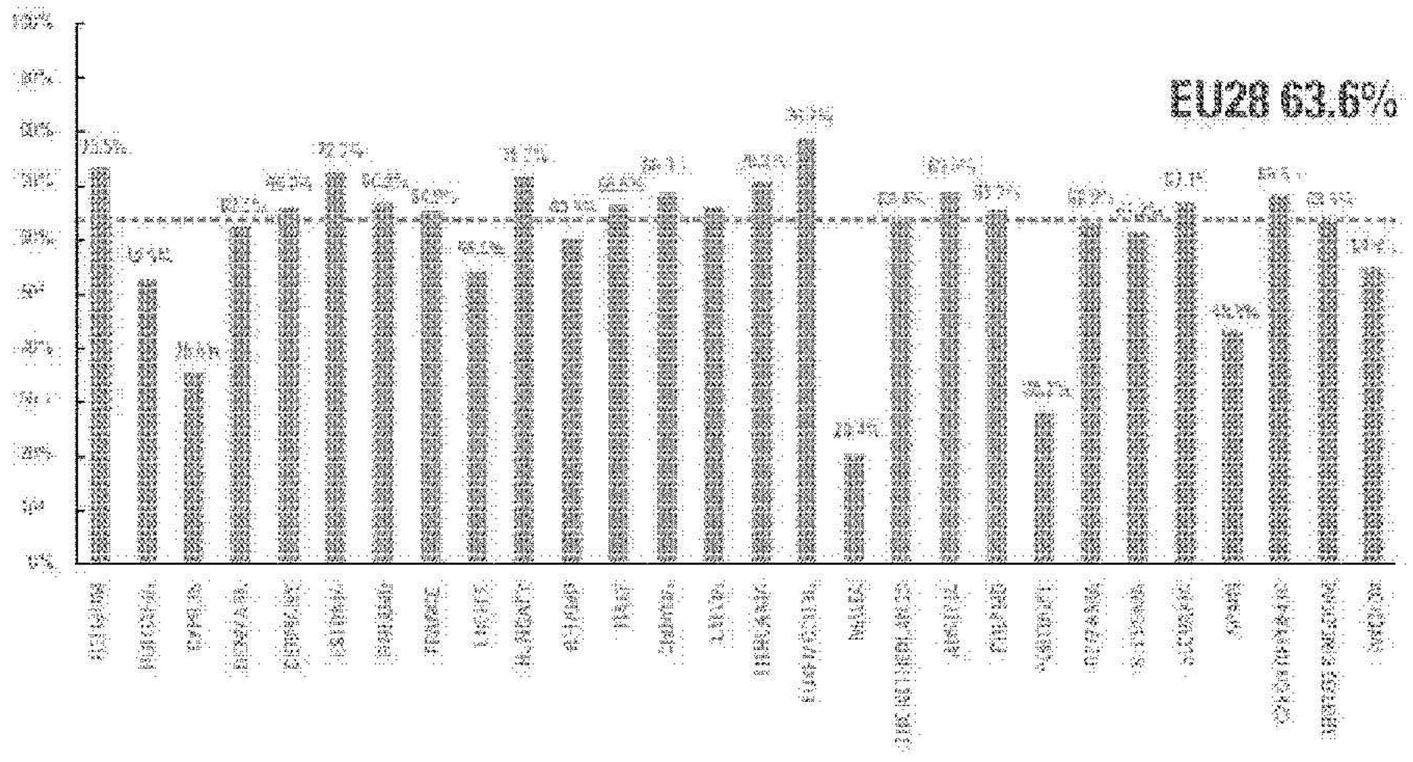
Source: NASA GISS & NOAA NCEI global temperature anomalies averaged and adjusted to early industrial baseline (1881-1910). Data as of 13/01/2022.

Energy consumption in residential housing

Europe's buildings account for 40% of today's total energy use. In the EU, they also account for around 36% of total CO_2 emissions. Prioritising sustainable construction is key to achieving the 2050 climate goals defined by the European Commission (see section 1.1.5). Sustainable construction minimises energy demand in the building use phase and, in a second step, opimises the utilisation of materials. This helps to strike a vital balance between economic and social development and environmental protection. Renovating the EU building stock will improve energy efficiency while driving the clean energy transition[1]. Insulation is one of the most effective tools in achieving that balance.

[1] https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

In Europe (EU28 – 2018), space heating accounts for 63.6% of the total energy consumption in the residential sector.



Source: EuroStat. Diseggregated final energy consumption in households - quantities

SOME KEY FIGURES FOR EU BUILDINGS

75%
of buildings in the EU are energy inefficient

1%
per annum is the rate at which today's building stock is being renovated

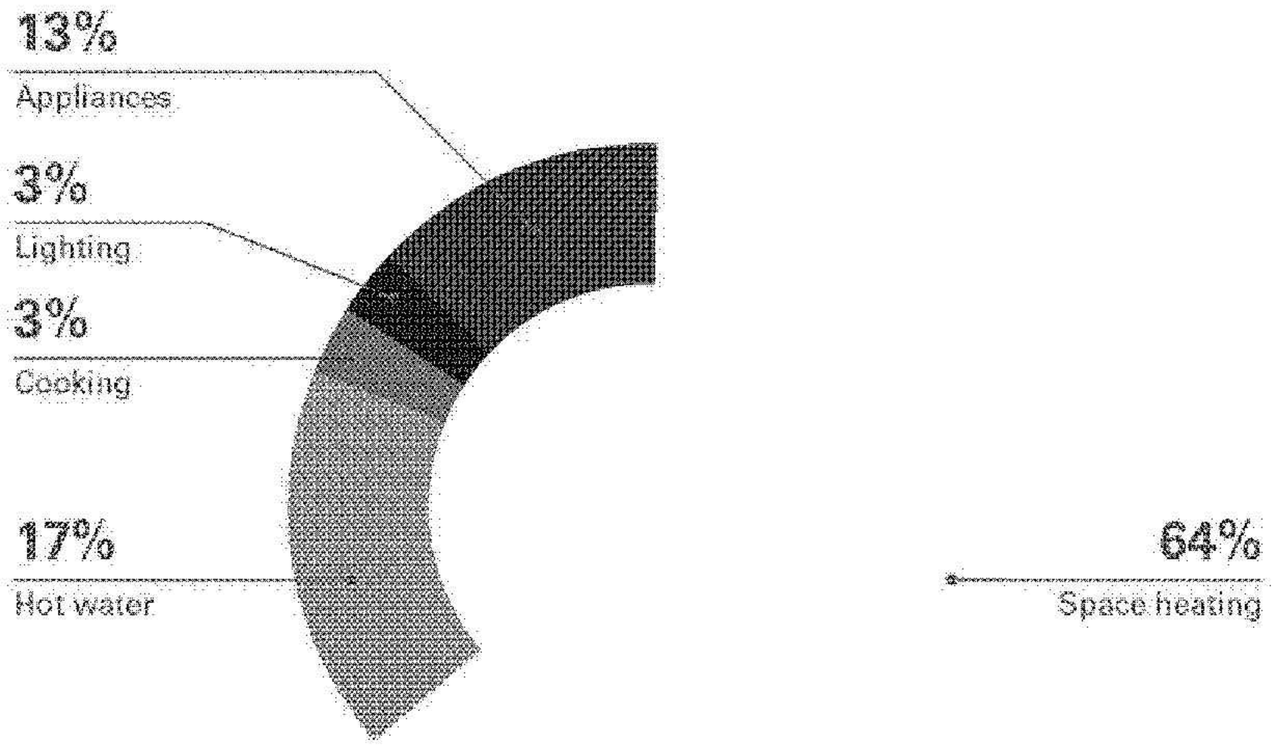
34m
Europeans cannot afford to keep their homes adequately heated

85-95%
of today's EU buildings will still be in use in 2050

63.6%
of EU residential energy consumption is for space heating

Source: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17_en

Residential houses consume energy for heating, cooling and ventilation, the production of warm water, cooking, use of electrical appliances and lighting.



* Breakdown of energy consumption in existing homes
Source: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17_en

Insulation boards in residential buildings

With space heating accounting for almost 64% of the average household's energy consumption, it makes sense that thermal insulation is the most effective way to improve the energy performance of residential buildings and keep the energy bill under control.

TOTAL ENERGY SAVING:

666 kWh/m²/year

Total saved thanks to airtight roof, wall and floor insulation

537 kWh/m²/year

TERRACE HOUSE
Built: 1956
Protected volume: 460 m³
Initial energy score: **730 kWh/m²/year**

-10 kWh/m²/year

8

SOLAR PANELS
10 m² monocrystalline or polycrystalline
Energy score after installation: 64 kWh/m²/year

-15 kWh/m²/year

7

SOLAR BOILER
With 8 m² solar collectors
Energy score after installation: 74 kWh/m²/year

-20 kWh/m²/year

6

AIRTIGHTNESS TESTING
Energy score after installation: 89 kWh/m²/year

-56 kWh/m²/year

REPLACEMENT OF WINDOWS
Low-E glass + aluminium profiles (combined total: 1.64 W/mK)
Energy score after installation: 109 kWh/m²/year

-60 kWh/m²/year

ENERGY-EFFICIENT BOILER
Energy score after installation: 157 kWh/m²/year

-48 kWh/m²/year

FLOOR INSULATION
Using 14 cm Eurofloor floor insulation boards (lambda value 0.022 W/mK)
Energy score after installation: 213 kWh/m²/year

-81 kWh/m²/year

EXTERIOR WALL INSULATION
Using 16 cm Powerwall® insulation boards (lambda value 0.022 W/mK)
Energy score after installation: 273 kWh/m²/year

-376 kWh/m²/year

ROOF INSULATION
Using 14 cm Powerroof® insulation boards (lambda value 0.022 W/mK)
Energy score after installation: 345 kWh/m²/year

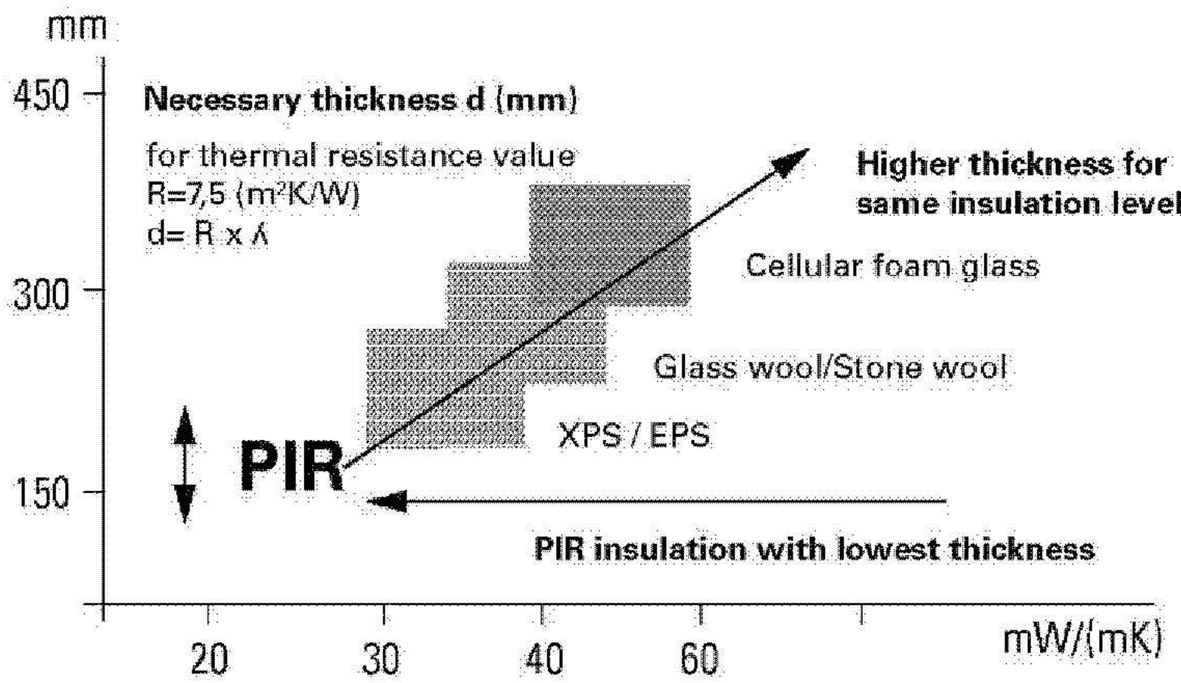
The scale of the potential energy savings means that, as a pure play insulation company, Recticel will have a very significant role in improving the energy efficiency of buildings and the sustainability of the construction industry.

Source: www.isolatiebarometer.be

PIR* insulation boards: a driving force in sustainable construction

While the general benefits of insulation are clear, there are further benefits to be derived specifically by choosing polyurethane as an insulation material. This is due to the varying thermal insulation capacities, densities and installation requirements of different materials. PIR insulation boards make a particular contribution to economic and environmental sustainability in a number of ways.

Benefits of insulation with PIR boards



Source: ISOPA

*PIR foam = Polyisocyanurate, a thermoset plastic used as rigid thermal insulation

SUPERIOR THERMAL EFFICIENCY

PIR offers huge potential for energy savings. Depending on the thickness and the facings used, it can achieve thermal conductivity from as low as 0.022 W/mK to 0.028 W/mK. This makes it one of the most efficient insulation materials commonly available on the market. The increased energy efficiency reduces carbon emissions from the building, mitigating climate change. It also leads to savings on energy bills and greater comfort for residents.

MORE LIVING SPACE

As PIR achieves equivalent performance to other materials with less thickness, it increases options to optimise indoor living space and reduce building footprints. This can lead to economic gains for building owners through reduced investment costs and/or enhanced income from rent or sale of the building. The thinner profile also allows greater flexibility in designing airtightness solutions. The space-saving qualities of PIR insulation boards also have further benefits in logistics; they require less storage space and lead to fuel savings and reduced emissions from transportation.

LOW WEIGHT

With around 97% of its volume consisting of trapped gas, polyurethane foam is one of the lightest insulation materials available. In some applications, the weight ratio between a PIR solution and an alternative insulation solution can be 1:6 or even 1:10. Lightweight PIR insulation boards create efficiencies throughout the logistics process as well as facilitating quick, easy installation and reducing the cost of some structural elements. In addition to this, the high strength-to-weight ratio of polyurethane foam contributes to very competitive life cycle costs.

LOW INDOOR AIR EMISSIONS

Given that people spend about 90% of their time in buildings, maintaining good indoor air quality is crucial for our health. This means selecting materials that are non-toxic and release the lowest possible level of emissions, especially in view of the need to make building envelopes airtight in order to avoid thermal losses. Of all the insulation products on the market today, PIR insulation produces one of the lowest levels of indoor air emissions.

WALKABILITY WITHOUT DEFORMATION

PIR insulation has a compressive strength of over 150 kPa and is unaffected by loads experienced in normal roof maintenance. This means that PIR boards can be walked on without deformation and help to maintain the performance of the waterproofing membrane. This is a specific requirement for flat roofs, which are often exposed to high dynamic mechanical loads during the construction process and routine maintenance.

Insulated panels in industrial construction

The need to build energy-efficient buildings quicky and economically is a primary driver of today's construction industry. This has created a compelling case for prefabrication and pre-assembled materials. Real-life evidence shows that prefabrication can save 5% or more in industrial waste, improve site safety, reduce budgets by 6% or more and accelerate project schedules by a month or more.[1]

Metal-faced insulated panels are a key example of prefabricated building materials that support energy-efficient buildings. They are widely used for façade, wall and roof cladding, as well as for partition walls, in industrial and commercial buildings. Consisting of a core of insulating material (PUR/PIR or mineral wool) between sheet metal skins, these panels offer high load-bearing capacity, high and standardised technical specifications and fast installation. They are lightweight, cost-efficient and customisable. They meet the demands for compliance with increasingly stringent building regulations and construction cost pressures. Perhaps most importantly in the light of the recent escalation in energy costs, they promote greater energy efficiency.

Meeting design challenges

Insulated panels can be designed to meet almost every architectural and structural challenge in the construction industry. They are available in a wide variety of configurations, with architects and engineers playing a critical role in specifying the right panels, based primarily on technical specifications but also on aesthetics, depending on the application.

[1] https://www.nist.gov/system/files/documents/el/economics/Prefabrication-Modularization-in-the-Construction-Industry-SMR-2011R.pdf

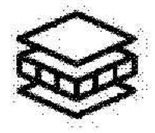
Galeria Košice Shopping
Location: Košice, Slovakia

Insulated panels: a driving force in sustainable construction

The overall market of insulated panels in construction is expected to grow in volume by 2-4% by annum, underpinned by the increasing importance of thermal insulation and the strong trend towards zero net-energy building.

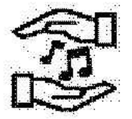
Insulated panels meet the requirements of the pre-fabrication megatrend by enabling regulatory compliance in a fast, cost-efficient and scalable manner. The strict building regulations and standards on thermal insulation, acoustic performance, air tightness and energy efficiency make insulated panels a structurally attractive building component.

Insulated panels offer a unique set of benefits in construction. Their optimal structural and physical properties allow great design freedom, while their advanced technical qualities contribute to a high-quality, all-round solution.

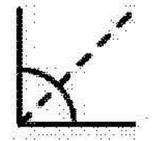


SINGLE FACTORY-MANUFACTURED UNIT
- Meet accelerated project schedules
- Up to 20% cost reduction
- 30-50% faster construction/assembly time
- 100% design adherence

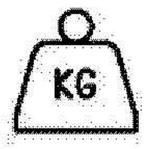
ENERGY EFFICIENCY & SUSTAINABILITY
- High and consistent insulation values
- Minimise thermal shortage
- Mineral wool insulated panels are up to 98% recyclable



SAFETY & PERFORMANCE
- Very good fire resistance with high-index PIR and mineral wool
- Excellent insulation quality allows building cold stores and freezers
- Superior acoustics with mineral wool as core



DESIGN FLEXIBILITY
- Choice of profiles, colours, coating types and positioning
- Wide range of lengths, extensive accessories
- Space savings / more leasable space



LIGHTWEIGHT FACTORY SYSTEM
- Minimise field decisions
- Minimise erector impact on product quality
- Easy to handle
- Frame and foundation cost savings

DURABILITY
- Maintain insulation properties over lifetime of building
- Low maintenance
- Low life cycle costs

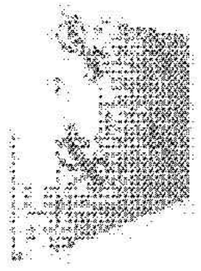
Our pure insulation product portfolio: unlocking sustainability

Recticel has identified insulated panels as a key component in its future portfolio, enabling both diversification and expansion on several levels. By adding insulated panels to its offering, Recticel will have achieved a truly comprehensive portfolio of premium products with differentiated performance to meet the broadest spectrum of applications.

Residential building | Logistics & warehousing | Manufacturing | Agro building | Sport | Commercial | Offices | Special projects

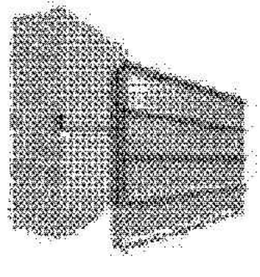
Embracing the future with a diversified portfolio

The new Recticel portfolio of insulation products covers an exceptional range of high performing thermal and acoustic solutions.



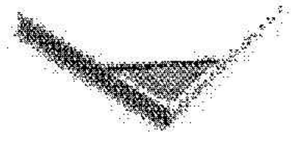
INSULATION BOARDS

- Thermal insulation PIR boards
- Product of choice for residential new build & renovation
- Suitable for agricultural projects and flat roof insulation of industrial buildings (can be combined with insulated panels for wall cladding)
- Go to market: insulation type set by client, architect
- Sales via distributors, wholesalers, DIY



INSULATED PANELS

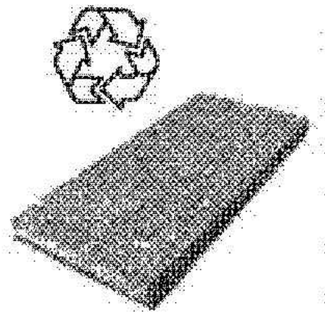
- Prefabricated mineral wool thermal insulated panels
- Especially non-residential new build, in particular logistics & industrial
- Go to market: project sales only, with strict & standardised technical specifications set by the client, architect, regulator, insurer
- Mostly direct sales



VACUUM INSULATED PANELS

- Ultra-high performance thermal vacuum insulated panels (VIP)
- Very thin dimensions
- Suitable for flat roofs and terraces
- Go to market: insulation type set by client, architect
- Sales via wholesalers

INFO: our VIP are also suitable for temperature-controlled packaging used for transport of ultra-low temperature (ULT) vaccines, food, etc.



THERMO-ACOUSTIC BOARDS

- Acoustic insulation for interior walls to reduce airborne sound
- Panels with fibre bonded end-of-life foam (FBF)
- For DIY and contractors
- Go to market: insulation type set by client, architect
- Sales via distributors, wholesalers, DIY

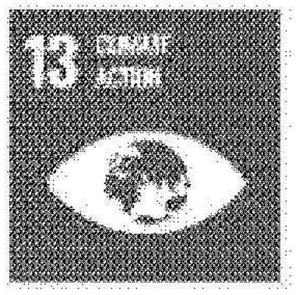
Our sustainability compass

Sustainability is profoundly embedded in Recticel's overall strategy. We are committed to finding responsible solutions for climate change, the depletion of natural resources and the world's growing and ageing population. Our sustainability strategy and targets are profoundly rooted in the United Nations Sustainable Development Goals and the European Green Deal.

UN Sustainable Development Goals

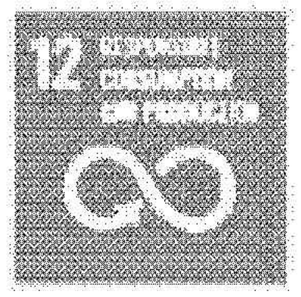
The United Nations Sustainable Development Goals (SDGs) set in 2015 are universal targets and indicators designed to help countries and end poverty, protect the planet and ensure global prosperity as part of a sustainable development agenda.

Recticel has identified six SDGs that are most impactful, relevant and embedded in our company's Sustainability Strategy:



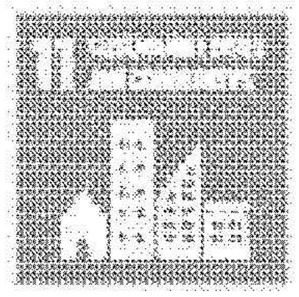
13.
CLIMATE ACTION

- Climate Action Plan
- Transition to a circular economy
- Innovation for societal needs



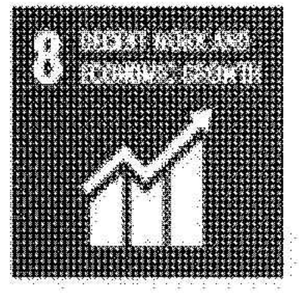
12.
RESPONSIBLE CONSUMPTION AND PRODUCTION

- Transition to a circular economy
- Innovation for societal needs
- Climate Action Plan
- Lower HS&E impacts of our activities and products
- Sustainable partnerships



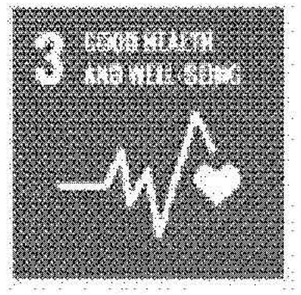
11.
SUSTAINABLE CITIES AND COMMUNITIES

- Climate Action Plan
- Innovation for societal needs
- Sustainable partnerships



8.
DECENT WORK AND ECONOMIC GROWTH

- Sustainable partnerships
- Lower HS&E impacts of our activities and products
- An inspiring and rewarding place to work



3.
GOOD HEALTH AND WELL-BEING

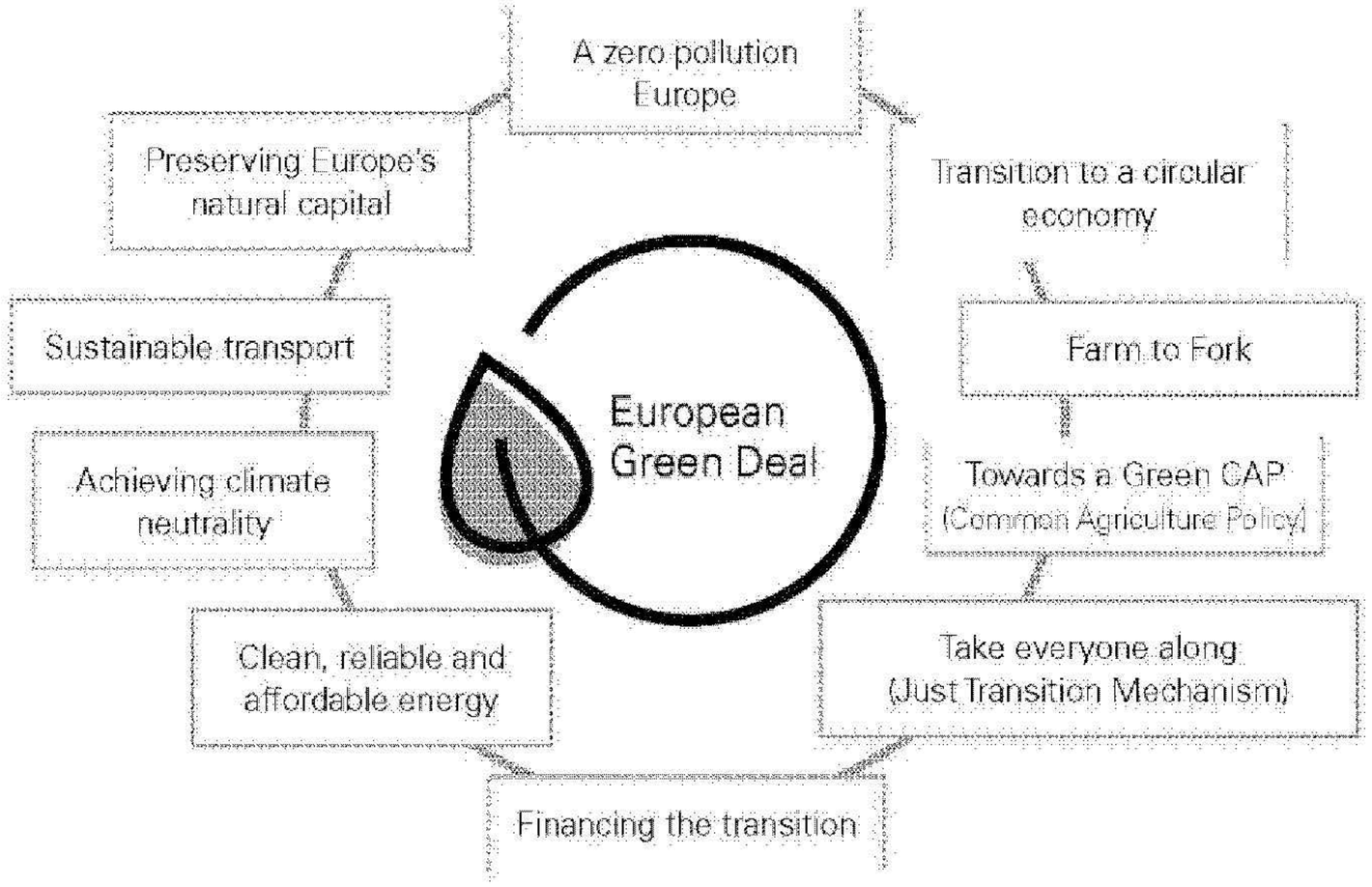
- Innovation for societal needs
- Lower HS&E impacts of our activities and products
- An inspiring and rewarding place to work

17.
SUSTAINABLE PARTNERSHIPS

- We take responsibility for our own activities, but also in our sphere of influence upstream (raw materials sourcing) as well as downstream (use and end-of-life).
- We invest in close relationships with the stakeholders: customers, suppliers, knowledge institutes and universities, investors and communities along our value chain

The European Green Deal

The European Green Deal is a set of proposals adopted by the European Commission in 2019 with the overarching aim of making the European Union the first climate neutral continent by 2050. This green transition will fundamentally transform the business environment and the economy in Europe. It is seen as a major opportunity for European industry, creating markets for clean technologies in many sectors, including construction and renovation, with the potential to renovate 35 million buildings by 2030[1]. The aim of building renovation is to save energy, protect against extremes of heat and cold and tackle energy poverty. Effective thermal insulation is essential to meet these goals.



Reduce net greenhouse gas emissions
by at least 55% by 2030, compared with 1990

No net emissions of greenhouse gases by 2050

[1] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en

Reducing greenhouse gas emissions

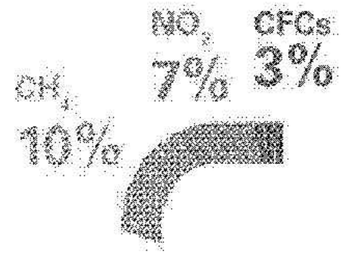
As part of the European Green Deal roadmap adopted in December 2019, all EU Member States pledged to reduce greenhouse gas (GHG) emissions by at least 55% by 2030, compared to 1990 levels.

This will fundamentally transform Europe into a low-carbon industrial region. Companies are required to conduct a full GHG emission inventory, with emissions classified into 3 scopes, as illustrated below.

The Greenhouse Gas Protocol (https://ghgprotocol.org) sets the world's most widely used standards for companies and organisations to measure and manage their emissions.

For Recticel's activities, the biggest GHG impact along the value chain is related to product life cycle emissions coming from raw materials and waste management (scope 3). Over the lifetime of their use, the insulation products we sold in 2021 will offset 51 times the Recticel carbon footprint indicator for the year (+5 times compared to 2020, with the business lines Insulation, Bedding and Engineered Foams in scope (without FoamPartner, acquired on 31/03/2021)).

Once the strategic repositioning of Recticel as pure play insulation company is completed, this positive contribution will only increase.



Greenhouse gases

Greenhouse gases - like carbon dioxide (CO_2), methane (CH_4), nitrous oxide (NO_2) and chlorofluorocarbons (CFCs) - absorb and emit radiant energy within the thermal infrared range, causing the earth greenhouse effect.

Direct emissions from owned or controlled resources

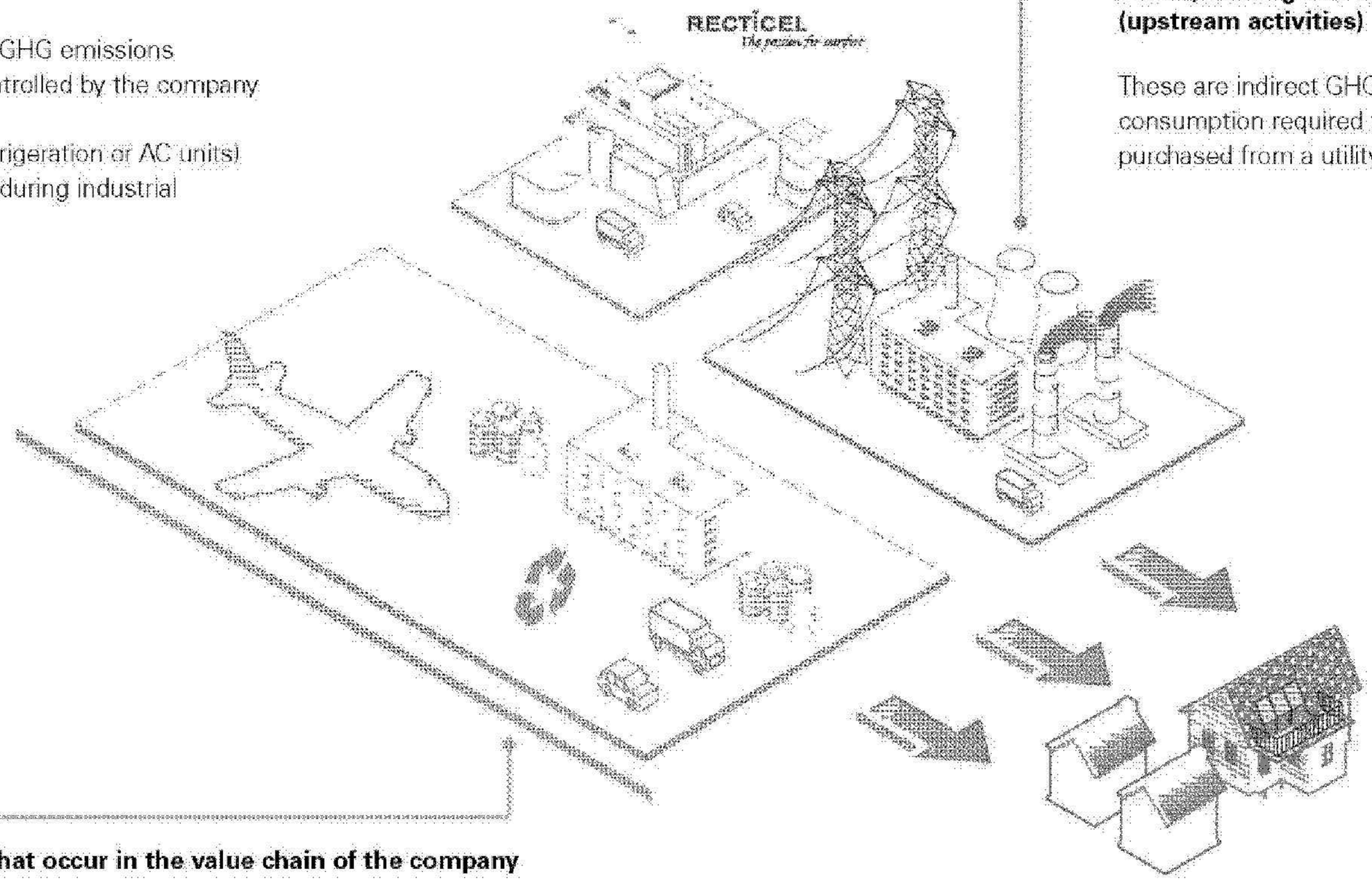
These are GHG emissions generated directly by the company, through its sites, facilities and activities.

Scope 1 includes:
- Stationary combustion: all fuels that produce GHG emissions
- Mobile combustion: all vehicles owned or controlled by the company and burning fuel
- Fugitive emissions: leaks from GHGs (e.g. refrigeration or AC units)
- Process emissions: GHG emissions released during industrial processes and on-site manufacturing

SCOPE 2

Indirect emissions from purchased electricity, steam, heating and cooling for own use (upstream activities)

These are indirect GHG emissions from the energy consumption required to manufacture a product, purchased from a utility provider.



SCOPE 3

Indirect emissions not included in Scope 2 that occur in the value chain of the company (upstream and downstream activities)

These are indirect GHG emissions produced throughout a product's lifecycle. The GHG Protocol separates Scope 3 emissions into 15 categories. Those relevant for Recticel Insulation are:

UPSTREAM ACTIVITIES
- Purchased goods and services (i.e. raw materials)
- Capital goods (e.g. buildings, vehicles, machinery)
- Transportation and distribution (warehousing)
- Production waste and wastewater treatment
- Business travel
- Employee commuting

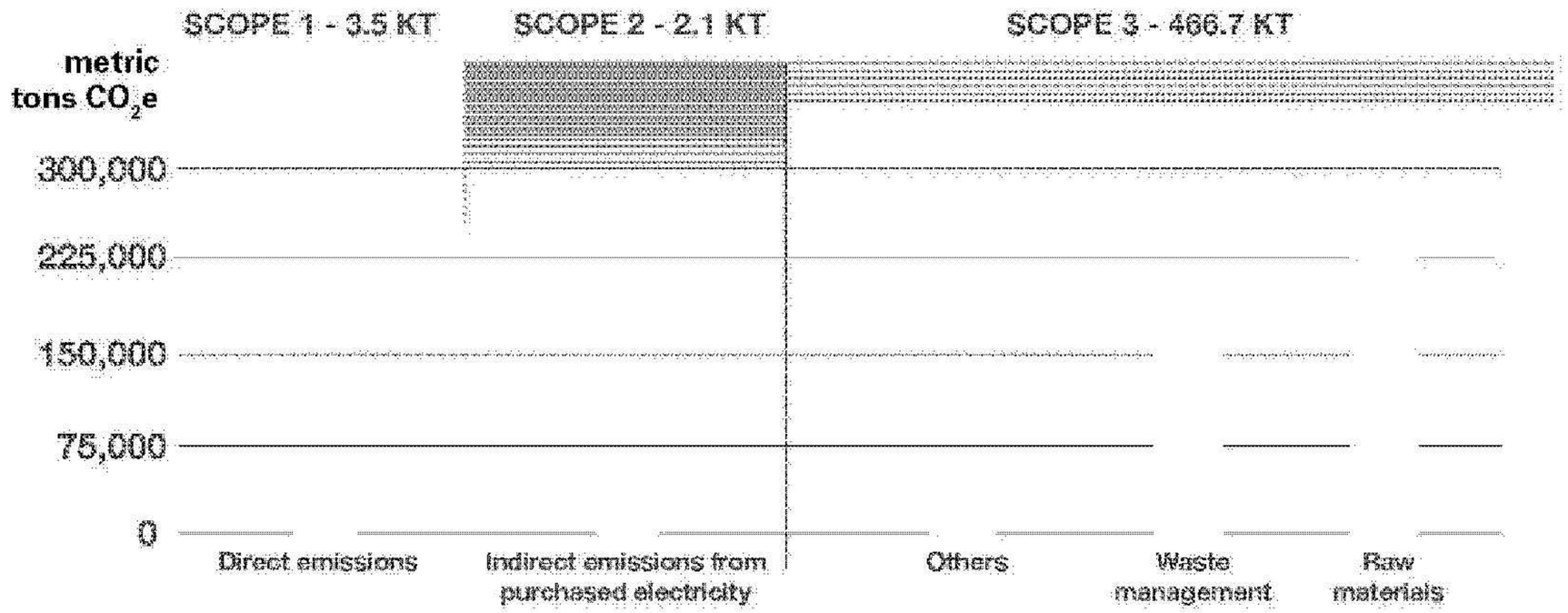
DOWNSTREAM ACTIVITIES
- End-of-life treatment of sold products
- Transportation and distribution (warehousing)

Cradle-to-Cradle: Scope 1, 2, 3 with end-of-life (EOL) treatment of sold products
Cradle-to-Gate: Scope 1, 2, 3 without end-of-life (EOL) treatment of sold products

Our 2021 GHG impact as pure play insulation company

An internal, non-audited assessment of the Insulation business on its own for scope 1, 2 & 3 indicates that the Insulation products sold in 2021 will offset over the lifetime of their use 98 times* the carbon footprint of the Insulation business line.

Evolving to a pure insulation player, Recticel is firmly committed to implement further measures to reduce the direct and indirect emissions in scope 1, 2 & 3. This would result in substantially increasing its climate positive multiple* in excess of 100.



SCOPE 1, 2 & 3 Recticel Insulation 2021

Carbon Footprint

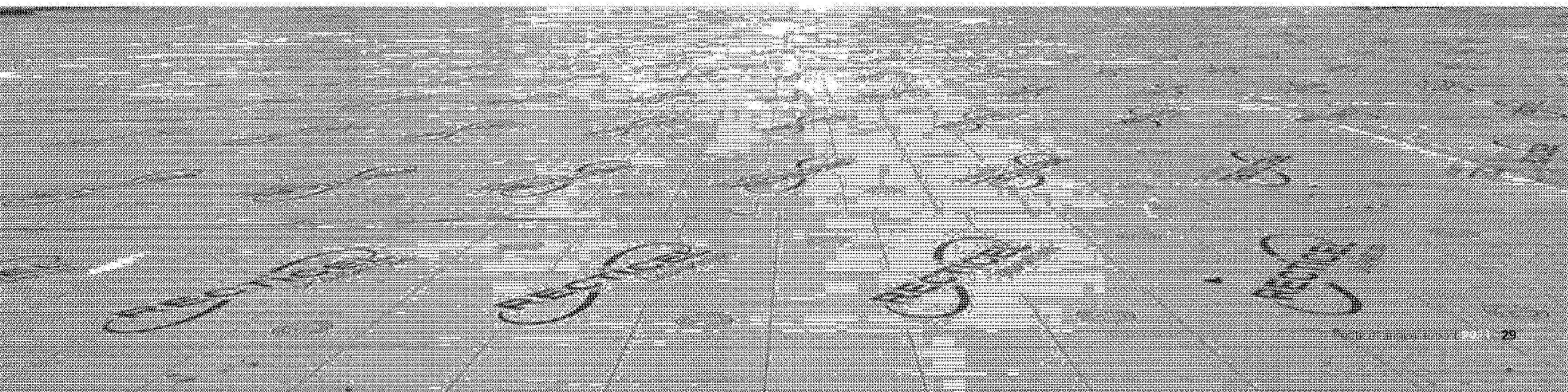
metric tons of CO_2e

Avoided Emissions

times

Over the lifetime of the use of the insulation products sold in 2021, more than 46 million tons of CO_2 emissions will be avoided. This represents more than 78,000 long haul flights[1].

* Ratio between avoided emissions and carbon footprint scope 1, 2 & 3.
[1] www.carbonindependent.org/22.html – 250 kg CO_2e/hour flying/passenger



EU taxonomy for sustainable activities

To finance the green transition and the European Green Deal, the European Commission developed the EU Taxonomy: a classification system to identify truly sustainable economic activities.

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards sustainable projects and activities, especially given the need to make businesses, societies and economies more resilient against climate and environmental shocks as we recover from the COVID-19 pandemic.

It entered into force in July 2021 and will create security for investors, protect private investors from greenwashing, mitigate market fragmentation and help shift investments where they are most needed.[1]

The EU Taxonomy Regulation sets out six environmental objectives.

- **Climate change mitigation**
- **Climate change adaptation**
- **Sustainable use and protection of water and marine resources**
- **Transition to a circular economy**
- **Pollution prevention and control**
- **Protection and restoration of biodiversity and ecosystems**

The regulation defines performance thresholds for taxonomy-aligned economic activities which comply with all of the following requirements:

a) The economic activity contributes substantially to one or more of the six environmental objectives.
b) It does not significantly harm any of the other environmental objectives.
c) It is carried out in compliance with the minimum safeguards (e.g. OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).
d) It complies with the technical screening criteria in the Climate Delegated Act supplementing the Taxonomy Regulation.

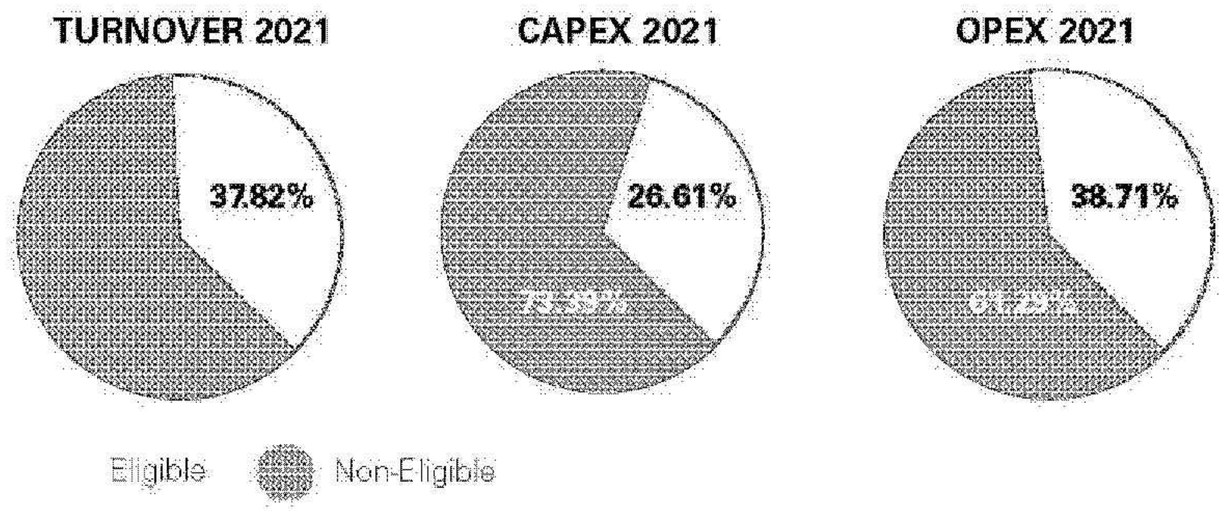
[1] https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1804

The thresholds will open doors to green financing for companies, project promoters and issuers who want to improve their environmental performance, as well as helping to identify which activities are already environmentally friendly.

For the reporting period 2021, companies need to report on the proportion of taxonomy-eligible, i.e. substantially contributing to climate change adaptation or mitigation, and taxonomy non-eligible economic activities.

Of these taxonomy-eligible activities, as of 2023, for the reporting period 2022, companies need to report on the taxonomy-aligned economic activities that meet the criteria as set forward by the Taxonomy Regulation.

Recticel taxonomy-eligible and taxonomy non-eligible economic activities



2021, business lines Insulation, Engineered Foams, Bedding

Recticel embraces this initiative and supports the European Commission's action plan to redirect capital flows towards a more sustainable economy.

Recticel's insulation activities in 2021 are considered **taxonomy-eligible** for the environmental objective of **climate change mitigation.** They help to improve energy efficiency by offering insulation solutions that will reduce energy consumption in buildings (see also Section 2.3.3). As it progresses in its transition journey, the vast majority of Recticel's activities as a pure play insulation company are expected to be **taxonomy-aligned** for the environmental objective of climate change mitigation.

1.2 2021 Business review: innovation for sustained value

Recticel contributes to daily comfort with high-performance thermal insulation solutions for the construction industry and an extensive range of polyurethane foam products for industrial and domestic applications. Whilst focusing on industry-leading, customised solutions supported by sustainable innovations, we strive to provide responsible answers to societal challenges.

VALUE-ADDING PORTFOLIO	**SUSTAINABILITY FOCUS**
Distinguished portfolio of industry-leading products and services tailored to customer needs.	Innovative solutions that meet social needs such as well-being, climate change, circular economy.
GLOBAL FOOTPRINT	**MARKET EXPERTISE**
Unique local proximity and comprehensive brand and solution technologies.	Extensive knowledge in building solutions, mobility, industrial insulation, sensoric, global and local applications.
INNOVATION CAPABILITIES	**PEOPLE EXCELLENCE**
Powerful R&D network and numerous labs at close distance to customers ensure unique insights.	Experienced, dedicated and diverse teams.

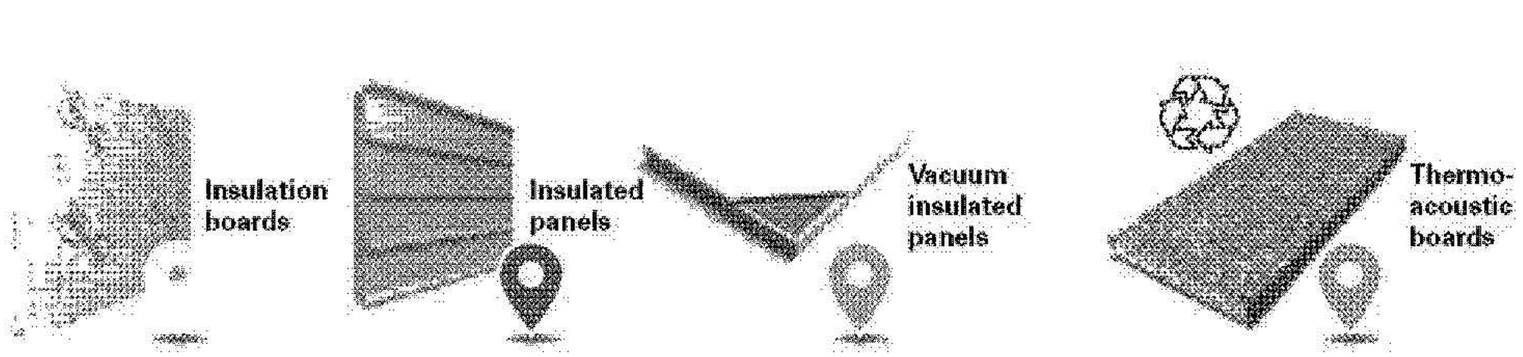
With 3,556 employees operating in 43 locations in 19 countries, Recticel realised in 2021 consolidated sales of EUR 1,032.8 million (excluding the Bedding sales accounted for in discontinued operations as per IFRS 5).

Recticel Insulation

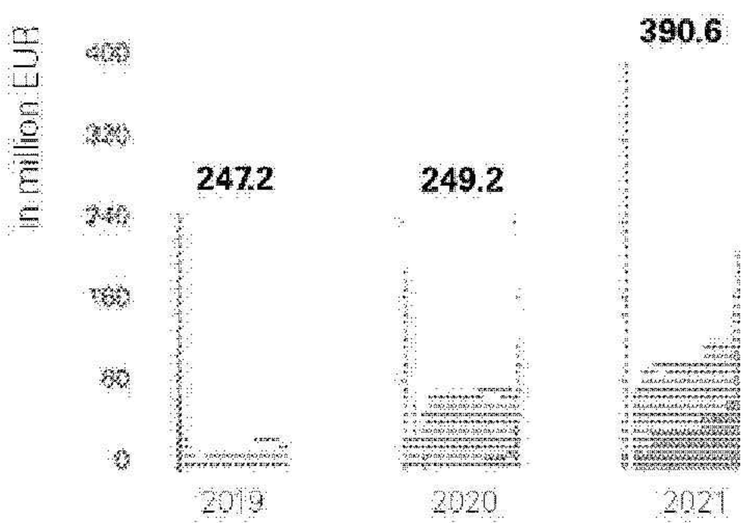
Our Insulation business line offers a distinguished portfolio of thermal and acoustic insulation products used in construction and renovation projects. These products are marketed under well-known brands and product names such as Eurowall®, Powerroof®, Powerdeck®, Powerwall® and Xentro®. Recticel's PIR insulation is the preferred option for residential building insulation, offering substantially better performance than common alternatives.

Following the announced divestments of the Bedding and Engineered Foams business lines, leading up to Recticel's new path as a pure player in insulation, we announced on 22 March 2022 the acquisition of Trimo d.o.o.. As a pure play mineral wool insulated panel manufacturer, Trimo d.o.o. focuses on mid to high-end applications of roof and wall cladding in the non-residential market. The acquisition was closed on 29 April 2022.

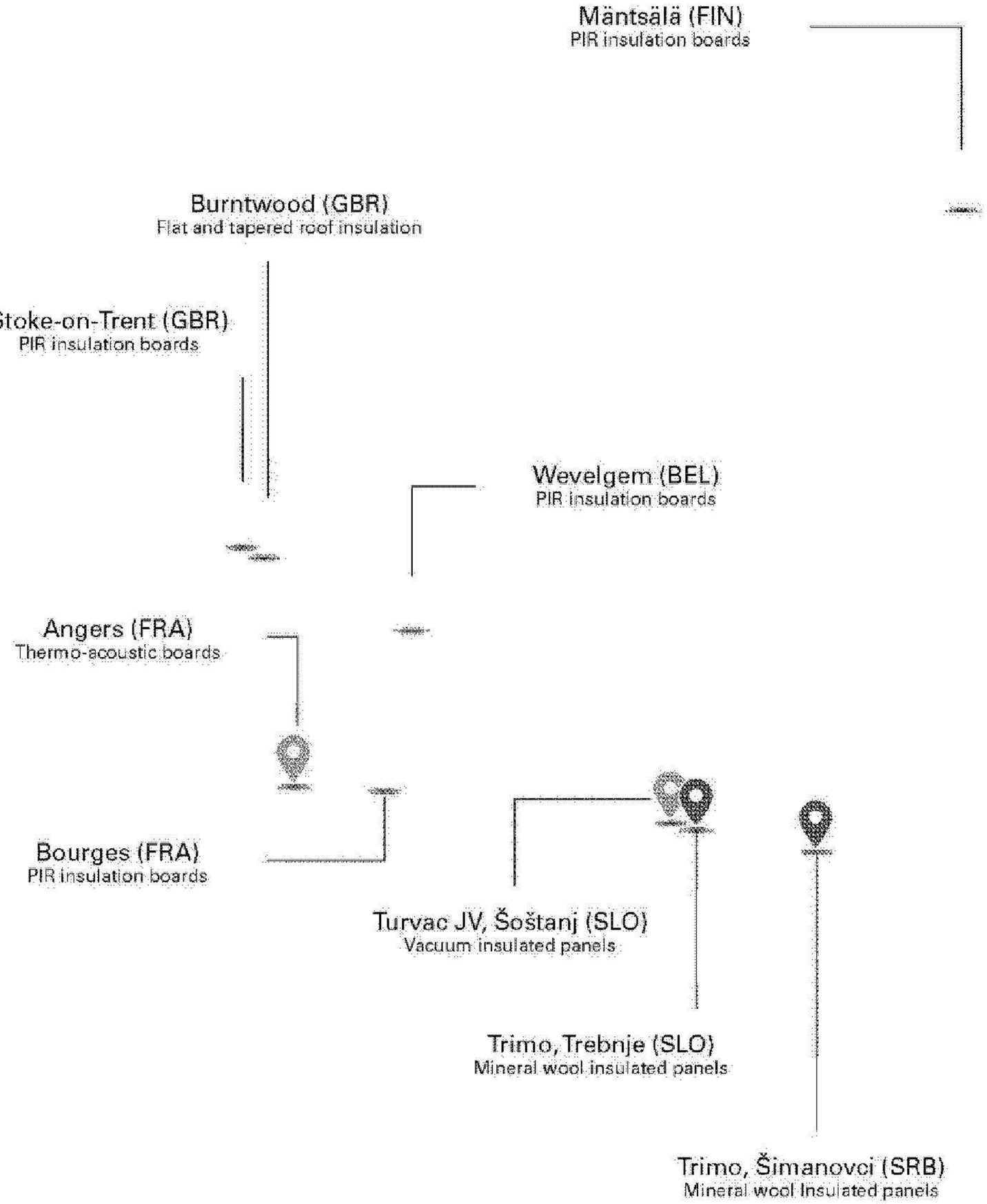
Insulated panels are a strategic portfolio expansion that fit within Recticel's current insulation solutions: PIR thermal insulation boards, high-performing vacuum insulated panels (VIP) and thermo-acoustic boards with fibre bonded end-of-life foam (FBF).



Consolidated net sales Insulation



The acquisition is a 3-step adjacency play, from a product (insulation board vs insulated panels), a market (residential vs industrial) and technology (PUR/PIR vs mineral wool) perspective, with geographical expansion into Central and South-East Europe.



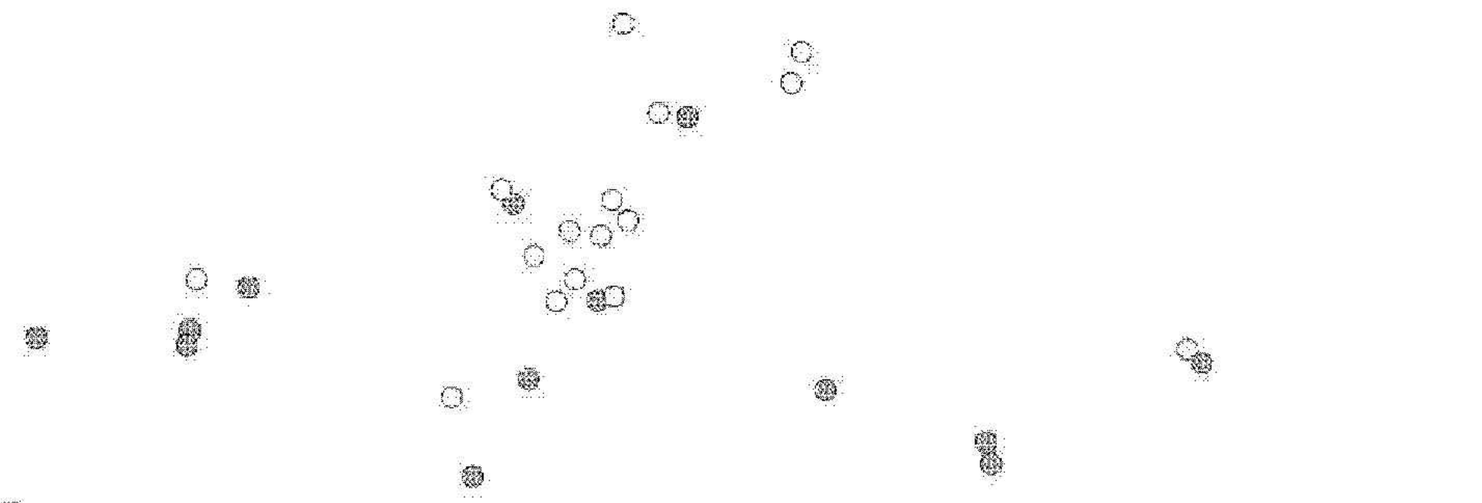
Recticel Engineered Foams

The key to the success of PU foams is their seemingly endless versatility. They can be tailored to almost any application and we are continually innovating to optimise our product range in line with new demands and ideas. Many everyday goods would be unimaginable without the unique benefits of PU foam, which include silencing, sealing, filtering, carrying, protecting, supporting and comforting attributes. Recticel Engineered Foams offers wide-ranging expertise, foams and systems, spanning industrial, automotive and comfort applications.

The Engineered Foams business line was founded on 31 March 2021, following the merger of FoamPartner, the Swiss-based global provider of high added-value technical foams and the Recticel Flexible Foams business line. This resulted in a unique global manufacturing footprint with comprehensive foaming and converting technologies.

On 16 May 2021, Greiner AG launched a conditional voluntary public takeover bid on Recticel. This forced the Recticel management to review its strategic intent in the interest of all its stakeholders, including employees, customers and shareholders.

To defend against the unsolicited offer, a Special Shareholders Meeting on 6 December 2021 approved the sale of the Engineered Foams business line to the US company Carpenter Co.. This transaction is expected to be closed around mid-2022.



16 foaming & converting sites

14 converting (only) sites

7 fields of expertise

SILENCING

SEALING

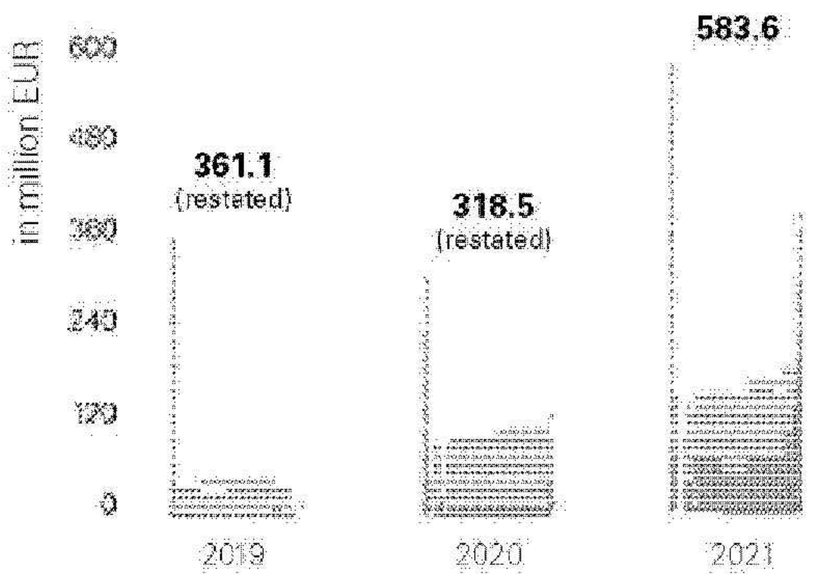
FILTERING

PROTECTING

SUPPORTING

COMFORTING

Consolidated net sales Engineered Foams



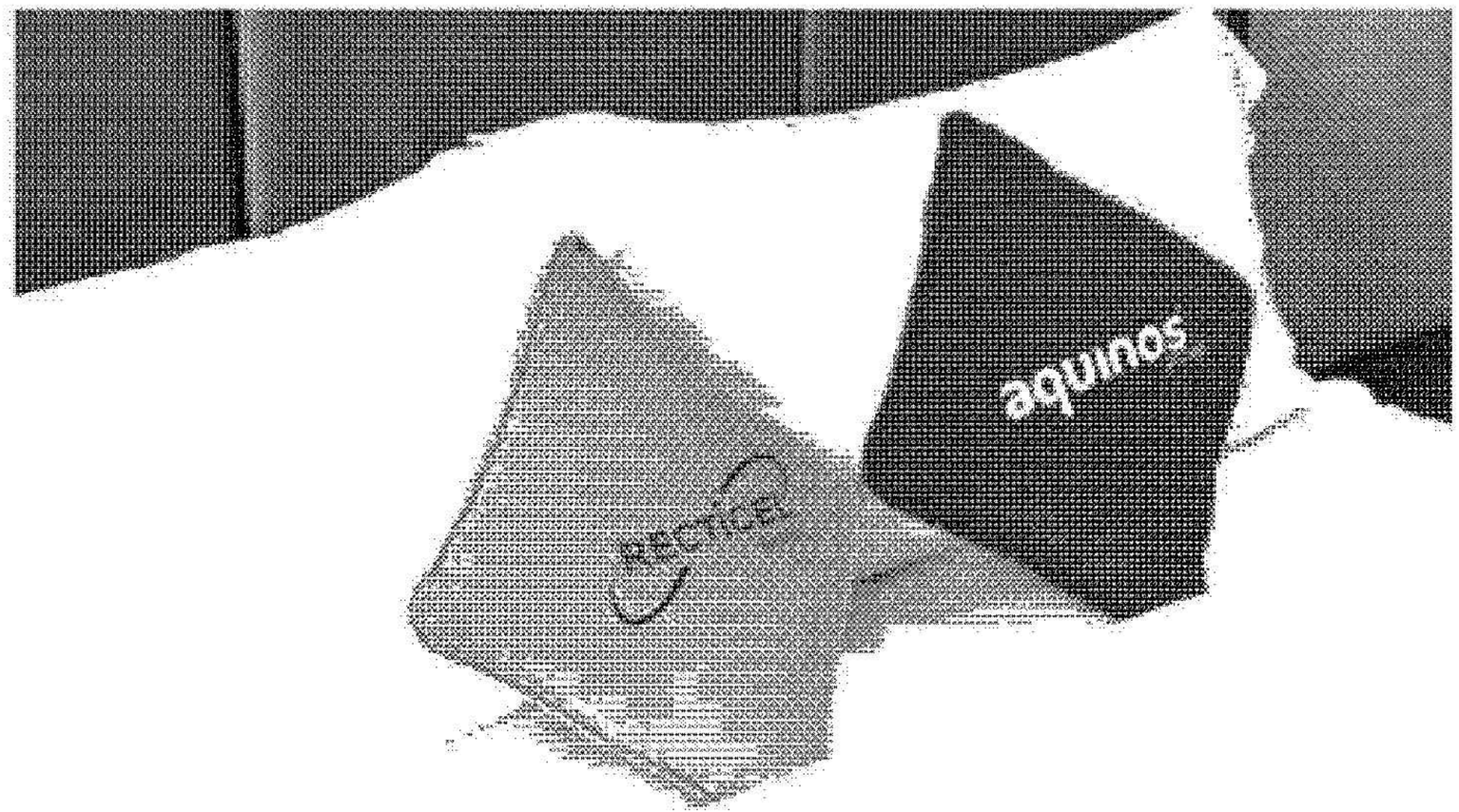
Recticel Bedding

As part of the strategic transformation process, the Bedding business line was identified as a non-core activity. In February 2021, the Group announced its intention to launch a divestment process for the Bedding business line while pursuing further external growth opportunities.

The Bedding business line develops and produces consumer-ready mattresses, slat bases and box springs, primarily marketed under popular brand names such as Beka®, Lattoflex®, Literie Bultex®, Schlaraffia®, Sembella®, Superba® and Swissflex®, as well as ingredient brands including GELTEX inside® and Bultex®.

On 31 March 2022, Recticel completed the sale of its Bedding activities to Aquinos Group. The Aquinos Group, founded in 1985, is privately owned and headquartered in Sinde-Tábua (Portugal). It is one of the largest producers of furniture upholstery and mattresses in Europe with, post-merger, more than 5,100 employees, production sites in seven countries and revenue of €670 m.

The Bedding sale is accounted for in discontinued operations as per IFRS 5 in the 2021 financial reporting.



1.3 2021 ESG approach: innovation for a better world

To truly make a difference, we are dedicated to daily improvement in every aspect of our environmental, social and governance (ESG) performance. This means continually evaluating our progress in relation to both financial and non financial criteria. The Sustainable Innovation Plan and People Priority Plan that were updated in 2021 are the pillars of our ESG approach and contain solid objectives for 2025.

We are profoundly committed to the digital transformation as a way of unifying our business, enabling new ways of working and sustaining our future. Our ambition is to be an exemplary employer, attracting and caring for a diverse and highly skilled workforce. This includes raising safety standards and awareness wherever we operate. We protect and enhance our business through continuous education for our people on topics ranging from business ethics, competition law, data protection to cybersecurity and many more.

Lastly, we seek to earn and fully deserve the trust of our stakeholders by continually raising the bar with transparent objectives. We constantly strive to pursue better ESG ratings to demonstrate our commitment.

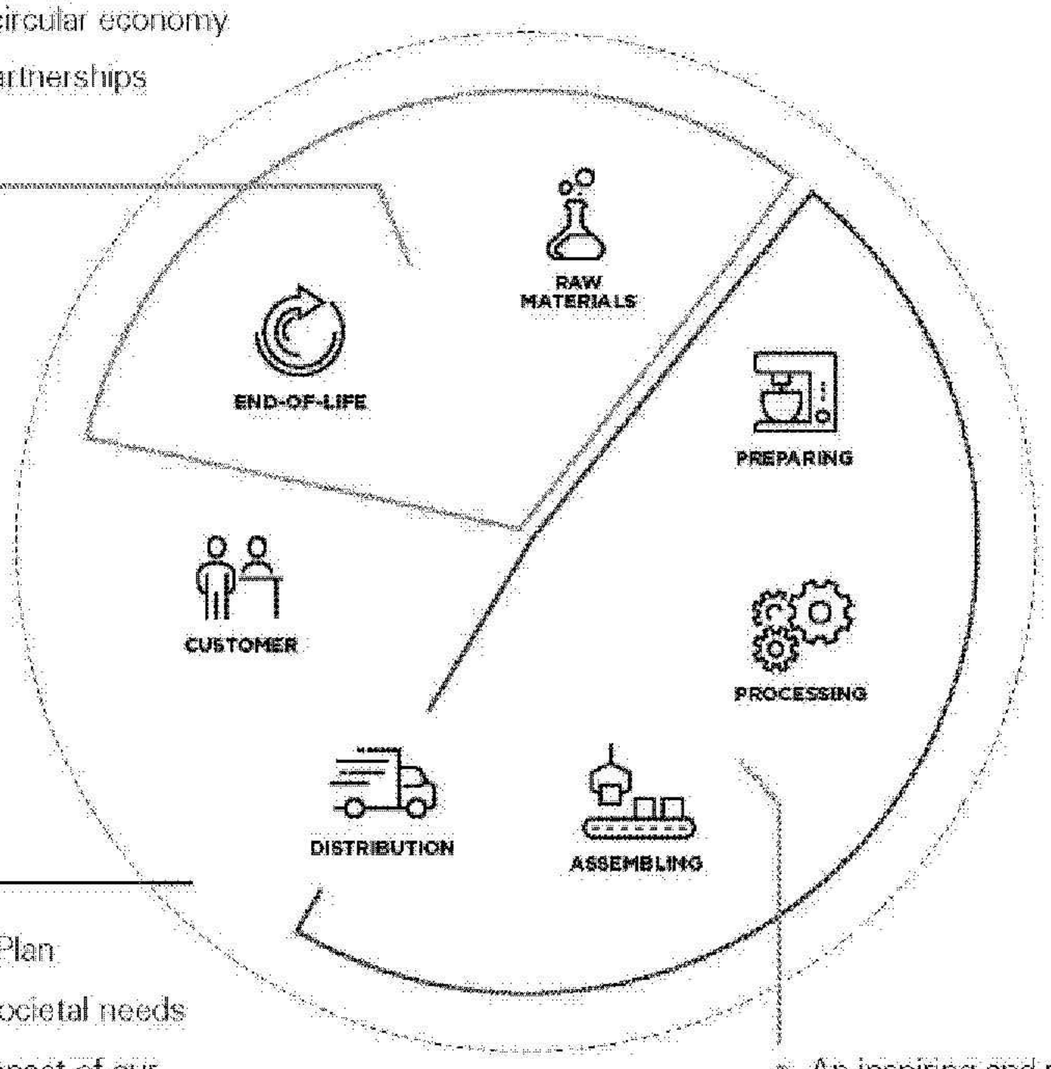
Our sustainability strategy

Since 2013, sustainability has been a key driver of our Group strategy. Sustainability shapes our portfolio development and our innovation priorities and, as a result, it nourishes our long-term competitiveness. The long-term needs and challenges for our sectors and our society, such as climate change, are our compass. Innovation and people are key in achieving our sustainability goals.

Sustainability is considered along our entire value chain, from raw material sourcing to product manufacturing, consumption and end-of-life. We take responsibility for our own in-company activities and for those within our sphere of influence, upstream as well as downstream.

SPHERE OF INFLUENCE

- Transition to a circular economy
- Sustainable partnerships

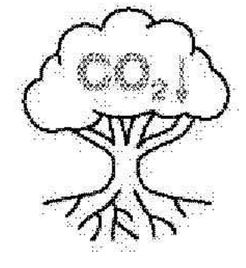


- Climate Action Plan
- Innovation for societal needs
- Lower HS&E impact of our activities and products

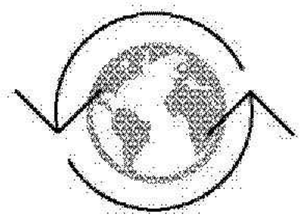
- An inspiring and rewarding place to work

Working closely with our stakeholders, we defined the six most important material aspects for Recticel with the biggest potential to turn sustainability into a keener competitive edge. These aspects form the basis of the two pillars supporting our sustainability strategy: our Sustainable Innovation Plan and People Priority Plan.

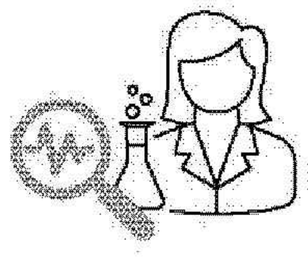
SUSTAINABLE INNOVATION PLAN



Climate Action Plan

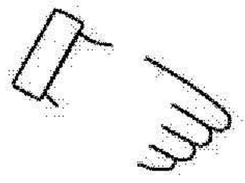


Transition to a circular economy

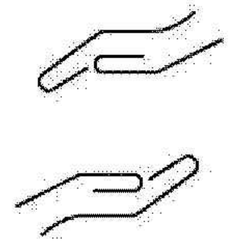


Innovation for societal needs

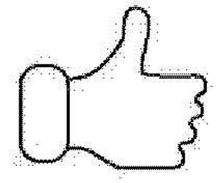
PEOPLE PRIORITY PLAN



Sustainable partnerships



Lower HS&E impact of our activities & products



An inspiring and rewarding place to work

Sustainable Innovation Plan

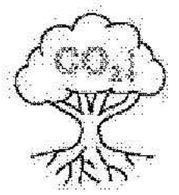
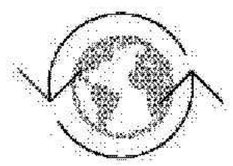
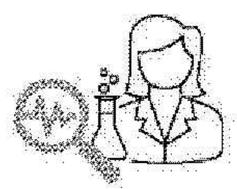
All our innovations are driven by societal needs. Knowing that sustainability adds value and drives success for all stakeholders, we innovate to support healthy, sustainable lifestyles, reduce carbon emissions and use resources with the utmost efficiency. Considering the entire value chain, Recticel is a climate-positive company[1], with a clear ambition to excel further on our sustainability roadmap. We are implementing a Climate Action Plan to further reduce our carbon footprint and increase the positive impact of our insulation activities. Our efforts focus on responsible selection of raw materials, sustainable and more energy-efficient processes and on increasing the sustainability of our products.

Recticel's overriding sustainability ambition is to lead the transition to a circular economy and a low-carbon society for our industry while promoting well-being by offering innovative solutions to enhance comfort in daily life.

We support a sustainable economic model built on preservation of natural resources, eco-design, responsible production and end-of-life solutions. Therefore, we aim to lead the way in implementing new chemical recycling solutions for flexible PU; in supporting exploration of chemical recycling solutions for rigid foam; and in mechanical recycling and reuse of flexible PU waste as interim steps on our journey to full circularity.

Together with our stakeholders, including customers, employees, suppliers, the industry and knowledge institutes and universities, we are constantly exploring ways to develop new lower-carbon (bio-based, renewable or recyclable) raw materials for our polyurethane solutions. We investigate all options to efficiently eliminate waste across our entire value chain and introduce eco-design products that are easy to dismantle, recycle or reuse at the end-of-life phase.

[1] Our thermal insulation solutions for building renovations and new constructions contribute to a low-carbon society. In 2021, CO_2 emissions avoided by these insulation solutions offset more than 51 times the carbon footprint of all Recticel activities combined.

MATERIAL ASPECT	KPI	RESULTS
 **CLIMATE ACTION PLAN**	Climate-Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3)[4]	2021: >1 **2030** Target: 75
	Recticel carbon footprint reduction (scope 1, 2, 3 in tonnes of CO_2 equivalent)[2]	2021: -21% **2030** Target: 40%
	Carbon intensity reduction (ratio scope 1 and 2, in tonnes of CO_2e/mio EUR revenue)[3]	2021: -17% **2025** Target: 25%
 **TRANSITION TO A CIRCULAR ECONOMY**	Tonnes of post-consumer polyurethane foam produced by Recticel from recycled mattresses	2021: 1,864 **2025** Target: 5,000
 **INNOVATION FOR SOCIETAL NEEDS**	Sustainability index (% of active R&D projects classified as sustainable (scope: innovation pipeline Sustainable Innovation Department))	2021: 69% **2025** Target: 80%
	Number of R&D projects ready to be brought to market (scope: innovation pipeline Sustainable Innovation Department)	2021: 0 **2025** Target: ≥3

1. Using appropriate method of calculation per type of product and using appropriate conversion factors calculated by a third party.

2. Expressed in tonnes of CO_2 equivalent, compared to the 100% activity level in 2013 (scope: production sites).
The method of calculation is derived from the Cradle to Grave method. (2013 baseline, target in line with EU Green Deal target of -55% vs 1990).

3. Scope 1 defined as direct emissions from owned or operated resources (e.g. company facilities, company vehicles) and scope 2 as generation of purchased electricity, steam, heating and cooling (GHG Protocol). Company car emissions are calculated based on data extrapolated from first quarter 2021 distance figures (in km). We applied a correction factor of 50% due to Covid impact (teleworking).

People Priority Plan

People are central to our Sustainability Strategy. We passionately believe that, to create a better society, we must act together and share knowledge, expertise and technology. This means maintaining the highest standards and principles on human rights, labour, the environment and anti-corruption. We maintain strong partnerships across our industry and beyond and support social projects relating to our strategy. We constantly seek to reduce the HS&E impact of our activities and products and are committed to workplace and product safety. As an employer, we strive to create an inspiring and rewarding place to work. We build our community on inclusiveness and respect, believing that diversity improves the quality of decision making and overall performance.

MATERIAL ASPECT	KPI		RESULTS
LOWER HS&E IMPACT OF OUR ACTIVITIES AND PRODUCTS	Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices) [4]	2021	6,41
		2025 Target	≤ 2
	Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases representing the average on Group level for all our plants and offices) [5]	2021	10,4
		2025 Target	≤ 5
AN INSPIRING AND REWARDING PLACE TO WORK	% employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD) [6]		**Legal programme:**
		2021	**Data protection: 94%**
			Ethics policy: 94%
			Basics of contract law: 94%
			Cybersecurity programme:
		2021	**DIGIWIZZ: 96%**
	Gender diversity in senior management [6]	2021	**18%**
		2030 Target	**25%**

4 Number of LTAs x 1,000,000 / number of hours performed
5 Number of LTAs + RWS + MTC x 1,000,000 / number of hours performed.
6 The results include FoamPartner employees (since 31 March 2021 integrated in the Engineered Foams division).

Digitalisation

HR4U

Due to the increasing complexity of business processes and projects, we implemented a cloud based HR4U tool that allows us to manage our HR processes and data in a uniform and streamlined way throughout all the countries and locations where Recticel operates. The transition to HR4U is a significant driver of further business integration and enhances the leverage of our employer branding and attractiveness.

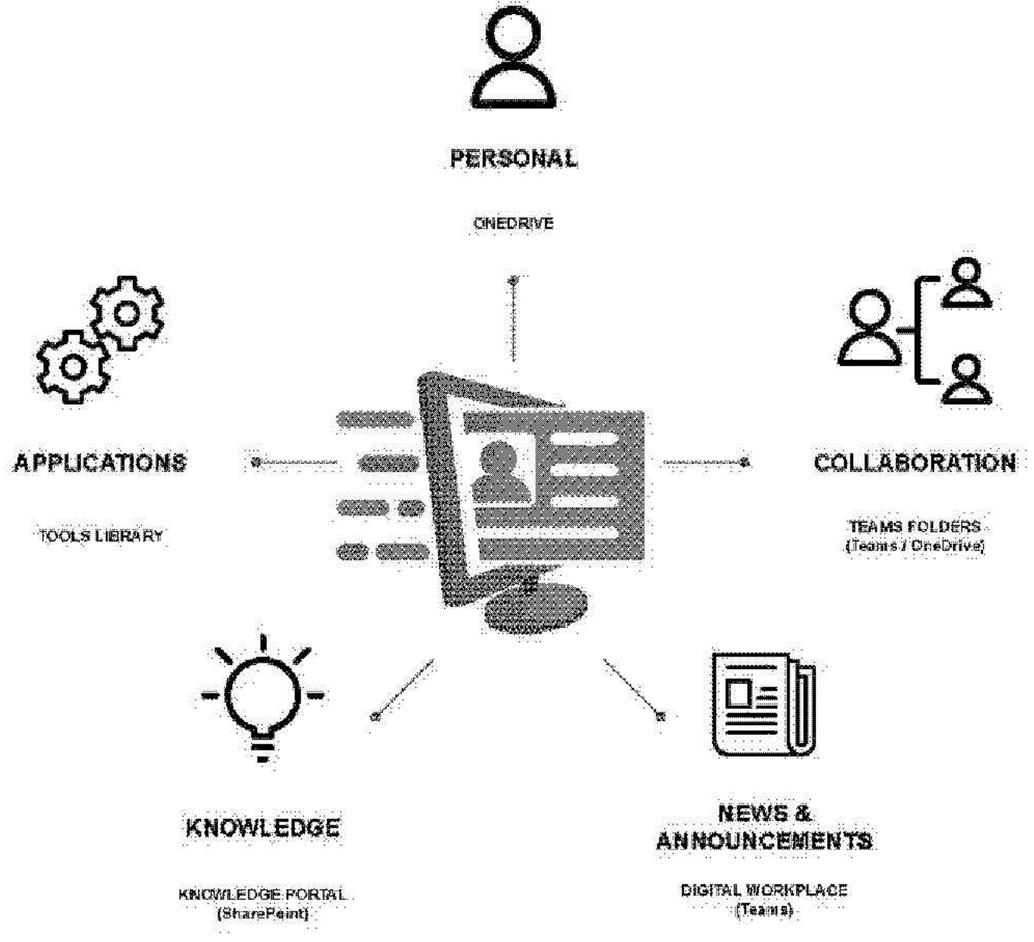
In 2020 two modules were introduced: Employee Central, which is the heart of the HR system and the basis for all the company's HR processes, and Compensation Management, which contains all functionalities related to the management of employee remuneration. The implementation of these two modules allowed us to run the ASR (Annual Salary Review) cycle for all white-collar employees in the new system. At the end of 2021 we went live with the Performance Management module. This module allows us to run the performance appraisals for all white-collar workers in the same system. HR4U aims to make approval flows and administration checks easier for managers and HR.

Once all the modules are implemented, HR4U will be a key element of the user friendly digital workplace we are building. It will optimise our recruiting, onboarding, and compensation processes while giving employees a better view of their career path and performance.

New ways of working

Triggered by the first COVID-19 lockdown in 2020, the Recticel Management Committee launched a workgroup to reflect upon New Ways of Working at Recticel. As an outcome, a new set of principles was agreed, providing guidance to Recticel employees and line managers in all countries and locations when working from home. The aim is to provide employees with more flexibility in organising their work to the benefit of the employee and the employer, considering every aspect of 'people, planet and profit'.

The guiding idea is that all employees should have the same opportunity to work part-time from home, if their job allows it, and within the limits of the local Country legislation. These Group principles have been converted into Country-specific 'Homework Policies'. This important step is made possible by the introduction of new digital communication tools, enabling a more collaborative, agile and remote way of working.



Training and Development

Recticel puts great emphasis on attracting, onboarding and developing skilled employees. In 2021, the regular employee performance management discussions (EPMD) with our ca. 1,500 white-collar employees were carried out online and supported by HR4U. These discussions are essential to enhance the reward, retention, succession and career planning processes.

In 2020 we saw a suspension of all 'on-site' training modules planned under the Recticel University (RECUN) due to the impact of COVID-19. However, in 2021 we worked on a new RECUN programme consisting of online classes where participants meet and interact in a virtual classroom environment. The learning focus for 2021 was Change Management and Project Management. The virtual classroom training environment is complemented by peer learning, where employees can engage in a learning community.

Complementary to the RECUN programme, we are consistently increasing our e-learning offering with the aim of reaching all white-collar employees. In 2021 all white-collar employees were given access to a broad catalogue of e-learning materials that allow them to train and develop themselves in a self-paced way on topics identified during the EPMD processes.

RECUN
RECTICEL UNIVERSITY

Legal e-learning and training sessions

For many years, Recticel has endeavoured to reach a higher level of integrity and compliance within its organisation. Three legal e-learning modules were made compulsory for all white-collar employees. They deliver the necessary knowledge on the Recticel Ethics Policy, Data Protection procedure, and the basics of Contract Law. In 2021 we launched a new procurement e-learning module that provides an overview of Recticel purchasing policy and processes.
This e-learning offering is complemented by a wide range of legal and compliance e-learning modules, as well as legal online and classroom training sessions. The legal e-learning modules are very interactive and appealing. Today, employees can do self-paced e-learning courses on a variety of legal subjects such as Intellectual Property, Group Bribery Policy, Product Liability, and EU Competition Law Compliance.

We never compromise on safety

We continue to raise awareness on safety. It is embedded in our Core Value of acting with respect and integrity. Through our global Simply Safe initiative, we introduced a clear framework of Golden Safety Principles and Golden Safety Rules. Our 'Stop! Think! Act!' mantra reminds everyone that we should all try to change our habits to guarantee a safe working environment. Whenever we notice a hazard, or whenever we start a new task, we should stop, think and then act.

Since 2018, we have been holding an annual Recticel Global Safety Day. It relays the important message that safety is everyone's responsibility. In 2021, during the COVID-19 pandemic, we organised a Safety Day at every Recticel site to kick off a fresh new safety campaign. Under the overall theme 'It's MY choice', the campaign drives home the message of individual responsibility and understanding that minor changes can transform our safety performance.

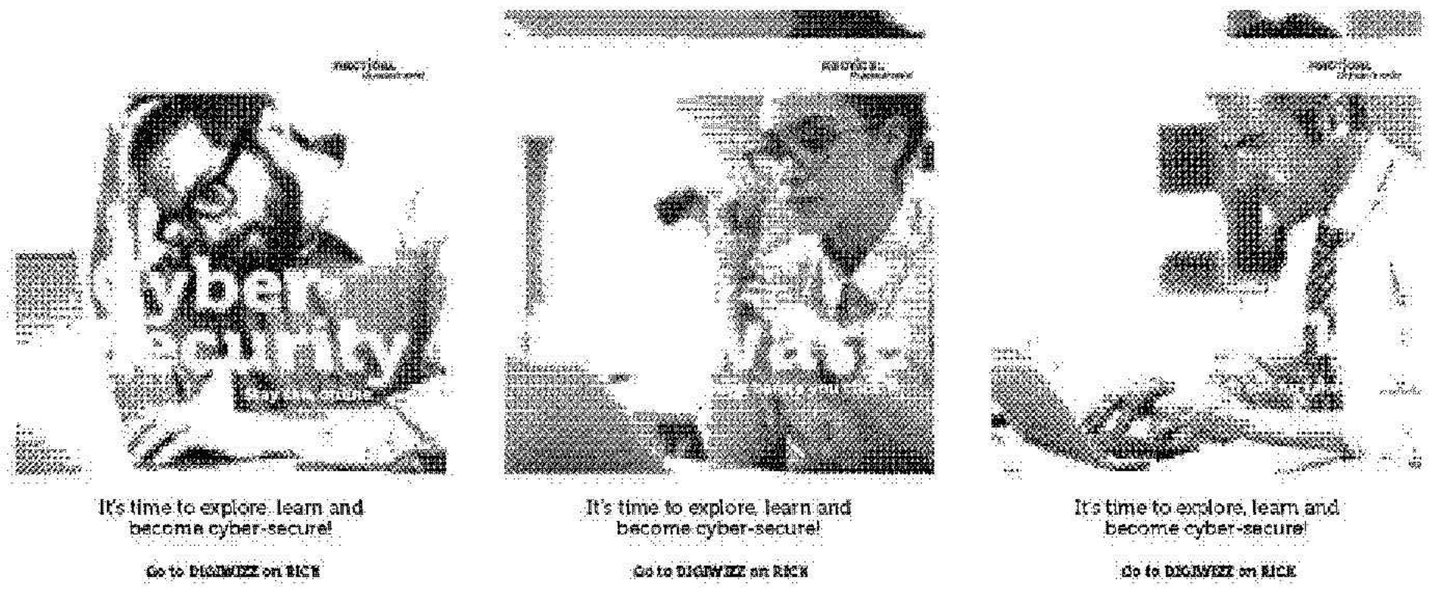
Cybersecurity

The impact of cybersecurity breaches can be huge both in terms of financial loss and reputational damage. Enhancing cybersecurity, raising awareness amongst our employees and robust planning and communication in the aftermath of a cybersecurity attack therefore remain high on our agenda.

We set up a Cyber Security Committee (CSC) which is a multidisciplinary body responsible for cybersecurity incident response and recovery. In the event of a cybersecurity beach, the CSC will activate the Cyber Incident Response Team (CIRT) to provide the first response in order to contain a cybersecurity incident or stop a cyberattack.

Via a dedicated training programme and specific alert messages, we help our employees to remain cautious. We implemented an e-learning module to prevent cybersecurity breaches, covering phishing, malware, safe web browsing and working from home. The modules combined short videos with assessments to test employee understanding of these four topics.

In 2021, specific e-learning was released on password security, phishing, social engineering and working remotely. This was supplemented with unannounced tests where users received fake 'phishing' emails. These tests allow employees to consciously improve their awareness regarding cyberattack techniques, and to recognise and report them efficiently.



Pursuing ESG ratings and transparency

Our ambition is to be a leader in our industry for climate change action and an equitable society. For many years, Recticel has been committed to strong performance on both financial and non-financial criteria. Transparency on objectives and performance is key to earning and retaining the trust and support of stakeholders interested in companies with solid environmental, social and governance (ESG) commitments and scores.

Environmental criteria determine how the company performs as a steward of the planet. Social criteria define how it manages relationships with employees, suppliers, customers and the communities where it operates. Governance criteria are a set of rules, best practices and processes that determine how the organisation is managed and controlled. ESG ratings measure our performance, providing transparency and clarity to our stakeholders as well as identifying the areas where we can continue to improve.

For the latest update on our ESG ratings, consult https://www.recticel.com/sustainability-innovation/esg-performance/our-esg-ratings

MSCI

The MSCI ESG rating provides institutional investors with a more robust ESG integration tool designed to support ESG risk mitigation and long term value creation. MSCI ESG Ratings uses a rules-based methodology designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks.

In 2021, MSCI upgraded our rating from 'A' to 'AA' (on a scale from AAA to CCC), ranking us in the top 6% of the MSCI Commodities Chemicals universe (September 2021).

In its assessment, MSCI particularly highlights:

- Our robust carbon mitigation plan with an aggressive target to carbon footprint reduction.
- Recticel's fully independent formal policy on bribery and corruption overseen at executive level.

AA

CCC	B	BB	BBB	A	AA	AAA

MSCI

CDP

CDP is a global non-profit that runs the world's leading environmental disclosure platform. The organisation drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. More than 13,000 companies with over 64% of global market capitalisation disclosed environmental data through CDP in 2021. Recticel participated for the first time in 2021 and was awarded a B (on a scale from A to D-) for climate change disclosure. This positions us among the 33% of companies worldwide that have a B score or higher.

CDP particularly recognises the fact that Recticel is leading within its industry on:

- Emission reduction initiatives
- Governance

B

D-	D	C-	C	B-	B	A-	A

CDP
DISCLOSURE INSIGHT ACTION

Sustainalytics

The Sustainalytics ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. Sustainalytics identifies five categories of ESG risk severity that could impact a company's enterprise value.

Based on a limited Core Framework analysis, Sustainalytics ranked Recticel as 'Medium' within the Commodity Chemicals universe (19 October 2021).

27.8

SEVERE	HIGH	MEDIUM	LOW	NEGLIGIBLE

SUSTAINALYTICS

EcoVadis

On 6 January 2022, we received a bronze medal from EcoVadis for our sustainability efforts in the 'Manufacture of plastic products' category. This ranks Recticel in the top 50% of companies rated by EcoVadis.
EcoVadis is one of the world's largest provider of business sustainability ratings, with more than 90,000+ rated companies.
Their assessment covers how well a company has integrated sustainability in its business and management system with regard to environment, labour & human rights, ethics and sustainable procurement.

2022 ecovadis

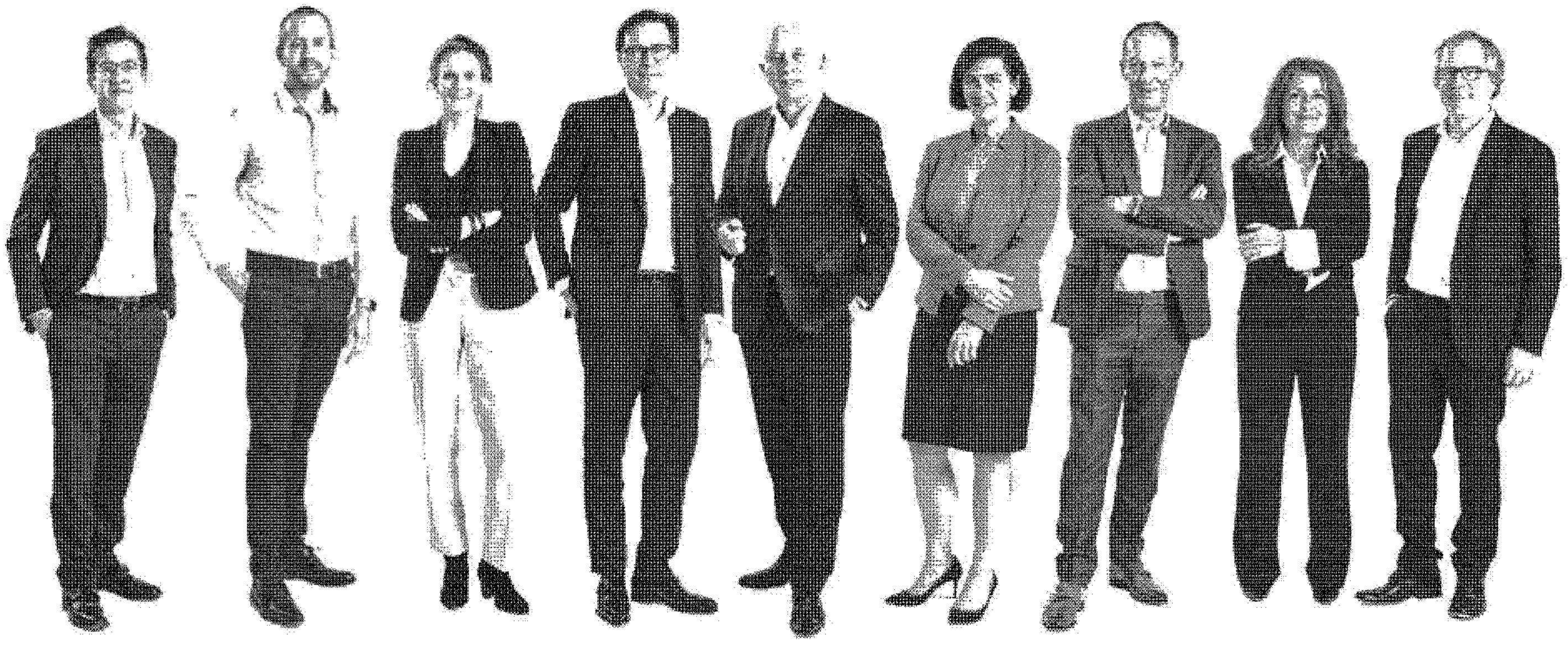
INSUFFICIENT	PARTIAL	MODERATE	ADVANCED	OUTSTANDING

ecovadis

2021 Board of Directors & Management Committee

Board of Directors

On 31 December 2021, the Board consisted of 1 executive director, 2 non-executive directors and 6 independent directors. Johnny Thijs is Chairman of the Board and Olivier Chapelle is Managing Director.



From left to right

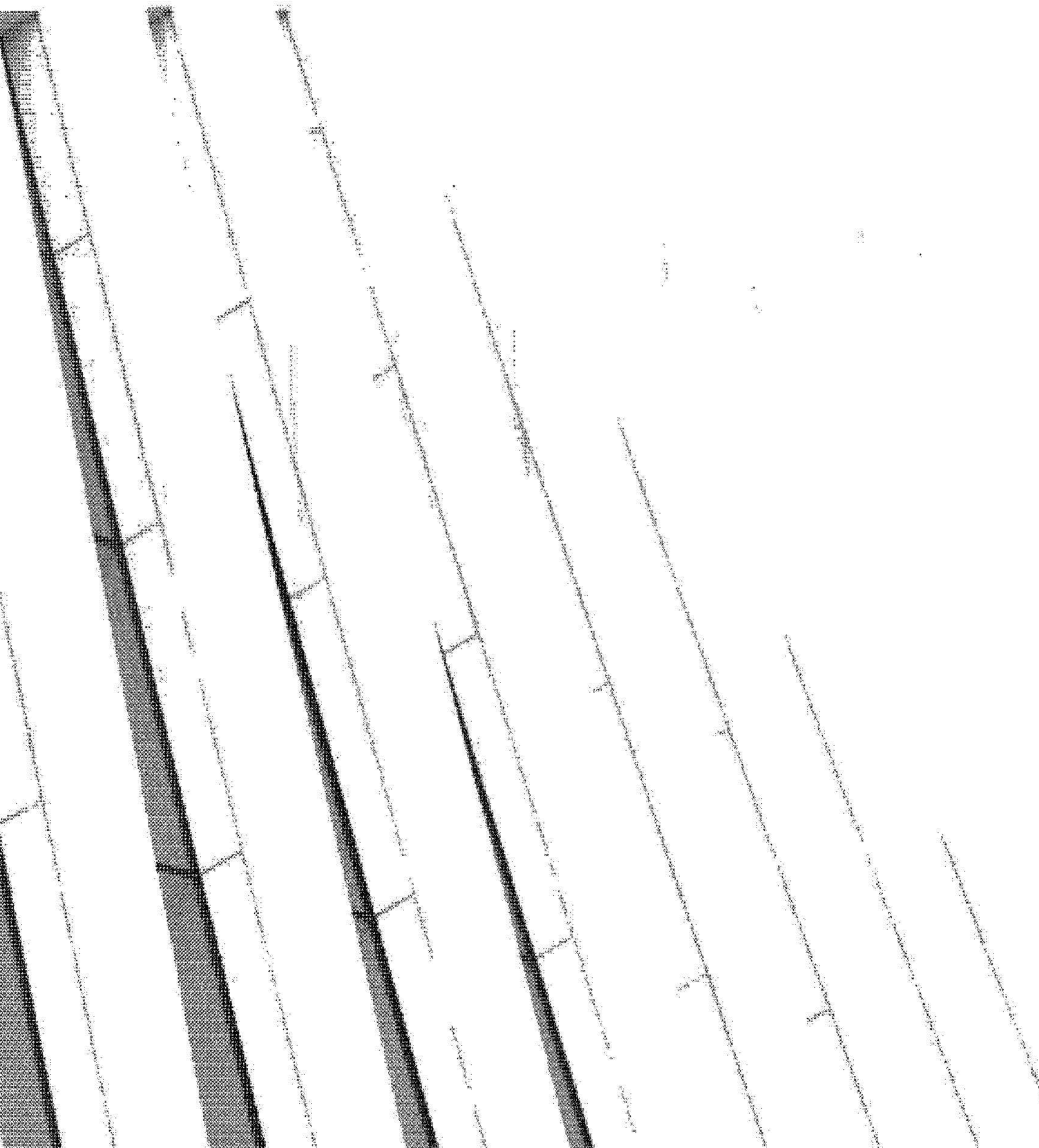
Benoit Deckers / Kurt Pierloot / Elisa Vlerick / Olivier Chapelle (Managing Director) / Johnny Thijs (Chairman) / Ingrid Merckx / Luc Missorten / Carla Sinanian / Frédéric Van Gansberghe

Management Committee

The Board of Directors has entrusted the day-to-day management of Recticel to its Managing Director and Chief Executive Officer, who is assisted by the Management Committee.

From left to right

François Desné, Group General Manager Engineered Foams / Dirk Verbruggen, Chief Financial & Legal Officer (Chief Financial Officer as of 01.09.2021) / Ralf Becker, Group General Manager Insulation
Jean-Pierre De Kesel, Chief Sustainable Innovation Officer (retired on 31.03.2022) / Olivier Chapelle, Chief Executive Officer / François Petit, Chief Procurement Officer (retired on 31.03.2022)
Jean-Pierre Mellen, Chief Financial Officer (retired on 31.08.2021) / Betty Bogaert, Chief Information & Digitalisation Officer / Rob Nijskens, Chief Human Resources Officer



Report of our Board of Directors

Net sales increase from EUR 616.9 million[1/2] to EUR 1,032.8 million (+67.4%), of which +34.0% organic growth, +0.6% currency effect and a +32.8% contribution from FoamPartner[2]

Adjusted EBITDA: from EUR 44.4 million[1/2] to EUR 109.2 million (+145.9%)

Result of the period (share of the Group): from EUR 63.2 million to EUR 53.5 million (-15.3%), including EUR 4.9 million result from discontinued operations (2020: EUR 71.3 million)

Net financial debt: EUR 147.8 million (30 September 2021: EUR 189.0 million)

Proposal to pay a gross dividend of EUR 0.29 per share

Olivier Chapelle (CEO): *"We are happy with the very positive sales and profitability development in 2021, a year marked by deep changes in our Company. Changes which were planned and announced, such as the acquisition and integration of FoamPartner and the divestment of the Bedding activities. Changes which came as a consequence of the unsolicited takeover bid by Greiner AG, such as the divestment of our newly created Engineered Foams business segment.*

The Insulation and Engineered Foams businesses performed very well in a very volatile environment. The chemical raw materials supply remains tight, and prices are showing little signs of stabilisation. Transportation and labour costs are increasing at an unprecedented rate, while the steep energy cost inflation has a minor impact given the very low energy intensity of our business. Our commercial teams continue to adapt pricing where necessary. Moreover, lockdowns or mobility restrictions in countries such as Germany, the Netherlands and Austria, coupled with direct or indirect supply chain shortages (microchips) have added further challenges to the business environment. In that context, Recticel showed strong resilience and generated solid profitability and free cash flow.

The integration of FoamPartner in Engineered Foams is continuing according to plan, and we confirm the targets to close the Bedding divestment to Aquinos Group and the Engineered Foams divestment to Carpenter Co. respectively before the end of 1Q2022 and around mid-2022.

I am grateful and proud of all Recticel teams and employees, who during this extremely busy year 2021, characterised by a challenging business environment, big M&A projects, and an unexpected takeover bid, have remained focussed, committed, positive, and extremely professional. They have enabled Recticel to generate this strong performance."

OUTLOOK

Given the important scope changes expected in Recticel during 1H2022, with the closing of the Bedding and Engineered Foams divestments, the variability linked to the timing of these closings and the subsequent alignment of our organization setup, the Group does not provide an outlook for the full year at this stage. However, the business continues to develop well in 2022 with top and bottom line growth, and as Recticel is now becoming a pure Insulation player, we are working on an accelerated growth plan in order to double the Insulation sales by 2025.

1 As announced in the press release of 15 February 2022, the Bedding activities which are currently in the process of being divested to the Aquinos Group, have been accounted for as Discontinued Operations (IFRS 5).
The Bedding activities that will not be transferred to Aquinos Group are incorporated to the Engineered Foams segment. For comparison reasons, the formerly published 2020 and 2021 income statements and cash flow statements have been restated accordingly.
2 FoamPartner is fully consolidated as of 01 April 2021.

Consolidated Group results

			in million EUR
	FY2020 restated[1]	**FY2021**	**Δ%**
Sales	**616.9**	**1 032.8**	**67.4%**
Gross profit	106.7	187.4	75.7%
as % of sales	17.3%	18.1%	
Income from associates[3]	**0.7**	**0.4**	**-47.2%**
Adjusted EBITDA	**44.4**	**109.2**	**145.9%**
as % of sales	7.2%	10.6%	
EBITDA	**38.3**	**89.7**	**134.4%**
as % of sales	6.2%	8.7%	
Adjusted operating profit (loss)	**16.6**	**66.1**	**297.0%**
as % of sales	2.7%	6.4%	
Operating profit (loss)	**9.1**	**46.5**	**411.0%**
as % of sales	1.5%	4.5%	
Financial result	**(3.6)**	**(4.5)**	**n.m.**
income from other associates[3]	**(5.8)**	**0.5**	**n.m.**
Impairment on other associates	**(5.5)**	**0.0**	**n.m.**
Change in fair value of option structures	**1.1**	**(7.3)**	**n.m.**
Income taxes	**(3.5)**	**14.3**	**n.m.**
Result of the period of continuing operations	**(8.2)**	**49.5**	**n.m.**
Result of discontinued operations	**71.3**	**4.9**	**n.m.**
Result of the period (share of the Group)	**63.2**	**53.5**	**-15.3%**
Result of the period (share of the Group) - base (per share, in EUR)	1.13	0.96	-15.6%

	31 Dec 2020	**31 Dec 2021**	**Δ%**
Total Equity	**334.8**	**391.3**	**16.9%**
Net Financial Debt (incl. IFRS 16 - Leases)[4][5]	4.6	147.8	n.m.
Gearing ratio (Net financial debt/Total Equity)	**1.4%**	**37.8%**	
Leverage ratio (Net financial debt/EBITDA)	0.1	1.6	

The following changes in the scope of consolidation took place in 2021:

Acquisition of Swiss-based FoamPartner Group. FoamPartner has been fully integrated in the business line Engineered Foams as of 01 April 2021.

Application of IFRS 5 to the Bedding activities in process of being sold to Aquinos Group.

As the conditions to apply IFRS 5 have not been fully met with regard to the Engineered Foams divestment to Carpenter - given the ongoing carve-out and regulatory approval process -, this segment remains included in the Group reporting as before.

Changes in the scope of consolidation in 2020:

Partial divestment of the Ascorium (formerly Automotive Interiors) activities at the end of June 2020, which are now operated through TEMDA2, the 51/49% Admetos/Recticel joint venture.

Disposal of the 50% participation in the Eurofoam group (Flexible Foams) at the end of June 2020.

The results of the Automotive joint-ventures over 2021 are reported under 'Income from other associates'.

Sales of chemical raw materials at cost to the Proseat and TEMDA2 companies are integrated under "Corporate/Eliminations".

3 Income from associates = income from associates considered as being part of the Group's core business are integrated in Operating profit (loss), i.e. Orsafoam.
Income from other associates = income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss), i.e. Proseat and Ascorium (formerly Automotive Interiors).

4 Excluding the drawn amounts under non-recourse factoring programs: EUR 25.2 million per 31 December 2021 versus EUR 0.0 million per 31 December 2020 and EUR 45.2 million per 30 June 2021.

Net Sales: EUR 1,032.8 million versus EUR 616.9 million[1/2] in 2020.

Breakdown of net sales by segment

in million EUR

	FY2020 restated[1]	1Q2021 restated[1]	2Q2021 restated[1]	3Q2020 restated[1]	4Q2021	FY2021	Δ %
Engineered Foams	318.5	100.5	173.5	155.8	153.8	583.6	83.2%
Insulation	249.2	86.9	101.5	99.2	103.0	390.6	56.7%
Corporate / Eliminations	49.1	18.9	22.4	8.4	9.0	58.7	19.5%
TOTAL NET SALES	**616.9**	**206.2**	**297.4**	**263.4**	**265.8**	**1 032.8**	**67.4%**

in million EUR

	restated[1]			restated[1]			2021 versus 2020 restated		
	1Q2020	2Q2020	1H2020	1Q2021	2Q2021	1H2021	Δ 1Q	Δ 2Q	Δ 1H
Engineered Foams	85.7	57.8	143.5	100.5	173.5	273.9	17.3%	199.9%	90.9%
Insulation	60.7	52.0	112.7	86.9	101.5	188.4	43.1%	95.1%	67.1%
Corporate / Eliminations	15.3	5.8	21.1	18.9	22.4	41.3	23.4%	288.0%	95.9%
TOTAL NET SALES	**161.7**	**115.6**	**277.3**	**206.2**	**297.4**	**503.6**	**27.6%**	**157.2%**	**81.6%**

in million EUR

	restated[1]			restated[1]			2021 versus 2020 restated		
	3Q2020	4Q2020	2H2020	3Q2021	4Q2021	2H2021	Δ 3Q	Δ 4Q	Δ 2H
Engineered Foams	83.2	91.8	175.0	155.8	153.8	309.6	87.3%	67.5%	76.9%
Insulation	65.0	71.5	136.5	99.2	103.0	202.2	52.6%	44.0%	48.1%
Corporate / Eliminations	10.4	17.7	28.0	8.4	9.0	17.4	-18.9%	-49.2%	-38.0%
TOTAL NET SALES	**158.5**	**181.0**	**339.6**	**263.4**	**265.8**	**529.2**	**66.1%**	**46.8%**	**55.8%**

in million EUR

	restated[1]			restated[1]			2021 versus 2020 restated		
	1H2020	2H2020	FY2020	1H2021	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Engineered Foams	143.5	175.0	318.5	273.9	309.6	583.6	90.9%	76.9%	83.2%
Insulation	112.7	136.5	249.2	188.4	202.2	390.6	67.1%	48.1%	56.7%
Corporate / Eliminations	21.1	28.0	49.1	41.3	17.4	58.7	95.9%	-38.0%	19.5%
TOTAL NET SALES	**277.3**	**339.6**	**616.9**	**503.6**	**529.2**	**1 032.8**	**81.6%**	**55.8%**	**67.4%**

Both segments reported substantially higher comparable sales during each quarter of 2021.

Fourth quarter 2021:

4Q2021 sales increased by 46.8% from EUR 181.0 million[1] to **EUR 265.8 million**; of which +11.1% organic growth including currency impact and +35.7% from FoamPartner sales (EUR 64.6 million).

Full-year 2021:

FY2021 sales increased by 67.4% from EUR 616.9 million[1/2] to **EUR 1,032.8 million**; of which 34.0% organic growth, +0.6% currency impact and +32.8% from FoamPartner (EUR 202.6 million[2]).

For both segments the sales growth has been driven by supportive demand in most markets, in combination with price increases mitigating the substantial impact of higher purchase prices for chemical raw material and other components.

Adjusted EBITDA: EUR 109.2 million versus EUR 44.4 million[1/2] in 2020.

Adjusted EBITDA margin of 10.6% versus 7.2%[1/2] in 2020.

Breakdown of the Adjusted EBITDA by segment

in million EUR

	1H2020 restated[1]	2H2020 restated[1]	FY2020 restated[1]	1H2021 restated[1]	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Engineered Foams	11.1	20.8	31.9	31.7	31.6	63.3	185.3%	52.0%	98.5%
Insulation	11.3	16.4	27.7	28.8	33.8	62.6	155.6%	105.8%	126.1%
Corporate	(6.5)	(8.6)	(15.1)	(7.9)	(8.9)	(16.6)	19.1%	2.9%	9.9%
TOTAL ADJUSTED EBITDA	**15.9**	**28.5**	**44.4**	**52.8**	**56.4**	**109.2**	**232.2%**	**97.8%**	**145.9%**

The strong increase in Adjusted EBITDA generated by Engineered Foams and Insulation results primarily from (i) positive sales volumes in comparison to 2020, which was heavily affected by the COVID-19 crisis, (ii) compensation of raw material cost inflation by increased selling prices, (iii) further efficiency and mix improvements, and (iv) the integration of FoamPartner as from 01 April 2021.

Adjusted operating profit (loss): EUR 66.1 million versus EUR 16.6 million[1/2] in 2020.

Adjusted operating profit (loss) margin of 6.4% versus 2.7%[1/2] in 2020.

Breakdown of the **Adjusted operating profit (loss)** by segment

in million EUR

	1H2020 restated[1]	2H2020 restated[1]	FY2020 restated[1]	1H2021 restated[1]	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Engineered Foams	3.9	13.4	17.3	18.8	14.1	33.0	385.6%	5.3%	90.5%
Insulation	5.9	11.2	17.1	23.4	28.2	51.6	295.2%	152.3%	201.7%
Corporate	(7.7)	(10.0)	(17.8)	(8.8)	(9.7)	(18.5)	14.1%	-3.6%	4.1%
TOTAL ADJUSTED OPERATING PROFIT (LOSS)	**2.0**	**14.6**	16.6	**33.4**	**32.7**	**66.1**	**1528.9%**	**124.1%**	**297.0%**

Adjustments to Operating profit (loss)

in million EUR

	1H2020 restated[1]	2H2020 restated[1]	FY2020 restated[1]	1H2021 restated[1]	2H2021	FY2021
Restructuring charges and provisions	(1.4)	(0.6)	(2.0)	(1.8)	(1.0)	(2.8)
Other	(0.3)	(4.9)	(5.2)	(6.9)	(9.8)	(16.7)
TOTAL IMPACT ON EBITDA	**(1.7)**	**(5.5)**	**(7.2)**	**(8.7)**	**(10.8)**	**(19.5)**
Impairments	(2.1)	(0.4)	(2.4)	0.0	0.0	**0.0**
TOTAL IMPACT ON OPERATING PROFIT (LOSS)	**(3.8)**	**(5.9)**	**(9.7)**	**(8.7)**	**(10.8)**	**(19.5)**

Adjustments to Operating profit (loss) on continuing operations in 2021 include mainly:

Reorganisation charges in Engineered Foams in The Netherlands, France, Germany and Switzerland (EUR -2.2 million) and at Corporate level (EUR -0.6 million).

Other adjustments relate mainly to legal and advisory fees (EUR -15.3 million) for (i) the acquisition of FoamPartner (Engineered Foams), (ii) the preparation of the divestment of the Bedding division, (iii) the dealings related to the Greiner offer, (iv) the preparation of the divestment of Engineered Foams to Carpenter, (v) a revaluation allowance for investment property in Belgium (EUR +4.2 million) and (vi) the realisation of a fair value adjustment on inventories by application of IFRS 3 (reversal of inventory step up values resulting from purchase price allocations (EUR -3.4 million).

EBITDA: EUR 89.7 million versus EUR 38.3 million[1/2] in 2020.

EBITDA margin of 8.7% versus 6.2%[1/2] in 2020.

Breakdown of **EBITDA** by segment

in million EUR

	1H2020 restated[1]	2H2020 restated[1]	FY2020 restated[1]	1H2021 restated[1]	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Engineered Foams	10.3	20.4	30.7	24.9	30.6	55.5	141.5%	50.3%	81.0%
Insulation	11.2	16.3	27.5	28.7	33.7	62.4	156.4%	106.6%	126.9%
Corporate	(6.3)	(13.6)	(19.9)	(9.5)	(18.6)	(28.2)	51.1%	37.3%	41.7%
TOTAL EBITDA	**15.2**	**23.1**	**38.3**	**44.1**	**45.6**	**89.7**	**190.1%**	**97.7%**	**134.4%**

Operating profit (loss): EUR 46.5 million versus EUR 9.1 million[1/2] in 2020.

Operating profit (loss) margin of 4.5% versus 1.5%[1/2] in 2020.

Breakdown of **Operating profit (loss)** by segment

in million EUR

	1H2020 restated[1]	2H2020 restated[1]	FY2020 restated[1]	1H2021 restated[1]	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Engineered Foams	2.0	12.8	14.8	12.0	13.2	25.2	510.3%	2.5%	69.9%
Insulation	5.8	11.1	16.9	23.3	28.1	51.4	298.3%	153.6%	203.5%
Corporate	(7.6)	(15.0)	(22.6)	(10.6)	(19.4)	(30.1)	38.9%	29.8%	32.9%
TOTAL OPERATING PROFIT (LOSS)	**0.2**	**9.0**	**9.1**	**24.7**	**21.9**	**46.5**	**15204.2%**	**143.9%**	**409.5%**

Financial result: from EUR -3.6 million[1/2] to **EUR -4.5[1/2] million:**

Net interest charges: EUR -5.8 million versus EUR -2.5 million[1] in 2020.

'Other net financial income and expenses': EUR +1.2 million versus EUR -1.1 million[1] in 2020. This item comprises mainly interest capitalisation costs under provisions for pension liabilities (EUR -0.1 million versus EUR -0.3 million1 in 2020) and exchange rate differences (EUR+1.2 million versus EUR -1.4 million[1] in 2020).

Income from other associates: EUR +0.5 million (versus EUR -5.8 million in 2020) relates to the positive result of TEMDA2 (at 49%). As Recticel recognized an impairment loss of EUR -5.5 million at the end of 2020, as a result of which the investment in Proseat was reduced to zero, the FY2021 income statement of Recticel was not impacted by the loss of Proseat.

Fair value of option structures: EUR -7.3 million (2020: EUR +1.1 million), results from an adjustment of the fair value of the put/call structure on the Proseat participation to zero (EUR -4.9 million) and the recognition of an additional provision for a potential negative strike price of the Proseat put/call option structure (EUR -2.5 million). The put/call structure on the remaining 49% participation in Ascorium (formerly Automotive Interiors) has been maintained at a "zero" value, given the uncertainties over the period until the earliest exercise date of the options, in 2024.

Income and deferred taxes: from EUR -3.5 million[1] to **EUR +14.3 million:**

Current income tax: EUR -8.8 million (2020: EUR -3.4 million[1]);

Deferred tax: EUR +23.2 million (2020: EUR -0.1 million[1]).

The positive deferred tax impact results from the increased profit expectations in Belgium (including the gains on the carve-out of the Bedding and Engineered Foams activities), as well as in France and Spain, where tax loss carry-forwards are available, leading to the recognition of additional deferred tax assets.

Result of the period from continuing operations: EUR +49.5 million[2] versus EUR -8.2 million[1/2] in 2020.

Result from discontinued operations: EUR +4.9 million[1] versus EUR +71.3 million in 2020

The result from discontinued operations represents the result after taxes of the period of the Bedding activities sold to Aquinos Group (EUR +3.5 million) and the result following the settlements related to the divestment of the Ascorium (formerly Automotive Interiors) activities (EUR +1.4 million).

As a reminder, the total result of discontinued operations in 2020 was composed of:

the net gain related to the divestment of the 50% participation in the Eurofoam group,

the net loss realised on the sale of 49% of the Ascorium (formerly Automotive Interiors) activities, and

the pro rata share of the 2020 result of the period after taxes of Eurofoam (50%) and Ascorium (formerly Automotive Interiors) activities (100%)

the net result related to the Bedding activities divested to Aquinos for which 2020 was restated

Consolidated result of the period (share of the Group): EUR +53.5 million versus EUR 63.2 million in 2020.

Financial position

in million EUR

	31 DEC 2020	31 MAR 2021	30 JUN 2021	30 SEP 2021	31 DEC 2021
TOTAL EQUITY	**334.8**	-	**354.8**	-	**391.3**
Net financial debt excluding factoring	(47.9)	132.2	145.3	130.3	103.8
+ Lease debt (IFRS 16)	52.5	63.1	61.3	58.7	44.0
Net Financial Debt	**4.6**	**195.3**	**206.6**	**189.0**	**147.8**
+ Drawn amounts under factoring programs	0.0	43.3	45.2	41.4	25.2
TOTAL NET FINANCIAL DEBT	**4.6**	**238.6**	**251.8**	**230.4**	**173.0**
Gearing ratio (incl. IFRS 16)	**1.4%**	-	**58.2%**	-	**37.8%**
Leverage ratio (incl. IFRS 16)	**0.1**	-	**2.6**	-	**1.6**

The Group confirms that all conditions under the financial arrangements with its banks are respected.

Market segments

Engineered Foams

in million EUR

	1H2020 restated[1]	2H2020 restated[1]	FY2020 restated[1]	1H2021 restated[1]	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Sales	143.5	175.0	318.5	273.9	309.6	583.6	90.9%	76.9%	83.2%
Adjusted EBITDA	**11.1**	**20.8**	**31.9**	**31.7**	**31.6**	**63.3**	**185.3%**	**52.0%**	**98.5%**
as % of sales	7.7%	11.9%	10.0%	11.6%	10.2%	10.8%			
EBITDA	**10.3**	**20.4**	**30.7**	**24.9**	**30.6**	**55.5**	**141.5%**	**50.3%**	**81.0%**
as % of sales	7.2%	11.6%	9.6%	9.1%	9.9%	9.5%			
Adjusted operating profit (loss)	**3.9**	**13.4**	**17.3**	**18.8**	**14.1**	**33.0**	**385.4%**	**5.4%**	**90.5%**
as % of sales	2.7%	7.7%	5.4%	6.9%	4.6%	5.6%			
Operating profit (loss)	**2.0**	**12.8**	**14.8**	**12.0**	**13.2**	**25.2**	**510.3%**	**2.5%**	**69.9%**
as % of sales	1.4%	7.3%	4.7%	4.4%	4.3%	4.3%			

Sales

Fourth quarter 2021

The positive trend of 9M2021 continued in 4Q2021. Including FoamPartner (EUR 64.6 million) – which was consolidated as of 01 April 2021 – **4Q2021** sales amounted to **EUR 153.8 million** (+67.5%). Like-for-like[2] sales excluding the contribution from FoamPartner, slightly decreased by 2.8%, from EUR 91.8 million[1] in 4Q2020 to **EUR 89.2 million in 4Q2021**.

Full-year 2021

Over 2021, including the contribution from FoamPartner (EUR 202.6 million), total sales increased by 83.2% from EUR 318.5 million[1] to **EUR 583.6 million**, including a +0.4% impact from exchange rate differences. **Full-year like-for-like[1] sales** increased by 19.6%, from EUR 318.5 million[1] **to EUR 381.0 million.**

Apart from the FoamPartner integration as of 2Q21, the increase in sales is attributable to a volume growth in combination with higher selling prices, compensating for the steep surge in chemical raw material prices which followed several force majeure events and other supply issues in the upstream value chain since September 2020.

Profitability

Despite the steep surge in material costs, higher volumes, a good product-mix, the integration of FoamPartner and active pricing management led to a like-for-like Adjusted EBITDA margin improvement to 10.8% versus 10.0% in 2020.

EBITDA includes adjustments for EUR -7.8 million (2020: EUR -1.2 million), mainly (i) EUR -2.2 million restructuring charges in The Netherlands, France and at FoamPartner, (ii) EUR -2.8 million costs and expenses for legal and advisory services relating to the acquisition of FoamPartner, (iii) a EUR +0.8 million reversal of provisions for claims and onerous contracts and (iv) a EUR -3.5 million reversal of inventory step up values resulting from the purchase price allocation on the FoamPartner acquisition.

Insulation

in million EUR

	1H2020	2H2020	FY2020	1H2021	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Sales	112.7	136.5	249.2	188.4	202.2	390.6	67.1%	48.1%	56.7%
Adjusted EBITDA	**11.3**	**16.4**	**27.7**	**28.8**	**33.8**	**62.6**	**155.6%**	**105.8%**	**126.1%**
as % of sales	10.0%	12.0%	11.1%	15.3%	16.7%	16.0%			
EBITDA	**11.2**	**16.3**	**27.5**	**28.7**	**33.7**	**62.4**	**156.4%**	**106.6%**	**126.9%**
as % of sales	9.9%	11.9%	11.0%	15.3%	16.7%	16.0%			
Adjusted operating profit (loss)	**5.9**	**11.2**	**17.1**	**23.4**	**28.2**	**51.6**	**295.2%**	**152.3%**	**201.7%**
as % of sales	5.2%	8.2%	6.9%	12.4%	14.0%	13.2%			
Operating profit (loss)	5.8	11.1	16.9	23.3	28.1	51.4	298.3%	153.6%	203.5%
as % of sales	5.2%	8.1%	6.8%	12.4%	13.9%	13.2%			

Sales

Fourth quarter 2021

The strong trend of 9M2021 (+61.8%) continued in 4Q2021. Sales increased by 44.0% from EUR 71.5 million in 4Q2020 to **EUR 103.0 million in 4Q2021**. Volumes remained strong and selling prices continued to slightly increase, compensating for the higher chemical raw materials costs resulting from the still tight supply chain. The plant in Finland further increased its output. Volumes of VIP products from the Slovenian joint venture Turvac remain very supportive.

Full-year 2021

Over **2021** sales increased by 56.7% from EUR 249.2 million to **EUR 390.6 million**, including a currency impact of +1.1%. The sales increase results from a combined effect of (i) a solid volume development and (ii) selling price increases compensating for the steep surge in chemical raw material prices (i.e. MDI). In addition, the plant in Finland increased its output. Also the demand for high performance VIP insulation materials for the transportation and storage of COVID-19 vaccines remained robust.

EC stimulus plans and green regulatory incentives will remain a key volume driver in Europe in 2022 and beyond.

Profitability

Adjusted EBITDA margin of 16.0% versus 11.1% in 2020.

Despite the tight MDI supply, leading to increasing chemical raw material prices over the year, profitability improved strongly on the back of higher volumes, good pricing management and the further ramp-up of the plant in Finland, which is expected to break-even in 2022 on a full-year basis.

Profit appropriation policy

The Annual General Meeting agrees on the appropriation of the amounts available for distribution based on a proposal from the Board of Directors.

When drawing up its proposal, the Board of Directors strives for the ideal balance between ensuring a stable dividend for shareholders and maintaining sufficient investment and self-financing opportunities to secure the company's longer-term growth.

The Board of Directors presented the following appropriation of the results to the General Meeting:

		in EUR
Group Recticel		
Profit/(Loss) for the financial year		66,288,524.25
Profit/(Loss) brought forward from previous year	+	52,132,613.10
Profit/(Loss) to be added to legal reserves	-	2,532,517.81
Profit/(Loss) to be added to other reserves	-	0.00
Result to be appropriated	=	**115,888,619.54**
Gross dividend [1]	-	16,229,391.80
Profit to be carried forward	=	**99,659,227.74**

[1] Gross dividend per share of EUR 0.29, resulting in a net dividend after tax of EUR 0.203 per ordinary share.

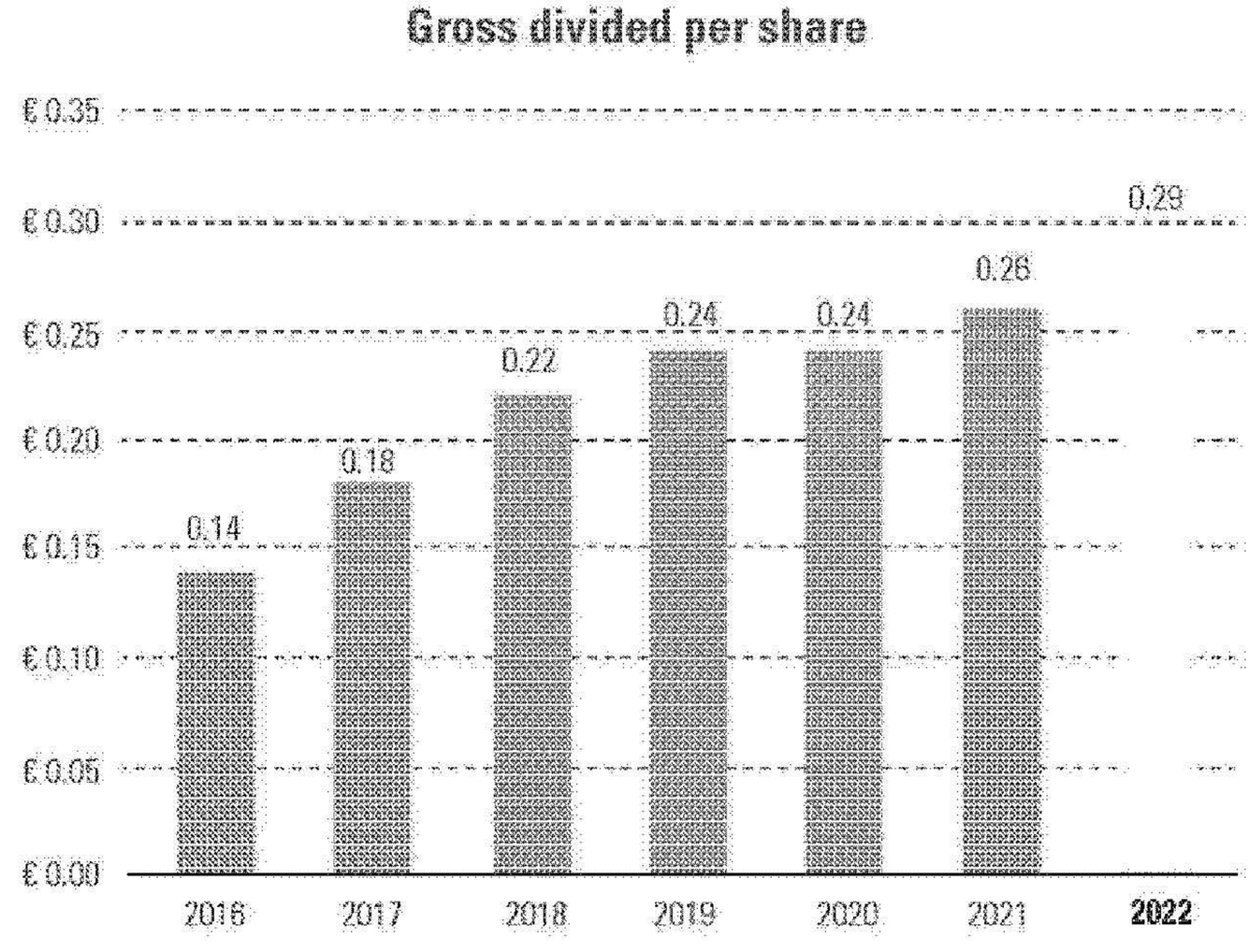
Dividend payment

Subject to approval of the profit appropriation by the General Meeting of 31 May 2022, a dividend of EUR 0.29 gross will be paid per ordinary share, or EUR 0.203 net (-30% withholding tax).

This dividend will be payable from 07 June 2022. KBC Bank acts as paying agent.Payments for the registered shares will take place via bank transfer to the shareholders' bank accounts.

DIVIDEND KEY DATA

Gross dividend per share	EUR 0.29
Ex-coupon date	02 June 2022
Record date	03 June 2022
Dividend payment date	07 June 2022



Corporate Governance statement

Applicable rules and reference code

Recticel publishes its Corporate Governance Charter on its website (www.recticel.com) in accordance with the requirements of the Belgian Corporate Governance Code 2020. The latest version is dated 27 April 2020. Any interested party can download the Charter there, or request a copy from the company's registered office. The Charter contains a detailed description of the governance structure and the company's governance policy.

As of this year, Recticel uses the new Belgian Governance Code of 2020 as reference code, which can be found on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

Recticel complies with all recommendations contained in the reference code, except for the cases where it is explicitly stated in this statement below.

This chapter contains more factual information regarding corporate governance in general and, the application of the Belgian Corporate Governance Code 2020 (hereinafter also "the Code") during the last financial year in particular.

Recticel confirms its explicit choice for the monistic governance structure under the Belgian Companies and Associations Code. The Board of Directors is therefore authorized to undertake all necessary or useful actions to achieve the company's objective, except those that only the general meeting is authorized to perform by law. The authority granted to the Board of Directors was not further limited in the articles of association.

The terms of reference of the Board of Directors are described in more detail in Recticel's Corporate Governance Charter.

Internal control and risk management

Every entity exists to create value for the stakeholders and this forms the basis of risk management for every company. The challenge that faces the Board of Directors and executive management is in determining how much uncertainty they wish to accept in their strive for creating value. The value is maximized if the administration is successful in creating an optimal balance between growth and turnover on the one hand and the connected risks on the other.

Identifying and quantifying the risks and setting up and maintaining an efficient control mechanism is the responsibility of Recticel Group's Board of Directors and executive management.

The framework for internal control and risk management applied by the Recticel Group is based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) model and is in line with the requirements imposed by the Belgian Corporate Governance Code, taking into account the Recticel Group's size and specific needs.

Since mid-2010 the Board of Directors and the executive management have reviewed the framework for internal control and risk management and an amended Compliance programme is implemented.
The basis is formed by the revised Code of Ethics, applicable on all Recticel directors, corporate officers and employees, and published on Recticel's website: (https://www.recticel.com/sites/default/files/who_we_are/discover_the_recticel_group/business_ethics_integrity/01_Ethics_policy_English.pdf).

Important matters like ethics, safety, health and environment, quality, conflicts of interest, anti-trust, fraud and others are being dealt with.

Corporate policies have been elaborated to cover these principles that are further explained in the Business Control Guide, which provides more concrete and detailed guidelines, for instance guidelines on the level of Tax management, Treasury management, Accounting policies, Investments, Purchases, Mergers and Takeovers, and such. The internal financial reporting and control occurs based on the Group Accounting Manual, Group Accounting Methodology and Cost Accounting Methodology.

This Business Control Guide includes the general delegation of deciding powers and responsibilities for specific areas of competence.

The Board of Directors and executive management regularly reviews the most important risks that the Recticel Group is exposed to and submits a list of priorities. A general description of the risks can be found in the financial part of this annual report.

One of the objectives of the internal control and risk management system is also to ensure a timely, complete and accurate communication. To this end the Business Control Guide and all other guidelines contain the necessary regulations on roles and responsibilities. Also, the necessary attention is given to ensuring the security and confidentiality of the data exchange, if and when necessary.

In the event of violation of internal or external laws and regulations, the Recticel Group has also implemented a Group

Policy for the Reporting of Misconduct and the Protection of Whistle-blowers to enable anyone to report on behaviour that may represent a violation of the applicable Code of Conduct, the Group Corporate Policies or any other laws and regulations.

Finally, the Audit committee, amongst others, has the task of informing and advising the Board of Directors regarding the annual follow up of the systems of internal control and risk management.

The Internal Audit Department works based on an Internal Audit Charter and has the primary function of delivering reports with opinions and other information indicating to which extent the internal audit meets predetermined criteria. The Internal Audit aims at providing the reasonable assurance that the strategic, operational, compliance and reporting objectives of the Recticel Group can be realized in the most efficient way. To this end they seek to ensure the following objectives:

- the reliability and integrity of the information;
- compliance with policies, plans, procedures, laws and agreements;
- safeguarding of assets;
- economical and efficient use of resources;
- achieving the goals set by operations and programs

External audit

The external audit of Recticel SA/NV's company and consolidated annual accounts has been entrusted by the Annual General Meeting of 2021 to the limited liability cooperative company PWC Bedrijfsrevisoren, with registered office at Culliganlaan 5, B-1831 Diegem, Belgium, represented by Mr Marc DAELMAN, in order to exercise control over the financial years ended December 31, 2021, 2022 and 2023.

The Auditor conducts its audits in accordance with the International Standards on Auditing (ISA) and delivers a report, which confirms if the company's annual accounts and the consolidated financial statements of the company reflect a true and fair view of the assets, financial condition and results of the company. The Audit committee investigates and discusses these bi-annual reports in the presence of the Auditor, and afterwards also with the Board of Directors.

The remuneration of PwC (in its capacity as Auditor) for the audit of Recticel NV's annual and consolidated annual accounts intended in article 3:65 of the Belgian Companies and Associations Code, amounted to EUR 1.037K for 2021.

The global amount of the remuneration for additional services of the Statutory Auditor and parties related to the Statutory Auditor amounts to 229 KEUR at the level of the Recticel Group.

The detail of these fees is included in the notes to VOL 6.18.2. in the statutory annual accounts as well as in the notes in the financial part of the consolidated annual report.

The annual fees of the statutory auditor amount to 356 KEUR, including domestic expenses and excluding IBR contribution, travel and accommodation expenses abroad and VAT.

Composition of the Board of Directors

Recticel's Board of Directors currently consists of seven members. There are seven non-executive directors, five of which are independent. OLIVIER CHAPELLE SRL/BV, represented by Mr. Olivier CHAPELLE, Managing Director, is the executive director.

The Managing Director represents the management and one director represent the reference shareholder.

With reference to the obligation to have at least 1/3 of the members of the Board of Directors of the opposite gender as provided by article 7:86 of the Belgian Companies' and Associations Code, the Board of Directors reviewed different options during the last years in order to increase the number of female members. At present, two out of the seven directors are women. As a result, the obligation of article 7:86 of the Belgian Companies' and Associations Code is complied with.

The following table provides an overview of the current members of Recticel's Board of Directors.

Name	Function	Type	Year of birth	Start of Mandate	End of Mandate	Primary Function outside of Recticel	Membership Committee
Johnny THIJS[1]	Chairman	Independent	1952	2015	2022	President Electrabel, Hospital Logistics / Director Essers	AC / RC
Olivier CHAPELLE[2]	Managing Director	Executive	1964	2009	2022	Director Cofinimmo	MC
Ingrid MERCKX[3]	Director	Independent	1966	2012	2022	Independent Consultant for IMRADA BV and RODINA NV	AC
Luc MISSORTEN[4]	Director	Independent	1955	2015	2024	Director of GIMV, Director of Scandinavian Tobacco Group	AC / RC
Kurt PIERLOOT[5]	Director	Independent	1972	2015	2024	CEO Bleckmann	RC
Elisa VLERICK[6]	Director	Independent	1986	2019	2022	Partner at 9.5 Ventures VC fund, Executive director Vlerick Group.	
Filip BALCAEN[7]	Director	Non-executive	1960	9/3/22	2025	Executive Chairman of Baltisse NV	

1 in his capacity as Permanent Representative of THIJS JOHNNY BV
2 in his capacity as Permanent Representative of OLIVIER CHAPELLE SRL
3 in her capacity as Permanent Representative of IMRADA BV
4 in his capacity as Permanent Representative of LUBIS BV
5 in his capacity as Permanent Representative of CARPE VALOREM BV
6 in her capacity as Permanent Representative of MOROXCO BV
7 from 9/3/2022 in his capacity as Permanent Representative of BALTISSE BV

AC = Audit Committee
RC = Remuneration & Nomination Committee
MC = Management Committee

Member of the Board of Directors of Recticel who resigned before the end of their mandate

Carla SINANIAN, Independent Director, from 2020 till 12/1/2022

Benoit DECKERS[1], Non-executive, from 2015 till 23/2/2022, Member of the Audit Committee

Frédéric VAN GANSBERGHE[2], Non-executive, from 2014 till 23/2/2022, Member of the Remuneration & Nomination Committee

1 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGES SERVICES SA
2 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGE NV

Amendments since the previous annual report – statutory appointments – presentation of new directors

As proposed by the Board of Directors and based upon the recommendation made by the Remuneration and Nomination committee, the following has been decided during the Ordinary General Meeting dated 25 May 2021:

Renewal of the mandate of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS, as non-executive and independent director for a new term of one year ending after the Ordinary General Meeting of 2022.

Renewal of the mandate of COMPAGNIE DU BOIS SAUVAGE SERVICES NV, permanently represented by Mr. Benoit DECKERS, as a non-executive director for a new term of three years ending after the Ordinary General Meeting of 2024.

Renewal of the mandate of COMPAGNIE DU BOIS SAUVAGE SA, permanently represented by Mr. Frédéric VAN GANSBERGHE, as non-executive director for a new term of three years ending after the Ordinary General Meeting of 2024.

Renewal of the mandate of LUBIS BV, permanently represented by Mr. Luc MISSORTEN, as non-executive and independent director for a new term of three years ending after the Ordinary General Meeting of 2024.

Renewal of the mandate of CARPE VALOREM BV, permanently represented by Mr. Kurt PIERLOOT, as non-executive and independent director for a new term of three years ending after the Ordinary General Meeting of 2024.

Confirmation as independent director of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Johnny THIJS and THIJS JOHNNY BV meet all criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. Of the Corporate Governance Code 2020).

Confirmation as independent director of LUBIS BV, permanently represented by Mr. Luc MISSORTEN within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Luc MISSORTEN and LUBIS BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. Of Corporate Governance Code 2020).

Confirmation as independent director of CARPE VALOREM BV, permanently represented by Mr. Kurt PIERLOOT, within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Kurt PIERLOOT and CARPE VALOREM BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. Of the Corporate Governance Code 2020).

Acknowledgment and acceptance of the resignation of the Statutory Auditor DELOITTE Bedrijfsrevisoren, received by letter dated January 15, 2021 and based on the legal limitation of the number of years during which the same auditor can act pursuant to Article 41 of the EU Regulation No. 537/2014.

Appointment as statutory auditor, on proposal of the audit committee, for a period of three years ending after the Ordinary General Meeting of 2024, of the civil company in the form of a cooperative company with limited liability "PWC Bedrijfsrevisoren", with registered office at Woluwe Garden, Woluwedal, 18, B-1932 Sint-Stevens-Woluwe", represented by Mr Marc DAELMAN, in order to audit the financial years ended December 31, 2021, 2022 and 2023.

The annual fees of the statutory auditor amount to EUR 356,065, including domestic expenses and excluding IBR contribution, travel and accommodation expenses abroad and VAT.

Upon advice of the Remuneration & Nomination Committee, the Board of Directors proposes at the Ordinary General Meeting of 31 May 2022 to approve the following:

Renewal of the mandate of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS, as non executive and independent director for a new term of one year ending after the Ordinary General Meeting of 2023.

Renewal of the mandate of OLIVIER CHAPELLE BV, permanently represented by Mr. Olivier CHAPELLE as executive director for a new term of three year ending after the Ordinary General Meeting of 2025.

Renewal of the mandate of MOROXCO BV, permanently represented by Ms Elisa VLERICK, as non-executive and independent director for a new term of three year ending after the Ordinary General Meeting of 2025.

Renewal of the mandate of IMRADA BV, permanently represented by Ms Ingrid MERCKX, as non-executive and independent director for a new term of three year ending after the Ordinary General Meeting of 2025.

Acceptation of the resignation of Ms Carla SINANIAN as non executive and independent director, with effect on 12 January 2022. It was decided not to replace her.

Acceptation of the resignation of COMPAGNIE DU BOIS SAUVAGE S.A., permanently represented by Mr. Frédéric VAN GANSBERGHE, as non-executive director, with effect on 23 February 2022. In accordance with article 18 of the articles of association, COMPAGNIE DU BOIS SAUVAGE NV will be replaced by BALTISSE NV, permanently represented by Filip BALCAEN, as from March 9, 2022.

Acceptation of the resignation of COMPAGNIE DU BOIS SAUVAGE SERVICES S.A., permanently represented by Mr. Benoit DECKERS, as non-executive director, with effect on 23 February 2022. It was decided not to replace it.

Confirmation of the appointment of BALTISSE NV, permanently represented by Mr. Filip BALCAEN as non-executive director for a term of three year ending after the Ordinary General Meeting of 2025.

Confirmation as independent director of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Johnny THIJS and THIJS JOHNNY BV meet all criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided by principle 3.5. Of the Corporate Governance Code 2020).

Confirmation as independent director of MOROXCO BV, permanently represented by Ms. Elisa VLERICK within the meaning of article 7:87 of the Companies and Associations Code. Both Ms. Elisa VLERICK and MOROXCO BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field

of functional, family and financial criteria as provided for by principle 3.5. Of Corporate Governance Code 2020).

Confirmation as independent director of IMRADA BV, permanently represented by Ms. Ingrid MERCKX within the meaning of article 7:87 of the Companies and Associations Code. Both Ms. Ingrid MERCKX and IMRADA BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. Of Corporate Governance Code 2020).

Functioning of the Board of Directors

The Board of Directors gathered a total of 10 times in 2021. One meeting handled mainly the 2021 budget and two meetings handled the establishment of the annual accounts as per 31 December 2020 and the mid-year accounts as per 30 June 2021.

Each meeting also addressed the state of affairs per business line and the most important current acquisition and/or divestment files. Other subjects (human resources, external communication, litigations and legal issues, delegations of authority and such) are discussed as and when necessary.

The written decision procedure was not applied in 2021.
Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), acts as Secretary of the Board of Directors.

The individual attendance rate of the directors at the meetings in 2021 was:

Name	Attendance Rate in 2021
Johnny THIJS	10/10
Olivier CHAPELLE	10/10
Benoit DECKERS[1]	8/10
Ingrid MERCKX	10/10
Luc MISSORTEN	10/10
Kurt PIERLOOT	10/10
Frédéric VAN GANSBERGHE[2]	7/10
Elisa VLERICK	10/10
Carla SINANIAN[3]	10/10

1 until 23/2/2022 in his capacity as Permanent Representative of Compagnie du Bois Sauvage Services SA

2 until 23/2/2022 in his capacity as Permanent Representative of Compagnie du Bois Sauvage SA

3 until 12/1/2022

The Board of Directors organises a self-assessment of its functioning as well as an assessment of its interaction with the members of the Management committee on a regular basis. Such self-assessment starts through a questionnaire to be remitted to and completed by each individual director. The results of the questionnaire are then be discussed and further analysed during a subsequent meeting of the Board of Directors. The last assessment took place in the middle of the year 2017. The individual assessment of the directors is done by the Remuneration and Nomination Committee. A formal assessment by an external partner was scheduled for 2020 but has not yet been completed due to circumstances and is still ongoing today; the Board of Directors is of the opinion that this deviation from 9.1. of the 2020 Corporate Governance Code does not pose any particular problems.

Committees set up by the Board of Directors

The Audit committee

In accordance with article 7:99 of the Belgian Companies and Associations Code, the audit committee supervises amongst others the financial reporting process, the effectiveness of the internal control and risk management systems of the company, the internal audit, the statutory control of the annual accounts and the consolidated accounts, and the Auditor's independence. The Audit committee's terms of reference are included in the Corporate Governance Charter that also describes more in detail the tasks of the Audit Committee.

The Audit committee currently consists of four members. All members are non executive directors and three members, one of which is the Chairman, are independent directors in the sense of article 7:87,§1 of the Belgian Companies and Associations Code iuncto principle 3.5 of the Corporate Governance Code 2020.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), acts as Secretary of the Audit committee.

The composition of the Audit committee complies with the stipulations of Recticel NV's articles of association and the relevant provisions of the Belgian Companies and Associations Code.

In accordance with Article 7: 100 Belgian Companies and Associations Code, Recticel declares that the Chairman of the Audit Committee, Mr Luc MISSORTEN, has the necessary expertise in the field of accounting and auditing. The chairman and other members of the Audit Committee also have collective expertise in the area of the Company's activities.

The following table contains the members of the Audit committee during the financial year 2021 to date.

Name	Function	Attendance Rate in 2021
Luc MISSORTEN[1]	Chairman	5/5
Johnny THIJS[2]	Member	5/5
Ingrid MERCKX[3]	Member	5/5
Benoit DECKERS[4]	Member	5/5

1 In his capacity as Permanent Representative of LUBIS BV
2 In his capacity as Permanent Representative of THIJS JOHNNY BV
3 In her capacity as Permanent Representative of IMRADA BV
4 until 23/2/2022 In his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGES SERVICES SA

The Audit committee convened five times in 2021. Two meetings were devoted primarily to the audit of the annual accounts per 31 December 2020 and the interim accounts per 30 June 2021. All meetings also focus on the internal audit program, risk management, compliance, taxation and IFRS related accounting questions. There was at least two times a meeting with the statutory auditor and the person responsible for internal audit.

The Audit Committee conducts regularly an informal self-assessment of its functioning during one of its meetings and reserves the necessary time to discuss and analyse the same. In the beginning of 2017, a formal assessment was conducted. A formal assessment by an external partner was scheduled for 2020 but has not yet been completed due to circumstances and is still ongoing today; the Board of Directors is of the opinion that this deviation from 9.1. of the 2020 Corporate Governance Code does not pose any particular problems.

The Remuneration and Nomination Committee

The Remuneration and Nomination Committee makes proposals to the Board of Directors regarding the remuneration policy and the individual remuneration of directors and members of the Management committee and prepares and explains the remuneration report at the Ordinary General Meeting. They also make the necessary proposals regarding the evaluation and re-appointment of directors as well as the appointment and induction of new directors. The terms of reference of the Remuneration and Nomination Committee are included in Recticel's Corporate Governance Charter.

The Remuneration and Nomination Committee consists of four members, all non executive directors, of which three are independent directors.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), fulfils the role of secretary of the Remuneration and Nomination Committee.

The composition of the Remuneration and Nomination committee meets the requirements with respect to the Belgian Companies and Associations Code, as well as the requirements of the Corporate Governance Code 2020.

The committee is composed as follows:

Name	Function	Attendance Rate in 2021
Johnny THIJS[1]	Chairman	2/2
Kurt PIERLOOT[2]	Member	2/2
Frédéric VAN GANSBERGHE [3]	Member	2/2
Luc MISSORTEN[4]	Member	2/2

1 In his capacity as Permanent Representative of THIJS JOHNNY BV

2 In his capacity as Permanent Representative of CARPE VALOREM BV

3 until 23/2/2022 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGE SA

4 In his capacity as Permanent Representative of LUBIS BV

In accordance with the article 7:100 of the Belgian Companies and Associations Code, Recticel declares that the Remuneration and Nomination committee possesses the necessary expertise in the area of remuneration policy.

The Remuneration and Nomination committee convened two times in 2021.

These meetings dealt with the fixed and variable remuneration of the executive management as well as with the election and re-election of directors. The CEO was present at the discussion about the remuneration of the other members of the executive management.

The Remuneration and Nomination Committee conducts regularly an informal self-assessment of its functioning during one of its meetings and reserves the necessary time to discuss and analyse the same. A formal assessment by an external partner was scheduled for 2020 but has not yet been completed due to circumstances and is still ongoing today; the Board of Directors is of the opinion that this deviation from 9.1. of the 2020 Corporate Governance Code does not pose any particular problems.

The Strategy committees

There were seven ad hoc strategy committees in 2021 following the unsolicited takeover bid by Greiner AG.

These meetings dealt primarily with the in depth analysis of the Greiner bid, the effects on the business, the effects on the future of the company and possible alternatives to counter the Greiner bid and ensure a future in the best interest of the company

Regarding a possible conflict of interest on the part of the directors affiliated with Compagnie du Bois Sauvage SA the Strategy committee was formed by all independent members of the Board of Directors and without Olivier Chapelle:

Name	Function	Attendance Rate in 2021
Johnny THIJS[1]	Chairman	7/7
Luc MISSORTEN[2]	Member	7/7
Kurt PIERLOOT[3]	Member	7/7
Ingrid MERCKX[4]	Member	7/7
Elisa VLERICK[5]	Member	7/7
Carla SINANIAN[6]	Member	7/7

1 In his capacity as Permanent Representative of THIJS JOHNNY BV

2 In his capacity as Permanent Representative of LUBIS BV

3 In his capacity as Permanent Representative of CARPE VALOREM BV

4 In her capacity as Permanent Representative of IMRADA BV

5 In her capacity as Permanent Representative of MOROXCO BV

6 until 12/1/2022

The Executive Management

The Board of Directors has entrusted the day-to-day management of the company to its Managing Director and Chief Executive Officer, "OLIVIER CHAPELLE" SRL/BV, located in 1180 Brussels, Avenue de la Sapinière 28, represented by its General Manager and permanent representative, Mr. Olivier CHAPELLE.

The Managing Director is assisted by the Management committee, of which the members (for the period 2021 to present) are indicated in the following list:

Name	Function
Olivier CHAPELLE[1]	Chief Executive Officer
Ralf BECKER	Group General Manager Insulation
Betty BOGAERT	Chief Information & Digitalisation Officer
Jean-Pierre DE KESEL[2]	Chief Sustainable Innovation Officer
François DESNÉ	Group General Manager Engineered Foams
Rob NIJSKENS[3]	Chief Human Resources Officer
François PETIT[4]	Chief Procurement Officer
Jean-Pierre MELLEN[5]	
Dirk VERBRUGGEN[6-7-8]	Chief Financial & Legal Officer

1 In his capacity as permanent representative of OLIVIER CHAPELLE SRL

2 until 31/3/2022 in his capacity as permanent representative of SUSTAINALOGIC BV

3 as of 01/03/2021

4 until 31/3/2022

5 until 31/8/2021 Chief Financial Officer and until 31/12/2021 Member of the Management Committee

6 from 1/4/2021 in his capacity as permanent representative of ROFFOELKIN BV

7 until 31/8/2021 General Counsel & General Secretary

8 from 1/9/2021 Chief Financial & Legal Officer

On 31 August 2021 Mr. Jean-Pierre Mellen resigned as the Chief Financial Officer to be succeeded by Mr. Dirk Verbruggen (in his capacity as the permanent representative of ROFFOELKIN BV) on 1st September 2021 who will act in the capacity of Chief Financial & Legal Officer from this date on. Mr. Jean-Pierre Mellen remains a member of the management committee until 31 December 2021 and will remain to provide support for special assignments until August 2022.

On 1st March 2021 Rob Nijskens took over as the Chief HR Officer from Bart Massant.

The Management committee has an advisory role vis-à-vis the Board of Directors as a whole and is not an executive committee in the sense of article 7:104 of the Belgian Companies and Associations Code.

Remuneration report for financial year 2021

Introduction

2021 business results

The year 2021 delivered very positive sales and profitability developments. The Net sales increased by 67% from EUR 616.9 million to 1,032.8 million, thanks to the contribution of Foam Partner and also strong organic growth. The Adjusted EBITDA increased by 145.9%, from EUR 44.4 million to 109.2 million.

The Insulation and Engineered Foams businesses performed very well in a very volatile environment. Pricing was continuously adapted to incorporate the tight supply of raw materials and the increase of other costs such as transportation, labour and energy.

Moreover, lockdowns or mobility restrictions in countries such as Germany, the Netherlands and Austria, coupled with direct or indirect supply chain shortages (microchips) have added further challenges to the business environment.

Major organisational changes took place in the course of the year: the foreseen acquisition and the integration of FoamPartner, the planned divestment of the Bedding activities, and the divestment of the Engineered Foams business segment following the unsolicited takeover bid by Greiner AG.

2021 remuneration outcomes

The remuneration levels reflect the solid profitability and free cash flow levels of Recticel in 2021, together with the successful implementation of the foreseen organisational changes such as the acquisition and integration of FoamPartner, and the divestment of the Bedding division.

Annual bonus awards

In accordance with our policy, Group Consolidated Net Cash Flow before dividends and Adjusted EBITDA are key drivers to determine the level of the annual bonus awards.

The level of Consolidated Net Cash Flow reached by the Group generated a pay out at the maximum (125% of the pay out opportunity).

The level of Group Adjusted EBITDA was above target and generated a pay out of 125% of the pay out opportunity. For the Business Lines Bedding, the level of Adjusted EBITDA that was achieved did not trigger a bonus pay out. For Engineered Foams and Insulation, the pay out is 99.5% and 125% respectively.

Further details are provided in the "STI" section of this report.

Stock options - The 2017 stock option grant vested on January 1, 2021. Another grant was made in May 2021 at a strike price of EUR 12.44.

Management Committee membership – On 1st September 2021, Dirk Verbruggen was appointed Chief Financial Officer and Chief Legal Officer, in replacement of Jean-Pierre Mellen. On 1st March 2021, Rob Nijskens took over from Bart Massant as Chief HR Officer.

Shareholder engagement

The Annual General Meeting held on 25th May 2021 approved the 2020 remuneration report with 73.37% of shareholder votes.

In establishing its remuneration policy and its future revisions, Recticel endeavours to take into account the votes and views of the shareholders. Recticel is committed to an open and transparent dialogue with its shareholders on remuneration as well as other governance matters.

Looking ahead

Considering the strategic reorientation of the Group and the foreseen divestments of the Bedding and Engineered Foams Divisions, the Board of Directors, upon recommendation of the Remuneration and Nomination Committee, decided to adjust the performance criteria to award bonuses for performance year 2022.

For Group General Managers, the Group Net Cash Flow will be replaced by the Free Cash Flow of their respective Division. For the other members of the Management Committee, it will be replaced by the Free Cash Flow of the Insulation business line, and the Group Adjusted EBITDA will be replaced by the Adjusted EBITDA of the Insulation business line.

In addition, in order to further embed the deployment of our sustainability strategy across the organization, the bonus award will also depend on the accomplishment of an ESG objective that will be determined for each division.

Our Remuneration Policy at a glance

The remuneration policy was reviewed and validated by the Remuneration Committee on February 25, 2019 and approved by the Board of Directors on February 27, 2019. The policy was adopted during the General Meeting of Shareholders on May 28, 2019 and became effective as of January 1, 2019. It is available for consultation on the company website. The contents of the policy were established following the requirements of the Shareholder Rights Directive, the Belgian Companies and Associations Code and the new Corporate Governance Code 2020.

Directors

Per policy terms, Directors receive a fixed fee / retainer and an attendance fee, whereas Committee Members receive attendance fees.

Directors	Board		Committee	
	Chair	Member	Chair	Member
Fixed Fee	€ 30,000	€ 15,000	N/A	N/A
Attendance fee	€ 5,000	€ 2,500	€ 5,000	€ 2,500

In accordance with the policy, Non-Executive Board Members do not receive variable and/ or equity-related remuneration as referred to under principle 7.6. of the Corporate Governance Code 2020. Recticel considers that the Corporate Governance Code's goals of promoting the achievement of strategic objectives in accordance with the company's risk appetite and behavioural norms and promoting sustainable value creation are better served by remunerating the non-executive directors entirely in cash to avoid any conflicts of interest and guarantee their complete financial independence.

Non-Executive Board Members are not entitled to receive benefits. Expenses incurred when travelling abroad will be arranged for by Recticel directly.

Executive Directors are remunerated in accordance with the remuneration policy for the members of the Management Committee and any director fees paid to the Executive Directors are deducted from the remuneration received as a member of the Management Committee.

The level and structure of remuneration paid to the Directors is regularly assessed against "BEL Mid" market practice.

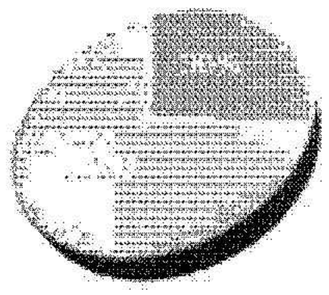
Management Committee

The level as well as the structure of the remuneration of the Management Committee members is reviewed annually by the Remuneration and Nomination Committee, which consequently presents a proposal to the Board of Directors for approval. When determining the remuneration levels for the members of the Management Committee, Recticel considers a Belgian frame of reference comprising companies similar in size (as compared on the basis of revenues) and exclusive of the Financial Sector. The objective is to establish target remuneration levels that, as a general rule, are at or around the median market level and this as far as the performance of the Company can afford it.

The total remuneration package of the Management Committee members consists of the following elements.

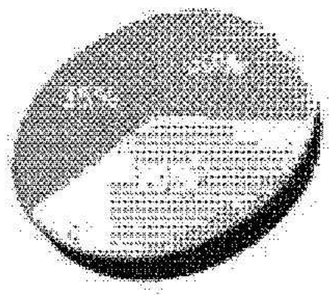
Element	Operation and performance criteria
Base Pay	Individual's role, experience, performance and market practice are considered when determining salary levels. Any director fees paid to the Executive Directors are deducted from the remuneration received as a member of the Management Committee.
Other Benefits	The Management Committee Members receive benefits in line with Recticel's remuneration policy, including hospitelization, disability coverage and a company car. Members operating through a management company do not receive perquisites and benefits, though certain costs may be invoiced seperately.
One-Year Variable (STI)	Operation: - For threshold performance: the bonus pay-out will be nil. - For target performance: the bonus pay-out will be 75% of base pay for the CEO and 37.5% for the other Management Committee members. - For maximum performance: the bonus pay-out will be 117.5% of base pay for the CEO. For the other Management Committee members, it is 58.00% or 58.75% depending on whether they head a Business Line or a Function. - No deferral policy is applicable. Performance criteria: The annual bonus is linked to both collective targets (both at group and divisional level, the latter only for positions with a divisional scope) and personal targets. Collective objectives are all quantitative and financially driven (e.g. Net Cash Flow, Adjusted EBITDA, ...). Personal objectives include at least one target related to sustainable development. For performance year 2021, the Board of Directors decided that the same performance criteria as the ones used in 2020 (Group Consolideted Net Cash Flow before dividends, and Group and Business Line Adjusted EBITDA) must be used in the same proportions to award bonuses.

CEO & Other Members of the Management Comittee



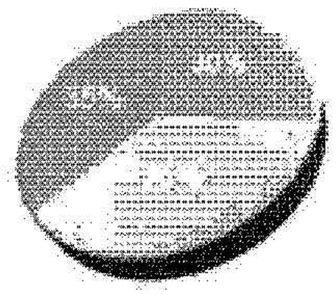
Collective ▩ Personal

Group General Managers



▩ Combined Group Net Cash Flow Business Line Adjusted EBITDA
▩ Personal Objectives

Other Management Committee Members



▩ Combined Group Net Cash Flow Group Adjusted EBITDA
▩ Personal Objectives

	Article 7:91 of the Belgian Companies and Associations Code prescribes the need to spread variable remuneration payments over a three year period in case certain thresholds are passed. The 25% threshold was passed in the case of the Managing Director and CEO, Olivier Chapelle SRL, represented by Olivier Chapelle. Hence the Board of Directors proposed to the 2021 General Shareholder meeting to approve a deviation from the said rule in line with the possibility offered by the legislation. This proposal was approved during the 2021 General Shareholders' meeting.
Multi-Year Variable (LTI)	The long-term incentive plan is granted by means of stock options. Options granted in 2021 cannot be exercised before 1st January 2025, nor can they be exercised later than 11th May 2028.
Dismissal period or severance pay	On termination of the employment of a member of the Management Committee by the company, Recticel will apply a notice of 12 months, unless other applicable legal mandatory provisions require to apply a higher number of months.
Pension	Members of the Management Committee employed in Belgium before 2003 are included in the Recticel Group Defined Benefit Plan, members hired externally since 2003 are included in the Recticel Group Defined Contribution Plan.
Contract	The CEO and two other members of the Management Committee provide services through a management company.
Clawback	No clawback provisions are in place for the annual bonus plan, in deviation of principle 7.12 of the Corporate Governance Code 2020. Recticel considers that based on general principles of law, the company can recover payments (1) if they were undue or (2) in case of fraud. The company does not wish to renegotiate existing agreements with Management Committee members to provide for additional clawback possibilities.
Shareholding guidelines	The members of the Management Committee are encouraged to build stock ownership in the company up to an amount equivalent to 50% of their annual gross base pay over a period of 5 years, preferably by keeping part of the stocks that they purchase under the existing stock option plan.

On 1st March 2021, Rob Nijskens joined the Management Committee as Chief HR Officer. Rob Nijskens is employed in the Netherlands. His terms and conditions follow the above policy but in the case of the pension and the other benefits which follow the standards of Recticel in the Netherlands.

Remuneration of the Non-Executive Directors

The following table sets out the total remuneration for each Non-Executive Director in 2021, in EUR.

Name of Director	Fixed Fee	Attendance Fees
THIJS JOHNNY BV, represented by Johnny THIJS	30,000	95,000
OLIVIER CHAPELLE SRL, represented by Olivier CHAPELLE	15,000	22,500
COMPAGNIE DU BOIS SAUVAGE SERVICES SA, represented by Benoit DECKERS[1]	15,000	27,500
COMPAGNIE DU BOIS SAUVAGE SA, represented by Frédéric VAN GANSBERGHE[2]	15,000	20,000
IMRADA BV, represented by Ingrid MERCKX	15,000	47,500
CARPE VALOREM BV, represented by Kurt PIERLOOT	15,000	42,500
MOROXCO BV, represented by Elisa VLERICK	15,000	37,500
LUBIS BV, represented by Luc MISSORTEN	15,000	62,500
Carla SINANIAN[3]	15,000	37,500

1 Until 23/2/2022 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGES SERVICES SA
2 Until 23/2/2022 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGE NV
3 Until 12/1/2022

Remuneration of the Management Committee Members

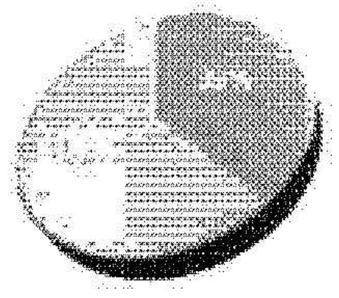
Total Remuneration

An overview of the total remuneration of the CEO and the other members of the Management Committee in 2021 can be found in the table below.

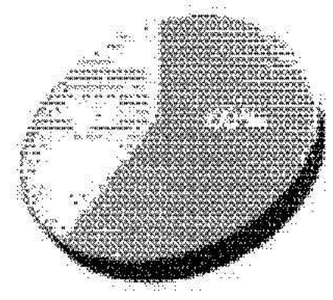
Incumbent name	1 – Fixed Remuneration		2 – Variable Remuneration		3 – Extraordinary items	4 – Pension Expense	5 – Total Remuneration (1+2+3+4)	Proportion of fixed and variable remuneration	
	Base Pay	Other Benefits	One-Year Variable	Multi-Year Variable				Fixed (1+4)/(5-3)	Variable (2)/(5-3)
OLIVIER CHAPELLE SRL represented by Olivier CHAPELLE (CEO)[1]	€ 590,000	€ 965	€ 693,250	€ 223,200	NA	NA	€ 1,507,415	39%	61%
Other Members of the Management Committee[2]	€ 2,232,658	€ 184,801	€ 1,176,478	€ 651,000	NA	€ 217,540	€ 4,522,475	60%	40%

1 Only the CEO receives fees as Executive Director. These are deducted from the base pay. Fees therefore are not presented in a separate column in the table above.
2 The table includes Jean-Pierre Mellen as CFO until 31st August 2021, Dirk Verbruggen as Chief Financial & Legal Officer as of 1st September 2021, Bart Massant as CHRO until 28th February 2021 and Rob Nijskens as CHRO as of 1st March 2021.

Proportion of fixed and variable remuneration - CEO



Proportion of fixed and variable remuneration - Other



Fixed remuneration

Base pay + Other Benefits

Fixed Remuneration

Base pay

The table below shows the base pay actually paid in 2021 to the CEO and the other members of the Management Committee and how it compares to 2020.

Incumbent Name	2021	2020 without pay cut[3]	2021 vs. 2020	2020 with pay cut[3]
OLIVIER CHAPELLE SRL represented by Olivier CHAPELLE (CEO and Group General Manager Bedding)[1]	€ 590,000	€ 570,000	103.5%	€ 529,095
Other Members of the Management Committee[2]	€ 2,292,656	€ 2,229,551	102.8%	€ 2,073,116

1 The base pay levels for OLIVIER CHAPELLE SRL include the fees received as a Member of the Board of Directors (EUR 37500 in 2021).

2 The table includes Jean-Pierre Mellen as CFO until 31st August 2021, Dirk Verbruggen as Chief Financial & Legal Officer as of 1st September 2021, Bart Massant as CHRO until 28th February 2021 and Rob Nijskens as CHRO as of 1st March 2021.

3 While a large part of the workforce was impacted by the system of temporary unemployment due to the Covid pandemic, Recticel implemented a pay cut of 30% for the members of its Management Committee during the second quarter of 2021.

Other benefits

The amounts mentioned in the column "Other benefits" in the total remuneration table in section 2.1.7.4. a) relate to the following benefits: insurances (death, disability, medical), company car (leasing costs), fuel costs, mobile phone costs and schooling costs, and exclude pension.

Variable Remuneration

One-year variable + Multi-year variable

Variable Remuneration

STI ("One-Year Variable")

2021 Performance against Targets.

The achievement of the performance targets was measured during a period of time that started on 1st January 2021 and ended on 31st December 2021. As per our remuneration policy, the evaluation of the CEO's performance was done by the Remuneration and Nomination Committee on the basis of audited company results before presenting a proposal to the Board of Directors. The evaluation of the other Management Committee members was done by the CEO on the basis of audited company results, who then discusses this with the Remuneration and Nomination Committee before presenting a proposal to the Board of Directors.

STI pay out for the performance year 2021

Beneficiary	STI Objectives		% Weight	Actual Pay Out (% base salary)	Actual Amount
CEO	Collective Objectives	Group Consolidated Net Cash Flow before dividends	35.00%	43.75%	€ 258,125
		Adjusted EBITDA (Group)	35.00%	43.75%	€ 258,125
	Personal objectives		30.00%	30.00%	€ 177,000
	Total		100.00%	117.5%	€ 693,250
Other members of the Management Committee	Collective Objectives	Group Consolidated Net Cash Flow before dividends	35.00%	21.88%	€ 462,865
		Adjusted EBITDA (Business Line or Group, depending on role)	35.00%	21.32%	€ 447,823
	Personal objectives		30.00%	12.70%	€ 265,790
	Total		100.00%	55.90%	€ 1,176,478

LTI ("Multi-Year Variable")

Grant made in 2021

The theoretical value of the options at grant is calculated by applying the Black & Scholes formula, taking into account certain assumptions regarding dividend payment (dividend yield: 1.48%, interest rate: 0.00001%, and volatility 34%). For the grant in May 2021, the value amounted to EUR 2.29/warrant.

Name of Director (position)	Number of options granted	Strike Price	Total Theoretical Value at Grant
OLIVIER CHAPELLE (Chief Executive Officer & Group General Manager Bedding)	120,000	€ 12.44	€ 274,800
Ralf BECKER (Group General Manager Insulation)	30,000	€ 12.44	€ 68,700
François DESNE (Group General Manager Engineered Foams)	30,000	€ 12.44	€ 68,700
Betty BOGAERT (Chief Information & Digitalisation Officer)	30,000	€ 12.44	€ 68,700
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer)	30,000	€ 12.44	€ 68,700
Jean-Pierre MELLEN (Chief Financial Officer)[1]	30,000	€ 12.44	€ 68,700
Rob NIJSKENS (Chief Human Resources Officer)[2]	30,000	€ 12.44	€ 68,700
François PETIT (Chief Procurement Officer)	30,000	€ 12.44	€ 68,700
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	30,000	€ 12.44	€ 68,700

1 Member of the Management Committee until 31st August 2021.

2 Member of the Management Committee as of 1st March 2021.

2021 Vesting

The following stock options, relating to the April 2017 grant, vested on January 1st, 2021.

Name of Director (position)	Number of options vested	Strike Price	Share Price at Vesting	Value at Vesting
OLIVIER CHAPELLE (Chief Executive Officer & Group General Manager Bedding)	60,000	€ 7.00	€ 10.72	€ 223,200
Ralf BECKER (Group General Manager Insulation)	25,000	€ 7.00	€ 10.72	€ 93,000
Betty BOGAERT (Chief Information & Digitalisation Officer)	25,000	€ 7.00	€ 10.72	€ 93,000
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer)	25,000	€ 7.00	€ 10.72	€ 93,000
François DESNE (Group General Manager Engineered Foams)	25,000	€ 7.00	€ 10.72	€ 93,000
Bart MASSANT (Chief Human Resources Officer)	25,000	€ 7.00	€ 10.72	€ 93,000
Jean-Pierre MELLEN (Chief Financial Officer)[1]	25,000	€ 7.00	€ 10.72	€ 93,000
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	25,000	€ 7.00	€ 10.72	€ 93,000

1 Member of the Management Committee until 31st August 2021.

Notes: Rob Nijskens was appointed as Chief Human Resources Officer on 1st March 2021. No stock option grant was made to him in 2017 and no options vested in 2021.

Extraordinary items

There are no extraordinary items to be reported in 2021.

Pension expenses

Name of Director (position)	Pension expense
OLIVIER CHAPELLE SRL, represented by Mr. Olivier CHAPELLE, Chief Executive Officer	Included in fee
Other Members of the Management Committee	€ 217,540

For Members of the Management Committee other than the CEO, Recticel reports the actual contributions paid into the plan for DC plan beneficiaries. For DB plan beneficiaries, Recticel reports the service cost as the plan is a collective plan.

Additional disclosure

Recticel did not apply any clawback provisions during the year under review.

The level of shareholdership of the non-executive directors on 31st December 2021 is displayed in the table below.

Level of shareholdership of the non-executive directors

Director	Number of shares
Johnny Thijs	22,949
Olivier Chapelle	272,598
Benoit Deckers	2,700
Compagnie du Bois Sauvage	15,094,410
Ingrid Merckx	0
Luc Missorten	0
Kurt Pierloot	0
Frédéric Van Gansberghe	0
Elise Vlerick	0

The following table shows the level of shareholdership of the CEO and the other members of the Management Committee. It shows that the actual level of shareholdership of the CEO and of the other Members of the Management Committee is higher than the policy requirement.

Level of shareholdership of the management committee members

Shareholdership	Number of shares held on 31 December 2021	Value of the stock on 31st Dec 2021	Total value of shares held	Actual level of shareholdership (% base pay)	Target level of shareholdership (% base pay)
CEO	272,598	€ 17.52	€ 4,775,917	809%	50%
Other Management Committee Members	152,842	€ 17.52	€ 2,677,792	133% on average	50%

The fulfilment of the shareholding guideline by the CEO and each Other Management Committee Member is determined by comparing the value of the number of shares held on 31st December 2021 to 50% of their annual base pay on 31st December 2021. The value of the shares held is obtained by multiplying the number of shares held on 31st Dec 2021 by the closing price of the stock on that date (€ 17.52).

Share-based remuneration

The tables below detail the opening and closing balance, as well as movements during the year in terms of share-based remuneration for each of the Management Committee Members. In line with the information presented in previous tables, shares have been valued at fair value at grant and at market value at vesting.

	Main conditions of the share option plans					Information regarding the reported financial year							
						Opening Balance	During the year					Closing Balance	
Incumbent Name	**Specification of the plan**	**Award date**	**Vesting date**	**Exercise period**	**Strike price of the option**	**Share options outstanding at the beginning of the year**	**Share options awarded**		**Share options vested**		**Share options exercised**	**Share options awarded and unvested**	**Share options vested but unexercised**
							Number	**Value**	**Number**	**Value**			
OLIVIER CHAPELLE (Chief Executive Officer & Group General Manager Bedding)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	445,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				60,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		120,000					460,000	105,000
Ralf BECKER (Group General Manager Insulation)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	125,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	40,000
François DESNÉ (Group General Manager Engineered Foams)	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00	110,000							
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								-
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	25,000

Incumbent Name	Main conditions of the share option plans					Information regarding the reported financial year							
						Opening Balance	During the year					Closing Balance	
	Specification of the plan	Award date	Vesting date	Exercise period	Strike price of the option	Share options outstanding at the beginning of the year	Share options awarded		Share options vested		Share options exercised	Share options awarded and unvested	Share options vested but unexercised
							Number	Value	Number	Value			
Betty BOGAERT (Chief Information & Digitalisation Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	125,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	40,000
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	110,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	25,000
Bart MASSANT (Chief Human Resources Officer)	2016 grant	29/04/201	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	85,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70							85,000	25,000
Jean-Pierre MELLEN (Chief Financial Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	110,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	25,000

Incumbent Name	Main conditions of the share option plans					Information regarding the reported financial year							
						Opening Balance	During the year					Closing Balance	
	Specification of the plan	Award date	Vesting date	Exercise period	Strike price of the option	Share options outstanding at the beginning of the year	Share options awarded		Share options vested		Share options exercised	Share options awarded and unvested	Share options vested but unexercised
							Number	Value	Number	Value			
Rob NIJSKENS (Chief Human Resources Officer)	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21	15,000							
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					45,000	-
François PETIT (Chief Procurement Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	90,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00								
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								-
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	5,000
	2015 grant	23/06/2015	01/01/2019	01/01/2019 – 22/06/2021	€ 5.73						10,000		
	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73								
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00						25,000		
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21	135,000							
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	40,000

Termination indemnities

In accordance with his employee status, indemnities were due to Bart Massant and their level was determined in accordance with the remuneration policy of the Group.

Derogations

There are no derogations to report for the year 2021.

Annual Change in Remuneration and Pay Ratio

Annual Change in Remuneration of Directors versus the Wider Workforce & Company Performance.

The following table displays the variation of the remuneration of the CEO and the other members of the Management Committee between 31st Dec 2019 and 31st Dec 2021 against the evolution of Group Consolidated Net Cash Flow before dividends, the Adjusted EBITDA and the Net Profit. The average remuneration of the other employees for the year 2021 will be published in the 2022 remuneration report as the data are not available at the time of the publication of this report.

Annual change in remuneration

	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Total remuneration of the CEO (in EUR)[1]	1,507,415	1,216,383	895,466	124%	136%
Average total remuneration of the other members of the Management Committee (in EUR)[1/2]	589,632	473,056	440,578	125%	107%
Average total remuneration of the other employees (in EUR)	59,876	57,653	59,508	104%	97%
Group Net Cash Flow before dividends (in mio EUR)[3]	54.9	197.1	23.6	28%	835%
Group Adjusted EBITDA (in mio EUR)[4]	118.6	58.8	114.7	202%	51%
Net Profit (share of the Group, in mio EUR)	53.5	63.1	24.7	85%	255%
Sustainability KPIs				See separate sustainability report.	

Notes

1 The data takes into account the 30% pay cut implemented in the second quarter of 2020 against the background of the COVID pandemic. From 2019 to 2020, the increase reported for the CEO is mainly due to the fact that in 2019 the level of Group Adjusted EBITDA did not generate a bonus pay out. For some of the other Management Committee members heading a Business Line, the level of Adjusted EBITDA that was reached for their Business Line in 2019 generated a pay out. From 2020 to 2021, the difference is explained by the pay cut implemented in the 2d quarter of 2020 and the increase of the share price.

2 The remuneration of the Management Committee members (excl. CEO) is presented as a Full Time Equivalent average: the total remuneration paid during that year divided by the number of Full Time Equivalent Management Committee members in that year.

3 The Group Net Cash Flow before dividends is expressed on a Consolidated basis for the year 2019. It is expressed on a consolidated basis as of year 2020. The important year-on-year variation of the Group Net Cash Flow between 2019 and 2020 is due to the proceeds of the divestments of the Automotive Division and of the participation in the joint venture with Eurofoam in the first half of 2020.

Pay Ratio

The pay ratio compares the highest remuneration of the Management Committee (that is the remuneration of the CEO) with the lowest Remuneration at Recticel NV. On 31st December 2021, the highest remuneration was 45 times the lowest remuneration; this is a pay ratio of 45:1.

Transactions and other contractual ties between the Company and members of the Board of Directors or members of the Management committee

Chapter VII.1. of the Recticel Corporate Governance Charter describes Recticel NV's policy on related party transactions that are not governed by the legal conflict of interest scheme. The application of this policy is explained hereafter.

During the year 2021, two conflicts of interest arose between a director and the company as referred to in article 7:96 of the Belgian Companies and Associations' Code. The procedure of Article 7:97 was not applied in 2021.

Reference is made here to the statutory annual report, which contains an extract of the minutes of the concerned board meetings in this regard.

Insider trading and market manipulation

The company policy regarding the prevention of insider trading and market manipulation is further explained in chapter VII.2 of Recticel's Corporate Governance Charter as well as in the new Dealing Code which has been adopted by the Board of Directors and published on the website of Recticel **(www.recticel.com)**.

These measures include the implementation of restrictions on the execution of transactions («closed periods») applicable since 2006.

Mr. Dirk VERBRUGGEN was appointed as Compliance Officer, responsible for monitoring the observance of these regulations

Diversity policy

Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team improves the quality of decision making, and ultimately improves overall performance.

Recticel has currently not established a formal specific diversity policy, but is an equal employer in all aspects of recruitment and selection, and is committed to a fair and consistent approach to recruitment and selection. Recticel works actively to develop a positive employer image amongst the internal and external stakeholders. Recticel commits to hire all candidates irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Recticel also commits to offering learning opportunities to all employees irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Recticel is proud to be present in 20 countries, with employees of different nationalities.

Currently one woman is represented in the Management Committee. Furthermore, one third of the members of the Board of Directors is a woman, in accordance with article 7:86 of the Companies and Associations Code.

The selection process of the members of the Board of Directors is described in the Corporate Governance Charter of Recticel, with the aim to come to a composition that is diverse in all its aspects, both at the level of gender, background, professional experience, competence and education.

Relationships with the reference shareholders, other elements related to possible public takeover bids and others

Here follows the overview of the shareholders who, under the statutes of the law, have addressed a notification to the company and to the FSMA:

Name	Date of notification	Number of shares	Percentage of shares at the moment of notification[1]	Percentage of shares at balance sheet date	Percentage of voting rights attached to shares at balancesheet date[2]
Own shares	13/05/2015	326,800	0.61%	0.58%	0.00%
KBC Asset Management NV	19/03/2022	1,648,964	3.01%	2.94%	2.96%
Janus Henderson Group Plc	11/01/2022	2,763,803	4.94%	4.93%	4.96%
Greiner AG	03/01/2022	2,446,678	4.37%	4.36%	4.39%
Baltisse NV	03/01/2022	12,647,732	22.60%	22.58%	22.70%
Public	**Not applicable**	**36,221,943**		**64.62%**	**65.00%**
TOTAL (EXCLUDING OWN SHARES)		55,729,120			100.00%
TOTAL (INCLUDING OWN SHARES)		**56,055,920**		**100.00%**	

1 The percentage of shares is calculated based upon the number of existing shares at the moment of the notification.
2 The percentage of voting rights is calculated based upon the 56,055,920 existing shares per 30 March 2022 based upon the information the Company has received from its shareholders per 30 March 2022, which can be different from the actual situation. The calculation has been adjusted to take into account the suspension of the voting rights of the 326,800 own shares held by the Company as foreseen by the law.

The company has not concluded a relationship agreement with the main shareholder BALTISSE NV in accordance with principle 8.7 of the Corporate Governance Code 2020, as there is a sufficient line of representation of the main shareholder through its representation within the Board of Directors.

The capital structure, with the number of shares and warrants of the company can be found in the chapter "Information on the Share" on the Recticel website (www.recticel.com).

An amendment of the articles of association of Recticel can only be obtained, following the special majorities of article 37 of the Articles of Association.

The Board of Directors submits its proposals regarding the appointment or re-election of directors to the general meeting of the shareholders. The Remuneration and Nomination Committee recommends one or several candidates to the Board, taking into account the needs of the company and following the appointment procedure and the selection criteria drawn up by the Board for that purpose. The composition of the Board is determined based on the necessary diversity and complementary skills, experience and knowledge.

The general meeting of the shareholders appoints the directors of their choice with a simple majority of the votes cast. Directors can likewise be dismissed "ad nutum" by the general meeting with a majority of the votes cast, before the normal expiry of his or her term of office.

If a position of director becomes vacant as a result of resignation, incapacity or death, the Board may provisionally fill the vacancy, upon recommendation from the Remuneration and Nomination Committee.

There are no legal or statutory limitations on transfer of securities. There are no securities with special control rights. There are no legal or statutory restrictions on the exercise of voting rights, for as far as the shareholder is legally represented at the Ordinary General Meeting, and his/her voting rights have not been suspended for any reason.

There are no agreements between the Company and its directors or employees that would provide for compensations after a public takeover bid, the directors resigning or departing without any valid reason, or the employment of the employees being terminated.

The following agreements, whereby the company is party, contain the clauses that take effect, undergo changes or end, in the event of a change of control over Recticel SA/NV:

The "Amendment and Restatement Agreement, as agreed on 25 February 2016 between Recticel SA/NV and Recticel International Services NV on the one hand and ING Belgium SA/NV, BNP Paribas Fortis SA/NV, Commerzbank Aktiengesellschaft, Filiale Luxembourg and KBC Bank NV on the other hand, for an amount of EUR 175,000,000, whereby, in case of a change of control over the Company, or over a subsidiary that is also an obligor under the amendment and restatement agreement, each of the banks participating in the Facility will have the right to request prepayment and cancellation of their respective Facility commitment, and if banks representing a special majority of the total Facility amount request such, then the total Facility will have to be prepaid and cancelled. This agreement completes and modifies the "Facility Agreement" for an amount of 175,000,000 EUR as signed on 9 December 2011 between the aforementioned parties.

The Recticel Group's Stock Option Plans of April 2014, June 2015, April 2016, June 2017, April 2018, June 2019 (warrant plans April 2014, June 2015, April 2016, June 2017, April 2018, June 2019, March 2020, May 2021) issued by the Board of Directors Administration that contain a clause 6.2./5.2 which gives the beneficiaries the right to exercise their warrants, if applicable under the conditions determined by the Board of Directors, immediately in the event of a change of control (that is, in the event of a transfer, in one or more transactions, more than fifty percent (50%) of the voting rights) or in the case of the launch of a public share purchase offer.

These clauses were specifically approved by Recticel's General Shareholder Meeting or will be submitted for approval at the General Meeting on 31 May 2022.

In line with article 7:151 of the Belgian Companies and Associations Code, for such a clause to take effect requires the approval of the General Shareholder meeting.

The Board of Directors is not aware of shareholder agreements that give rise to restrictions on the transfer of securities and / or the exercise of voting rights.

The Board of Directors does not currently have any authority to issue shares. The Board of Directors is authorized to acquire own shares of the Company as long as the fractional value of the Company's shares held in portfolio does not exceed 20% of its issued capital, at a unit price that may not be less than 20% below the average of the last twenty closing prices on Euronext Brussels prior to the date of acquisition, and not higher than the same average plus 20%. This purchase authorization is valid until July 17, 2022.

Statement on non-financial information.

The statement on non-financial information in accordance with article 3:6, §4 of the Belgian Companies and Associations Code has been enclosed to the statutory annual report of Recticel NV/SA and the consolidated annual report of the Recticel Group.

Non-financial information statement

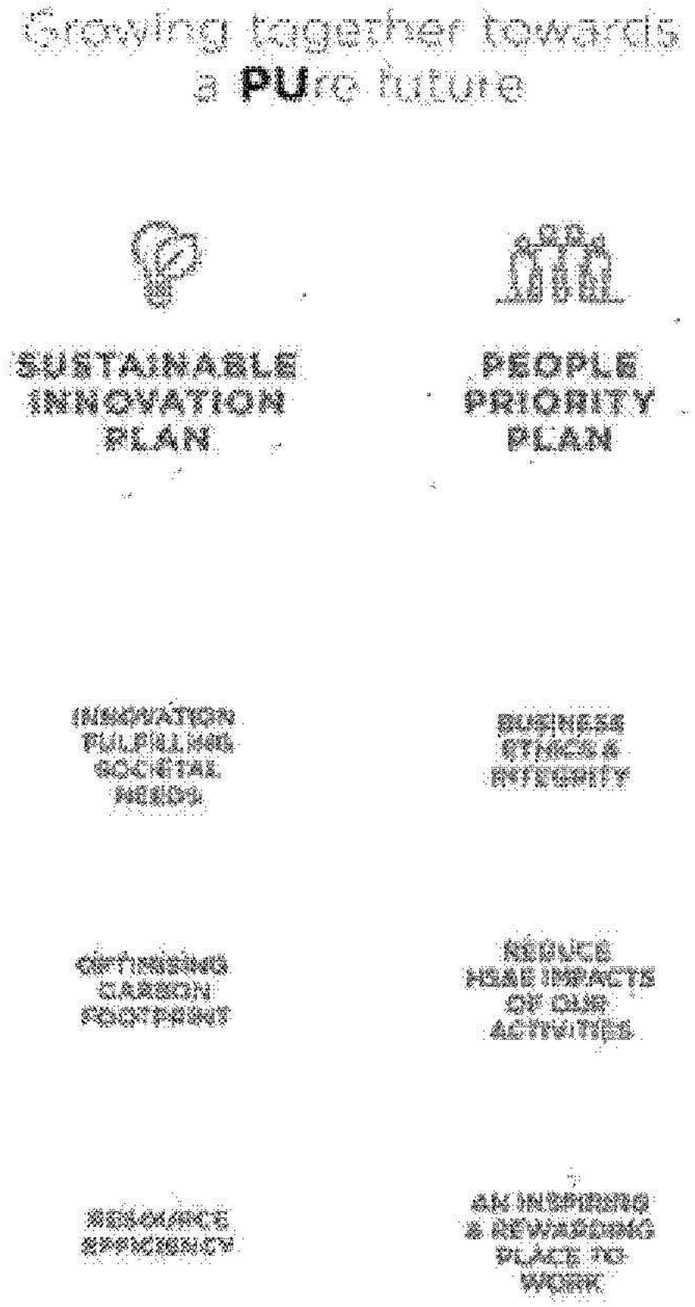
Introduction

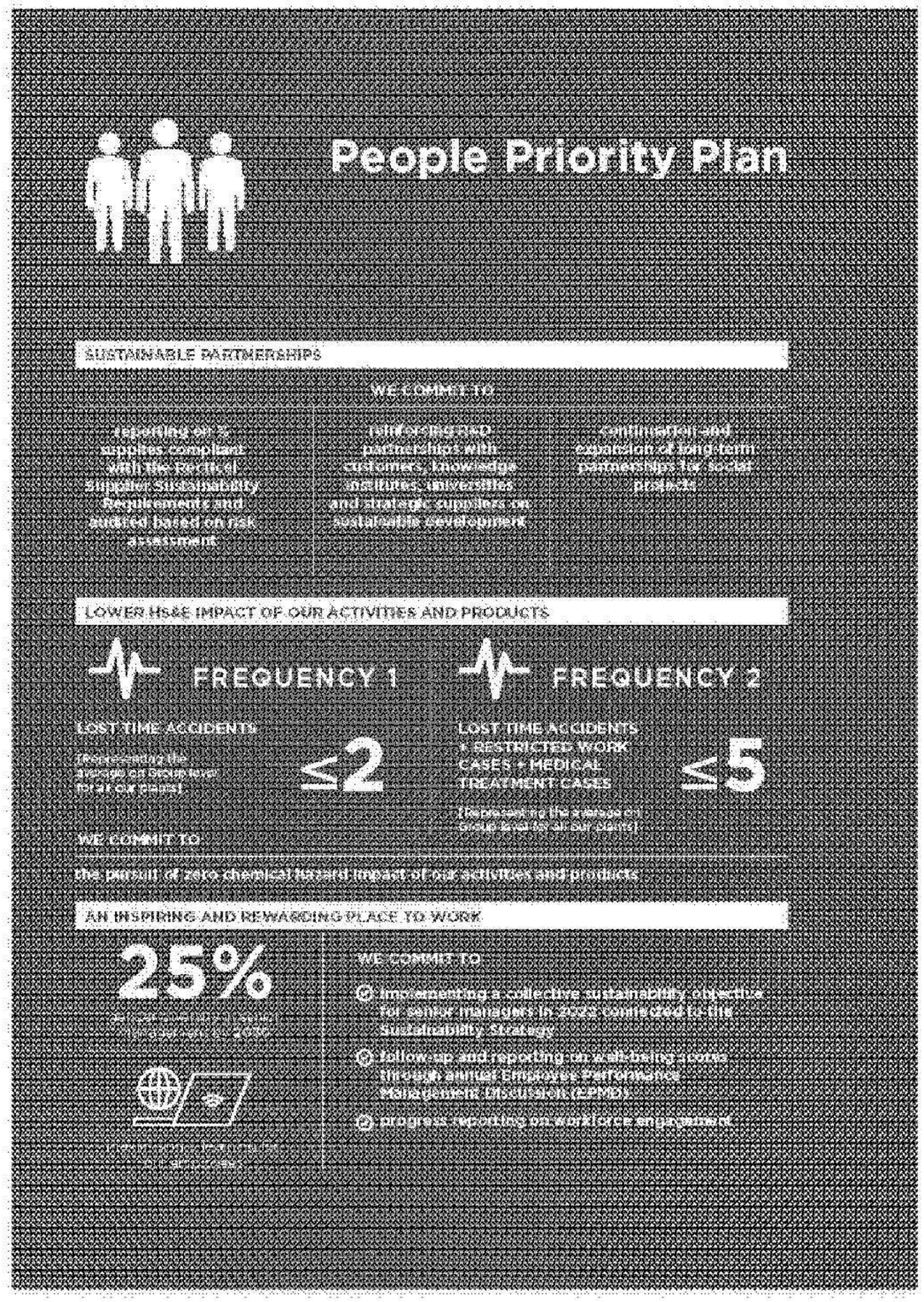
First sustainability strategy and roadmap 2015 – 2020

Recticel's sustainability journey started in 2013 with the Management Committee's declaration to put sustainability at the forefront of the Group strategy. A company-wide project was launched to determine how to embed sustainability in its Group and division strategy. After stakeholder consultation, this resulted in a 2015 – 2020 roadmap focusing on six material aspect clustered in a **Sustainable Innovation Plan** and a **People Priority Plan**. A key performance indicator and 2020 target was selected for each material aspect.[1] In 2015, the sustainability strategy was embedded in the Recticel Group strategy.

Renewed sustainability roadmap 2021 - 2025

As part of the revision process of our sustainability strategy and in view of preparing our second roadmap, we consulted our internal stakeholders and conducted multi actor stakeholder engagements with customers, suppliers, knowledge institutes, universities and authorities end of 2020, early 2021. This annual report covers the renewed sustainability roadmap's material aspects, KPIs (Key Performance Indicators) and targets for 2021 – 2025. 11 KPIs and 8 commitments have been selected to turn our sustainability ambitions into actionable goals.





1 See ***Recticel website for more information***

Reporting
Since 2015, we report every year on our progress against our targets. The first two years in separate sustainability reports, since 2018 in our annual report in which we integrated the reporting on non-financial information such as **environmental, social, human rights, anti-bribery and anti-corruption topics.** The information about diversity is available in our **Corporate Governance Statement.**

The reporting over 2021 was prepared using the recommendations of the GRI (Global Reporting Initiative) Standards, option Core. It is aligned with the Non-Financial Reporting Directive as well as the EU Taxonomy Regulation.

Limited assurance
Since 2017, a limited assurance is performed by an independent auditor. Over 2021 this includes 10 KPIs covering five material aspects.[2]

Scope
On 31 December 2021, the Recticel Group consisted of 53 locations with 5,145 employees in 21 countries (including pro rata joint ventures). For this reporting, the 40 fully-owned Recticel subsidiaries employing 4,103 people in 19 countries are in scope (excluding pro rata joint ventures and 12 former FoamPartner sites integrated within the Engineered Foams business line as of 31 March 2021).

Strategic overhaul of the Group
On 17 November 2021, Recticel announced that it has signed a binding agreement to divest its Bedding business line to Aquinos, a Portuguese privately owned industrial group. Aquinos a dedicated player in the European bedding and furniture markets with strong commercial and industrial capabilities to leverage the potential of our Bedding brands, technologies, locations and teams. The closing was completed on 31 March 2022[3]. Since then, the Recticel Group consists of 3,556 employees operating in 43 locations in 19 countries (including pro rata joint ventures).

On 7 December 2021, Recticel announced that it had signed a deal with Carpenter, one of the world's largest producers of foam products, for the sale of its Recticel Engineered Foams business line. The synergies between the Recticel Engineered Foams business and Carpenter's foams business will result in one of the world's largest vertically integrated manufacturer of polyurethane foams and specialty polymer products. The closing is expected around mid-2022.

From now on, Recticel will focus exclusively on its Insulation activities, presenting excellent growth prospects in a high-value added business segment driven by climate change. It perfectly illustrates our sustainability motto to grow together with our stakeholders towards a PUre future. The acquisition of Trimo[4], one of Europe's leading providers of sustainable premium insulated panels for the building industry, announced on 22 March 2022, is a key step in our growth direction.

Activities of the company

Recticel is an international industrial player with an ambitious goal: to take the daily experience of comfort to a new level in quality and innovation. We rely on our expertise in the transformation of polyurethane chemistry to meet customer and societal challenges responsibly, and to generate added value for our clients, shareholders, partners and employees.

For a further description of the activities of Recticel and the strategic overhaul of the Recticel Group, reference is made to **'1. A new future built on sustainable innovation'.**

*2 See **'Summary Table'***
*3 See **Recticel completes the sale of its Bedding activities to Aquinos Group | Recticel***
*4 See **Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimo | Recticel***

A strategy for sustainability: Growing together towards a PUre future

Recticel's ambition

Recticel's ambition is to lead the transition to a circular economy and a low-carbon society within our industry. *Growing together towards a PUre future* expresses our firm commitment to reducing any negative effects of our activities and to optimising Recticel's positive impact across the value chain, from raw materials sourcing to product manufacturing, consumption and end-of-life.

Since 2013, sustainable innovation is a key driver at the heart of our Group strategy. It was created to respond to key societal challenges, such as climate change, energy conservation, CO_2 reduction, well-being for and an aging and increasing population. Sustainability shapes our portfolio strategy and our innovation priorities, and as a result, it nourishes our long-term competitiveness. The long-term needs and challenges or our sectors and our society are our compass.

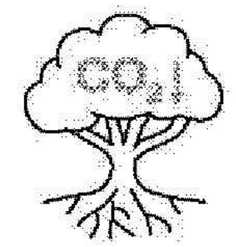
Focus on innovation and people – six important aspects

Innovation and people are key in achieving our ambitions. Our company will create more shared value through innovation focused on societal needs and aligned with stakeholder expectations.

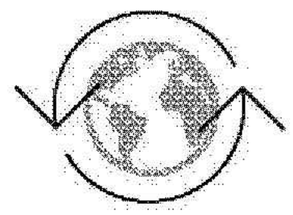
Our sustainability strategy has always been built on two pillars: **Sustainable Innovation Plan** and **People Priority Plan**, bringing together our most important or material aspects.

Sustainability shapes our innovation priorities and product portfolio strategy and is the main driver behind all our research and development efforts. Every day, through technological advances, we renew our commitment to finding responsible solutions to challenges such as climate change, transitioning to a circular economy and low-carbon society, as well as increasing well-being.

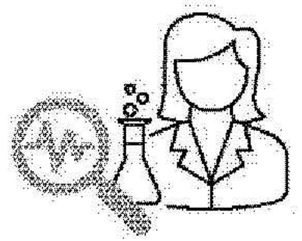
SUSTAINABLE INNOVATION PLAN



Climate Action Plan

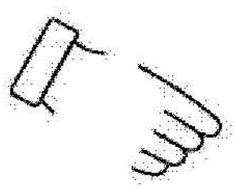


Transition to a circular economy

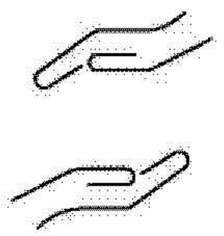


Innovation for societal needs

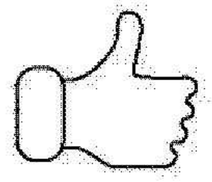
PEOPLE PRIORITY PLAN



Sustainable partnerships



Lower HS&E impact of our activities & products



An inspiring and rewarding place to work

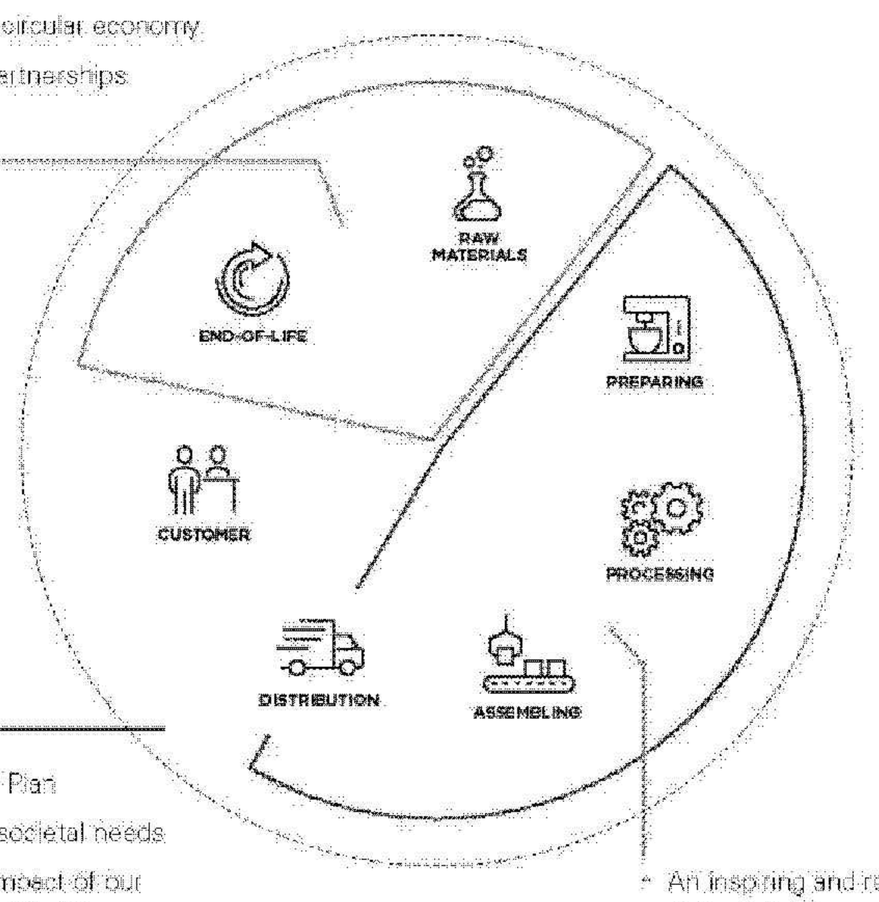
Our path to circularity
Our products are predominantly, though not exclusively, based on polyurethane (PU). This versatile material allows us to develop long-lasting high-quality and durable solutions that promote comfort in our daily life such as insulation panels or mattresses.

From the start of the sustainability strategy in 2015, Recticel put the challenge of readying polyurethane for the circular economy front and centre. Through clear focus and long-term R&D partnerships across our value chain, we have laid the foundations for our two paths to circularity. Mechanical recycling, or re-using end-of-life polyurethane and transforming it into a new value-added product, and chemical recycling or breaking down end-of-life polyurethane to its original chemical building blocks and transforming them endlessly into virgin polyurethane.

Engaging our stakeholders
Sustainability leads to change and helps us to retain and motivate our people and attract the best talent to help us achieve our ambitions. Long-term partnerships with suppliers, customers, research institutes and non-governmental organisations are essential in realising changes along our value chain to contribute to a better tomorrow.

SPHERE OF INFLUENCE

- Transition to a circular economy
- Sustainable partnerships

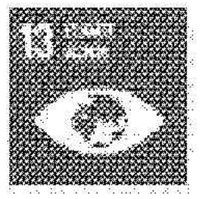


- Climate Action Plan
- Innovation for societal needs
- Lower HS&E impact of our activities and products
- An inspiring and rewarding place to work

Sustainability is considered **along our entire value chain,** from raw material sourcing to product manufacturing, consumption and end-of-life. We take responsibility for our own in-company activities and for those within our sphere of influence, upstream as well as downstream.

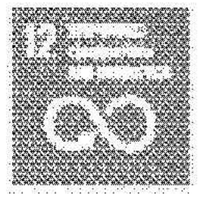
Recticel supports the **Sustainable Development Goals (SDG)** launched in 2015 by the United Nations. This universal set of targets and indicators is designed to help countries and end poverty, protect the planet and ensure global prosperity as part of a new sustainable development agenda. By upholding recognized standards and principles on human rights, labour, the environment and anti-corruption, business makes an essential contribution to the SDGs.

Recticel has identified six SDGs that are most impactful, relevant and strategically embedded in our company's sustainability strategy:



13.
CLIMATE ACTION

- Climate Action Plan
- Transition to a circular economy
- Innovation for societal needs

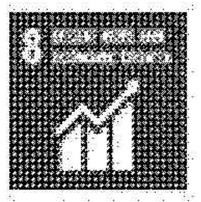


12.
RESPONSIBLE CONSUMPTION AND PRODUCTION

- Transition to a circular economy
- Innovation for societal needs
- Climate Action Plan
- Lower HS&E impacts of our activities and products
- Sustainable partnerships

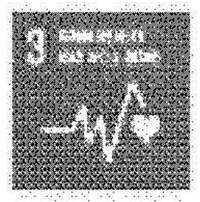
11.
SUSTAINABLE CITIES AND COMMUNITIES

- Climate Action Plan
- Innovation for societal needs
- Sustainable partnerships



8.
DECENT WORK AND ECONOMIC GROWTH

- Sustainable partnerships
- Lower HS&E impacts of our activities and products
- An inspiring and rewarding place to work



3.
GOOD HEALTH AND WELL-BEING

- Innovation for societal needs
- Lower HS&E impacts of our activities and products
- An inspiring and rewarding place to work

17.
SUSTAINABLE PARTNERSHIPS

- We take responsibility for our own activities, but also in our sphere of influence upstream (raw materials sourcing) as well as downstream (use and end-of-life)
- We invest in close relationships with the stakeholders: customers, suppliers, knowledge institutes and universities, investors and communities along our value chain

European Green Deal
The European Green Deal is the European Commission's plan to make the EU's economy sustainable by turning climate and environmental challenges into opportunities and making the transition just and inclusive for all. Recticel fully supports these objectives. Our renewed sustainability strategy 2021 – 2025 will continue to advance the **key policy areas of the European Green Deal.**

Our carbon reduction objectives are in line with the European Union's **greenhouse gas emission reduction target** of -55% reduction by 2030.

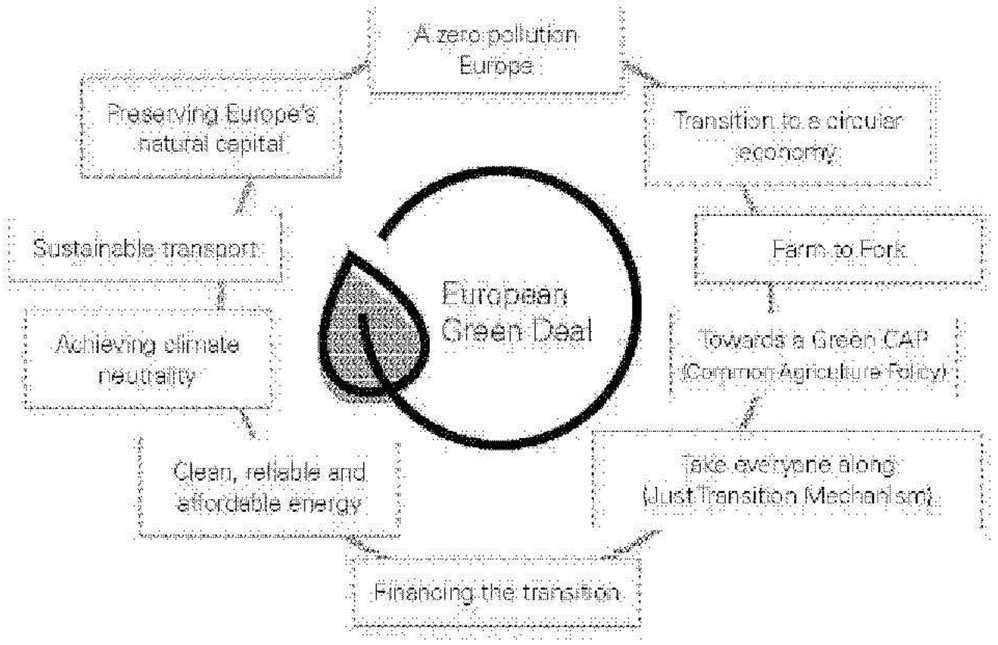
We fully support the **Renovation Wave** plan to renovate buildings, responsible for over a third of EU emissions. While 75% of existing buildings in the EU are considered energy inefficient, only 1% currently undergo renovation each year. Recticel is well-positioned to help address this issue through its high-performance insulation solutions.[5]

We proactively monitor new directives from the **Chemicals strategy** for Sustainability. In our sustainability roadmap for 2025, we commit to the pursuit of zero chemical hazard impact of our activities and our products.

Our target to achieve 10% production with lower carbon raw materials is aligned with the EU's **Sustainable Carbon Cycles** plan to achieve 20% of carbon used in chemical and plastics products from sustainable non-fossil source by 2030.

New initiatives to promote circular economy processes and sustainable consumption, such as the **Sustainable Products Initiative**, are expected in 2022 to achieve the EU's climate neutrality target. Recticel will continue to engage in partnerships along the value chain to further a circular economy.

For more information about Recticel's eligibility following the EU's **Taxonomy Regulation** for sustainable activities, see ***'Taxonomy Eligibility'***.



5 See **'1. A new future built on sustainable innovation'**

Sustainable innovation programmes driving the change

Our Sustainable Innovation Department, the strategic R&D Centre of the Group, has been organized since 2016 around three long-term innovation programmes that benefit our customers in their markets: Low Lambda, Silencing, and Fit² next to a Corporate programme:

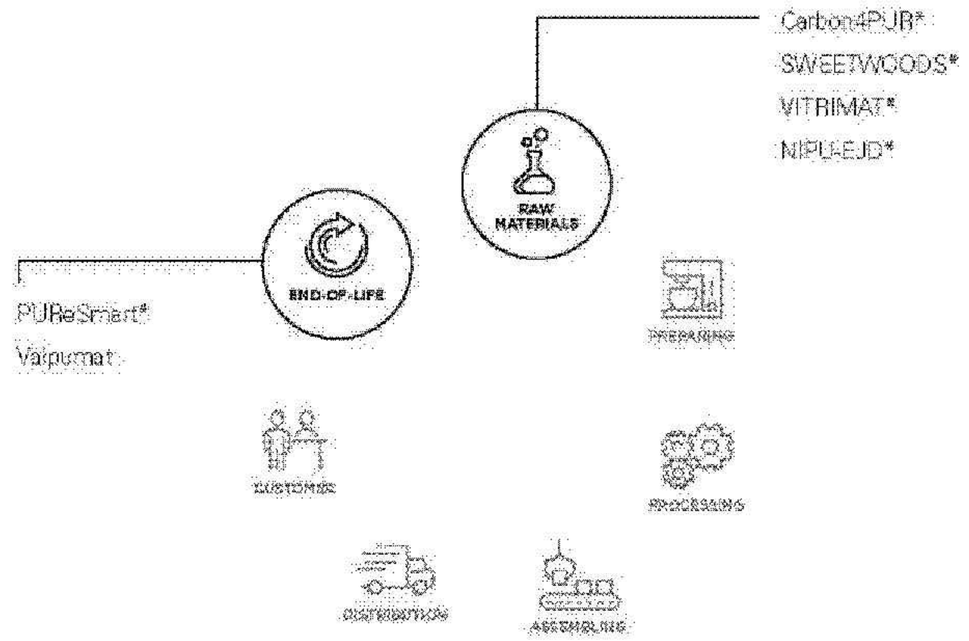
Insulation | Engineered Foams Insulation | Engineered Foams Bedding | Engineered Foams Insulation Bedding

Following the strategic overhaul of the Recticel Group and decision to focus on its insulation activities, the R&D programmes linked to Bedding and Engineered Foams have been transferred to the respective business lines in the course of 2021.

The fourth, or **Corporate Sustainability innovation programme**, is dedicated to exploring new ways to prepare polyurethane for circularity polyurethane, in partnerships with stakeholders, over the entire value chain: from raw materials, to production, to end-of-life.

SUSTAINABLE R&D PARTNERSHIPS

In areas with highest CO_2 impact: raw materials (60%), end-of-life (35%)



** R&D projects funded by*

Horizon 2020
European Union Funding
for Research & Innovation

Raw materials

Innovation and efficiency initiatives have reduced our use of raw materials and are complemented by our choice of lower-carbon raw materials with bio-based or recycled content. In partnership with Covestro, Recticel was in 2018 the first company worldwide to use a CO_2-based polyol in its flexible foam production for products such as mattresses.

Two long-term fundamental R&D projects centred on rigid foam for insulation applications, further illustrate Recticel's commitment to become less dependent on fossil resources:

Carbon4PUR

Carbon capture and utilization is also at the heart of the Carbon4PUR project, a EU Horizon 2020 Research and Innovation Programme project. With Covestro as project coordinator, the consortium of research-oriented industry and application-oriented science has been working together on an interdisciplinary basis since 2017.

The use of process gases from steel industry has been investigated in order to move closer to the goal of climate neutrality. The 14 project partners have focused on expanding the technology platform that Covestro first successfully implemented in 2015 for the **use of CO_2 as new, alternative feedstock for the chemical industry.**

In the Carbon4PUR project, carbon monoxide (CO) derived from steel mill process gases has now also been tapped as a raw material source for circular plastics. CO and various gas mixtures were successfully converted by Covestro in Leverkusen, Germany, into polyols as intermediates for polyurethane. These high-performance materials were upscaled and then tested in rigid foams for insulation boards by Recticel. The tests demonstrated that the rigid foam insulation boards, partially made with polyol based on the Carbon4PUR technology, are comparable with the market reference in terms of their key technical specifications.

The Carbon4PUR project started on 1 October 2017 with a duration of 36 months. Due to the Covid-19 impact, the consortium decided to extend the project until 31 March 2021.

For more information:
https://www.carbon4pur.eu or **watch the project's closing video**.

This project has received funding from the European Union's Horizon 2020 Research and Innovation programme under grant agreement N° 768919. The information contained in this document has been prepared solely for the purpose of providing information about the Carbon4PUR consortium and its project. The document reflects only the Carbon4PUR consortium's view, and the European Commission is not responsible for any use that may be made of the information it contains.

SWEETWOODS

SWEETWOODS, a Bio-Based Industries Joint Undertaking (BBI JU) funded project, focuses on **bio-based materials such as wood to replace fossil fuel**. The project aims at demonstrating the successful and profitable production of high purity lignin, derived from low-quality wood residues and sugars, on an industrial level.

The fractionation technology concept was successfully commissioned in 2021 and further validated by the project coordinator Fibenol (formerly Graanul Biotech). The first tons of hydrolysis lignin and cellulosic sugars have been delivered to the project partners for application trials and further modification. The whole plant commissioning and industrial supply of high purity hydrolysis lignin and cellulosic sugars is scheduled for 2022.

Recticel is currently evaluating on lab scale which (depolymerised) lignin types are most suitable for incorporation in rigid foam for insulation boards. These will be further upscaled and screened on a semi-industrial scale.

The SWEETWOODS project started on 1 June 2018 with a duration of 36 months. The consortium decided to extend the project until 31 May 2023.

For more information: **https://sweetwoods.eu**

Horizon 2020 European Union Funding for Research & Innovation

SWEETWOODS has received funding from the Bio-Based Industries Joint Undertaking under the European Union's Horizon 2020 Research and Innovation programme, under grant agreement N° 792061. The SWEETWOODS project results presented reflect only the author's view. The Commission is not responsible for any use that may be made of the information it contains.

Bio-based Industries Consortium BBI JU

Since 2020, Recticel also participates in research initiatives funded by the European Commission's **Marie Sklodawska-Curie Actions (MSCA)**. The MSCA help develop training networks and promote staff exchanges. They encourage collaboration and sharing of ideas between different industrial sectors and research disciplines, breaking down barriers between academia, industry and business.

Recticel is proud to be part of two such projects in the field of raw materials:

VITRIMAT

On March 1st, 2020, VITRIMAT started up for a period of three years. The project receives funding from the European Union's Horizon 2020 research and innovation programme under the Marie Sklodowska-Curie grant agreement.

VITRIMAT has the ambition of bridging a critical training gap between cutting-edge European academic research on vitrimers and industrial developments of daily life products. Vitrimers are a **new class of materials combining the best features of thermoplastic and thermoset materials**. VITRIMAT offers a world-class multidisciplinary and inter-sectoral training platform, where PhD students are conducting their PhD research. First research ways are identified and fitted towards industrial applicability.

The project combines the expertise of six academic partners-pioneers in vitrimers and advanced composite materials with one national technical centre and eight industrial partners, including Recticel, that are world leaders in the chemistry adhesives, thermosets and composites for consumer goods, construction and automotive applications.

Horizon 2020 European Union Funding for Research & Innovation

VITRIMAT has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Sklodowska-Curie Grant Agreement N° 860911. This presentation reflects only the author's view. The European Union is not liable for any use that may be made of the information contained herein.

For more information: **https://vitrimat.eu**

NIPU-EJD

On January 1st, 2021, NIPU-EJD started up for a period of four years. The project receives funding from the European Union's Horizon 2020 research and innovation programme under the Marie Sklodowska Curie grant agreement. NIPU-EJD is a **European Joint Doctorate program aiming at novel Non-Isocyanate PolyUrethanes** and is set up by a consortium formed by seven academic beneficiaries together with eight non-academic partners including Recticel.

The program vision of NIPU-EJD is to create a new generation of high-skilled, creative, entrepreneurial scientists, who will be the future leaders in the development of sustainable non-isocyanate polyurethane (NIPU) systems. NIPU-based systems respond to the urgent needs for sustainability in terms of raw materials innovation, improved safety, production processes and recycling.

Horizon 2020 European Union Funding for Research & Innovation

NIPU has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Sklodowska-Curie Grant Agreement N° 955700.This presentation reflects only the author's view. The European Union is not liable for any use that may be made of the information contained herein.

For more information: **http://www.nipu-ejd.eu/consortium/**

Production

We estimate that raw materials and end-of-life are responsible for respectively 60% and 35% of our carbon footprint. This is where the main focus of our sustainability efforts lies. At the same time, we are also fully committed to reducing the impact of our own production.

Waste reduction

Including sustainability in our production processes reduces our carbon footprint and increases our operational excellence. Together with industrial partners and knowledge institutes, we explore ways to reduce production waste and design products that are eco-friendly and easy to dismantle.

We have developed a **fiber-bonded foam technology** which in a first step allowed us to transform flexible polyurethane foam production waste into acoustic insulation building applications. We have further optimized this technology to be able to process polyurethane originating from end-of-life mattresses. These acoustic insulation panels reduce sound by up to 12 dB while conserving energy.

Energy consumption

Since 2013, we have systematically recorded annual energy costs and consumption data across the Group and have strived to make our operations more energy-efficient.
In 2020 we introduced our **Electricity Sustainability Roadmap**, an ambitious action plan to reduce the CO_2 impact related to electricity usage by 75% in 2025.

We are reaching that target following three paths in parallel:

- Build up and implement an **energy saving plan** at each plant;
- Develop **smart efficient lighting**;
- Selectively implement a number of **solar panels and windmills** projects to generate green electricity.

The Roadmap prioritizes our plants in Europe. The three paths have been defined based on the lessons learned from projects on energy usage that have already been carried out, as well as from extensive energy audits conducted in 19 plants.

The reduction of electricity use by optimizing **lighting** is achieved in close consultation with the local plant teams. This entails replacing current lighting with new, smart installations to find the perfect balance between energy saving (such as automatically dimming the light when sunshine enters the production area) and safe working conditions. So far **57,000 m² have been relighted**, saving 1,280 GWh. More projects are in the pipeline and expected to be rolled out in 2022.

To increase our green energy production, we also explored the opportunities to install **solar panels** and wind turbines at our sites. End 2021, a total of **55,000 m²** of solar panels cover the roofs of Recticel sites. Projects to install another 33,000 m² of solar panels on the ground are currently in the end-phase.

The projects to install wind turbines require a lot of time and consultation. Currently, one project has been submitted to the authorities for approval.

End-of-life

New mechanical and chemical recycling processes will allow us to recycle valuable end-of-life materials, paving the way for new value-added applications. Mechanical recycling re-uses end-of-life polyurethane and transforms it into a new value-added product, while chemical recycling breaks down end-of-life polyurethane to its original chemical building blocks and transforms these into virgin polyurethane again.

At the beginning of our sustainability roadmap in 2015, we concentrated our R&D efforts on collecting and recycling post-consumer flexible polyurethane foam from products with a lifespan of up to 10 years such as mattresses. With partners along the value chain, we have succeeded in developing solutions to give this valuable material a new life, for example by transforming it into acoustic thermal insulation boards.

In parallel, PUreSmart, a ground-breaking chemical recycling R&D project funded by the EU Horizon 2020 Innovation & Research programme, is showing very promising results and could be a breakthrough for turning flexible polyurethane foam into a fully circular material.

We have now extended our R&D focus to insulation boards which keep their energy saving properties for up to 50 years. A first study on how to collect and re-use their post-consumer rigid polyurethane foam has been completed. We intend to set up a research project with partners across the value chain to further explore all options.

MECHANICAL RECYCLING

Recticel has engaged in a number of partnerships to set up an effective collection and reuse of end-of-life materials via mechanical recycling.

On January 1st, 2021, the authorities in Belgium introduced the extended producer responsibility (EPR) for mattresses. Recticel is one of the founding fathers of **Valumat**, a Belgian non-profit organization created by actors across the mattress industry, that will carry out the obligations for **collecting and recycling of end-of-life mattresses** in Belgium. The objectives are to achieve 65% collection and 50% re-use or recycling of the materials by 2025. An important role is reserved for eco-innovation and design for circularity. In the course of 2022, a project group within Valumat will focus on these topics. We are also intending to support the mattress collection and recycling initiative in the Netherlands where the EPR scheme will start on January 1st, 2022.

As early as 2013, the French authorities introduced the collection and recycling of mattresses and furniture. **Eco-Mobilier,** the non-profit eco-organisation approved by the French Ministry of Ecology, Sustainable Development and Energy, has been set up to organise the collection, sorting, recycling and reusing of these end-of-life material streams.

Valpumat

Recticel is part of the **Valpumat** project, or Valorization of the PolyUrethane of MATtresses, launched in 2017 by Eco-mobilier. Since 2020, Recticel processes end-of-life foam in one of its plants in France transforming this valuable material into innovative **acoustic insulation solutions** for building and construction, automotive and industry applications.

CHEMICAL RECYCLING

PUReSmart

We are proud to participate in, and be the project leader of, the **groundbreaking PUReSmart chemical recycling project.** The project is funded by the European Union's Horizon 2020 Innovation and Research programme to develop a complete circular product life cycle and turn polyurethane into a truly sustainable material: recover the used material (e.g., mattresses) and turn them into building blocks for existing or new products.

The PUReSmart consortium is an end-to-end collaboration spanning the entire polyurethane reprocessing value chain and gathering nine partners from six different countries. The project aims to breakdown polyurethane into its two building blocks being polyol and isocyanate in an optimized mass balance to have full one to one circularity.

Project partner Covestro, leading producer of advanced polymers and high-performance plastics, has recently started operating a pilot plant for flexible foam recycling at its Leverkusen site to confirm the positive laboratory results achieved to date. The first tests are showing highly promising results on very high yield and selective recovery of the original polyol component and full replacement in new polyurethane formulations.

Pilot tests are ongoing to confirm the equally promising results for the isocyanate component. Covestro's goal here is to industrialize chemical recycling processes for used flexible foams and ultimately to remarket both recovered raw materials.

Despite the ongoing impact of the Covid-19 pandemic, the project team managed to remain on schedule regarding the intermediate project deliverables. In all work packages, breakthrough steps are already made. This will move the whole project far beyond the state-of-the-art. This is also proven by several patents related to the smart chemolysis process and the earlier decision by Covestro of a scale up from laboratory scale to semi-industrial level on short-term for the chemical recycling process.

The PUReSmart project started in January 2019 and will end in December 2022. More information on the current project status can be found on the **PUReSmart website**.

This project has received funding from the European Union's Horizon 2020 Research and Innovation programme under grant agreement N° 814543. The PUReSmart project results presented reflect only the author's view. The Commission is not responsible for any use that may be made of the information it contains.

European and national initiatives

In 2019, Recticel signed the Declaration of the **Circular Plastics Alliance** which promotes voluntary actions for a well-functioning EU market in recycled plastics. The alliance wants to reach the target of 10 million tons of recycled plastics used to make new products every year in Europe, by 2025. This target was set by the European Commission in its 2018 Plastics Strategy as part of its efforts to boost plastics recycling in Europe.

The Circular Plastics Alliance announced in September[6] a new roadmap to 2025 including development of an EU-wide monitoring system on recycled plastics; an updated work plan on design for recycling covering packaging, construction, agriculture, home appliances that account for over 60% of plastic waste collected in Europe.

Recticel also supports the **Moonshot initiative** launched by the Flemish government in Belgium. In this ambitious industrial innovation programme hosted by Catalisti, Flemish universities, research institutes and industries join hands to develop breakthrough technologies by 2040 to create new climate-friendly processes and products. Recticel has joined the Advisory Board of two Moonshot programmes: **Biobased Chemistry** and **Circularity of Carbon in Materials**.

6 ***Commitments and deliverables of the Circular Plastics Alliance (europa.eu)***

Our climate change strategy

Sustainability has always been at the heart of our activities. Considering the entire value chain, Recticel is a **climate-positive company**. Our thermal insulation solutions for building renovations and new constructions contribute to a low-carbon society. In 2021, **CO_2 emissions avoided by these insulation solutions offset more than 51 times the carbon footprint of all Recticel activities combined.**[7]

From now on, Recticel will focus exclusively on its Insulation activities, presenting excellent growth prospects in a high-value added business segment driven by climate change. It perfectly illustrates our sustainability motto to grow together with our stakeholders towards a PUre future. The acquisition of Trimo[8], one of Europe's leading providers of sustainable premium insulated panels for the building industry, announced on 22 March 2022, is a key step in our growth direction.

Since the launch of our sustainability strategy in 2015, we are committed to not only optimising our positive impact across the value chain but also to reducing at the same time any negative effects of our activities. We renewed our strategy in 2020 and have confirmed, following stakeholder engagement sessions, the three areas in which we can make a significant contribution to **mitigating climate change**. Climate Action Plan; Transition to a circular economy; and Innovation for societal needs have been incorporated in our **Sustainable Innovation Plan with aggressive targets for 2025 and 2030.**[9]

One company alone cannot fulfil these ambitions. We invest in partnerships with stakeholders (suppliers, customers but also industry, authorities, knowledge institutes and universities) along our value chain, often in long-term R&D projects, to shape tomorrow's future.

In 2021, Recticel participated for the first time in the comprehensive **CDP** Climate Change questionnaire. Disclosing is the first step to drive environmental action and provide transparency on how we manage climate related risks and opportunities through a solid risk management process and governance.

CDP awarded Recticel a B (on a scale from A to D-) for climate change disclosure. This positions us among the 33% of companies worldwide that have a B score or higher. CDP particularly recognised the fact that Recticel is leading within its industry on emission reduction initiatives and governance.[10]

*7 The 2021 results expressed in tonnes of CO^2e can be found in the **'Summary Table'** at the end of the Non-Financial Information statement.*
*8 See **Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimo***
*9 See **'Recticel Targets & Results'***
*10 See Our **ESG ratings – transparency on our sustainability performance | Recticel***

Risk management

Since the beginning of our sustainability journey, we see sustainability as an opportunity to create shared value for the company and society. Our sustainability journey is closely interwoven with the Recticel Group risk management assessment, which enables Recticel to identify, manage and mitigate the main issues that could impact our business.

Assisted by the Audit Committee, the Board of Directors defines the Group's major risks. Placing sustainability at the centre of Recticel's strategy takes these risks into account, and avoids or minimizes any adverse effects of potential risk on the company.

CORPORATE RISKS IDENTIFIED	SUSTAINABILITY STRATEGY
Failure to successfully innovate, develop and introduce new products.	→ Innovation for societal needs Finding solutions for a circular economy and low-carbon society.
Safety, health and the environment: new regulations and its impact.	→ Climate Action Plan CO_2 emissions avoided by our insulation solutions offset 51 times the carbon footprint of our activities combined.
Price volatility of major chemicals. Failure to obtain raw materials.	→ Transition to a circular economy Seeking news ways to prevent, reuse and recycle production and end-of-life foam and transform it into new value-added products.
Potential misconduct by employees and managers or third-party contractors.	→ Sustainable partnerships Developing comprehensive codes, policies and trainings to provide an ethical framework beyond compliance for employees. Recticel's Supplier Sustainability Requirements incorporated in the General Terms and Conditions.
Safety, health and the environment, new regulations and their impacts.	→ Lower HSE impacts of our activities and products Working towards zero environmental accidents, injuries and occupational illness. Committing to pursue zero chemical hazard impact of our activities and products.
Attracting and retaining qualified personnel.	→ An inspiring and rewarding place to work Encouraging employees to feel engaged, develop their talents and contribute to company goals.

COVID-19

As the COVID-19 pandemic continues, we are taking every precaution to protect our employees, customers, suppliers, shareholders and their families from its impact. A Covid Crisis Team presided by the CEO, comprising the Chief Human Resources Officer, the Corporate HS&E Manager and the HS&E Managers from the business lines, closely monitors the pandemic's evolution and adapts its Group Health & Safety guidelines accordingly.

Since the start of the COVID-pandemic in 2020, Recticel Crisis Response Teams have been activated in every country and are monitoring the situation closely to ensure that the correct actions are taken, in line with Group as well as local guidelines and local legislation.

As a responsible company, we are committed to remaining flexible and responsive to the situation as it evolves, so that we can serve our customers and help communities through the challenges ahead. For more information about how we ensured business continuity, see **'1. A new future built on sustainable innovation'**.

Recticel targets and results

For the six material aspects described hereabove, Recticel defined **clear targets** to be met by 2025 or 2030. These are measured through key performance indicators (KPI). In addition, we also report on our **commitments** on an annual basis.

The summarized overview of our 2021 results can be found in the **'Summary Table'** and in the **'Sustainability Strategy Summary'** followed by the **'Independent limited assurance report'** at the end of this Non-Financial Information statement.

The results relate to the 100% Recticel owned entities. Joint ventures are not in scope. Over 2021, we exclude the former FoamPartner sites integrated as of 31 March 2021 in the Engineered Foams business line.

Targets related to the environment

Climate Action Plan

KPI 1: Climate Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3)[11]
Target: 75 (by 2030)
Result: 51

We expect that the positive impact due to the growth of the Insulation business will continue. In addition, we will further implement all ongoing actions to reduce our carbon footprint. For 2030, we foresee that, without a change of scope, we would increase our multiple from 51 to 75. After the closing of the divestments of Bedding (completed on 31 March 2022) and Engineered Foams (expected mid-2022), Recticel will become a pure-play insulation company. We estimate that the multiple will then triple to 150 of more by 2030.

KPI 2: Recticel carbon footprint (scope 1, 2, 3 in tonnes of CO_2 equivalent)[12]
Target : Reduction of 40% by 2030 (2013 baseline, target in line with EU Green Deal -55% vs 1990)
Result: 79% (21% reduction versus the 2013 basis)

No fundamental changes in carbon footprint reduction in 2021. We expect to see significant impact when more raw materials with renewable or recycled content become available in larger quantities and when the recycling of post-consumer foam will be more generally implemented.

11. Recticel Carbon Footprint Indicator expressed in tonnes of CO_2 equivalent compared to the 100% activity level in 2013. (scope: production sites). The method of calculation is derived from the Cradle to Grave method.
12. Using appropriate methods of calculation per type of product and using appropriate conversion factors calculated by a third party.

KPI 3: Carbon intensity (ratio between scope 1 and 2, in tonnes of CO_2e/Mio EUR revenue)[13]
Target: Reduction of 25% by 2025 (baseline: 2020)
Result: 17%

We introduced this new KPI in 2021, a year in which we saw a steep price increase of all raw materials (chemical and non-chemical) and of energy costs affecting our suppliers. Recticel has succeeded in factoring these costs into the prices of its products, where necessary. As a result, with comparable sales volumes and energy consumption, revenue increased leading to a 17% reduction in carbon intensity compared to the previous year.

Background

The aim of the 2015 United Nations COP 21 Paris Agreement is to fight climate change by limiting the increase of the global temperature above pre-industrial as much as possible. Recticel contributes to this goal by optimizing its carbon footprint throughout the value chain, alongside its partners.

We focus on introducing raw materials with lower GWP (global warming potential) values as well as lower-carbon impact raw materials, improving the energy efficiency of our activities, and developing more sustainable products and end-of-life solutions that support a circular economy.

We estimate that, in 2021, the **CO_2 emissions avoided by our insulation solutions offset over 51 times** our carbon impact throughout the value chain.

To optimize our carbon footprint, we want to reduce our negative impact and increase our positive impact in a significant way. In line with these goals, we focus on areas in our value chain where the biggest progress in carbon footprint reduction can be made: upstream (raw materials) and downstream (usage and end-of-life phases).

In parallel, we have introduced in 2020 a company-wide electricity sustainability roadmap to reduce the impact of our company's electricity usage by 75% in 2025[14]. We measure the success of our efforts through carbon intensity, providing transparency on the scope 1 and scope 1 emissions compared to our sales.

Transition to a circular economy

KPI 1: Tonnes of post-consumer flexible polyurethane foam produced by Recticel from recycled mattresses
Target: 5,000 tonnes by 2025
Result : 1,864 tonnes

We selected this KPI in 2015 to express our commitment to replacing post-industrial polyurethane (PU) foam with post-consumer PU foam. We initially used a traditional bonded foam technology for products such as carpet underlays. We subsequently succeeded in introducing a new fiber-bonded foam technology to transform post-consumer PU foam into acoustic thermal insulation panels. As of 2021, we only consider post-consumer PU foam and realise a 76% increase compared to 2020. In the course of 2022, we expect to switch to post-consumer PU foam in our bonded foam technology, significantly increasing our volumes and bringing our 2025 target within reach.

KPI 2: Ratio between lower-carbon raw materials[15] and overall raw material consumption
Target: 10% by 2025
Result : We will report on this KPI earliest as of 2023.

End 2018, Recticel was the first company world-wide to introduce Covestro's innovative CO_2 polyol in the flexible foams production of mattresses such as Geltex. We continued our R&D partnerships with our suppliers which will result in the coming years in more lower carbon footprint raw materials. New products will be launched by mid-2022 based on renewable and recycled polyols.

PUReSmart project, a breakthrough in chemical recycling of flexible polyurethane foam

We are proud to support, and be the project leader of, the **groundbreaking PUReSmart chemical recycling project**. The project is funded by the European Union's Horizon 2020 Innovation and Research programme to develop a complete circular product life cycle and turn polyurethane into a truly sustainable material: recover the used material (e.g., mattresses) and turn them into building blocks for existing or new products.

Project partner Covestro, leading producer of advanced polymers and high-performance plastics, has recently started operating a pilot plant for flexible foam recycling at its Leverkusen site to confirm the positive laboratory results achieved to date. The first tests are showing highly promising results on very high yield and selective recovery of the original polyol component and full replacement in new polyurethane formulations.

Pilot tests are ongoing to confirm the equally promising results for the isocyanate component. Covestro's goal here is to industrialize chemical recycling processes for used flexible foams and ultimately to remarket both recovered raw materials.[16] In parallel with the technical studies, an environmental Life Cycle Analysis (LCA) is carried out. The first indicative results confirm the original assumption of approximately 30% carbon footprint reduction.

Background

Recticel supports the transition from the linear 'take, make, dispose' economic model to a circular economy. We do this by concentrating our R&D efforts on raw materials and on end-of-life, the two areas where innovation along the value chain can have the biggest impact on minimizing demand for constrained natural resources. Partnerships throughout the value chain are key to transform our industry.

As for raw materials, we have set ourselves the ambitious target of further increasing the percentage of lower-carbon raw materials we use to manufacture our products. Our 2025 target of 10% is in line with the EU's Sustainable Carbon Cycles plan's ambition of realizing 20% of carbon used in the chemical and plastic products from sustainable non-fossil sources by 2030.

This requires close cooperation with our suppliers and long-term R&D partnerships throughout the value chain to explore, test and introduce raw materials with a lower carbon footprint into our production processes.[17]

13 Scope 1 defined as direct emissions from owned or controlled sources such as company facilities, company vehicles) and scope 2 as generation of purchased electricity, steam, heating and cooling (GHG Protocol)
14 See ***'Energy consumption'***
15 ***Renewable, bio-based, Carbon Capture and Utilisation, recycled, mass balanced approach***
16 See ***'Chemical recycling'***
17 See ***'Sustainable innovation programmes driving the change'***

Innovation for societal needs

KPI 1: Sustainability Index (scope: innovation pipeline Sustainable Innovation Department (hereinafter "SID"))
Target: 80% of active R&D projects classified as sustainable according to the Sustainability Index.
Result: 68% (scoring performed over R&D projects active in December 2021)

We reviewed our scoring methodology during the limited assurance process in 2020 as it was too strict for certain sustainable projects to meet the criteria. The revised version was used to score our R&D projects over 2021. Still some projects, fully focusing on circularity, did not meet the threshold values. This suggests that for a project to be classified as sustainable, the metrics of the Sustainability Index should be considered amongst other, qualitative factors. Compared to the result over last year, we see an increase of 10% although we did not achieve our target of 80%. We consider that the choices of the projects are fully in line with our strategic intentions.

KPI 2: Sustainable R&D projects ready to be brought to market
Target: ≥ 3 every year
Result: 5

We introduced this new KPI in 2021 to measure our sustainable innovation performance. Using our sustainability index, our stage gate process methodology and financial criteria, we consider a R&D project ready to be brought to market when it has successfully completed all development and initial production requirements. As a result, we classified 5 R&D projects as ready to go to market which exceeds our target.
At this stage, we do not want to disclose specific details about all five projects. In general, we can say that some projects are related to replacement of fire retardants (more sustainable). In September 2021, our Engineered Foams business line launched NIVA, a new range of TCPP-free foam for bedding and furniture. TCPP is a commonly used fire-retardant currently under risk assessment by the European Chemicals Agency (ECHA) and might become restricted in its use. Recticel proactively anticipated this by developing the NIVA range.

Other R&D projects focus on developing new fiber-bonded foam applications using post-consumer foam.

Background

Our continued growth depends on our ability to respond to complex and dynamic societal needs. Therefore we strive to develop innovative solutions that contribute to mitigating climate change, maximize resource efficiency, reduce carbon emissions and support sustainable, healthy lifestyles. Sustainability is at the core of Recticel's strategy, and sustainable innovation programmes, led by our Sustainable Innovation Department (SID), shape our company's future.

Sustainability index to assess performance
We have aligned our R&D efforts with market expectations and societal needs and introduced our Sustainability Index to assess their performance.

In 2014, we developed our own methodology to score all research and development projects, spearheaded by the Sustainable Innovation Department. The resulting Sustainability Index, now in its 2nd generation, is a way to measure, track and compare the sustainability performance of active R&D projects. It comprises criteria linked to Planet and People aspects. Projects are scored by the Programme Innovation Manager, Corporate Sustainability Innovation Manager and corporate sustainability experts.

In the **Planet** aspect, criteria such as carbon footprint, reduced by saving resources, recycling and reusing end-of-life materials, are considered. The **People** aspect concerns criteria for social responsibility, such as health, safety and environment (HS&E) as well as social impact.

Each development is rescored on an annual basis or when the project enters a new phase, with scorings reviewed when significant changes are made to a project's scope, or when important new research data have become available. People or Planet criteria can be rescored either in a positive or negative way depending on new insights or developments on the market or the product.

Measuring sustainable innovation success
In 2021, we introduced a new KPI to assess the success of our Sustainable Innovation Department's R&D innovation programmes. We do this by measuring the number of sustainable R&D projects ready to be brought to market each year. Active R& projects are evaluated based on their sustainability index score, the stage gate process methodology and financial criteria.

Targets related to social matters and personnel

Sustainable partnerships

Ensure that supplies are compliant with the Recticel Supplier Sustainability Requirements and audited based on risk assessment

Our partners are indispensable in helping us to achieve a more sustainable value chain. In 2015, we introduced the Recticel Supplier Sustainability Requirements (RSSR) to ensure safe, environmental-friendly, ethical and respectful working and human rights conditions throughout the supply chain. We integrated the RSSR in our General Terms and Conditions in 2017.

As a condition of doing business with Recticel, suppliers and their subcontractors must authorize Recticel and its representatives (including third parties) to perform audits both on-site and off-site.

We have committed to developing an action plan to verifying and audit our suppliers based on risk assessment. Due to the strategic overhaul of the Recticel Group in 2021, the action plan has been delayed.

Reinforce R&D partnerships with customers, knowledge institutes, universities and strategic suppliers on sustainable development

Our vision is to be the leading global provider of durable solutions in all our core markets by responding to key global challenges such as climate change, energy conservation, a growing and ageing population, and noise pollution. To achieve this, we strongly believe in short-term efficiency, mutual benefits of partnerships along the value chain, innovation and long-term sustainability. In 2021, we entered new partnerships with 31 parties, ranging from universities, customers to suppliers in order to lower the carbon footprint of our products and solutions.

Continue and expand long-term partnerships for social projects

As an international company active in 19 countries and 40 sites, Recticel supports projects and initiatives on both local and Group levels. On a local level, countries or sites support those initiatives that resonate most in their communities. The support given can vary from financial contributions to the provision of goods and services. On a corporate level, Recticel favours those projects which are linked to our core values, our sustainability strategy or the United Nations Sustainable Development Goals. We focus particularly on those where Recticel expertise and activities are most relevant, such as: 'Climate Action', 'Responsible Consumption and Production', Sustainable Cities and Communities', 'Decent Work And Economic Growth', 'Good Health and Well-being', and 'Partnerships for the Goals'.

Close The Gap is an international non-profit organisation that aims to bridge the digital divide by offering high-quality, pre-owned computers donated by large and medium-sized corporations or public organisations to educational, medical, entrepreneurial and social projects in developing and emerging countries. Recticel joined this initiative in 2015. To date, 3000 PCs have been refurbished and given a second life. Besides the social dimension of this project, the environmental benefit is impressive: giving one computer a second life avoids the use of 250 kg of fossil fuels, 20 kg of chemicals and 1.5 tonnes of water. The initiative is a perfect fit with our ambition to reduce the negative impact of our activities and increase their positive impact.

YouthStart Belgium is a licensed Partner of NFTE Global, a worldwide organisation offering training programmes in entrepreneurship to underprivileged youth and young adults. YouthStart Belgium started in 1998. Together with all NFTE partners around the world, more than 800,000 young people were trained to achieve their dreams. This project fits perfectly with our commitment to create an inspiring and rewarding place to work where talents can develop. It also stimulates young adults to pursue their dreams, take up responsibilities, be innovative and perhaps build their own company.

Recticel's **Living The Values Award** (LTVA) campaign is organized periodically to recognize and reward Recticel colleagues and teams worldwide who lead by example. The five winners or representatives of the winning teams are invited by the Management Committee to the LTVA ceremony in Brussels. The winners receive a personal reward and donate, on behalf of Recticel, to a charity of their choice. So far the winners have supported charities in Belgium, China, Senegal, the UK, Germany, the US, Poland, Finland and the Czech Republic.

Lower HS&E impact of our activities and products

KPI 1: Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices)
Target: ≤ 2 by 2025 (number of LTAs x 1,000,000 / number of hours performed).
Result: 6,41

In 2021, we introduced company-wide a behaviour-based safety approach, already successfully implemented in our Insulation business line. The result for 2021 is disappointing and does not reflect the determination with which the teams are bringing safety to everyone's attention. We continue to work on our Golden Safety Rules & Principles to change safety awareness and behaviour to achieve our target by 2025.

KPI 2: Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases)
Target: ≤ 5 by 2025 (number of LTAs+RWC+MTC x 1,000,000 / number of hours performed).
Result: 10,4

We introduced this new KPI in 2021 as part of our overall safety approach to change people's behaviour by adding to our lagging KPI (Frequency 1, Lost Time Accidents) also a leading KPI (Frequency 2). Reporting on restricted work cases and medical treatment (Frequency 2) allows us to identify unsafe situations or behaviours, carry out a root cause analysis and take appropriate action to prevent future accidents. Although the 2021 figures do not reflect this yet, this approach will help us to meet the targets by 2025.

Proactive approach towards compliance on the substances within the European Green Deal Chemicals Strategy for Sustainability by striving for a zero chemical hazard impact of our activities and products

In order to **minimize our impact on** health, safety and environment within our activities and on our products, Recticel is taking a pro-active approach even going beyond legal frameworks such as REACH within the Chemicals Strategy for Sustainability. We have installed an internal procedure to ban chemicals beyond actual and up-coming legislation and directives.

In 2021, Engineered Foams launched Niva, a new range of fire retardant foams for bedding and furniture. Flame resistance characteristics are crucial to ensure the safety and legal compliance of materials used in bedding and upholstery products. One of the main fire retardants is TCPP, a halogenated P-ester fire retardant, which is highly effective. However, legislation is set to become even more stringent, and it is inevitable that such substances will eventually be phased out in mattress production and replaced by halogen-free alternatives. Recticel has proactively anticipated this challenge with the development of the NIVA range.

Background

The Recticel Corporate HS&E Policy defines strategic objectives to **minimize all HS&E risks and environmental impacts inherent to the company's activities and products**. This is above and beyond our basic obligation to comply with all applicable health, safety and environmental regulations.

We perform root cause analyses and implement corrective and preventive actions on critical operations. Recticel foaming sites adhere to strict regulations (such as SEVESO and/or COMAH), and several plants have certified health & safety and/or environmental management systems (OHSAS 18001 and/or ISO 14001-certified). Recticel is an active member of national and European professional associations such as EUROPUR, PU Europe, Essenscia and Federplast.

The Group HS&E Manual provides guidance for the implementation of the HS&E Policy. QHS&E managers in our business lines drive and support the change in safety culture by developing operational standards, improving working environments, raising awareness and training personnel.

Corporate HS&E and Sustainability Steering Committee

Management commitment to HS&E is reinforced by our Corporate HS&E and Sustainability Steering Committee (CHSSC) spearheaded by our CEO. It **defines Group strategies and policies regarding HS&E and sustainability**, advises and assists the business lines with their implementation and follows up on progress.

By sharing knowledge and unifying HS&E practices, such as standardized root cause analysis, and HS&E rules company-wide, we seek to make our processes more efficient. We have implemented an integrated Group HS&E tool to support alignment, improve follow-up and reporting, underpin best practices and facilitate the monitoring of changing regulations.

We never compromise on safety

We continue to raise awareness on safety. It is embedded in our Core Value of acting with respect and integrity. Through our global Simply Safe initiative we introduced a clear framework of **Golden Safety Principles and Golden Safety Rules**. Our **Stop! Think! Act!** mantra reminds everyone that we should all try to change our habits to guarantee a safe working environment. Whenever we notice a hazard, or whenever we start a new task, we should stop, think and then act.

Since 2018 we hold every year a **Recticel Global Safety Day**. It relays the important message: safety is everyone's responsibility. In 2021, during the COVID-19 pandemic, we organized a Safety Day in every Recticel site to kick-off a fresh new safety campaign. Under the overall theme "**It's MY choice**", the campaign drives home the message of individual responsibility and understanding that minor changes that can transform our safety performance.

At the same time, the winners of the 2020 Annual Safety Awards were announced:

Recticel Engineered Foams in Alfreton, UK

Plant with Lowest Accident Frequency Rate

Recticel Insulation in Wevelgem, Belgium

Plant with Highest Accident Frequency Rate Improvement

Recticel Insulation

Business Line with Highest Accident Frequency Rate Improvement

An inspiring and rewarding place to work

KPI 1: % employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD)
Target: Maximize e-learning
Result: Legal programme: Data Protection: 94%; Ethics Policy: 94%; Basics of Contract Law: 94%; Cybersecurity Programme: DIGIWIZZ: 96%

In 2021, we only report on the e-learnings that are mandatory for office employees due to the importance of the topics covered. In a next phase, we will extend this to the Safety programme and new development offerings.

The mandatory Legal programme comprises three modules: Data Protection; Ethics Policy; and Basics of Contract Law. Data Protection and Ethics Policy were launched in 2018, Basics of Contract Law in 2019. Ethics Policy was repeated in 2020. New office employees have to complete the three modules within two months after they join the company. For each module, the status 'completed' is only achieved if the office employee obtains a test result of minimum 80%.

The mandatory cybersecurity programme was launched in 2018. It was updated in 2020. In 2021, the mandatory cybersecurity programme was delivered through a new series of quarterly microlearnings on password security, phishing, social engineering, and working remotely. Participants only pass a course with a minimum score of 70% on the final test. After each microlearning, a fake phishing mail was sent to the participants' mailbox in order to test their reaction.

The results were shared within the organisation to continue emphasising the importance of acting cybersafe at all times. New office employees have to complete the basic cybersecurity modules within a week after they join the company.

The new colleagues from FoamPartner, since 31 March 2021 integrated in the Engineered Foams business line, are included in the 2021 result for both programmes.

KPI 2: Gender diversity in senior management
Target: 25% by 2030
Result: 18%

We introduced this new KPI in 2021 to further increase the number of women in senior management positions across the Recticel organisation. Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team in terms of gender, nationality and professional experience improves the quality of decision making, and ultimately improves overall performance. The result of 2021 is the starting point for the path that should lead us to enhanced gender equality by 2030. The new colleagues from FoamPartner, since 31 March 2021 integrated in the Engineered Foams business line, are included in the 2021 result.

Implement in 2022 a collective sustainability objective for senior management connected to the sustainability strategy

When we launched our sustainability roadmap 2021 – 2025, we committed to introducing a collective sustainability objective for senior management positions across the organisation. Senior managers play a pivotal role in translating our sustainability targets into SMART actions for their business line or function. The collective sustainability objective is connected to our renewed sustainability strategy with ambitious targets for 2025 and 2030 to reduce our carbon footprint.

Follow up on well-being score through the annual Employee Performance Management Discussion (EPMD)

In December 2020, Recticel introduced HR4U, a new tool for managing HR processes and data for white collar employees in a uniform and streamlined way across the organization. The annual employee performance management discussion (EPMD) became an integral part of HR4U in 2021. In parallel, the section on well-being was revised for the 2021 cycle to ask for voluntary feedback on the employee's daily work. Employees have the opportunity to give an overall score on how they are doing in their daily work and to share additional feedback on topics such as work content, workload and work relationships. The EPMD will be closed end of March 2022 after which the HR organisation will analyse the input for further follow-up.

Continue to improve employee engagement

End of March 2021, Recticel closed the acquisition of FoamPartner, a global provider of high value-added technical foams solutions offering significant complementarity and synergy with Recticel. 1,100 FoamPartner colleagues joined the Flexible Foams business line to form the new Recticel Engineered Foams business line, almost doubling the number of employees of the division.

Employee engagement was high on the agenda of this acquisition, Recticel Group largest ever. A Pulse Check campaign was set up to regularly collect, share and respond to employee feedback along the integration process. Three successive Pulse Checks took place in nine months. The questions in the surveys addressed both the integration process and cultural aspects. The findings were shared within the organisation and helped defining appropriate measures for improvement.

Background

Recticel's skilled and creative employees enable us to excel and achieve our sustainable growth ambitions. Success comes from being able to attract, motivate and retain a talented pool of workers. We seek to offer all our employees a stimulating and rewarding place to work, a place where they feel engaged, contribute to company goals, and where their talents can develop. We foster a collaborative and result-driven culture based on cooperation, respect, integrity and accountability. We encourage colleagues, customers and partners to innovate together to deliver winning solutions. Our human resources strategy aims to ensure the availability, engagement, motivation and continuous development of our employees.

We act with respect and integrity
Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team in terms of gender, nationality and professional experience improves the quality of decision making, and ultimately improves overall performance.

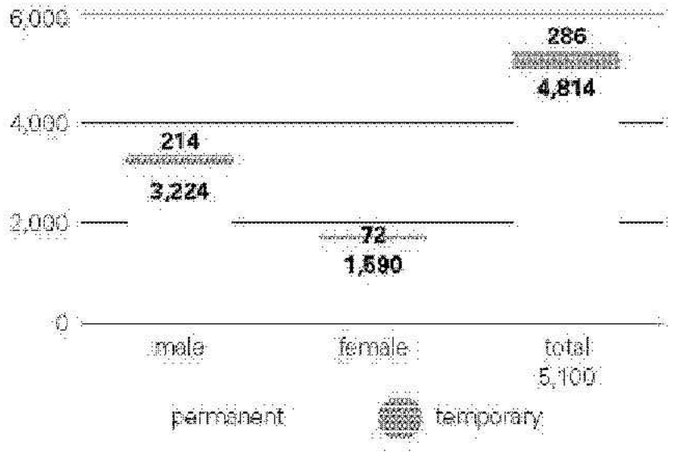
Recticel is present in 19 countries with many nationalities. Recticel is an equal employer and training and development, and is committed to a fair and consistent approach to recruitment and selection. Recticel wants to hire all candidates irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Recticel is an equal opportunity employer who offers men and women the same opportunities to develop their talents, build a career and balance work-life by offering the opportunity to work full-time or part-time at every stage of this career[18].

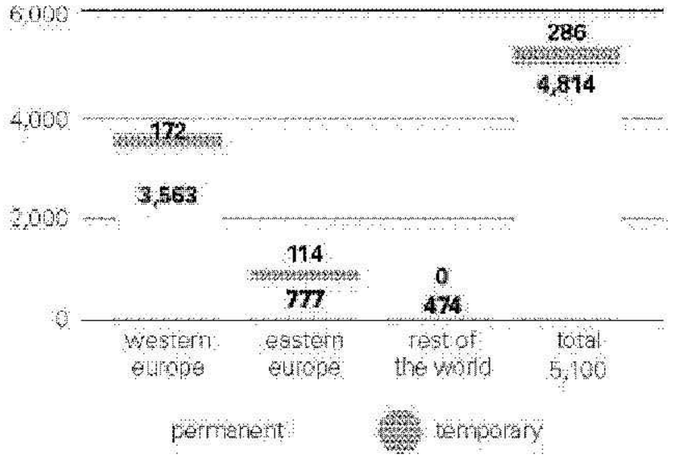
*18 See also **'Diversity Statement'** in 'Corporate Governance Statement'*

WORKFORCE PROFILE*

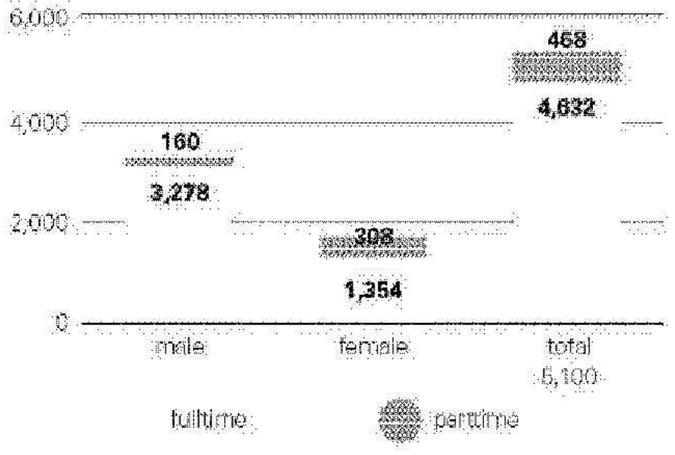
Total number of employees by employment contract by gender



Total number of employees by employment contract by region



Total number of employees by employment type by gender



** Workforce profile based on 100% Recticel owned entities (excluding JVs, including FoamPalmer employees (since 31 March 2021 integrated in the Engineered Foams division)).*

Currently one woman is represented in the Management Committee. Furthermore, one third of the members of the Board of Directors is a woman, in accordance with article 7:86 of the Belgian Companies and Associations Code.

The selection process of the members of the Board of Directors is described in the Corporate Governance Charter of Recticel, with the aim to come to a composition that is diverse in all its aspects, both at the level of gender, nationality, background, professional experience, competence and education.

See also **'1. A new future built on sustainable innovation'** and **corporate website.**

Targets related to ethics and integrity

From the start of the sustainability strategy in 2015 until 2020 included, Recticel had established a target to increase the number of legal e-learnings wit 5% per year (cumulative) compared to 460 in 2015. In 2020, the result was 2,866, a 623% increase compared to the baseline.

The legal trainings have now been integrated in KPI 1 for **'An inspiring and rewarding place to work'**.

Background

The legal training creates, increases and maintains awareness with Recticel employees regarding legislation as well as internal codes and policies to limit the company's risks of non-compliance.

Acting with respect and integrity is one of our core values. Respectful behaviour acknowledges the worth, dignity and uniqueness of others. We have created **codes and policies** to ensure we do business honestly, respectfully, and in full compliance with international rules and regulations.

A clear set of **values** and respectful behaviours unites our organisation. Redefined in 2016, our values align our actions and attitudes towards internal and external stakeholders. Behaviours associated with the five key values give direction to our employees and stakeholders.

Recticel highly values the importance of legal training, especially for those **target groups** who, due to the nature of their professional activities, are at a higher risk of being exposed to noncompliant situations, bribery or corruption. Our Corporate Legal Team regularly provides face-to-face training sessions and subject specific e-learning modules.

Ethics and compliance as part of our DNA

Corporate compliance is embedded in all our policies. We have developed guidelines for awareness creation, templates for reporting compliance issues, whistleblowing procedures and speak-up communication channels that enable employees to address issues in a variety of ways.

Recticel is aware of corporate risks, and we apply due diligence to both our own operations and supply chain. Where specific risks or exposure to noncompliant situations, bribery or corruption have been identified, policies are implemented that provide guidelines on how to avoid or mitigate them. Recently, the whistleblowing procedure has been updated, translated in 14 languages and published in early 2020 in order to complement our **Ethics Policy** of 2017.

Targets related to human rights

Regarding the respect of human rights, Recticel has, as a precautionary measure, taken over the obligation in its purchasing conditions that its suppliers do business in an ethical, correct, transparent, trustworthy and social responsible way and that they guarantee that nor their personnel or subcontractors are involved in discrimination, violation of human rights, corruption, violation of antitrust laws, child labor, forced labor, slavery or other unacceptable labor working conditions or terms. In this framework, the suppliers need to comply strictly with the 'Recticel Supplier Sustainability Requirements (RSSR)'. At first request of Recticel the suppliers need to be able to demonstrate that they respect this RSSR. Recticel is committed to putting a control mechanism in place to conduct audits within the supply chain based on risk assessment (see **'Sustainable Partnerships'**).

Summary

The table on the next page provided a summary of Recticel's sustainability strategy regarding the five material aspects, ten KPIs and targets in scope over 2021:

SUMMARY TABLE

Recticel's material topics and related KPIs

(table subject to PwC limited assurance) (*)

MATERIAL ASPECT	KPI	2021
CLIMATE ACTION PLAN	Climate-Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3)	51
	Recticel carbon footprint (scope 1, 2, 3 in tonnes of CO_2 equivalent)	919,659
	Carbon intensity (ratio scope 1 and 2, in tonnes of CO_2e/mio EUR revenue)	274 t
TRANSITION TO A CIRCULAR ECONOMY	Tonnes of post-consumer polyurethane foam produced by Recticel from recycled mattresses	1,864
INNOVATION FOR SOCIETAL NEEDS	Sustainability Index (percentage of active R&D projects classified a sustainable)	69%
	Sustainable R&D projects ready to be brought to market	5
LOWER HS&E IMPACT OF OUR ACTIVITIES AND PRODUCTS	Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices)	6,41
	Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases representing the average on Group level for all our plants and offices)	10,4
INSPIRING AND REWARDING PLACE TO WORK	% employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD) [1]	**Legal programme:** - Data protection: 94% - Ethics policy: 94% - Basics of contract law: 94% **Cybersecurity programme:** - DIGIWIZZ: 96%
	Gender diversity in senior management [1]	18%

** The Independent Limited Assurance report by PwC covering 2021 can be found as annexes to the Non-Financial Information Statement of Recticel*

1 The records include Foampartner employees (since 31 March 2021 integrated in the Engineered Foams division)

SUSTAINABLE INNOVATION PLAN

MATERIAL ASPECT	KPI	RESULTS	COMMENTS
CLIMATE ACTION PLAN	Climate-Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3) [1]	2021 **2030** Target	We expect that the positive impact due to the growth of the insulation business will continue. In addition, we will further implement all ongoing actions to reduce our carbon footprint. For 2030, we foresee that, without a change of scope, we would increase our multiple from 51 to 75. After the closing of the divestments of Bedding (expected Q1) and Engineered Foams (expected mid 2022), Recticel will become a pure-play insulation company. We estimate that the multiple will then triple to 150 of more by 2030.
	Recticel carbon footprint reduction (scope 1, 2, 3 in tonnes of CO_2 equivalent) [2]	2021 **2030** Target	No fundamental changes in carbon footprint reduction in 2021. We expect to see significant impact when more raw materials with renewable or recycled content become available in larger quantities and when the recycling of post-consumer foam will be more generally implemented.
	Carbon intensity reduction (ratio scope 1 and 2, in tonnes of CO_2e/mio EUR revenue) [3]	2021 **2025** Target	We introduced this new KPI in 2021, a year in which we saw a steep price increase of all raw materials (chemical and non-chemical) and of energy costs affecting our suppliers. Recticel has succeeded in factoring these costs into the prices of its products, where necessary. As a result, with comparable sales volumes and energy consumption, revenue increased leading to a 17% reduction in carbon intensity compared to the previous year.
TRANSITION TO A CIRCULAR ECONOMY	Tonnes of post-consumer polyurethane foam produced by Recticel from recycled mattresses	2021 **2025** Target	We selected this KPI in 2015 to express our commitment to replacing post-industrial polyurethane (PU) foam with post-consumer PU foam. We initially used a traditional bonded foam technology for products such as carpet underlays. We subsequently succeeded in introducing a new fiber-bonded foam technology to transform post-consumer PU foam into acoustic thermal insulation panels. As of 2021, we only consider post-consumer PU foam and realise a 76% increase compared to 2020. In the course of 2022, we expect to switch to post-consumer PU foam in our bonded foam technology, significantly increasing our volumes and bringing our 2025 target within reach.
INNOVATION FOR SOCIETAL NEEDS	Sustainability index (% of active R&D projects classified as sustainable (scope: innovation pipeline Sustainable Innovation Department))	2021 **2025** Target	We reviewed our scoring methodology during the limited assurance process in 2020 as it was too strict for certain sustainable projects to meet the criteria. The revised version was used to score our R&D projects over 2021. Still some projects, fully focusing on circularity, did not meet the threshold values. This suggests that to for a project to be classified as sustainable, the metrics of the Sustainability Index should be considered along other, qualitative factors. Compared to the result over last year, we see an increase of 10% although we did not achieve our target of 80%. We consider that the choices of the projects are fully in line with our strategic intentions.
	Number of R&D projects ready to be brought to market (scope: innovation pipeline Sustainable Innovation Department)	2021 **2025** Target	We introduced this new KPI in 2021 to measure our sustainable innovation performance. Using our sustainability index, our stage gate process methodology and financial criteria, we consider a R&D project ready to be brought to market when it has successfully completed all development and initial production requirements. As a result, we classified 5 R&D projects as ready to go to market, which exceeds our target. At this stage, we do not want to disclose specific details about all five projects. In general, we can say that some projects are related to the replacement of fire retardants (more sustainable). In September 2021, our Engineered Foams business line launched NIVA, a new range of TCPP free foam for bedding and furniture. TCPP is a commonly used fire retardant currently under risk assessment by the European Chemicals Agency (ECHA) and might become restricted in its use. Recticel proactively anticipated this by developing the NIVA range. Other R&D projects focus on developing new fiber-bonded foam applications using post-consumer foam.

1. Using appropriate method of calculation per type of product and using appropriate conversion factors calculated by a third party.

2. Expressed in tonnes of CO_2 equivalent compared to the 100% activity level in 2013 (scope: production sites).
The method of calculation is derived from the Cradle to Grave method (2013 baseline, target in line with EU Green Deal target of -55% vs. 1990).

3. Scope 1 defined as direct emissions from owned or operated resources (e.g. company facilities, company vehicles) and scope 2 as generation of purchased electricity, steam, heating and cooling (GHG Protocol). Company car emissions are calculated based on data extrapolated from first quarter 2021 distance figures in km. We applied a correction factor of 60% due to Covid impact (teleworking).

PEOPLE PRIORITY PLAN

MATERIAL ASPECT	KPI		RESULTS	COMMENTS
LOWER HS&E IMPACT OF OUR ACTIVITIES AND PRODUCTS	Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices) [4]	2021 **2025** target		In 2021, we introduced company-wide a behaviour-based safety approach, already successfully implemented in our Insulation business line. The result for 2021 is disappointing and does not reflect the determination with which the teams are bringing safety to everyone's attention. We continue to work on our Golden Safety Rules & Principles to change safety awareness and behaviour to achieve our target by 2025.
	Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases representing the average on Group level for all our plants and offices) [5]	2021 **2025** target		We introduced this new KPI in 2021 as part of our overall safety approach to change people's behaviour by adding to our lagging KPI (Frequency 1, Lost Time Accidents) also a leading KPI (Frequency 2). Reporting on restricted work cases and medical treatment (Frequency 2) allows us to identify unsafe situations or behaviours, carry out a root cause analysis and take appropriate action to prevent future accidents. Although the 2021 figures do not reflect this yet, this approach will help us to meet the targets by 2025.
AN INSPIRING AND REWARDING PLACE TO WORK	% employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD) [6]	**Legal programme:** 2021 **Cybersecurity programme:** 2021		In 2021, we only report on the e-learnings that are mandatory for office employees due to the importance of the topics covered. In a next phase, we will extend this to the Safety programme and new development offerings. The mandatory Legal programme comprises three modules: Data Protection, Ethics Policy, and Basics of Contract Law. Data Protection and Ethics Policy were launched in 2018, Basics of Contract Law in 2019. Ethics Policy was repeated in 2020. New office employees have to complete the three modules within two months after they join the company. For each module, the status "completed" is only achieved if the office employee obtains a test result of minimum 80%. The mandatory cybersecurity programme was launched in 2018. It was updated in 2020. In 2021, the mandatory cybersecurity programme was delivered through a new series of quarterly microlearnings on password security, phishing, social engineering, and working remotely. Participants only pass a course with a minimum score of 70% on the final test. After each microlearning, a fake phishing mail was sent to the participants' mailbox in order to test their reaction. The results were shared within the organisation to continue emphasising the importance of acting cybersafe at all times. New office employees have to complete the basic cybersecurity modules within a week after they join the company.
	Gender diversity in senior management [6]	2021 **2030** Target		We introduced this new KPI in 2021 to further increase the number of women in senior management positions across the Recticel organisation. Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team in terms of gender, nationality and professional experience improves the quality of decision making, and ultimately improves overall performance. The result of 2021 is the starting point for the path that should lead us to enhanced gender equality by 2030.

4 Number of LTAs x 1,000,000 / number of hours performed.
5 Number of LTAs + RWS x MTC x 1,000,000 / number of hours performed.
6 The results include FoamPartner employees (since 31 March 2021 integrated in the Engineered Foams division).

Independent limited assurance report on selected sustainability indicators of the non-financial information statement

pwc

To the Board of Directors of Recticel NV

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY INDICATORS OF THE NON-FINANCIAL INFORMATION STATEMENT 2021 OF RECTICEL NV AND ITS SUBSIDIARIES

This report has been prepared in accordance with the terms of our engagement contract dated 8 November 2021 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with selected Sustainability Indicators in the non-financial information statement 2021 as included in the Annual Report of Recticel NV and its subsidiaries as of and for the year ended 31 December 2021 (the "Report").

The Directors' responsibility

The Directors of Recticel NV ("the Company") are responsible for the preparation and presentation of the selected Sustainability Indicators presented in the Summary Table "Recticel's material topics and related KPIs" as included in the non-financial information statement 2021 of the Annual Report of Recticel NV and its subsidiaries (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.

PwC Bedrijfsrevisoren bv - PwC Reviseurs d'Entreprises srl - Risk Assurance Services
Maatschappelijke zetel/Siège social: Culliganlaan 5, B-1831 Diegem
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2021 presented in the Report;
- conducting interviews with responsible officers;
- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Our independence and quality control

Our engagement has been carried out in compliance with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected Sustainability Indicators presented in the Summary Table "Recticel's material topics and related KPIs" for the year ended 31 December 2021, as included in the non-financial information statement 2021 of the Annual Report of Recticel NV and its subsidiaries have not been prepared, in all material respects, in accordance with the criteria disclosed in the Report.

Other ESG related information

The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2021 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 28 April 2022

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
Represented by

Marc Daelman [1]
Registered auditor

[1] Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman

Taxonomy eligibility

Introduction
The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents a major step towards achieving carbon neutrality by 2050 in line with European Union goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

In the following section, Recticel presents the share of the group turnover, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2021, which are associated with Taxonomy-eligible economic activities[19] related to **the first two environmental objectives, climate change mitigation and climate change adaptation**, in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

Taxonomy-eligibile economic activities
We have examined the relevant Taxonomy eligible economic activities based on our activities in 2021, and assigned them to the economic activities of our **entire Insulation business line** in accordance with Annex I and II of the Climate Delegated Act. The table below indicates for which environmental objective the activities qualify as eligible over 2021:

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

ELIGIBLE ECONOMIC ACTIVITY	DESCRIPTION	NACE CODE	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION
3.5 Manufacture of energy efficiency equipment for buildings	Our Insulation business line offers high quality PU- and PIR-based thermal insulation products used in construction and renovation projects. Conserving energy and promoting a low-carbon society are key objectives for our Insulation business. Over the lifetime of their use, the insulation products we sold in 2021 will offset 51 times our carbon footprint for the year.	25.21	✓	✗

Relevant judgement on the taxonomy-eligibility of our activities
Our taxonomy-eligibility assessment is based on the economic activities in scope for the financial reporting year 2021 by the Taxonomy Regulation covering climate mitigation and climate adaptation. We consider Recticel's insulation activities over 2021 to be taxonomy-aligned for the environmental objective of climate mitigation.

This narrow definition expresses no opinion on Taxonomy eligibility of current economic activities contributing to protection of water and marine resources, transition to a circular economy, prevention of pollution or protection of biodiversity and ecosystems.

3.5 Manufacture of energy efficiency equipment for buildings

The description of activity 3.5 in Annex I to the Climate Delegated Act states that: 'An economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilisation of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations and products innovations.'

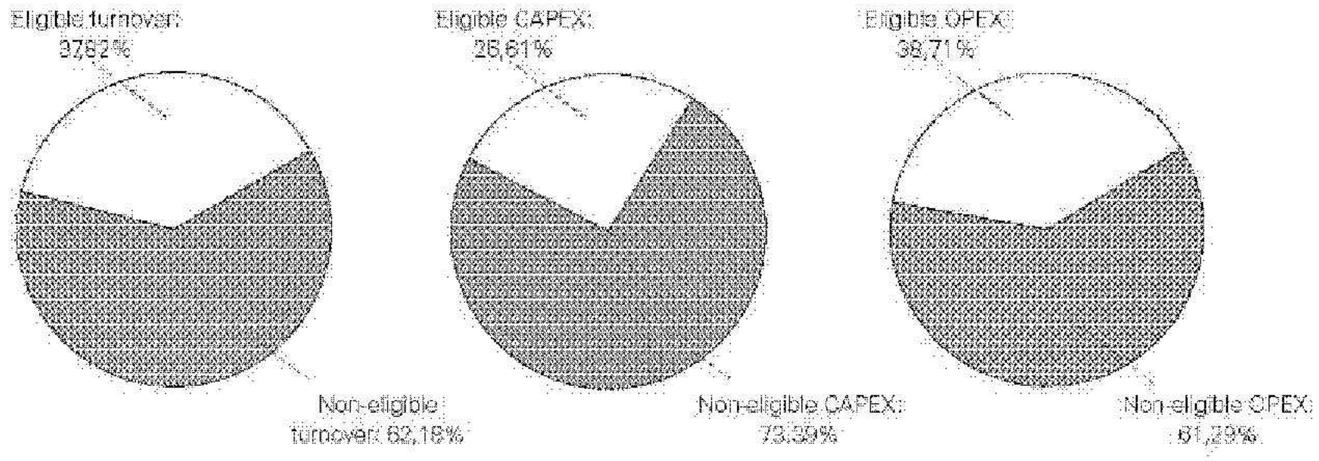
Our insulation activities help to improve energy efficiency by offering insulation solutions that will reduce energy consumption in buildings. Referring to the technical screening criteria for substantial contribution to climate change mitigation, they are aligned with '(e): insulating products with a lambda value lower or equal to 0,06 W/MK.'

Recticel announced in 2021 a strategic repositioning of the Group by divesting the Bedding division (closing completed on 31 March 2022) and Engineered Foams business line (closing expected mid-2022). From now on, Recticel will focus exclusively on its Insulation activities, presenting excellent growth prospects in a high-value added business segment driven by climate change. It perfectly illustrates our sustainability motto to grow together with our stakeholders towards a PUre future. The acquisition of Trimo[20], one of Europe's leading providers of sustainable premium insulated panels for the building industry, announced on 22 March 2022, is a key step in our growth direction.

*19 See **Definitions***
*20 See **Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimo | Recticel***

Our activities
The eligible turnover, Capex and Opex relate solely to the Insulation segment[21]. Capex comprises investments for growth, such as expansion investments and productivity improvements, as well as going-concern investments, such as Health, Safety and Environment, replacement and other general Capex. The eligible Opex comprises primarily research & development expenses.

PROPORTION OF TAXONOMY-ELIGIBLE AND TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN TOTAL TURNOVER, CAPEX AND OPEX



	Total (MEUR)	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-non-eligible economic activities (in %)
Turnover	1,032,9	37,82	62,18
Capital expenditure (Capex)*	15,0	26,61	73,39
Operating expenditure (Opex)**	9,2	38,71	61,29

** See Financial report 2.4.2.4.9 'Business Combinations'*
*** Opex here defined as reported R&D expenses, excluding Bedding but including repair and maintenance*

21 See ***Financial Report 2.4.2.3.1***

Relevant judgement on the taxonomy-non-eligibility of our activities
We consider that, over 2021, our Bedding and Engineered Foams activities are Taxonomy-non-eligible for climate change mitigation or climate mitigation. This narrow definition expresses no opinion on Taxonomy-eligibility of current economic activities contributing to protection of water and marine resources, transition to a circular economy, prevention of pollution or protection of biodiversity and ecosystems.

Definitions
Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (i.e. the Climate Delegated Act as of now) irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-aligned economic activity means an economic activity that complies with all of the following requirements:

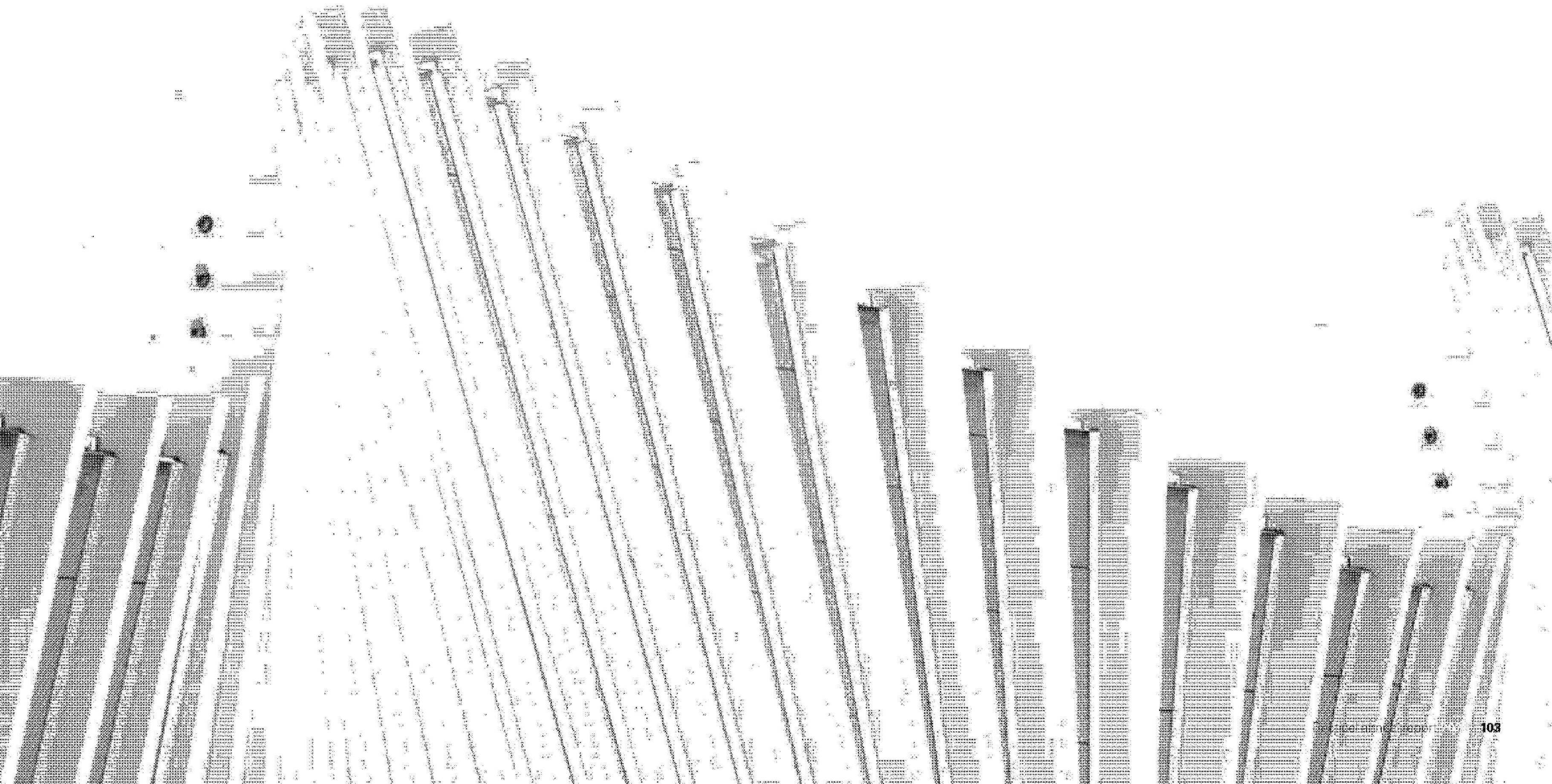
a) the economic activity contributes substantially to one or more of the environmental objectives;
b) it does not significantly harm any of the environmental objectives;
c) it is carried out in compliance with the minimum safeguards; and
d) it complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation (i.e. Climate Delegated Act as of now).

ESG performance

Since many years, Recticel has been committed to achieving robust performance on both financial and non-financial criteria. Transparency on objectives and performance is key in earning and retaining the trust and support of all stakeholders interested in companies with solid environmental, social and governance (ESG) commitments and scores.

More information about our ESG scores is available on **our corporate website**.

Financial report



Consolidated financial statements

The consolidated financial statements have been authorised for issue by the Board of Directors on 27 April 2022. They have been prepared in accordance with IFRS accounting policies, details of which are given below.

Consolidated income statement

in thousand EUR

Group Recticel	Notes*	2021	2020 restated [1]
Sales	**2.4.2.3.**	**1,032,795**	**616,883**
Cost of sales		(845,405)	(510,223)
Gross profit	**2.4.2.4.1.**	**187,390**	**106,660**
General and administrative expenses	2.4.2.4.2.	(66,733)	(44,230)
Sales and marketing expenses	2.4.2.4.2.	(44,892)	(32,408)
Research and development expenses	2.4.2.4.2.	(9,186)	(7,927)
Impairment of goodwill, intangible and tangible assets	2.4.2.3.	(27)	(2,352)
Other operating revenues	2.4.2.4.3.	20,121	19,043
Other operating expenses	2.4.2.4.3.	(40,512)	(30,383)
Income from associates	2.4.2.5.5.	371	703 [2]
Operating profit (loss)	**2.4.2.4.4.**	**46,532**	**9,106**
Interest income		1,065	908
Interest expenses		(6,838)	(3,384)
Other financial income		7,136	3,106
Other financial expenses		(5,901)	(4,218)
Financial result	**2.4.2.4.5.**	**(4,538)**	**(3,588)**
Income from other associates		451	(5,790) [2]
Impairment other associates		0	(5,525)
Change in fair value of option structures		(7,315)	1,103
Result of the period before taxes		**35,130**	**(4,694)**
Income taxes	2.4.2.4.6.	14,335	(3,470)
Result of the period after taxes - continuing operations		**49,465**	**(8,164)**
Result from discontinued operations	2.4.2.4.7.	4,876	71,319
Result of the period after taxes - continuing and discontinued operations		**54,341**	**63,155**
of which share of the Group		53,522	63,151
of which non-controlling interests		819	4

** The accompanying notes are an integral part of this income statement.*

1 As announced in the press release of 15 February 2022, the Bedding activities which are currently in the process of being divested to the Aquinos Group, have been accounted for as Discontinued Operations (IFRS 5).
The Bedding activities that will not be transferred to Aquinos Group are incorporated in the Engineered Foams segment.
For comparison purposes, the formerly published 2020 income statements and cash flow statements have been restated accordingly.

2 A distinction has been made between Income from associates - included in operating profit (loss) - and Income from other associates - excluded from operating profit (loss)
Income from associates: income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsa foam
Income from other associates: income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat and TEMDA2 (Ascorium, formerly Automotive Interiors)

Earnings per share

Group Recticel	Notes*	2021	2020 restated
			in EUR
Number of shares outstanding (including treasury shares)		55,963,420	55,742,920
Weighted average number of shares outstanding (before dilution effect)		55,519,330	55,174,425
Weighted average number of shares outstanding (after dilution effect)		56,282,863	55,381,032
Earnings per share			
Earnings per share - continuing operations		0.89	(0.15)
Earnings per shares - discontinued operations		0.09	1.29
Earnings per share of continuing and discontinued operations		**0.98**	**1.14**
Earnings per share from continuing operations			
Earnings per share from continuing operations - Basic	2.4.2.4.9.	0.89	(0.15)
Earnings per share from continuing operations - Diluted	2.4.2.4.10.	0.88	(0.15)
Earnings per share from discontinued operations			
Earnings per share from discontinued operations - Basic	2.4.2.4.9.	0.09	1.29
Earnings per share from discontinued operations - Diluted	2.4.2.4.10.	0.09	1.29
Net book value		**6.99**	**6.01**

The basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period.

The diluted earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period, adjusted for dilutive subscription rights.

Consolidated statement of comprehensive income

Group Recticel	Notes*	2021	2020
			in thousand EUR
Result for the period after taxes		**54,341**	**63,155**
Other comprehensive income			
Actuarial gains (losses) on employee benefits recognized in equity		7,351	420
Deferred taxes on actuarial gains (losses) on employee benefits		(1,469)	0
Currency translation differences that will not subsequently be recycled to profit and loss		(274)	161
Share in other comprehensive income in joint ventures & associates that will not subsequently be recycled to profit and loss	2.4.2.5.5.	0	(282)
Items that will not subsequently be recycled to profit and loss		**5,608**	**319**
Hedging reserves		0	(70)
Currency translation differences that subsequently may be recycled to profit and loss		10,795	(9,227)
Foreign currency translation reserve difference recycled in the income statement		0	18,311
Deferred taxes on retained earnings		0	(113)
Share in other comprehensive income in joint ventures & associates that subsequently may be recycled to profit and loss	2.4.2.5.5.	0	(2,098)
Items that subsequently may be recycled to profit and loss		**10,795**	**6,803**
Other comprehensive income net of tax		16,403	7,122
Total comprehensive income for the period		**70,744**	**70,277**
Total comprehensive income for the period		**70,744**	**70,277**
Total comprehensive income for the period attributable to the owners of the parent		69,926	70,273
Total comprehensive income for the period attributable to non-controlling interests		819	4
Total comprehensive income for the period attributable to the owners of the parent		**69,926**	**70,273**
Total comprehensive income for the period attributable to the owners of the parent - Continuing operations		63,889	(9,662)
Total comprehensive income for the period attributable to the owners of the parent - Discontinued operations		6,037	79,935

** The accompanying notes are an integral part of this statement of comprehensive income.*

Consolidated statement of financial position

Group Recticel	Notes*	31 Dec 2021	31 Dec 2020
		in thousand EUR	
Intangible assets	2.4.2.5.1.	34,945	14,806
Goodwill	2.4.2.3.1.	13,721	24,139
Property, plant & equipment	2.4.2.5.2.	313,406	173,000
Right-of-use assets	2.4.2.5.3.	62,603	75,377
Investment property		7,564	3,331
Investments in associates	2.4.2.5.4.	12,709	12,351
Investments in other associates	2.4.2.5.5.	10,361	11,030
Non-current receivables	2.4.2.5.6.	18,730	25,760
Deferred tax assets	2.4.2.4.6.	46,845	25,298
Non-current assets		**520,884**	**365,092**
Inventories	2.4.2.5.7.	112,897	90,833
Trade receivables	2.4.2.5.9.	141,596	102,726
Other receivables and other financial assets	2.4.2.5.9.	15,869	57,929
Income tax receivables		4,660	1,452
Other investments		0	170
Cash and cash equivalents	2.4.2.5.10.	118,367	79,255
Assets classified as held for sale	2.4.2.5.11.	141,466	1,300
Current assets		**534,855**	**333,665**
TOTAL ASSETS		**1,055,739**	**698,757**

Group Recticel	Notes*	31 Dec 2021	31 Dec 2020
		in thousand EUR	
Capital	2.4.2.5.12.	139,909	139,357
Share premium		132,087	131,267
Share capital		**271,996**	**270,624**
Treasury shares		(1,450)	(1,450)
Other reserves		(13,037)	(22,487)
Retained earnings		129,176	98,760
Hedging and translation reserves		(4,270)	(11,372)
Elements of comprehensive income of discontinued operations		7,367	0
Equity (share of the Group)		**389,782**	**334,075**
Equity attributable to non-controlling interests		1,524	705
TOTAL EQUITY		**391,306**	**334,780**
Employee benefit liabilities	2.4.2.5.13.	39,135	52,342
Provisions	2.4.2.5.14.	21,993	18,979
Deferred tax liabilities	2.4.2.4.6.	36,229	12,173
Financial liabilities	2.4.2.5.15.	208,505	70,426
Other amounts payable		25	26
Non-current liabilities		**305,887**	**153,946**
Provisions	2.4.2.5.14.	3,386	1,598
Financial liabilities	2.4.2.5.15.	59,064	14,403
Trade payables	2.4.2.5.16.	120,247	88,923
Current contract liabilities	2.4.2.5.8.	9,081	15,183
Income tax payables		4,466	1,045
Deferred payables for share investments		18,749	0
Other amounts payable	2.4.2.5.16.	66,885	88,879
Liabilities directly associated with assets classified as held for sale	2.4.2.5.16.	76,668	0
Current liabilities		**358,546**	**210,031**
TOTAL EQUITY AND LIABILITIES		**1,055,739**	**698,757**

** The accompanying notes are an integral part of this statement of financial position. See also note 2.4.2.4.7. on Discontinued operations and 2.4.2.4.8. on Business combinations.*

Consolidated cash flow statement

in thousand EUR

Group Recticel	Notes*	2021	2020 restated
Operating profit (loss)	**2.4.2.4.4.**	**46,532**	**9,106**
Amortisation of intangible assets	2.4.2.5.1.	4,790	1,543
Depreciation of tangible assets	2.4.2.5.2.	38,082	25,828
(Reversal) Impairment losses on intangible assets	2.4.2.5.1.	0	9
(Reversal) Impairment losses on tangible assets	2.4.2.5.2.	0	2,254
(Write-back)/Write-offs on assets		(20)	1,325
Changes in provisions		(5,376)	8,210
(Gains) / Losses on disposals of intangible and tangible assets		(2,614)	(130)
Income from associates		(371)	(704)
Other non-cash elements		(3,448)	606
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS		**77,576**	**48,048**
Inventories		(12,900)	(4,753)
Trade receivables		(16,338)	(60,869)
Other receivables		44,948	(1,074)
Trade payables		32,772	30,310
Other payables		(9,036)	19,440
Changes in working capital		**39,446**	**(16,946)**
Trade & Other long term debts maturing within 1 year		11	16
Tax credit (non-current receivables)		7	74
Income taxes paid		(8,112)	(3,445)
Cash flow from operating activities (discontinued operations)		3,796	(24,603)
NET CASH FLOW FROM OPERATING ACTIVITIES	**(a)**	**112,724**	**3,146**
Interests received		49	166
Dividends received		25	229
Acquisition FoamPartner, net of cash acquired		(219,901)	0
Investments in and subscriptions to capital increases		0	(973)
Increase of loans and receivables		(670)	(26,099)
Decrease of loans and receivables		320	40,066
Investments in intangible assets	2.4.2.5.1.	(1,865)	(4,214)
Investments in property, plant and equipment	2.4.2.5.2.	(11,542)	(18,942)
Disposals of intangible assets	2.4.2.5.1.	36	0
Disposals of property, plant and equipment	2.4.2.5.2.	5,500	4,388
Proceeds from affiliates and joint ventures disposals		0	176,303
Disposals of investments held for sale		17	1,967

in thousand EUR

Group Recticel		Notes*	2021	2020 restated
(Increase)/Decrease of investments available for sale			0	16
Cash flow from divestment (investment) activities (discontinued operations)			(5,470)	(7,238)
NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES	**(b)**		**(233,500)**	**165,669**
Interests paid on financial debt	(c)		(3,551)	(1,687)
Interests paid on lease debt	(c)		(104)	(125)
Dividends paid			(14,451)	(13,254)
Increase (Decrease) of capital			1,372	1,797
Increase of financial debt			201,507	87,186
Decrease of financial debt			0	(202,204)
Decrease of lease debt	(d)		(17,995)	(13,189)
Cash flow from financing activities (discontinued operations)			(3,018)	1,803
NET CASH FLOW FROM FINANCING ACTIVITIES	**(e)**		**163,760**	**(139,674)**
Effect of exchange rate changes	(f)		3,480	1,635
CHANGES IN CASH AND CASH EQUIVALENTS	**(a)+(b)+(e)+(f)**		**46,463**	**30,776**
NET FREE CASH FLOW	**(a)+(b)(c)+(d)**		**(142,426)**	**153,813**

in thousand EUR

Group Recticel	Notes*	2021	2020 restated
Net cash position opening balance (continued operations)		76,790	
Net cash position opening balance (discontinued operations)		2,465	
Net cash position opening balance (g)		**79,255**	**48,479**
Net cash position closing balance (h)		**125,718**	**79,255**
Net cash position closing balance (discontinued operations)		7,352	
Net cash position closing balance (continued operations)		118,367	
CHANGES IN CASH AND CASH EQUIVALENTS (h)-(g)		**46,463**	**30,776**

** The accompanying notes are an integral part of this cash flow statement.*

Changes in financial liabilities

For the year ending 31 December 2021

in thousand EUR

			Non-cash changes										
Group Recticel	**31 Dec 2020**	**Cash flows in 2021**	**New leases**	**Reassessment IFRS 16**	**Interests accrued**	**Fair value of hedging instruments**	**Actualisation**	**Amortisation**	**Transfer**	**Exchange differences**	**Transfer to held for sale**	**Change in scope**	**31 Dec 2021**
Long term borrowings	**14,701**	143,756	0	0	0	0	59	877	(620)	196	(1,958)	7,773	**164,783**
Short term borrowings	**2,708**	(13,481)	0	0	35	0	(0)	0	(246)	(13)	(252)	62,933	**51,683**
Lease liabilities	**66,868**	(19,114)	3,652	5,671	2,155	0	107	0	(1)	1,217	(17,544)	7,404	**50,415**
Accrued interest liabilities	**553**	(3,925)	0	0	3,691	(59)	0	0	(63)	227	(3)	287	**689**
Total liabilities from financing activities	**84,830**	**107,237**	**3,652**	**5,671**	**5,881**	**(59)**	**166**	**877**	**(931)**	**1,626**	**(19,757)**	**78,377**	**267,570**

Change in scope relates to FoamPartner (Engineered Foams).
See also note 2.4.2.5.15. – Financial liabilities and note 2.4.2.5.3. – Right-of-use assets.

For the year ending 31 December 2020

in thousand EUR

			Non-cash changes									
Group Recticel	**31 Dec 2019**	**Cash flows in 2020**	**New leases**	**Reassessment IFRS 16**	**Interests accrued**	**Fair value of hedging instruments**	**Actualisation**	**Amortisation**	**Transfer**	**Exchange differences**	**Change in scope**	**31 Dec 2020**
Long term borrowings	**19,773**	(5,564)	0	0	0	0	54	286	0	152	0	**14,701**
Short term borrowings	**100,922**	(98,161)	0	0	0	0	0	(70)	0	(5)	23	**2,708**
Lease liabilities	**96,398**	(20,852)	18,638	(48)	2,742	0	129	0	(219)	(1,398)	(28,524)	**66,868**
Accrued interest liabilities	**657**	(1,753)	0	0	1,536	2	0	(0)	0	120	(9)	**553**
Total liabilities from financing activities	**217,750**	**(126,329)**	**18,638**	**(48)**	**4,278**	**2**	**184**	**216**	**(219)**	**(1,131)**	**(28,510)**	**84,830**

Change in scope relates to TEMDA2 GmbH (Ascorium - formerly Automotive Interiors).
See also note 2.4.2.5.15. – Financial liabilities and note 2.4.2.5.3. – Right-of-use assets.

Statement of changes in shareholders' equity

For the year ending 31 December 2021

in thousand EUR

Group Recticel	Capital	Share premium	Treasury shares	Other reserves	Retained earnings	Translation differences and hedging reserves	Total shareholders' equity	Non-controlling interests	Total equity
Equity at the beginning of the period	**139,357**	**131,267**	**(1,450)**	**(22,487)**	**98,766**	**(11,378)**	**334,075**	**705**	**334,780**
Restatement IFRS 16 *	**0**	**0**	**0**	**0**	**(1,906)**	**0**	**(1,906)**	**0**	**(1,906)**
Dividends	0	0	0	0	(14,469)	0	(14,469)	0	(14,469)
Stock options (IFRS 2)	0	0	0	786	0	0	786	0	786
Capital movements [1]	552	820	0	0	0	0	1,372	0	1,372
Shareholders' movements	**552**	**820**	**0**	**786**	**(14,469)**	**0**	**(12,311)**	**0**	**(12,311)**
Profit or loss of the period	**0**	**0**	**0**	**0**	**53,522**	**0**	**53,522**	**819**	**54,341**
Other comprehensive income	0	0	0	7,077	(1,469)	10,794	16,403	0	16,403
Changes in scope	0	0	0	117	(117)	0	0	0	0
Total comprehensive income	**0**	**0**	**0**	**7,194**	**51,936**	**10,794**	**69,925**	**819**	**70,744**
Equity at the end of the period	**139,909**	**132,087**	**(1,450)**	**(14,507)**	**134,327**	**(584)**	**389,783**	**1,524**	**391,306**

1 see note 2.4.5.12

**Adjustment for reassessment of assumptions on dismantling and restoration costs.*

For the year ending 31 December 2020

in thousand EUR

Group Recticel	Capital	Share premium	Treasury shares	Other reserves	Retained earnings	Translation differences and hedging reserves	Total shareholders' equity	Non-controlling interests	Total equity
Equity at the beginning of the period	**138,494**	**130,334**	**(1,450)**	**(25,621)**	**51,227**	**(18,288)**	**274,696**	**701**	**275,397**
Dividends	0	0	0	0	(13,299)	0	(13,299)	0	(13,299)
Stock options (IFRS 2)	0	0	0	609	0	0	609	0	609
Capital movements [1]	863	933	0	0	0	0	1,796	0	1,796
Shareholders' movements	**863**	**933**	**0**	**609**	**(13,299)**	**0**	**(10,894)**	**0**	**(10,894)**
Profit or loss of the period	**0**	**0**	**0**	**0**	**63,151**	**0**	**63,151**	**4**	**63,155**
Other comprehensive income	0	0	0	2,464	(2,252)	6,910	7,122	0	7,122
Total comprehensive income	**0**	**0**	**0**	**2,464**	**60,899**	**6,910**	**70,273**	**4**	**70,277**
Reclassification	0	0	0	61	(61)	0	0	0	0
Equity at the end of the period	**139,357**	**131,267**	**(1,450)**	**(22,487)**	**98,766**	**(11,378)**	**334,075**	**705**	**334,780**

1 see note 2.4.5.12

Notes to the consolidated financial statements for the year ending 31 December 2021

Summary of significant accounting policies

Statement of compliance - basis of preparation

Recticel NV/SA (the "Company") is a public limited liability company incorporated in Belgium and listed on Euronext Brussels. The Company's consolidated financial statements include the financial statements of the Company, its subsidiaries, interests in jointly controlled entities (joint ventures) and in associates, both accounted for under the equity method (together referred to as "the Group").

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

The accounting standards applied in the consolidated financial statements for the year ended 31 December 2021 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2020, except for changes in accounting policies mentioned in the note here below.

Changes in accounting policies and disclosures

Endorsement status of the new standards as at 31 December 2021 (EFRAG status report 10 December 2021)

The following **amendments** to standards **are mandatory** for the first time for the financial year beginning 1 January 2021 and **have been endorsed by the European Union:**

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 01/01/2021). This amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 01/01/2021). These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 01/06/2020, with early application permitted). If certain conditions are met, the Amendment would permit lessees, as a practical expedient, not to assess whether particular covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

The following **new standard and amendments** have been issued, are **not mandatory** for the first time for the financial year beginning 1 January 2021 but **have been endorsed by the European Union**:

IFRS 17 'Insurance contracts' (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. On 17 March 2020, IASB decided to defer pop effective date to annual reporting periods beginning on or after 1 January 2023. The endorsement includes the amendments issued by the Board in June 2020, which are aimed at helping companies implement the Standard and making it easier for them to explain their financial performance.

The EU regulation provides an optional exemption from applying the annual cohort requirement that relates to the timing of the recognition of the profit in the contract, the contractual service margin, in profit or loss. Entities making use of the exemption are not applying IFRSs as issued by the IASB and need to disclose the fact.

Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021, with early application permitted). The amendments extend, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. In particular, the amendment permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021). The amendment is effective for annual reporting periods beginning on or after 1 April 2021 (earlier application permitted, including in financial statements not yet authorised for issue at the date the amendment is issued).

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). The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.

Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.

Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2021 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 01/01/2023), 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. They:

Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023). The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023). The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021, effective 1 January 2023). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

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). It concerns an interim standard on the accounting for certain balances that arise from rate–regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first–time adoption or subsequently) and on presentation and disclosure.

General principles

Currency of accounts

The financial statements are presented in thousand euro (EUR) (unless specified otherwise), which is the currency of the primary economic environment in which the Group operates. The financial statements of foreign operations are translated in accordance with the policies set out below under 'Foreign Currencies'.

Historical cost convention

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below. Investments in equity instruments which are not quoted in an active market and whose fair value cannot be reliably measured by alternative valuation methods are carried at cost.

Foreign currencies

Foreign currency transactions - Transactions in currencies other than EUR are accounted for at the exchange rates prevailing at the date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at closing rate. Non-monetary assets and liabilities carried at fair value and denominated in foreign currencies are translated at the exchange rates prevailing at the date the fair value was determined. Gains and losses resulting from such translations are recognised in the financial result of the income statement.

Translation from functional currency to the presentation currency - For purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at closing rate. Income and expenses are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Resulting exchange differences are recognised in other comprehensive income and accumulated in equity (attributable to non-controlling interests as appropriate). On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), exchange differences accumulated in equity are recognised in the income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributable to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities (joint ventures) that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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.

Consolidation principles

Consolidated financial statements include subsidiaries and interests in jointly controlled entities (joint ventures) and associates accounted for under the equity method.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group transactions, balances, income and expenses are eliminated in consolidation.

Subsidiaries

Subsidiaries are entities that are controlled directly or indirectly. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Consolidation of subsidiaries starts from the date Recticel controls the entity until the date such control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

However, when the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Joint Ventures and Associates

The results and assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in a joint venture and an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the venture and the associate. When the Group's share of losses of a venture and an associate exceeds the Group's interest in that joint venture and associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture and associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture and associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the

identifiable assets, liabilities and contingent liabilities of a joint venture and an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

IAS 28.28 only permits recognition of the gain or loss from downstream transactions "to the extent of unrelated investors' interests in the associate or joint venture". However, the standard does not specifically address the treatment of revenue derived from transactions with equity-method investees (i.e. revenue from the sale of goods, or interest revenue) and whether that revenue should be eliminated from the consolidated financial statements.

In respect of the treatment of revenues derived from transactions with joint ventures and associates (i.e. sales services, interest revenue, ...), the Group has opted not to eliminate its interest in these transactions. As a matter of example, Recticel receives EUR 100 interest income on a loan provided to a 50/50 joint venture. Under the accounting policy adopted by Recticel this interest income would be accounted for as EUR 100 interest income of the Group. The cost incurred by the joint venture would be accounted for on a proportional (50%) basis through "results in joint ventures and associates" without making any adjustment for the proportional interest held by Recticel.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture and an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of fair value and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of a joint venture and an associate that results in the Group losing significant influence over that joint venture and associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The difference between the previous carrying amount of the joint venture and associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the joint venture and associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture and associate on the same basis as would be required if that joint venture and associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture and associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that joint venture and associate.

Investments accounted for using the equity method are currently only consisting of associates. In the income statement, the results from associates are split between 'Associates' and 'Other associates'. As such, 'Associates' are considered as being part of the Group's core business and are integrated in Operating profit (loss); i.e. currently Orsafoam; whereas 'Other associates' are not considered as being part of the Group's core business and are not integrated in Operating profit (loss); i.e. currently Proseat and TEMDA2 (Automotive Interiors).

Discontinued operations

A discontinued operation is a component of the group that either has been disposed of or is classified as held for sale and represents a business line for which there is a plan to dispose of. Recticel classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use if all of the conditions of IFRS 5 are met. A disposal group is defined as a group of assets to be disposed of and liabilities directly associated with those assets that will be transferred. Immediately before classification as held for sale, the company measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. On initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Non-current assets classified as held for sale are no longer depreciated or amortized.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When Recticel acquires an entity or business, the identifiable assets and liabilities of the acquiree are recognised at their fair value at acquisition date, except for:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Where such a difference is negative,

the excess is, after a reassessment of the values, recognised as income immediately as a bargain purchase gain.

Non-controlling interests (minority shareholders) that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If Recticel increases its interest in an entity or business over which it did not yet exercise control (in principle increasing its interest up to and including 50% to 51% or more) (a business combination achieved in stages), the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (maximum one year after acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.
Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

Goodwill is reviewed for impairment at least annually. Any impairment loss is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the related goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

An item of property, plant and equipment is recognised if it is probable that associated future economic benefits will flow to the Group and if its cost can be measured reliably. After initial recognition, all items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, except for land which is not depreciated. Cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location for its intended use.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for

intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure related to an item of property, plant and equipment is expensed as incurred.

Depreciation is provided over the estimated useful lives of the various classes of property, plant and equipment using the straight-line method. Depreciation starts when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Project related assets are depreciated over the production period of the project. In case of reallocation of fully depreciated assets, the latter might require a reconditioning. These reconditioning costs are amortised over the term of the new project, without additional revaluation or reversal of any impairments.

The estimated useful lives of the most significant items of property, plant and equipment are within the following ranges:

Land improvements	: 25 years
Offices	: 25 to 40 years
Industrial buildings	: 25 years
Plants	: 10 to 15 years
Machinery	
Heavy	: 11 to 15 years
Medium	: 8 to 10 years
Light	: 5 to 7 years
Pre-operating costs	: 4 years
Equipment	: 5 to 10 years
Furniture	: 5 to 10 years
Hardware	: 3 to 10 years
Vehicle fleet	
Cars	: 4 years
Trucks	: 7 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Leases

The Group has several leases for properties, machinery and equipment and cars and the rental contracts are typically closed for a fixed period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and corresponding liability at the date of commencement of the lease, i.e. when the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis if the lease does not include a purchase option. If a purchase option is available and the Group judges that it is reasonably certain to be exercised, the right-of-use asset is depreciated over its useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- purchase option, if any - if the lessee is reasonably certain to exercise that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs (except for the leases already existing at transition date), and
- dismantling costs.

Right-of-use assets are presented separately and lease liabilities as part of financial liabilities in the statement of financial position. All lease payments that are due within 12 months are classified as current liabilities. All lease payments that are due at least 12 months after the reporting date are classified as non-current liabilities.

Lease payments related to short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT-equipment (laptops, tablets, mobile phones, pc's) and small items of office equipment and furniture.

Some leases contain variable lease payments. Payments that vary due to the use of the underlying asset are variable lease payments (e.g. lease of property based on the number of square meters used). These variable lease payments are recognised as expense as incurred.

There are no material lease agreements whereby the Group is lessor, except for one building rented to the Eurofoam group.

Impairment of tangible and intangible assets

Except for goodwill and intangible assets with an indefinite useful life which are tested for impairment at least annually, other tangible and intangible fixed assets are reviewed for impairment when there is an indication that their carrying amount will not be recoverable through use or sale. If an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell or value-in-use and the carrying amount. In assessing the fair value or value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no

impairment loss been recognised for the asset (or cash-generating unit) in previous years. However, impairment losses on goodwill are never reversed.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Financial assets

Financial assets are recognised or derecognised on the trade date which is the date the Group undertakes to purchase or sell the asset. Financial assets are initially measured at fair value, except for trade receivables. Trade receivables are measures at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets are added to the fair value of the financial assets on initial recognition, except for financial assets at fair value through profit or loss, where the transaction costs are recognised immediately in profit or loss.

After initial recognition, financial assets are measured at either amortised cost or fair value, based on the classification of the financial assets.

Classification of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Debt instruments (such as loans, trade and other receivables, cash and cash equivalents) are subsequently measured at amortised cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and margin points paid or received) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial investments (equity investments) are normally measured in the consolidated statement of financial position at fair value through profit or loss. However, the Company can make an irrevocable election at initial recognition to measure the investment at fair value through other comprehensive income ("FVTOCI"), with dividend income recognised in profit or loss. Equity investments in non-listed companies are designated as financial assets at FVTOCI.

Impairment of financial assets

IFRS 9 requires a forward-looking expected credit loss ("ECL") approach to assess impairments of financial assets. As such, the Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

IFRS 9 provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables without a significant financing component (short-term trade receivables). These credit losses are the expected credit losses that result from all possible default events over the expected life of those trade receivables, using a provision matrix that considers historical information on defaults adjusted for forward-looking information.

For long-term loans to related parties the general impairment assessment model is applied. IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit loss.

Management has concluded that it would require undue cost and effort to determine the credit risk of each loan on their respective dates of initial recognition. Accordingly, the Group recognises lifetime expected credit losses for these loans until they are derecognised.

IFRS 9 applies the same measurement approach to loan commitments and financial guarantee contracts (other than measured at fair value through profit or loss).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay.If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On the entire derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been

recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

On the partial derecognition of a financial asset other than its entirety (i.e. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Financial liabilities and equity instruments

An instrument is classified as a financial liability or as an equity instrument according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

Financial liabilities

Financial liabilities (including interest bearing borrowings and trade payables) are initially measured at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Subsequently, they are measured at amortised cost, except for derivative instruments.

Interest bearing borrowings and payables

Interest-bearing borrowings are recorded at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value (including premiums payable on settlement or redemption) is recognised in the income statement over the period of the borrowing.

Trade payables which are not interest-bearing are stated at cost, being the fair value of the consideration to be paid.

Derivative financial instruments

Derivative instruments with a negative fair value are classified at fair value through profit and loss ("FVTPL"), unless they are designated and effective as hedges.

Hedge accounting

The Group may designate certain derivatives, in respect of interest rate risk and foreign exchange rate risk, as hedging instruments in a cash flow hedge relationship.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or a forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency reserve. The gain or loss to the ineffective portion is recognised immediately in profit and loss.

Fair value hedges

A derivative instrument is recognised as fair value hedge when it hedges the exposure to variation of the fair value of the recognised assets or liabilities. Derivatives classified as a fair value hedge and the hedged assets or liabilities are carried at fair value. The corresponding changes of the fair value are recognised in the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Employee benefit liabilities

Post-employment benefits

In accordance with the laws and practices of each country, the affiliated companies of the Group operate defined benefit and defined contribution retirement benefit plans. It is Group policy to operate defined contribution plans for newly-hired employees where this is possible and appropriate.

Contributions payable to defined contribution plans are recognised as an expense in the period in which the related employees' service is rendered.

For defined benefit plans, the amount recognised in the statement of financial position is the present value of the defined benefit obligation less the fair value of any plan assets.

If the amount to be recognised in the statement of financial position is an asset, the asset recognised is restricted to the asset ceiling, which is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

For funded plans subject to a minimum funding requirement, where contributions payable to cover an existing shortfall on the minimum funding basis in respect of service already received are not available as a refund or reduction in future contributions after they are paid into the plan, an additional liability is recognised, where necessary, in accordance with IFRIC 14.

In the income statement, current and past service costs (including curtailments), settlement costs and administration expenses are charged in "other operating revenues & expenses", while the net interest cost is booked in "other financial income & expenses".

The present value of the defined benefit obligation and the related current and past service costs are calculated by qualified actuaries using the projected unit credit method. The discount rate is based on the prevailing yields of high-quality corporate bonds with a currency and term consistent with the currency and term of the benefit obligations. For currencies for which there is no deep market in such bonds, government bonds are taken into account. No provisions for death in service is included in the defined benefit obligations as it is fully insured, and the Group has no intention not to continue this insurance policy.

As there is no market price available for group insurance contracts, the fair value of such contracts is estimated by discounting the expected future cash flows (i.e. the amounts guaranteed by the insurer) using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets. The risk associated with these assets is based on the market situation at the reporting date.

Remeasurements include:

- actuarial gains and losses resulting from differences between previous actuarial assumptions and actual experience, and from changes in actuarial assumptions;
- the return on plan assets; and
- any changes in the effect of the asset ceiling or additional liability recognised under IFRIC 14, excluding amounts included in net interest.

Such remeasurements are recognised in other comprehensive income. Past service costs, arising from plan amendments, are recognised immediately as an expense.

Defined contribution pension plans in Belgium and Switzerland are 'hybrid' pension plans that qualify as defined benefit plans for IFRS purposes, because they are by law subject to minimum guaranteed rates of return and have to guarantee minimum annuity conversion rates. There is therefore a risk that the Company may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns and the future evolution of the minimum guarantees.

Termination benefits

A liability and expense for termination benefits is recognised at the earlier of (a) the date when the offer of those benefits can no longer be withdrawn, and (b) the date when costs are recognised for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black & Scholes model. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 2.4.2.6.2.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that eventually will be vested.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 and that vested after 01 January 2005. No amount has been recognised in the financial statements in respect of the other equity-settled shared-based payments.

Provisions

General

Provisions are recognised when (i) the Group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that the Group will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount is the present value of expenditures required to settle the obligation. Impacts of changes in discount rates are generally recognised in the financial result.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received if the Group settles the obligation.

Onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised and measured as provisions.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has, by starting to implement the plan or announcing its main features to those affected by it, raised a valid expectation with those affected that it will carry out the restructuring. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Environmental liabilities

Recticel analyses twice a year all its environmental risks and the corresponding provisions. The Group measures these provisions to the best of its knowledge of applicable regulations, the nature and extent of the pollution, clean-up techniques, and other available information.

Revenue recognition

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. Applying IFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Customers obtain control of products when the goods are delivered to and have been accepted at their premises. Invoices are generated and revenue is recognised at that point in time.

To recognise revenue, IFRS 15 applies a "five steps" model:

identify the contract(s) with a customer.

identify the performance obligations in the contract.

determine the transaction price.

allocate the transaction price to each performance obligation.

recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service).

Transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

The most common types of variable consideration that can be identified are:

Volume discounts (Engineered Foams, Bedding, Insulation)

Year-end rebates (Engineered Foams, Bedding, Insulation)

Adjustments to cope with changes in raw material prices on a prospective basis (Engineered Foams).

It is not unusual to agree on yearly supply agreements with the customer which fixes the selling prices of the goods for the relevant year. These agreements do not include any commitments to volumes made by the customer. The amount of revenue recognised is adjusted for expected rebates and discounts. A contract liability is being recognised upon selling the goods to the customer and released when the credit note is issued.

If a credit note is issued to the customer to compensate for quality claims, this shall be recognised as a reduction of the revenues.

The most common types of considerations paid to the customer (in bedding and insulation) relate to:

Participation to flyers

Participation to advertising campaigns

Promotional in-store activities

The considerations paid to participate in the customer's flyers shall be deducted from revenue as the services provided by the customer to the Group can generally not be considered as being distinct.

Interest income & expenses

Interest income/expenses is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts/outflows throughout the expected life of the financial asset/liability to that asset/liability's net carrying amount.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants relating to staff training costs are recognised as income over the periods required to match them with the related costs and are deducted from the related expense.

Government grants relating to property, plant & equipment are treated by deducting the received grants from the carrying amount of the related assets. These grants are recognised as income over the useful life of the depreciable assets.

Income taxes

The tax expense represents the sum of the current tax expense and deferred tax expense.

The current tax expense is based on the taxable profit for the year. The taxable profit differs from the result of the period before taxes as reported in the income statement because it excludes items of income or expenditure that are taxable or deductible in other years and items that will never become taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. No deferred tax liabilities have been recognised on undistributed retained earnings of subsidiaries, associates and joint ventures, as the impact is not material.

The carrying amount of deferred tax assets is reviewed at least at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Major sources of estimation uncertainty and key judgments

No key judgements were made in the preparation of the financials and there were no major sources of estimation uncertainty. All other items noted below are related to normal judgements and estimates
Drawing up the annual accounts in accordance with IFRS requires management to make the necessary judgments, estimates and assumptions. The management bases its estimates and assumptions on past experience and other reasonable assessment criteria. These are reviewed periodically, and the effects of such reviews are taken into account in the annual accounts of the period concerned. Future events which may have a financial impact on the Group are also included in this.

The estimated results of such possible future events may consequently diverge from the actual impact on results. Judgments and estimates were made, inter alia, regarding:

- impairments of goodwill, intangible assets, property, plant and equipment and right-of-use assets;
- determination of loss allowances for expected credit losses;
- determination of write-downs on inventories;
- determination of provisions for restructurings;
- determination of provisions for onerous contracts;
- determination of provisions for contingent liabilities, litigations and other exposures;
- valuation of post-employment defined benefit obligations, other long-term employee benefits and termination benefits;
- the recoverability of deferred tax assets;
- the recognition of revenue related to the sale of moulds over a period of 4 years;
- the assessment of the lease term is used as judgement within IFRS 16;
- business combinations including fair value accounting and goodwill determination.

It is not excluded that future revisions of such estimates and judgments could trigger an adjustment in the value of the assets and liabilities in future financial years.

Impairments on goodwill, intangible assets and property, plant and equipment and right-of-use assets

For amortizable long-term assets, an impairment assessment will in first place be made at the level of the individual asset. Only when it is not possible to estimate a recoverable value on an individual level, the evaluation will be made at the level of the cash generating unit (hereafter "CGU") to which the asset belongs. For amortizable long-term assets, an impairment analysis should be performed in case of impairment indicators. If such indicators exist, an impairment analysis shall be performed at the CGU level.

For **goodwill** (and other not depreciated long term assets) an impairment test is performed at least annually. The carrying amount can be allocated on a reasonable and consistent basis. The allocation of goodwill to a CGU or a group of CGUs also takes account of the synergies of the business combination expected by the decision maker. Goodwill can be allocated for impairment testing to a group of CGUs, if the chief operating decision maker considers this as the most appropriate allocation. There is a link between the level at which goodwill is tested for impairment and the level of internal reporting that reflects the way the entity manages its operations and with which the goodwill is associated (as such it cannot exceed the level of the reported segments as defined by IFRS 8).

The CGU level is defined following the market and production capacities. This approach leads to the determination of five CGUs in Engineered Foams and three CGUs in Insulation:

- CGU "Engineered Foams - United Kingdom";
- CGU "Engineered Foams - Continental Europe";
- CGU "Engineered Foams - Scandinavia";
- CGU "Engineered Foams - USA";
- CGU "Engineered Foams – Asia";
- CGU "Insulation - United Kingdom";
- CGU "Insulation - Continental Europe";
- CGU "Insulation – Scandinavia".

An impairment analysis was performed for the CGUs:

- CGU "Engineered Foams - United Kingdom";
- CGU "Engineered Foams - Continental Europe";
- CGU "Engineered Foams - Scandinavia";

considering the goodwill allocated to them.

For the other CGUs, current and expected results do not provide any particular impairment indicator, which would necessitate further impairment testing.

100% of the net book value of total goodwill was subject to impairment testing, and is composed as follows:

For **2021**:

in thousand EUR

Group Recticel	Engineered Foams	Insulation	Total
United Kingdom	3,221	988	4,208
Continental Europe	1,060	3,056	4,116
Scandinavia	5,396	0	5,396
Total net book value of goodwill	**9,676**	**4,044**	**13,721**

For **2020**:

in thousand EUR

Group Recticel	Engineered Foams	Bedding	Insulation	Total
United Kingdom	3,015	0	923	3,938
Continental Europe	1,062	0	2,211	3,273
Scandinavia	5,328	0	0	5,328
Other	0	11,600	0	11,600
Total net book value of goodwill	**9,405**	**11,600**	**3,134**	**24,139**

The net book value of the assets, other than goodwill, retained for impairment tests, represents about 91.4% of the total property, plant and equipment, 23.2% of the total intangible assets and 45.5% of the total right of use assets. The examined assets relate to (i) the Engineered Foams' activities in the United Kingdom, Continental Europe and Scandinavia and to (ii) the Insulation operations of the Group.

The below table provides an overview of impairments recognised by segment:

For **2021**:

in thousand EUR

Group Recticel	Engineered Foams			Insulation	Total
	United Kingdom	Continental Europe	Scandinavia		
Goodwill	3,221	1,060	5,396	4,044	13,721
Other intangible assets	39	6,916	587	550	8,092
Property, plant & equipment	3,577	184,596	7,006	91,189	286,368
Assets under construction	968	12,667	274	2,778	16,687
Right-of-useassets	19,582	3,863	2,917	2,112	28,474
Total net book value	**27,387**	**209,102**	**16,180**	**100,674**	**353,343**
of which impairments recognised during the period	0	0	0	27	27

Footnote: Working capital is not included in the analysis

For **2020**:

in thousand EUR

Group Recticel	Engineered Foams			Insulation	Total
	United Kingdom	Continental Europe	Scandinavia		
Goodwill	3,015	1,062	5,328	3,134	12,539
Other intangible assets	11	501	309	1,063	1,884
Property, plant & equipment	2,501	43,721	7,055	93,371	146,648
Assets under construction	1,189	7,004	1,056	3,736	12,985
Right-of-useassets	12,615	2,864	3,917	3,891	23,287
Total net book value	**19,331**	**55,152**	**17,665**	**105,195**	**197,343**
of which impairments recognised during the period	0	(1,273)	0	0	(1,273)

Footnote: Working capital is not included in the analysis.

Impairment charges are not linked to the general impairment analysis but relate mainly to (i) idle assets in Engineered Foams in Spain (EUR -1.3 million) and (ii) idle assets in Bedding following the closure of the Hassfurt (Germany) plant (EUR -1.1 million), which was sold in 2020.

For the impairment test of the items included in the table above, certain assumptions were made. The impairment tests have been applied on the "cash-generating units" ("CGU") on the basis of the principles set out above. The recoverable amount of the total CGU is determined on the basis of the value-in-use model.

When determining its expected future cash flows, the Group takes into account prudent, though realistic, assumptions regarding the evolution of its markets, its sales, the raw materials prices, the impact of past restructurings and the gross margins, which all are based on (i) the past experiences of the management and/or (ii) which are in line with trustworthy external information sources. It can however not be excluded that a future reassessment of assumptions and/or market analysis induced by future developments in the economic environment might lead to the recognition of additional impairments.

For the discounting of the future cash flows, a uniform overall Group-based pre-tax discount rate of 7.1% is used for all CGUs (8.2% in 2020). This pre-tax discount rate is based on a (long-term) weighted average cost of capital based on the current market expectations of the time value of money and risks for which future cash flows must be adjusted; the risks being implicit in the cash flows.

For countries with a higher perceived risk (i.e. emerging markets), the level of investments is very limited (1.2% of total fixed assets); hence no separate pre-tax discount rate is used.

The pre-tax discount rate for impairment testing is based on the following assumptions: (EUR based)

Group target ratios:	**2021**	**2020**
Gearing: net financial debt/total equity	50%	50%
% net financial debt	33%	33%
% total equity	67%	67%
Pre-tax cost of debt	**1.64%**	**2.32%[1]**
Pre-tax cost of equity		
$= (R_f + (E_m * \beta) + S_p)/(1-T)$	**12.74%**	**12.83%**
Risk free interest rate = R_f	0.00%	0.10%
Beta = β	1.27	1.39
Market equity risk premium = E_m	6.0%	6.0%
Small cap premium = S_p	1.65%	1.65%
Corporate tax rate =T	**21.3%**	**21.6%**
Assumed inflation rate	1.9%	1.1%
Pre-tax WACC (weighted average cost of capital)	**7.1%**	**8.2%**

1 the 2020 pre tax cost of debt integrates the impact of the FoamPartner acquisition (cfr 2.4.2.4.8. Business combinations)

The discount factors are reviewed at least annually.

Due to the COVID-19 crisis, some assumptions of the sensitivity analysis have been modified compared to the assumptions used per year-end 2020.

A first sensitivity analysis (A) is performed to measure the impact of a changing WACC rate on the outcome of the impairment tests. A second sensitivity analysis (B) is performed to measure the impact of a changing gross margin (- 1%) on the outcome of the impairment tests. A third sensitivity analysis (C) is performance to measure the impact of a changing sales volume level (-5.0%). A fourth sensitivity analysis is performed to measure the combined impact of the above sensitivity analyses.

Key assumptions

The dynamics of the business model, budgets and projected cash flows are based on stable cost structures which reflect inflation rates on labour and other costs, stable fixed costs and capital expenditure (except for the CGU Engineered Foams – United Kingdom). Gross margins and operating results are sensitive to the volatility of chemical raw material costs, which are unpredictable. Therefore, the budgets assume that increases or decreases in material costs are compensated through adaptations of the sales prices.

For the CGU "Engineered Foams – United Kingdom", "Engineered Foams – Continental Europe" and "Engineered Foams – Scandinavia" the value-in-use model projections are based on budgets and financial plans covering in total a three-year period with a sales growth rate of 2.00% as from the second year. After this 3-year period, a perpetuity value is taken into account without growth rate. For the first year (i.e. 2022) EBITDA is based on the full-year 2021 level and the full-year effect of the efficiency measures taken in 2021.

On this basis, the value-in-use of the CGU "Engineered Foams – United Kingdom" amounts to 2.3 times (2020: 2.6 times) the net asset book value, the value-in-use of the CGU "Engineered Foams – Continental Europe" amounts to 1.6 times (2020: 2.9 times) the net asset book value, and the value-in-use of the CGU "Engineered Foams – Scandinavia" amounts to 5.7 times (2020: 6.0 times) the net asset book value.

Sensitivity analysis

A first sensitivity analysis (A) is performed to measure the impact of a changing WACC rate (+1%) on the outcome of the impairment tests (see overview table below).

A second sensitivity analysis (B) is performed to measure the impact of a changing gross margin on sales (-1%) on the outcome of the impairment tests – applied on the business plan 2022-2024 and the perpetuity (see overview table below).

A third sensitivity analysis (C) is performed to measure the impact of a changing sales volume level (-5% as from 2023) on the outcome of the impairment tests (see overview table below).

A fourth sensitivity analysis is performed to measure the combined impact of the above sensitivity analyses.

For the sensitivity analyses it is assumed that all other parameters of the underlying assumptions, such as market evolution, sales, raw materials prices, impact of past restructurings and gross margins, operating charges, working capital needs, capital expenditure, ..., remain unchanged.

in thousand EUR

	Discounted Cash Flow / Net asset base (including right-of-use assets)				
Sensitivity	**Base case**	**1% increase of WACC (A)**	**1% decrease of gross margin on sales (B)**	**5% decrease of net sales (C)**	**Combination of (A), (B) and (C)**
Engineered Foams - United Kingdom	2.3 times book value	2.0 times book value	2.1 times book value	1.5 times book value	1.2 times book value
Engineered Foams - Continental Europe	1.6 times book value	1.5 times book value	1.5 times book value	1.1 times book value	0.9 times book value
Engineered Foams - Scandinavia	5.7 times book value	5.1 times book value	5.4 times book value	4.5 times book value	3.8 times book value

Loss allowances for expected credit losses

A loss allowance for expected credit losses is recognised for trade debtors for which a risk of total or partial non-recovery of outstanding receivables exists due to the debtor's poor financial condition or for economic, legal or political reasons. The decision to classify a receivable as doubtful will be made by the management on the basis of all information available to them at any time. In line with the Group accounting principles, details on the amounts of the loss allowance for expected credit losses can be found in note 2.4.2.5.9.

Since the outbreak of the COVID-19 crisis the Group's credit management processes have proven their effectiveness leading to a reducing trend in the number of overdue customers, and no significant credit losses. COVID-19 did not lead to an increase of the default rates used to calculate the expected credit losses.

The amount of expected credit losses on external guarantees is assessed at each reporting date to reflect changes in credit risk since the guarantee was granted. When determining whether the credit risk of a guarantee has increased significantly since the issuance and when estimating expected credit losses, Recticel considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Loans granted to Associates included a subordinated vendor loan of EUR 10 million (maturity 2027) granted on 30 June 2020 to TEMDA2 GmbH, the Automotive joint venture which acquired the Automotive Interiors activities (cfr. 2.4.2.4.7). On the basis of the assessment performed by the management no adjustment is to be made to the value of the latter loan.

Put/call options on discontinued operations Proseat and Automotive Interiors

On 19 February 2019, Recticel announced the closing of the transactions as a result of which Sekisui Plastics Co., Ltd. acquired 75% in Proseat. Since then Recticel holds a 25% participation in Proseat with the option to sell this remaining participation after three years.

As per 30 June 2021 the fair value of the Proseat option has been reduced from EUR 4.9 million to zero, and further to EUR -2.5 million by 31 December 2021. In April 2022, Recticel notified Sekisui that it wishes to exercise its put option.

On 01 July 2020, Recticel announced the closing of the divestment of its Automotive Interiors business to TEMDA2 GmbH, a new joint venture with Admetos. Recticel holds a participation of 49% in this new joint venture. The agreement contains reciprocal call/put options - for Admetos to acquire, or Recticel to sell its remaining 49% share -, which are exercisable as from March 2024.

A valuation of the put/call structure on the remaining 49% participation in the Automotive joint venture TEMDA2/Ascorium has been made per 31 December 2021, valuing the fair value of the option amounted to zero (same as per 31 December 2020).

Both put/call option structures have been recognised as derivative financial instruments at fair value with changes in fair value to be recognised in profit or loss. The value of both options have been calculated using the Black & Sholes option price formula, with the following key assumptions : (i) spot price equal to the estimated enterprise value (Proseat) and equity value (TEMDA2) per end December 2021, (ii) automotive parts' sector volatility (32.2%), (iii) maturity based on terms and conditions set out in the initial share purchase agreement, (iv) a risk-free interest rate of -0.75% and (iv) a dividend yield of 0%.

Provisions for restructurings and onerous contracts

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has, by starting to implement the plan or announcing its main features to those affected by it, raised a valid expectation in those affected that it will carry out the restructuring.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

In line with the Group accounting principles, details on the amounts of provisions for restructurings and onerous contracts can be found in notes 2.4.2.3.1., 2.4.2.4.3. and 2.4.2.5.14.

Provisions for contingent liabilities, litigations and other exposures

Any significant litigation (tax and other, including threat of litigation) is reviewed by Recticel's in-house lawyers with the support, when appropriate, of external counsels at least every half-year. This review includes an assessment of the need to recognise provisions and/or to re-measure existing provisions together with the Finance department and the Insurance department. Further details are provided in note 2.4.2.6.9.

Valuation of post-employment defined benefit obligations, other long-term employee benefits and termination benefits

The actuarial assumptions used in determining the defined benefit obligations at December 31, and the annual cost, can be found in note 2.4.2.5.13. All main employee benefit plans are assessed annually by independent actuaries. Discount rates and inflation rates are defined centrally by management. Other assumptions (such as future salary increases and demographic assumptions) are defined at a local level.
All plans are supervised by the Group's central Human Resources department with the help of a central actuary to check the acceptability of the results and ensure consistency in reporting.

Current and deferred tax

All tax returns are prepared in good faith based on the available information, with often the assistance of external tax advisors. There are several tax audits ongoing in the Group, notably in The Netherlands and Poland. While the ultimate outcome of these tax audits is not certain, the Group has considered the merits of its filing positions in the overall evaluation of potential tax liabilities and believes that adequate liabilities are recorded in the consolidated financial statements. However, important tax corrections can never be excluded. In such case, Recticel will defend its position, always in full collaboration with the tax authorities. The tax audit in Germany, which was still ongoing in 2020, has been closed without material corrections.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and other tax attributes to the extent that future taxable profits are expected to be

available against which they can be used. For this purpose, management reviews the recognition of deferred tax assets based on the business plans of the entities concerned.

Net deferred tax assets decreased from EUR 13.1 million on 31 December 2020 to EUR 10.6 million on 31 December 2021, following the acquisition of FoamPartner and the fair value accounting as per IFRS 3.

Deferred tax assets are recognised mainly in Belgium (Recticel NV/SA – EUR 33.2 million), France (Recticel SAS – EUR 8.6 million), the United Kingdom (Recticel Ltd. - EUR 6.2 million) and Spain (Recticel Iberica – EUR 5.7 million), (amounts before offset with deferred tax liabilities).

Assets held for sale - Discontinued operations

In accordance with accounting standard IFRS 5, the Bedding segment – which per 31 December 2021 was in the process of being transferred to the Aquinos Group has been reclassified as assets and liabilities held for sale. The operating result of the Bedding segment has been presented in the consolidated financials as Result from Discontinued Operations. For comparison reasons, the formerly published 2020 financials have been restated accordingly.

Despite the fact that for the Engineered Foams segment (i) a decision for divestment has been taken by the Board of Directors, (ii) a binding offer was received, (iii) a shareholders' approval was received, IFRS 5 has not been applied because legal carve-outs still have to be executed and regulatory anti-trust approvals still have to be received. This segment remains included in the Group reporting as before.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. The fair value assessment as per 31 December 2021 led Recticel to increase the value of its investment property by EUR 4.2 million. This gain, arising from the change in the fair value of investment property, is included in profit or loss for the period.

COVID-19 impact

In the preparation of the consolidated financial statements for the year ended 31 December 2021, management considered the current economic environment and the impact of COVID-19. Despite the negative impact on the performance and cash flows during 2021 on the Bedding division (which has been divested on 31 March 2022), Recticel maintains a solid financial and liquidity position and meets its financial covenants. As such, management concluded the company is able to continue as a going concern with no long-term impact from COVID-19.

Brexit

The annual turnover of the Group in the UK represents 18.0% of total consolidated sales in 2021. The products the Group sells in the UK are mainly produced locally. The direct impact of Brexit concerns (i) the import of chemical raw materials necessary for local production, as these raw materials are not available in the UK, and (ii) a currency exchange rate risk. The Brexit treaty concluded in 2020 between the European Union and the United Kingdom has led to the elimination of possible risks with regard to the supply of raw materials.

Climate change

The Group's operations are generally speaking not energy intensive. Consequently, Recticel's activities and products have a limited negative impact on the emission of greenhouse gases. Moreover, this is overcompensated by Recticel's Insulation activities, that produce high-performance thermal insulation boards which over their product lifetime substantially overcompensate any negative impact on climate change from the Group's operations. Going forward, Recticel will become an even more "green company" as its insulation products will reduce the impact of heating buildings; hence it positively mitigates impact on climate change. Climate change might negatively impact the supply chain (raw material availability and prices), however, the Group is looking into alternative solutions such as (chemical and mechanical) recycling of life-end products.

Russia-Ukraine conflict

Currently Recticel has no local operations in Russia and Ukraine. Neither does Recticel export to Russia and Ukraine. Consequently, there is no direct impact observed nor to be expected.

However, it is not excluded that future operations and business are affected indirectly by the conflict. These indirect impacts may come from supply issues, an inflationary macro-economic environment, credit risks on customers and increasing financing costs. It is expected that these eventual impacts on operations and financial position should remain limited for the Group.

Changes in scope of consolidation

The following changes in the scope of consolidation took place **during the year 2021**:

Acquisition of the Swiss-based FoamPartner group - a global provider of high value-added technical foam solutions in the Mobility, Industrial Specialties and Living & Care markets. FoamPartner is fully integrated in the consolidated statements from 01 April 2021 and is reported under the segment Engineered Foams. The acquired FoamPartner companies are:

FoamPartner Germany GmbH - Germany, which merged with FoamPartner Converting Center GmbH, Germany, FoamPartner Leverkusen GmbH, Germany and FoamPartner Delmenhorst GmbH, Germany

Frina Mousse sàrl – France (in liquidation)

FoamPartner Switzerland AG - Switzerland, which merged with Buttikofer AG, Switzerland

FoamPartner Holding AG - Switzerland

FoamPartner America Inc - USA

FoamPartner Singapore - Singapore

FoamPartner Polyurethane Materials (Changzhou) Co., Ltd. - China

FoamPartner Trading (Shanghai) Ltd - China

End-2021, Recticel Bedding Belgium SA/NV was set up in the context of the carve-out of the Bedding activities which are to be sold to Aquinos (see 2.4.2.4.7 Discontinued operations).

So, following the agreement reached with the Aquinos Group on the divestment of the Group's Bedding activities, and in accordance with IFRS 5, the Bedding activities are presented as discontinued operations in the consolidated financial statements. For legal entities impacted by disposal of Bedding activities, see note 2.4.2.5.4.

Despite the fact that for the Engineered Foams segment (i) a decision for divestment has been taken by the Board of Directors, (ii) a binding offer was received, (iii) a shareholders' approval was received, IFRS 5 has not been applied because legal carve-outs still have to be executed and regulatory anti-trust approvals still have to be received.
The following changes in the scope of consolidation took place **during the year 2020**:

On 01 July 2020, Recticel announced the closing of the divestment of its Automotive Interiors business to TEMDA2 GmbH, a new joint venture with Admetos. Recticel continues to hold a participation of 49% in this new joint venture. The agreement contains reciprocal call/put options - for Admetos to acquire, or Recticel to sell its remaining 49% share -, which are exercisable as from March 2024.

The disposal of the Automotive Interiors activities comprises the following companies:

Recticel UREPP Belgium NV - Belgium

Ningbo Recticel Automotive Parts Co. Ltd – China

Shenyang Recticel Automotive Parts Co. Ltd – China

Shenyang II Recticel Automotive Parts Co. Ltd – China

Langfang Recticel Automotive Parts Co. Ltd – China

Changchun Recticel Automotive Parts Co. Ltd – China

RAI Most s.r.o. – Czech Republic

Recticel Czech Automotive s.r.o. – Czech Republic

Recticel Interiors CZ s.r.o. – Czech Republic

Recticel Automobilsysteme GmbH – Germany

Recticel North America Inc – United States

The new joint venture TEMDA2 GmbH has been integrated following the equity method under the heading 'Investments in other associates'.

Furthermore, Recticel sold its 50% stake in Eurofoam to its joint-venture partner Greiner AG. The Eurofoam joint venture was established in 1992 to develop flexible foams activities in Eastern Europe. In 1997, the joint venture was extended by both partners' contribution of their existing activities in Austria and Germany. Eurofoam is headquartered in Vienna (Austria) and operates in various Central and Eastern European countries. It employs approximately 2,100 people and realized sales of EUR 400 million in 2019. In accordance with IFRS 5, both above-mentioned businesses have been presented as discontinued operations in the consolidated income statement. Details are disclosed in note 2.4.2.4.7.

Business and geographical segments

Business segments

Following the intended disposal of the Bedding segment (2022), the principal market segments for Recticel's goods and services are reported as from 2021 under three operating segments: Engineered Foams, Insulation and Corporate.

IFRS 8 requires operating segments to be identified on the basis of the internal reporting structure of the Group that allows a regular performance review by the chief operating decision maker and an adequate allocation of resources to each segment.

The information reported to the Group's chief operating decision maker for the purpose of resource allocation and performance assessment per segment is more specifically focussed on Sales, EBITDA, Operating profit (loss), Capital Employed and Operational Cash Flow per segment. For more details on these segments, reference is made to the first part of this annual report. Information regarding the Group's reportable segments is presented below. Inter-segment sales are made at conditions which are applicable under the framework of the Group Transfer Pricing Policy.

Income statement for the year 2021

In thousand EUR

Group Recticel	Engineered Foams	Insulation	Corporate & Eliminations	Total
SALES				
External sales[2]	583,559	390,558	58,679	1,032,795
Inter-segment sales	0	0	0	0
Total sales	**583,559**	**390,558**	**58,679**	**1,032,795**
OPERATING PROFIT (LOSS)				
Unallocated corporate expenses[1]			(30,051)	
Operating profit (loss)	**25,168**	**51,415**	**(30,051)**	**46,532**
Financial result				(4,538)
Income from other associates, impairments other associates and change in fair value of option structures				(6,864)
Result for the period before taxes				**35,130**
Income taxes				14,335
Result for the period after taxes - Continuing operations				**49,465**
Result for the period after taxes - Discontinued operations				**4,876**
Result for the period after taxes - Continuing and discontinued operations				**54,341**
of which non-controlling interests				819
of which share of the Group				53,522

1 Relates to headquarters' costs which include EUR 16.6 million consultancy fees (see note 2.4.2.4.3.).
2 External sales Corporate represents sales of chemical raw materials at cost to Proseat and TEMDA2 companies.

Income statement for the year 2020 (restated)

in thousand EUR

Group Recticel	Engineered Foams	Insulation	Corporate & Eliminations	Total
SALES				
External sales[2]	318,528	249,246	49,110	616,883
Inter-segment sales	0	0	0	0
Total sales	**318,528**	**249,246**	**49,110**	**616,883**
OPERATING PROFIT (LOSS)				
Unallocated corporate expenses[1]			(22,645)	
Operating profit (loss)	**14,812**	**16,939**	**(22,645)**	**9,106**
Financial result				(3,588)
Income from other associates and change in fair value of option structures				(10,212)
Result for the period before taxes				**(4,694)**
Income taxes				(3,470)
Result for the period after taxes - Continuing operations				**(8,164)**
Result for the period after taxes - Discontinued operations				**71,319**
Result for the period after taxes - Continuing and discontinued operations				**63,155**
of which non-controlling interests				4
of which share of the Group				63,151

1 Includes headquarters' costs: EUR 14.7 million (2019: EUR 14.4 million) and R&D expenses (Corporate Programme): EUR 2.4 million (2019: EUR 2.5 million).

2 External sales Corporate represents sales of chemical raw materials at cost to Proseat and TEMDA2 companies.

Other information 2021

in thousand EUR

Group Recticel	Engineered Foams	Insulation	Corporate	Total
Depreciation and amortisation	30,327	10,980	1,869	**43,175**
Impairment losses recognised in profit and loss	0	27	0	**27**
EBITDA	55,494	62,422	(28,181)	**89,734**
Capital expenditure/additions	9,726	3,998	1,302	**15,026**

Other information 2020 (restated)

in thousand EUR

Group Recticel	Engineered Foams	Insulation	Corporate	Total
Depreciation and amortisation	14,582	10,575	2,633	**27,790**
Impairment losses recognised in profit and loss	1,273	0	95	**1,368**
EBITDA	30,667	27,513	(19,890)	**38,290**
Capital expenditure/additions	7,964	4,707	3,487	**16,158**

EBITDA

EBITDA per segment is commented in the first part of this annual report (section Report by the Board of Directors).

The breakdown of the goodwill per business line

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
United Kingdom	3,221	3,015
Continental	1,060	1,062
Scandinavia	5,396	5,328
Total Engineered Foams	9,677	**9,405**
Continental	3,056	2,211
United Kingdom	988	923
Total Insulation	**4,044**	**3,134**
Total goodwill	**13,721**	**12,539**

Adjustments to Operating profit (loss) per segment

in thousand EUR

Group Recticel	Engineered Foams	Insulation	Corporate	Total
2021				
Restructuring charges and provisions	(2,171)	(77)	(568)	(2,816)
Other	(5,622)	(87)	(10,986)	(16,695)
Impairments	0	(27)	0	(27)
TOTAL	**(7,793)**	**(191)**	**(11,554)**	**(19,537)**
2020 restated				
Restructuring charges and provisions	(865)	(165)	(13)	(1,043)
Other	(351)	0	(4,745)	(5,096)
Impairments	(1,273)	0	(95)	(1,368)
TOTAL	**(2,489)**	**(165)**	**(4,853)**	**(7,507)**

For 2021

Reorganisation charges in Engineered Foams in The Netherlands, France, Germany and Switzerland (EUR -2.2 million) and at Corporate level (EUR -0.6 million).

Other adjustments relate mainly to legal and advisory fees (EUR -15.3 million) for (i) the acquisition of FoamPartner (Engineered Foams), (ii) the preparation of the divestment of the Bedding division, (iii) the dealings related to the Greiner offer, (iv) the preparation of the divestment of Engineered Foams to Carpenter, (v) a revaluation allowance for investment property in Belgium (EUR +4.2 million) and (vi) the realisation of a fair value adjustment on inventories by application of IFRS 3 (reversal of inventory step up values resulting from purchase price allocations (EUR -3.4 million).

For 2020 (restated)

Restructuring charges (EUR -1.0 million) refer to additional restructuring measures in execution of the Group's rationalisation plan.

Other adjustments relate mainly to non-recurring costs relating to due diligence and legal fees and expenses linked to the FoamPartner acquisition.

Impairments relate to idle assets in Flexible Foams in Spain (EUR 1.3 million).

Geographical repartition and disaggregation of sales

The Group's operations are mainly located in the European Union.

Sales (by destination)

The following tables provide an analysis of the Group's sales and fixed assets by geographical market.

in thousand EUR

Group Recticel	2021	2020 restated
Belgium	124,305	102,379
France	127,456	99,667
Germany	109,919	22,759
Other EU countries	296,786	193,473
European Union	**658,466**	**418,279**
United Kingdom	191,101	136,555
Other	183,227	62,049
TOTAL	**1,032,795**	**616,883**

Reliance on major customers

In 2021, none of the customers represented more than 10% of total sales.

The top-10 customers of the Group represent 14.9% (2020 restated: 22.8%) of total consolidated sales.

Intangible assets – Property, plant & equipment – Right-of-use assets – Investment property

in thousand EUR

Group Recticel			Acquisitions, including own production	
	31 Dec 2021	31 Dec 2020	2021	2020
Belgium	76,618	86,413	7,645	13,554
France	34,533	36,070	2,830	2,671
Germany	105,905	8,582	4,733	1,394
Other EU countries	37,551	79,967	4,434	22,108
European Union	**254,607**	**211,032**	**19,642**	**39,728**
China	32,276	2,053	1,115	1,152
Switzerland	63,071	2,401	1,487	29
United Kingdom	50,165	42,900	2,361	1,801
Other	18,398	8,127	3,331	1,259
TOTAL	**418,518**	**266,512**	**27,936**	**43,969**

Income statement

Gross profit

On a like-for-like basis, the gross profit increased by 75.7% from 106.7 million (restated) to EUR 187.4 million. The higher gross profit is primarily explained by the increase of sales after a weak 2020 which was heavily impacted by the COVID-19 pandemic, especially in the first half-year. In addition, the improvement is explained by active pricing management to pass on the higher raw material costs in the selling prices, further efficiency and mix improvements and the positive contribution from FoamPartner.

General and administrative expenses - Sales and marketing expenses – Research and development expenses

General and administrative expenses increased by EUR 22.5 million to EUR 66.7 million on a like-for-like basis. This increase is mainly explained by a gradual normalisation in 2021, compared to 2020 during which the COVID-19 pandemic had led to tight cost saving measures and temporary unemployment measures.

For the same reason, Sales and marketing expenses increased from EUR 32.4 million (restated) to EUR 44.9 million, as well as Research and development expenses that increased from EUR 7.9 million (restated) to EUR 9.2 million.

Other operating revenues and expenses

in thousand EUR

Group Recticel	2021	2020 restated
Other operating revenues	20,121	19,043
Other operating expenses	(40,512)	(30,383)
TOTAL	**(20,391)**	**(11,340)**

Restructuring charges (including site closure, onerous contracts and clean-up costs)	(2,816)	(1,043)
Gain (Loss) on disposal of intangible, tangible and right-of-use assets	2,736	136
Gain (Loss) on investment operations	27	(90)
Revaluation investment property	4,233	0
IAS 19 Pensions and other similar obligations	(1,100)	(251)
IAS 19 Operating expenses	(932)	(1,063)
Provisions	2,749	(3,347)
Fees consultancy and subcontractors	(16,597)	0
Other expenses	(13,696)	(10,638)
Insurances commission (Recticel RE)	3,639	4,423
Other revenues	1,364	534
TOTAL	**(20,391)**	**(11,340)**

Restructuring

In **2021**, reorganisation charges (EUR -2.8 million) relate to restructuring measures in Engineered Foams in The Netherlands, France, Germany and Switzerland (EUR -2.2 million) and at Corporate level (EUR -0.6 million).

In **2020**, restructuring charges (EUR -2.0 million) relate to additional restructuring measures in execution of the Group's rationalisation plan, mainly reorganisation charges in Engineered Foams (EUR 0.9 million).

Revaluation investment property

In **2021**, this item relates to a revaluation of investment property at fair value in Belgium.

Fees consultancy and subcontractors

In **2021**, this item relates to legal and advisory fees for (i) the acquisition of FoamPartner (Engineered Foams), (ii) the preparation of the divestment of the Bedding division, (iii) the dealings related to the Greiner offer and (iv) the preparation of the divestment of Engineered Foams to Carpenter.

Operating profit (loss)

The components (by nature) of the Operating profit (loss) are as follows:

in thousand EUR

Group Recticel	2021	2020 restated
Sales	1,032,795	616,883
Purchases and changes in inventories	(595,574)	(329,680)
Other goods and services	(154,391)	(102,888)
Labour costs	(212,458)	(151,176)
Amortisation and depreciation on non-current assets	(42,832)	(27,312)
Impairments on non-current assets	(27)	(2,352)
Amounts written back/(off) on affiliated investments	(334)	(207)
Amounts written back/(off) on inventories	(290)	(658)
Amounts written back/(off) on receivables	310	(461)
Provisions	2,761	(2,404)
Gain/(Loss) on disposal intangible and tangible assets	2,736	136
Gain/(Loss) on disposal on investments	27	(91)
Gain/(Loss) on trade receivables	(99)	83
Operating taxes	(5,268)	(4,898)
Other operating expenses	(6,062)	(9,004)
Own production	3,027	2,778
Operating subsidies	1,040	890
Commissions and royalty income	107	3,680
Operating lease income	1,461	1,553
Revaluation investment property	4,233	0
Service fees	173	740
Other operating income	14,823	12,791
Income from associates	371	703
Operating profit (loss)	**46,532**	**9,106**

Sales: Sales increased by 67.4% from EUR 616.9 million to EUR 1,032.8 million; of which +32.8% from FoamPartner (EUR 202.6 million).

For both segments the sales growth has been driven by supportive demand in most markets, in combination with price increases mitigating the substantial impact of higher purchase prices for chemical raw material and other components. More details per segment can be found in the comments on the financial figures in the Report of the Board of Directors.

Purchases and changes in inventories increased as a result of higher sales and on average higher chemical raw materials prices and higher volumes compared to 2020 which was impacted by the COVID-19 pandemic.

Other goods and services comprise transportation costs (EUR 48.3 million versus EUR 34.5 million in 2020), operating lease expenses (EUR 1.8 million versus EUR 1.7 million in 2020), supplies (EUR 16.8 million versus EUR 11.3 million in 2020), fees (EUR 30.3 million versus EUR 15.0 million in 2020), repair and maintenance costs (EUR 12.3 million versus EUR 8.6 million in 2020), advertising/fairs/exhibition costs (EUR 2.1 million versus EUR 2.2 million in 2020), travel expenses (EUR 2.3 million versus EUR 1.7 million in 2020), administrative expenses (EUR 6.3 million versus EUR 4.6 million in 2020), insurance expenses (EUR 10.5 million versus EUR 8.6 million in 2020), waste removal and environmental expenses (EUR 3.2 million versus EUR 5.7 million in 2020), security expenses (EUR 1.1 million versus EUR 1.3 million in 2020).

Labour costs increased compared to 2020, which was heavily impacted by the COVID-19 lockdowns imposed in most countries during the second quarter and the use – where possible - of temporary unemployment.

Income from associates decreased due to the lower result from Orsafoam.

Financial result

in thousand EUR

Group Recticel	2021	2020 restated
Interest on lease liabilities	(1,665)	(1,666)
Interest on long-term bank loans	(3,056)	(558)
Interest on short-term bank loans & overdraft	(2,054)	(1,026)
Net interest charges on Interest Rate Swaps and Foreign Currency Swaps	42	(112)
Total borrowing cost	**(6,733)**	**(3,362)**
Interest income from bank deposits	220	68
Interest income from financial receivables	786	825
Interest income from financial receivables and cash	**1,006**	**893**
Interest charges on other debts	(90)	(40)
Interest income on other receivables	22	34
Total other interest	**(69)**	**(5)**
Interest income and expenses	**(5,795)**	**(2,474)**
Exchange rate differences	1,347	(828)
Net interest cost IAS 19	(149)	(290)
Other financial result	59	5
Total other financial result	**1,257**	**(1,113)**
FINANCIAL RESULT	**(4,538)**	**(3,587)**

Income taxes

1. Income tax charges

Group Recticel	2021	2020 restated
		in thousand EUR
Recognised in the income statement		
Current tax expense:		
Current year[1]	8,841	3,534
Adjustments in respect of prior year	3	(125)
Total current tax expense	**8,844**	**3,409**
Deferred tax expense:		
Origination and reversal of temporary differences and tax losses	1,080	(3,617)
Unrecognised deferred tax assets on current year's losses[2]	2,987	4,544
Recognition of deferred tax assets previously not recognised[3]	(27,599)	(1,538)
Derecognition of previously recognised deferred tax assets	31	387
Effect of changes in tax rates on deferred taxes	427	(136)
Adjustments for prior periods	60	1,622
Other deferred tax expenses	(164)	(1,201)
Total deferred tax expense	**(23,179)**	**61**
Total tax expense on continuing operations	**(14,335)**	**3,470**

1 The current tax expenses increased in 2021 compared to 2020 as a result of higher profit before tax.

2 The unrecognised deferred tax assets on current year's losses mainly relate to losses incurred in Germany in 2021 and to losses incurred in Germany and Spain in 2020.

3 Additional deferred tax assets have been recognised in Belgium, France and Spain in 2021 compared to 2020 as a result of increased profit expectations, including gains on the carve-out of the Bedding and Engineered Foams activities.

Group Recticel	2021	2020 restated
		in thousand EUR
Reconciliation of effective tax rate		
Profit (loss) before taxes - continuing operations	35,130	(4,692)
Minus income from associates	(371)	(703)
Minus income from other associates	(451)	5,790
Result before tax and income from (other) associates	**34,308**	**395**
Group's domestic tax rate	**25.00%**	**25.00%**
Tax at the Group's domestic income tax rate	**8,577**	**99**
Effect of different tax rates of subsidiaries operating in different jurisdictions	(2,781)	(3,452)
Tax effect of non-deductible expenses	4,171	2,784
Tax effect of non-taxable income	(904)	(597)
Tax effect of tax incentives	(365)	(144)
Unrecognised deferred tax assets on current year's losses	2,987	4,544
Recognition of deferred tax assets previously not recognised	(27,599)	(1,538)
Derecognition of deferred tax assets previously recognised	31	387
Effect of changes in tax rates on deferred taxes	427	(136)
Tax effect of current and deferred tax adjustments related to prior years	65	1,302
Other	1,056	221
Tax expense for the year - continuing operations	**(14,335)**	**3,470**

Group Recticel	2021	2020 restated
		in thousand EUR
Deferred tax charged or (credited) directly to equity		
Impact of IAS 19R on equity	1,469	113
Total	**1,469**	**113**

2. Deferred tax assets and liabilities

in thousand EUR

	31 Dec 2020			31 Dec 2021								
Group Recticel	**Deferred tax assets**	**Deferred tax liabilities**	**Net**	**Recognised in the income statement**	**Recognised in other comprehensive income**	**Acquired in business combinations**	**Transfer to discontinued operations**	**Translation differences**	**Other**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Recognised deferred tax assets and liabilities												
Intangible assets[1]	4,690	(345)	4,345	(92)	(1)	(5,664)	(38)	26	0	(1,424)	4,060	(5,485)
Property, plant & equipment[1][2]	669	(15,781)	(15,112)	(1,866)	0	(18,310)	2,584	(297)	0	(33,002)	1,367	(34,369)
Investments	101	0	101	250	0	289	0	20	4,987	5,648	5,648	(0)
Receivables	35	(799)	(764)	(52)	275	(448)	9	(0)	(4,450)	(5,430)	634	(6,063)
Inventories	322	0	322	1,262	0	(1,298)	(38)	67	0	315	329	(15)
Cash and cash equivalents	8	(0)	8	0	0	(0)	(7)	0	(1)	(0)	0	(0)
Tax-free reserves	1,871	(4,932)	(3,061)	(106)	0	0	(19)	31	4	(3,151)	42	(3,193)
Early retirements and defined benefits	7,268	0	7,268	2,488	(1,744)	79	(18)	62	7	8,141	8,141	0
Provisions for other risks and charges	1,865	(6,653)	(4,788)	(847)	0	(840)	(247)	30	(9)	(6,701)	1,614	(8,315)
Interest-bearing borrowings and loans	10,392	(724)	9,668	1,786	0	0	(2,056)	263	(545)	9,116	10,632	(1,516)
Other liabilities	2,436	(157)	2,281	(491)	0	502	(234)	22	35	2,115	2,349	(234)
Tax loss carry-forwards[2]	12,532	0	12,532	21,106	0	1,641	(356)	(1)	0	34,922	34,922	(1)
Other tax attributes	325	0	325	(259)	0	0	1	(0)	0	68	68	(0)
Total	**42,516**	**(29,392)**	**13,124**	**23,179**	**(1,469)**	**(24,050)**	**(419)**	**223**	**28**	**10,617**	**69,806**	**(59,190)**
Set-off	(17,218)	17,218	-								(22,961)	22,961
Total (as provided in the statement of financial position)	**25,298**	**(12,173)**	-								**46,846**	**(36,229)**

The total net deferred tax assets decreased from EUR 13.1 million at 31 December 2020 to EUR 10.6 million at 31 December 2021. The main changes in 2021 are relating to the following items:

1 An increase of deferred tax liabilities on intangible assets and property, plant & equipment primarily due to the deferred tax liabilities computed on the step-up basis resulting from the purchase price allocation of the acquisition of FoamPartner (impact of EUR 22.7 million included in the column Acquired in business combinations).

2 An increase of deferred tax assets on tax loss carry forwards as a result of the recognition in 2021 of deferred tax assets previously not recognised on losses in Belgium (EUR 17.1 million), France (EUR 5.9 million) and Spain (EUR 3.6 million) - impact included in the amount of EUR 21.1 million recognised in the income statement.

Tax loss carry-forwards – amounts by expiration date:

in thousand EUR

Group Recticel	2021[3]	2020[1/2]
One year	951	0
Two years	1,044	2,322
Three years	384	8,529
Four years	0	313
Five years and thereafter	9,201	134,101
Without time limit	360,681	396,757
TOTAL	**372,242**	**542,022**

1 The total amount of tax losses carried forward per 31 December 2020 (EUR 542 million) includes EUR 128.2 million of tax loss carryforwards for the US of which EUR 127.5 million were lost in 2021 due to the earlier divestment of the TEMDA2 (Ascorium) (formerly Automotive Interiors) activities.

2 The total amount of tax losses carried forward per 31 December 2020 also includes the tax losses carried forward of the entities of the Bedding activities (EUR 26.4 million) which were reported within the discontinued operations in 2021 and of Proseat NV (EUR 13.7 million) which has been liquidated in 2021.

3 At 31 December 2021, EUR 34.9 million of deferred tax assets are recognised in respect of tax losses, representing EUR 139.6 million of tax losses carried forward out of a total amount of tax losses carried forward of EUR 372 million. Deferred tax assets in relation to losses which are not recognised relate mainly to Germany (Recticel Verwaltung EUR -17.8 million) and Spain (Recticel Iberica: EUR -5.0 million).

Deferred tax assets recognised and unrecognised by the Group apply to the following elements as at **31 December 2021:**

in thousand EUR

Group Recticel	Total potential deferred tax assets[1]	Recognised deferred tax assets[2/3]	Not recognized deferred tax assets[1/2]
Temporary differences	36,732	34,816	1,916
Tax losses carried forward	104,265	34,922	69,343
Other tax attributes	3,357	68	3,289
Total before set-off	**144,354**	**69,806**	**74,548**

1 The variances in total potential deferred tax assets and non recognised deferred tax assets in 2021 compared to 2020 are mainly due to:
- the attribution of the losses in the US to the TEMDA2 (Ascorium) (formerly Automotive Interiors) activities which were divested (impact of EUR 27.9 million)
- the exclusion of the Bedding division which is reported within the discontinued assets (impact of EUR 2.4 million)
- the liquidation of Proseat NV (impact of EUR 4.9 million).

2 The remaining variance on non-recognised deferred tax assets is primarily due to the recognition in 2021 of deferred tax assets not recognised in 2020, in Belgium (EUR 17.1 million), France (EUR 5.9 million) and Spain (EUR 3.6 million).

3 At 31 December 2021 deferred tax assets of EUR 69.8 million are recognised mainly in Belgium (EUR 33.2 million), in France (EUR 8.6 million), United Kingdom (EUR 6.2 million) and Spain (EUR 5.7 million). These deferred tax assets have been recognised as it is expected that future taxable profit will be available against which the related deductible temporary differences, unused tax losses and tax attributes can be utilized.

Deferred tax assets recognised and unrecognised by the Group apply to the following elements as at **31 December 2020:**

in thousand EUR

Group Recticel	Total potential deferred tax assets	Recognised deferred tax assets	Not recognized deferred tax assets
Temporary differences	37,648	29,659	7,989
Tax losses carried forward	141,369	12,532	128,838
Other tax attributes	3,981	325	3,654
Total before set-off	**182,998**	**42,516**	**140,481**

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. Except for the undistributed profit in Estonia, no deferred tax liabilities have been recognised on undistributed retained earnings of subsidiaries.

Discontinued operations

For the period ending 31 December 2021

The result of the period after taxes of the discontinued operations (EUR 4.9 million) comprises:
The net result of Bedding (EUR +3.5 million), and

The net result of EUR +1.4 million in relation with TEMDA2 (Ascorium, formerly Automotive Interiors)

Bedding

On 18 November 2021 Recticel entered into a binding agreement with Aquinos Group for the sale of its Bedding Activities. At the special shareholders meeting on 24 December 2021 all proposed resolutions regarding the sale of the Bedding business line to Acquinos were approved. The Sales and Purchase Agreement ("SPA") was signed on 28 December 2021. The business generated sales of EUR 208,6 million for the year ending 31 December 2021 and represents disposed net assets of EUR 65,1 million as of 31 December 2021. The transaction was expected to be closed during the first quarter of 2022.

Following the application of IFRS 5, Bedding activities have been accounted for as discontinued operations. IFRS 5 has been applied on the basis of the following facts : (i) decision by the Board of Directors to divest the Bedding activities, (ii) received a binding offer, (iii) obtention of a shareholders' approval, (iv) execution of legal carve-outs and (v) no anti-trust issues to be expected.

The results of these Bedding activities are composed as follows:

in thousand EUR

Profit and loss account	Bedding	
	2020	2021
Sales	**211,909**	**208,555**
Cost of sales	(161,540)	(165,169)
Gross profit (loss)	**50,369**	**43,386**
General and administrative expenses	(13,719)	(12,013)
Sales and marketing expenses	(28,217)	(27,805)
Research and development expenses	(1,354)	(2,081)
Impairment of goodwill, intangible and tangible assets	(88)	0
Other operating revenues	1,544	1,584
Other operating expenses	(3,791)	(3,208)
Operating profit (loss)	**4,744**	**(137)**
Financial result	(1,557)	(1,203)
Result of the period before taxes	**3,187**	**(1,340)**
Income taxes	(554)	(964)
Net result of the period	**2,633**	**(2,304)**
Adjustments consolidation	0	5,805
Total net result at level of Recticel NV/SA	**2,633**	**3,501**

An impairment analysis has been made under IFRS 5 (i.e. lower of fair value – cost to sell versus carrying assets) and didn't result in an impairment.

The net assets of Bedding are as follows:

in thousand EUR

Assets and liabilities	31 Dec 2021
	Bedding
Goodwill	11,079
Intangible assets	7,658
Property, plant and equipment	22,536
Right-of-use assets	24,564
Other financial assets	257
Deferred taxes	6,304
Prepaid for defined benefit plans	1
Non-current assets	**72,399**
Inventories	33,372
Trade receivables	23,517
Other receivables and other financial assets	4,358
Income tax receivables	281
Other investments	187
Cash and cash equivalents	7,352
Reclassification to assets held for sale	0
Current assets	**69,067**
TOTAL ASSETS OVER WHICH CONTROL WAS LOST	**141,466**
Pensions and similar obligations	6,206
Provisions	2,192
Financial liabilities	19,241
Other amounts payable	3
Non-current liabilities	**27,642**
Provisions	189
Financial liabilities	516
Trade payables	24,789
Current contract liabilities	7,964
Income tax payables	102
Other amounts payable	15,212
Current liabilities	**48,772**
TOTAL LIABILITIES OVER WHICH CONTROL WAS LOST	**76,414**
NET ASSETS DISPOSED OF	**65,052**

In accordance with IFRS 5, the balance sheet per 31 December 2020 has not been restated, and the balance sheet per 31 December 2021 has been restated with balance sheet positions of continuing versus discontinued operations being eliminated.

Transactions between the discontinued operations of Bedding and the other continuing activities are eliminated, both at income statement and financial position level. These transactions relate mainly to purchases of raw materials by Bedding (EUR 50.7 million) and net short-term financings (EUR 25.5 million).

In the income statement per 31 December 2020 and 2021 transactions between continuing and discontinued operations have been eliminated.

At 31 December 2021 the other comprehensive income comprises hedging reserves (EUR 3.0 million) and currency translation adjustments (EUR 3.6 million) that will be recycled in the income statement (result from discontinued operations) at the moment of the closing of the divestment of Bedding.

The cash flow statement of the discontinued operations is as follows:

in thousand EUR

Cash flows	**2021**	**2020**
Operating profit (loss)	**(571)**	**4,744**
Income from discontinued operations	1,375	68,692
Amortisation of intangible assets	613	675
Depreciation of tangible assets	6,541	16,830
Amortisation of deferred long term and upfront payment	562	1,339
(Reversal) Impairment losses on goodwill, intangible and tangible assets	0	1,193
(Write-back)/Write-offs on assets	(391)	(186)
(Write-back)/Write-offs on shares affiliates	0	220
Changes in provisions	481	(594)
(Gains) / Losses on disposals of shares affiliates	0	(101,674)
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS	**8,610**	**(8,762)**
Inventories	(3,607)	(286)
Trade receivables	5,417	4,669
Other receivables	(11,929)	650
Trade payables	9,127	(13,006)
Other payables	(3,588)	(6,233)
Changes in working capital	**(4,581)**	**(14,209)**
Trade & Other long term debts maturing within 1 year	(11)	111
Tax credit (non-current receivables)	(7)	0
Income taxes paid	(215)	(1,743)
NET CASH FLOW FROM OPERATING ACTIVITIES	**3,796**	**(24,603)**
Interests received	**0**	**131**
Dividends received	**0**	**(113)**
Investments in and subscriptions to capital increases	**0**	**(1,403)**
Decrease of loans and receivables	**0**	**27**
Investments in intangible assets	**(2,327)**	**(198)**
Transfers fromInvestments in Pproperty, plant and equipment	**(2,595)**	**(5,373)**
Net deferred charges long term	**(559)**	**(545)**
Disposals of intangible assets	**2**	**0**
Disposals of property, plant and equipment	**26**	**252**
Disposals of investments held for sale	**(17)**	**0**
(Increase)/Decrease of investments available for sale	**0**	**(16)**
NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES	**(5,470)**	**(7,238)**
Interests paid on financial debt	**(36)**	**(459)**
Increase of financial debt	**0**	**10,337**
Decrease of financial debt	**(2,983)**	**(691)**
Decrease of lease debt	0	(7,384)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(3,018)**	**1,803**
Effect of exchange rate changes (f)	**(0)**	**0**
CHANGES IN CASH AND CASH EQUIVALENTS	**(4,693)**	**(30,038)**
NET FREE CASH FLOW	**(1,710)**	**(39,684)**

in thousand EUR

Group Recticel	Total shareholders' equity	Of which continuing operations	Of which discontinued operations
Equity at the beginning of the period	**334,075**	**332,745**	**1,330**
Restatement IFRS 16 *	**(1,906)**	**0**	**(1,906)**
Dividends	(14,469)	(14,469)	0
Stock options (IFRS 2)	786	786	0
Capital movements [1]	1,372	1,372	0
Shareholders' movements	**(12,311)**	**(12,311)**	**0**
Profit or loss of the period	**53,522**	**48,646**	**4,876**
Other comprehensive income	16,403	13,337	3,066
Changes in scope	0	0	0
Total comprehensive income	**69,925**	**61,983**	**7,942**
Equity at the end of the period	**389,783**	**382,417**	**7,366**

1 see note 2.4.5.12

**Adjustment for reassessment of assumptions on dismantling and restoration costs.*

TEMDA2 GmbH (formerly Automotive Interiors)

For the period ending 31 December 2021

Following the finalization of the closing accounts per 31 December 2021 for the Automotive Interiors divestment, a settlement was reached between Recticel and the purchaser with regard to certain amounts to be taken into consideration for deduction from the purchase price, as well as a claimed breach of the agreement. The settlement of the Automotive Interiors divestment led to a positive result of EUR 1.4 million as per 31 December 2021.

For the period ending 31 December 2020

On 30 June 2020, the Group has completed the divestment of its 50% stake in the Eurofoam Flexible Foams joint venture to Greiner, as well as the divestment of its Automotive Interiors division to TEMDA2 GmbH, a newly created company in which Admetos holds 51% and Recticel holds a 49% minority participation.

The contractual framework for the divestment of Automotive Interiors contained - besides customary post-closing price adjustments for working capital normalisation and cash/debt items at the level of the divested entities - specific arrangements to compensate the joint-venture for adverse conditions that may occur beyond the control of Recticel with regard to: (i) the potential impact of the COVID-19 pandemic on the Automotive Interiors operations and (ii) future cost of the insurance coverage of the joint-venture.

The first item related specifically to a potential compensation for the loss of contribution margin over the period 01 July – 31 December 2020 - compared to the contribution margin taken into account in the reference business plan -, as a consequence of a shortfall in sales induced by the potential negative impact of the COVID-19 pandemic. The total compensation amounted to EUR 0,5 million and has been fully settled as of April 2021.

For the second item, a provision had been recognised based on the estimated potential additional insurance costs.

The financing of the new joint-venture includes a EUR 25 million acquisition term loan and a EUR 20 million Revolving Credit facility to finance working capital needs of the joint-venture financing facilities. The financing is supported by guarantees issued by the Group, while the agreement provides for a refinancing as of 2022.

The Automotive Interiors divestment agreement contains reciprocal call/put options for Admetos to acquire, or Recticel to sell, its remaining 49% share, exercisable as from March 2024 at a price calculated on the basis of a pre-agreed EBITDA multiple.

in thousand EUR

Gross profit	Disposal of Eurofoam	Disposal of Automotive Interiors
Total gain (loss) on transaction	**124,428**	**(41,225)**
Net result of the period	3,813	(18,330)
Total profit (loss) discontinued activities	**128,241**	**(59,555)**

The results are composed as follows:

in thousand EUR

Profit and loss account	2020 Eurofoam	2020 TEMDA2 GmbH (previously Automotive Interiors)
Sales	**0**	**55,303**
Cost of sales	0	(55,166)
Gross profit (loss)	**0**	**137**
General and administrative expenses	0	(6,801)
Sales and marketing expenses	0	(2,847)
Research and development expenses	0	(815)
Impairment of goodwill, intangible and tangible assets	0	(1,106)
Other operating revenues	127,123	574
Other operating expenses	(2,695)	(55,985)
Income from other associates	3,813	11,656
Operating profit (loss)	**128,241**	**(55,187)**
Financial result	0	(2,556)
Result of the period before taxes	**128,241**	**(57,743)**
Income taxes	0	(1,812)
Net result of the period	**128,241**	**(59,555)**

The impact of the discontinued operations on the cash flow statement can be found in note 2.4.1.5 Consolidated cash flow statement.

For the period ending 31 December 2020

The capital gain (loss) on the divestment of respectively Eurofoam and the Automotive Interiors activities can be summarized as follows:

in thousand EUR

Capital gain (loss) on disposal	Eurofoam	TEMDA2 GmbH (previously Automotive Interiors)
Full consideration received	184,547	2,390
Net assets disposed	(44,944)	(22,360)
Cumulative translation differences related to the net assets disposed	(11,770)	(6,757)
Provisions for post-closing price adjustments and specific arrangements	(865)	(12,798)
Transaction fees and other expenses	(2,540)	(1,700)
Capital gain (loss) on disposal	**124,428**	**(41,225)**

Business combinations

For the period ending 31 December 2021

On 31 March 2021 Recticel acquired 100% of the shares of FoamPartner for an enterprise value of CHF 270 million, CHF 20 million of the price being payable in January 2022. This represents an 8.6x average 2019A-2020F normalized EBITDA multiple. FoamPartner is a global provider of high value-added technical foam solutions in the Mobility, Industrial Specialties and Living & Care markets. There is significant complementarity and synergy upside with Recticel.

FoamPartner was founded in 1937 and has been a member of Conzzeta AG since 1980. It is an innovative polyurethane foams supplier offering over 200 specialty foams and tailored solutions for industrial, mobility and comfort applications. The group is headquartered in Wolfhausen, Switzerland and operates through a footprint of 12 sites located in the USA, China, Germany, Switzerland and France, and a sales network in 58 countries. FoamPartner employs about 1,100 people and generated net sales of CHF 297 million in 2019 and CHF 257 million in 2020.

Recticel combined the FoamPartner business with the Recticel Flexible Foams division, to form the new Engineered Foams business segment. Financing has been secured by a syndicated acquisition facility which was arranged and fully underwritten by KBC Bank and to which Belfius Bank, BNP Paribas Fortis, Commerzbank and LCL confirmed their participation. The acquisition facility has a 3-year tenor with two 1-year extension options.

Details of the purchase consideration are as follows in million CHF and million EUR:

Purchase consideration	in million CHF	in million EUR
Purchase consideration	167.9	155.9
Net financial debt	88.8	82.2
Debt-like items and working capital adjustments	13.3	12.2
Total purchase consideration	**270.0**	**250.3**

The change in the total purchase consideration (EUR 250.3 million versus EUR 246.4 million per 30 June 2021) is mainly due to currency impacts (CHF/EUR) and settlements in the closing accounts.

The enterprise value of CHF 270 million (EUR 248.3 million), can be reconciled as follows to the cash flow from investment activities as per 31 December 2021:

	in million EUR
Consideration payable to customersid	
Total purchase consideration	**250.3**
Debt-like items and working capital adjustments	(12.2)
Deferred payment payable in January 2022	(18.2)
Consideration paid	**219.9**

Compared to 30 June 2021, the receivable on Conzzeta AG has been settled resulting in a consideration paid per 31 December 2021 of EUR 219.9 million.

The assets and liabilities recognized as a result of the acquisition are as follows:

	in million EUR
Assets and liabilities	
Customer list	16.3
Cash-in from disposals ofOther intangible assets	10.4
Property, plant and equipment	178.2
Right-of-use assets	7.4
Inventories	38.2
Trade receivables	54.8
Cash and cash equivalents	19.6
Provisions	-2.9
Employee benefit liabilities (net)	-1.1
Financial liabilities	-103.9
Lease liabilities	-7.4
Trade payables	-30.6
Net deferred taxes	**-23.1**
Net identifiable assets acquired	155.9
Goodwill	0.0
Total net debt, debt-like items and working capital adjustments	94.4
Total purchase consideration - '000 EUR	**250.3**
Total purchase consideration - '000 CHF	**270.0**

The fair value of the acquired customer list and customer contracts of EUR 16.3 million and part of Property, Plant and Equipment of EUR 178.2 million was provisional as per 30 June 2021 and has been finalized per the 31 December 2021 following the receipt of the final valuations for those assets. Other fair value adjustments relate to inventory step up adjustment (EUR 3.4 million) and Marketing and Technology related intangible assets (EUR 4.8 million). Deferred tax liabilities of EUR -24.7 million have been provided for in relation to these fair value adjustments. Next to that, EUR 1.6 million deferred tax assets have been recognized on tax losses caried forward in the US.

Acquisition related costs
Acquisition-related costs of EUR 3.7 million relate to real estate transfer taxes and advisor fees and are included under "other operating expenses in the income statement as per 31 December 2021.

Revenue and profit contribution
The acquired business contributed revenues of EUR 205.4 million and an adjusted operating profit of EUR 3.1 million and a net result of EUR -5.4 million to the group for the period from 1 April 2021 to 31 December 2021. If the acquisition had occurred on 1 January 2021, consolidated revenue, consolidated adjusted operating profit and consolidated net result (attributable to the owners of the parent) for the year-ended 31 December 2021 would have been EUR 1.103 million, EUR 66.4 million and EUR 28.8 million respectively.

Staff
As a result of the acquisition of FoamPartner the average number of people employed increased by 851 full time equivalents.

For the period ending 31 December 2020: None

Dividends

Amounts recognised as distributions to equity holders in the period.

Dividend for the period ending 31 December 2020 of EUR 0.26 per share.

Proposed dividend for the period ending 31 December 2021 of EUR 0.29 per share, leading to a total pay-out of EUR 16,229,392 (2020: EUR 14,493,159), including the portion attributable to the treasury shares (326,800 in total per 31 December 2021).

The proposed dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Basic earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Group Recticel	**2021**	**2020**
Net profit (loss) for the period (in thousand EUR)	**54,341**	**63,155**
Net profit (loss) from continuing operations	49,465	(8,164)
Net profit (loss) from discontinued operations	4,876	71,319
Weighted average shares outstanding		
Ordinary shares on 01 January (excluding treasury shares*)	55,416,120	55,070,639
Exercised subscription rights	220,500	345,481
Ordinary shares on 31 December (excluding treasury shares*)	55,636,620	55,416,120
Weighted average shares outstanding	**55,519,330**	**55,174,425**
* Number of treasury shares held per 31 December	326,000	326,800

		in EUR
Group Recticel	**2021**	**2020**
Basic earnings per share	**0.98**	**1.14**
Basic earnings per share from continuing operations	0.89	(0.15)
Basic earnings per share from discontinued operations	0.09	1.29

Diluted earnings per share

Computation of the diluted earnings per share:

		in thousand EUR
Group Recticel	**2021**	**2020**
Dilutive elements		
Net profit (loss) from continuing operations	49,465	(8,164)
Net profit (loss) from discontinued operations	4,876	71,319
Profit (loss) attributable to ordinary equity holders of the parent entity including assumed conversions	**54,341**	**63,155**
Weighted average ordinary shares outstanding	**55,519,330**	**55,174,425**
Stock option plans - subscription rights [1]	763,533	206,607
Weighted average shares for diluted earnings per share	**56,282,863**	**55,381,032**

		in EUR
Group Recticel	**2021**	**2020**
Diluted earnings per share	0.97	1.14
Diluted earnings per share from continuing operations	0.88	(0.15)
Diluted earnings per share from discontinued operations	0.09	1.29

1 Per 31 December 2021, all outstanding subscription right plans as from April 2016 are in-the-money. The outstanding subscription right plans which are out-of-the-money are disclosed as anti-dilutive.

Statement of financial position

Intangible assets

For the year ending 31 December 2021:

in thousand EUR

Group Recticel 31 Dec 2020	Development costs	Trademarks, patents & licenses	Client portfolio goodwill	Other intangible assets	Assets under construction and advance payments	Total
At the end of the preceding period						
Gross book value	409	49,374	7,728	274	10,331	68,116
Accumulated amortisation	(409)	(37,458)	(7,000)	(240)	(190)	(45,298)
Accumulated impairment	0	(6,332)	0	0	(1,681)	(8,013)
Net book value at the end of the preceding period	**0**	**5,584**	**728**	**34**	**8,459**	**14,806**
Movements during the year:						
Business combinations	0	4,762	16,347	5,707	0	26,816
Acquisitions	0	2,210	14	2	2,005	4,231
Amortisation	0	(3,252)	(2,105)	(117)	0	(5,474)
Transfers from one heading to another	0	7,098	65	(5,489)	(653)	1,021
Transfer to discontinued operations	0	(3,156)	0	0	(4,543)	(7,699)
Exchange rate differences	0	281	867	123	(27)	1,244
At the end of the current period	**0**	**13,527**	**15,916**	**260**	**5,241**	**34,945**
Gross book value	153	58,434	24,527	1,824	5,955	90,893
Accumulated amortisation	(153)	(38,585)	(8,611)	(1,564)	(102)	(49,015)
Accumulated impairment	0	(6,322)	0	0	(612)	(6,934)
Net book value at the end of the period	**0**	**13,527**	**15,916**	**260**	**5,242**	**34,945**
Useful life (in years)	3-5	3-10	5-10	5 maximum	n.a.	

Reference is also made to note 2.4.2.1.4. - Key judgments and major sources of estimation uncertainty and note 2.4.2.4.8. – Business combinations.

The above figures contain the impact of the discontinued operations (Bedding), of which impact is included in line item Transfer to discontinued operations. As such total amortisation in the above table comprise EUR -0.6 million related to Bedding (discontinued).

In **2021**, the item 'Business combinations' relates to the acquisition of FoamPartner.

Total acquisition of intangible assets amounted to EUR 4.2 million, compared to EUR 3.7 million in 2020. The investments in intangible assets in 2021 mainly related to "Assets under construction and advance payments" for new developments and licence costs related to the roll-out of the SAP IT platform (EUR 2.1 million).

For the year ending 31 December 2020:

in thousand EUR

Group Recticel	Development costs	Trademarks, patents & licenses	Client portfolio goodwill	Other intangible assets	Assets under construction and advance payments	Total
At the end of the preceding period						
Gross book value	12,356	52,693	5,745	279	8,450	79,523
Accumulated amortisation	(11,905)	(39,928)	(4,842)	(234)	(253)	(57,162)
Accumulated impairment	(5)	(6,370)	0	0	(1,681)	(8,056)
Net book value at the end of the preceding period	**447**	**6,395**	**903**	**45**	**6,516**	**14,306**
Movements during the year:						
Discontinued operations	(365)	(467)	(0)	(9)	(92)	(933)
Acquisitions	0	73	0	4	3,607	3,685
Impairments	0	(9)	0	0	0	(9)
Amortisation	(207)	(1,820)	(176)	(16)	0	(2,218)
Transfers from one heading to another	132	1,462	0	9	(1,569)	34
Exchange rate differences	(7)	(51)	0	(0)	(4)	(62)
At the end of the current period	**0**	**5,584**	**728**	**34**	**8,458**	**14,804**
Gross book value	409	49,374	7,728	274	10,331	68,116
Accumulated amortisation	(409)	(37,458)	(7,000)	(240)	(190)	(45,298)
Accumulated impairment	0	(6,332)	0	0	(1,681)	(8,013)
Net book value at the end of the period	**0**	**5,584**	**728**	**34**	**8,459**	**14,806**
Useful life (in years)	3-5	3-10	5-10	5 maximum	n.a.	

Reference is also made to note 2.4.2.1.4. - Key judgments and major sources of estimation uncertainty and note 2.4.2.4.8. – Business combinations.

In **2020**, the item 'Discontinued operations' relates to the discontinued Automotive Interiors operations. Total acquisition of intangible assets amounted to EUR 3.7 million, compared to EUR 4.6 million in 2019. The investments in intangible assets in 2020 mainly related to "Assets under construction and advance payments" for new developments and licence costs related to the roll-out of the SAP IT platform (EUR 3.2 million).

Property, plant & equipment

For the year ending 31 December 2021:

in thousand EUR

Group Recticel	Land & buildings	Plant, machinery & equipment	Furniture & vehicles	Leases & similar rights	Other tangible assets	Assets under construction	Total
At the end of the preceding period							
Gross value	195,308	323,510	26,416	0	231	15,507	560,972
Accumulated depreciation	(107,741)	(256,452)	(20,979)	0	(163)	0	(385,335)
Accumulated impairments	(1,012)	(1,624)	(1)	0	0	0	(2,637)
Net book value at the end of the preceding period	**86,555**	**65,434**	**5,436**	**0**	**68**	**15,507**	**173,000**
Movements during the year							
Business combinations	125,791	42,230	3,521	0	0	6,655	178,197
Acquisitions	198	1,436	248	0	6	12,249	14,137
Impairments	0	(27)	0	0	0	0	(27)
Depreciation	(7,870)	(18,739)	(2,284)	0	(8)	0	(28,899)
Sales and scrapped	(711)	(27)	(36)	0	0	0	(773)
Transfers from one heading to another	(0)	15,195	0	0	0	(16,555)	(1,361)
Exchange rate differences	5,654	1,867	112	0	(3)	226	7,856
Transfer to discontinued operations	(13,645)	(11,880)	(606)	0	0	(2,394)	(28,526)
At the end of the period	**195,972**	**95,290**	**6,390**	**0**	**65**	**15,689**	**313,406**
Gross value	299,231	457,232	28,753	0	204	15,689	801,108
Accumulated depreciation	(102,955)	(360,418)	(22,363)	0	(139)	0	(485,875)
Accumulated impairments	(304)	(1,524)	0	0	0	0	(1,828)
Net book value at the end of the period	**195,972**	**95,290**	**6,390**	**0**	**65**	**15,689**	**313,406**

Reference is also made to note 2.4.2.1.4. - Key judgments and major sources of estimation uncertainty and note 2.4.2.4.8. – Business combinations.

The above figures contain the impact of the discontinued operations (Bedding), of which impact is included in line item Transfer to assets held for sale. As such total depreciation in the above table comprise EUR -0.3 million related to Bedding (discontinued).

In **2021**, the item 'Business combinations' relates to the acquisition of FoamPartner. Total acquisitions of tangible assets amounted to EUR 14.1 million, compared to EUR 21.5 million in 2020 (impacted by COVID-19 pandemic). Assets under construction mainly relate to Belgium (EUR 2.9 million), France (EUR 2.7 million), Germany (EUR 2.4 million), United Kingdom (EUR 1.6 million), Finland (EUR 0.7 million), Spain (EUR 0.7 million), The Netherlands (EUR 0.6 million), Poland (EUR 0.5 million), China (EUR 0.4 million) and Switzerland (EUR 0.4 million).

At 31 December 2021, the Group had entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 0.7 million (2020: EUR 0.2 million)

For the year ending 31 December 2020:

in thousand EUR

Group Recticel	Land & buildings	Plant, machinery & equipment	Furniture & vehicles	Leases & similar rights	Other tangible assets	Assets under construction	Total
At the end of the preceding period							
Gross value	218,684	522,391	29,411	0	1,106	22,806	794,378
Accumulated depreciation	(124,477)	(401,925)	(23,309)	0	(1,010)	(241)	(550,962)
Accumulated impairments	(3,905)	(11,854)	(19)	0	0	(22)	(15,800)
Net book value at the end of the preceding period	**90,282**	**108,613**	**6,082**	**0**	**97**	**22,543**	**227,617**
Movements during the year							
Discontinued operations	(3,745)	(38,126)	(772)	0	(16)	(4,086)	(46,746)
Acquisitions	37	1,526	240	0	1	19,653	21,456
Impairments	(95)	(1,095)	(5)	0	0	0	(1,195)
Depreciation	(4,659)	(18,168)	(1,963)	0	(9)	0	(24,800)
Sales and scrapped	(65)	(62)	(31)	0	0	(1)	(158)
Transfers from one heading to another	6,202	14,303	1,965	0	(1)	(22,450)	19
Exchange rate differences	(1,400)	(1,557)	(80)	0	(3)	(152)	(3,193)
At the end of the period	**86,555**	**65,434**	**5,436**	**0**	**68**	**15,507**	**173,000**
Gross value	195,308	323,510	26,416	0	231	15,507	560,972
Accumulated depreciation	(107,740)	(256,452)	(20,979)	0	(163)	0	(385,335)
Accumulated impairments	(1,012)	(1,624)	(1)	0	0	0	(2,637)
Net book value at the end of the period	**86,555**	**65,434**	**5,436**	**0**	**68**	**15,507**	**173,000**

In **2020**, the item 'Discontinued operations' relates to the discontinued Automotive Interiors operations. Reference is also made to note 2.4.2.4.7.– Discontinued operations.

Total acquisitions of tangible assets amounted to EUR 21.5 million, compared to EUR 49.1 million in 2019. The decrease is mainly explained by a reduced capital expenditure program due to the COVID-19 crisis and the divestment from the more capital intensive Automotive Interiors business at the end of June 2020 (cfr Discontinued operations). Assets under construction mainly relate to Belgium (EUR 6.8 million), Bedding in Germany (EUR 0.4 million) and Poland (EUR 0.7 million) and Flexible Foams in France (EUR 2.3 million), the United Kingdom (EUR 1.6 million) and The Netherlands (EUR 1.8 million).

At 31 December 2020, the Group had entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 0.2 million (2019: EUR 4.3 million).

In **2020**, impairment losses recognised in profit and loss are mainly related to idle assets in Flexible Foams in Spain (EUR 1.3 million) and in Bedding following the closure of the Hassfurt plant (Germany) (EUR 1.1 million).

Right-of-use assets

For the year ending 31 December 2021:

in thousand EUR

Group Recticel	Land & buildings	Plant, machinery & equipment	Furniture & vehicles	Total
At the end of the preceding period				
Gross value	91,380	8,404	14,253	114,037
Accumulated depreciation	(27,282)	(3,938)	(7,073)	(38,293)
Accumulated impairments	(321)	(46)	0	(367)
Net book value at the end of the preceding period	**63,777**	**4,419**	**7,180**	**75,377**
Movements during the year				
Business combinations	7,254	29	122	7,405
Adjustment for reassessment of assumptions on dismantling and restoration costs	3,870	0	0	3,870
New leases	107	196	3,296	3,599
Lease reassessment	5,108	385	560	6,053
Depreciation	(8,542)	(1,740)	(4,521)	(14,804)
Ended contracts	(2,070)	(95)	(532)	(2,697)
Exchange rate differences	1,206	174	67	1,446
Transfer to discontinued operations	(15,949)	(195)	(1,502)	(17,646)
At the end of the period	**54,760**	**3,173**	**4,670**	**62,603**
Gross value	83,510	7,993	11,346	102,849
Accumulated depreciation	(28,401)	(4,774)	(6,676)	(39,851)
Accumulated impairments	(349)	(46)		(395)
Net book value at the end of the period	**54,759**	**3,173**	**4,671**	**62,603**
Contractual tenor (in years)	6 - 12	3 - 12	4	

Reference is also made to note 2.4.2.4.8. – Business combinations. The above figures contain the impact of the discontinued operations (Bedding), of which impact is included in line item Transfer to assets held for sale. As such total depreciation in the above table comprise EUR -0.3 million related to Bedding (discontinued).

The item Lease reassessment relates mainly to the reassessment of the economic lifetime of the leased buildings in the United Kingdom (EUR 3.6 million) and in the United States (EUR 1.3 million).

The weighted average underlying incremental borrowing rate of the right-of-use asset agreements per 31 December 2021 was 3.0% (3.7% per 31 December 2020).

For the year ending 31 December 2020:

in thousand EUR

Group Recticel	Land & buildings	Plant, machinery & equipment	Furniture & vehicles	Total
At the end of the preceding period				
Gross value	107,173	19,041	16,545	142,759
Accumulated depreciation	(25,935)	(5,606)	(5,698)	(37,239)
Accumulated impairments	(364)	(46)	0	(410)
Net book value at the end of the preceding period	**80,874**	**13,389**	**10,846**	**105,110**
Movements during the year				
Discontinued operations	(20,411)	(5,471)	(1,348)	(27,230)
Acquisitions	16,619	352	1,668	18,639
Lease reassessment	1,029	17	1,329	2,375
Impairments	(88)	0	0	(88)
Depreciation	(9,505)	(3,493)	(5,180)	(18,178)
Sales and scrapped	(2,408)	(24)	(32)	(2,464)
Exchange rate differences	(2,334)	(350)	(102)	(2,786)
At the end of the period	**63,777**	**4,419**	**7,180**	**75,377**
Gross value	91,380	8,404	14,253	114,037
Accumulated depreciation	(27,282)	(3,938)	(7,073)	(38,293)
Accumulated impairments	(321)	(46)	0	(367)
Net book value at the end of the period	**63,777**	**4,419**	**7,180**	**75,377**
Contractual tenor (in years)	6 - 12	3 - 12	4	

Reference is also made to note 2.4.2.4.7 – Discontinued operations.

Acquisitions include (i) a new lease contract for the International Headquarters of the Group in Belgium (EUR 2.9 million; 12 years with early-termination option), (ii) the renewal of the lease of the Bedding building in Poland (EUR 10.2 million; 11 years without purchase option), (iii) the renewal of the lease of a building in Czech Republic (EUR 1.2 million; 10 years without purchase option) and (iv) the renewal of a lease for the Bedding building in Sweden (EUR 1.5 million; 3 years without purchase option).

The weighted average underlying incremental borrowing rate of the right-of-use asset agreements per 31 December 2020 was 3.7% (3.2% per 31 December 2019).

The below table comprises the recognised lease charge during the financial period.

At 31 December **2021**, the Group had entered into contractual commitments for the acquisition of right-of-use assets amounting to EUR 0.9 million.

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Low value leases	54	358
Short term leases	188	235
Services under leases	2,598	2,514
Other considerations	0	509
Total leases	**2,821**	**3,616**

Subsidiaries, joint ventures, associates and other associates

Unless otherwise indicated, the percentage shareholdings shown below are identical to the percentage voting rights.

1. SUBSIDIARIES CONSOLIDATED ACCORDING TO THE FULL CONSOLIDATION METHOD

Subsidiaries		% shareholding in 31 Dec 2021	% shareholding in 31 Dec 2020
Austria			
Sembella GmbH	Aderstrasse 35 - 4850 Timelkam	100.00 (f)	100.00
Belgium			
s.c. sous forme de s.a. Balim b.v. onder vorm van n.v.	Bourgetlaan 42 - 1130 Haren	100.00	100.00
s.a. Finapal n.v.	Bourgetlaan 42 - 1130 Haren	100.00	100.00
s.a. Recticel International Services n.v.	Bourgetlaan 42 - 1130 Haren	100.00	100.00
Recticel Bedding Belgium b.v.	Diebeke, 20 - 9500 Geraardsbergen	100.00 (f)	-
s.a. Proseat n.v.	Bourgetlaan 42 - 1130 Haren	- (a)	100.00
China			
Recticel Foams (Shanghai) Co Ltd	525, KangYi Road - Kangyiao Industrial Zone, 201315 Shanghai	100.00	100.00
Recticel Flexible Foam (Wuxi) Co Ltd	No 30, Wanquan Road; Xishan Economic and Technological Developement Zone, Wuxi City	100.00	100.00
FoamPartner Polyurethane Materials (Changzhou) Co., Ltd.	330, Huanghe Road (West) - Changzhou City - 213000 Changzhou	100.00 (b)	0.00
FoamPartner Trading (Shanghai) Ltd	HiTech Plaza 2410, No. 488 Wuning Rd (South) - 200042 Shanghai	100.00 (b)	0.00
Estonia			
Recticel oü	Peterburi tee 48a - 11415 Talinn	100.00	100.00
Finland			
Recticel oy	Nevantie 2, 45100 Kouvola	100.00	100.00
Recticel Insulation oy	Gneissitie, 2 - 04600 Mäntsälä	100.00	100.00
France			
Recticel s.a.s.	71, avenue de Verdun - 77470 Trilport (since 1 March 2019)	100.00	100.00
Recticel Insulation s.a.s.	1, rue Ferdinand de Lesseps - 18000 Bourges	100.00	100.00
Frina Mousse sàrl (in liquidation)	1 Rue Jasmin, 68270 Wittenheim	100.00	0.00

Subsidiaries		% shareholding in 31 Dec 2021	% shareholding in 31 Dec 2020
Germany			
Recticel Automobilsysteme GmbH		- (a)	100.00
Recticel Deutschland Beteiligungs GmbH	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	100.00
Recticel Grundstücksverwaltung GmbH	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	100.00
Recticel Engineered Foams GmbH (formely Recticel Dämmsysteme GmbH)	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00 (c)	100.00
Recticel Schlafkomfort GmbH	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00 (f)	100.00
Recticel Verwaltung GmbH & Co. KG	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	100.00
Luxembourg			
Recticel RE s.a.	23, Avenue Monterey, L-2163 Luxembourg	100.00	100.00
Recticel Luxembourg s.a.	23, Avenue Monterey, L-2163 Luxembourg	100.00	100.00
India			
Recticel India Private Limited	407, Kapadia Chambers, 599 JSS Road, Princess Street, Marine Lines (East), 400002 Mumbai Maharashtra	100.00	100.00

Subsidiaries		% shareholding in 31 Dec 2021	% shareholding in 31 Dec 2020
Morroco			
Recticel Maroc s.à.r.l.a.u.	Ilot K, Module 4, Atelier 2, Zone Franche d'Exportation de Tanger	100.00	100.00
The Netherlands			
Recticel B.V.	Spoorstraat 69 - 4041 CL Kesteren	100.00 (f)	100.00
Recticel International B.V.	Spoorstraat 69 - 4041 CL Kesteren	100.00	100.00
Norway			
Recticel AS	Øysand - 7224 Melhus	100.00	100.00
Poland			
Recticel Sp. z o.o.	Ul. Graniczna 60, 93-428 Lodz	100.00 (f)	100.00
Recticel International Services Sp.z..o.o.	Ul. Lakowa 29, 90-554 Lodz Poland	100.00 (d)	-
Romania			
Recticel Bedding Romania s.r.l.	Miercurea Sibiului, DN1, FN, ground floor room 2 3933 Sibiu County	100.00 (f)	100.00
Singapore			
FoamPartner Singapore Pte. Ltd	8, Ubi Road 2, #07-21 Zervex	100.00 (b)	-
Slovenia			
Turvac d.o.o.	Primorska 6b, 3325 Šoštanj	74.00	74.00
Sweden			
Recticel AB	Södra Storgatan 50 b.p. 507 - 33228 Gislaved	100.00	100.00
Spain			
Recticel Iberica s.l.	Cl. Catalunya 13, Pol. Industrial Cam Ollersanta Perpetua de Mogoda 08130	100.00	100.00
Switzerland			
Recticel Bedding (Schweiz) AG	Bettenweg 12 Postfach 65 - 6233 Büron - Luzern	100.00 (f)	100.00
Recticel Engineered Foams Switzerland AG	Oberwolfhauserstrasse 9 - 8633 Wolfhausen	100.00 (b)	-
FoamPartner Holding AG	c/o Sielva Management SA - Gubelstrasse 11 - 6300 Zug	100.00 (b)(e)	0.00
Turkey			
Recticel Teknik Sünger Izolasyon Sanayi ve Ticaret a.s.	Orta Mahalle, 30 - 34956 Istanbul	100.00	100.00
United Kingdom			
Gradient Insulations (UK) Limited	Blue Bell Close Clover Nook Industrial Park - DE554RD Alfreton	100.00	100.00
Recticel (UK) Limited	Blue Bell Close Clover Nook Industrial Park - DE554RD Alfreton	100.00	100.00
Recticel Limited	Blue Bell Close Clover Nook Industrial Park - DE554RD Alfreton	100.00	100.00
United States of America			
FoamPartner Americas Inc	2923 Technology Drive - Rochester Hills, MI 48309	100.00 (b)	0.00
The Soundcoat Company Inc.	Burt Drive 1 PO Box 25990 - NY 11729 Deer Park County of Suffolk	100.00	100.00

(a) Liquidated on 31 March 2021.
(b) Consolidated since 01 April 2021.
(c) Recticel Engineered Foams GmbH has been merged with FoamPartner Germany GmbH, which itself merged with FoamPartner Converting Center GmbH, FoamPartner Leverkusen GmbH and FoamPartner Delmenhorst GmbH, Germany.
(d) Incorporated as from 01 October 2021.
(e) former FoamPartner Switzerland AG, which merged with Buttikofer AG, Switzerland and was renamed.
(f) entity that will be discontinued following the disposal of the Bedding activities.

Significant restrictions to realise assets or settle liabilities
Recticel NV/SA, or some of its subsidiaries have provided guarantees for (i) an aggregate amount of EUR 0.8 million in favour of OVAM regarding the sanitation and rehabilitation projects on some of its sites and/or sites of its subsidiaries, (ii) an aggregate amount of EUR 0.8 million in favour of the Walloon Département du Sol et des Déchets – DSD, and (iii) and aggregate amount of EUR 2.2 million in favour of various local public entities in France (Préfectures).

Recticel NV/SA also provides guarantees and comfort letters (for a total amount of EUR 90.8 million) to and/or on behalf of various direct or indirect subsidiaries, of which the material (> EUR 1 million) ones are:

- on behalf of Recticel Iberica S.L.: EUR 1.8 million;
- on behalf of Recticel Bedding Romania s.r.l.: EUR 1.3 million;
- on behalf of Recticel Ltd.: EUR 17.5 million, of which an estimated EUR 6.5 million (GBP 5.5 million) for the pension fund;
- on behalf of Recticel Verwaltung GmbH: EUR 5.0 million;
- on behalf of Recticel Insulation s.a.s. in the framework of a real estate lease: EUR 13.0 million;
- on behalf of Recticel Teknik Sünger Izolasyon Sanayi ve Ticaret a.s.: EUR 1.2 million;
- on behalf of Recticel Bedding Schweiz AG: EUR 2.2 million;
- on behalf of Recticel Insulation OY: EUR 15.5 million in the framework of a real estate investment loan;
- on behalf of Recticel International Services NV/SA: EUR 3.0 million; and
- on behalf of Recticel Sp.z.o.o., mainly in the framework of a real estate lease: EUR 30.3 million.

Under the syndicated credit facility agreement, the maximum dividend authorised for distribution, excluding the portion attributable to the treasury shares, amounts to the highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million.

The gross dividend over 2021 – to be paid in 2022 – proposed to the Annual General Meeting amounts to EUR 0.29 per share, leading to a total dividend pay-out of EUR 16.2 million (excluding treasury shares). This amount is below the above-mentioned 50% maximum pay-out limit.

2. ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

		% shareholding in	
Associates		**31 Dec 2021**	**31 Dec 2020**
Germany			
Proseat Europe GmbH	Hessenring 32 - 64546 Mörfelden-Walldorf	25.00	25.00
TEMDA2 GmbH	Gut Hochschloss 1 - 82396 Pähl	49.00	49.00 (f)
Italy			
Orsa Foam S.p.a.	Via A. Colombo, 60 21055 Gorla Minore (VA) - Italy	33.00	33.00

(f) Since 30 June 2020 following the partial disposal of the Automotive Interiors activities.

Apart of having the approval from the controlling shareholder(s) to distribute dividends, there are no specific restrictions on the ability of associates to transfer funds to Recticel in the form of cash dividends, or to repay loans or advances made by Recticel.

Recticel NV/SA also provides guarantees and comfort letters, for a total amount of EUR 74.7 million, to and/or on behalf of various direct or indirect joint ventures, of which the material (> EUR 1 million) ones are:

- on behalf of Proseat Europe GmbH: EUR 27.7 million;
- on behalf of TEMDA2 GmbH: EUR 25.0 million;
- on behalf of various Automotive Interiors companies: EUR 20.0 million; and
- on behalf of Orsafoam: EUR 2.0 million.

3. NON-CONSOLIDATED ENTITIES

Some subsidiaries more than 50% controlled are not consolidated because they are (still) non-material. As soon as they have reached a sufficient size, however, they will be included in the scope of consolidation.

		% shareholding in	
Non-consolidated entities		**31 Dec 2021**	**31 Dec 2020**
Czech Republic			
Metrace Sembella s.r.o. (in liquidation)	Hrabinská 498/19 - 73701 Ceský Tesín	100.00	100.00
China			
Recticel Shanghai Ltd	No. 518, Fute North Road, Waigaoqiao Free Trade Zone - 200131 Shanghai	100.00	100.00

Interests in joint ventures, associates and other associates

A list of the significant investments in joint ventures and associates is included in note 2.4.2.5.4.

in thousand EUR

Group Recticel	Joint ventures	Associates	Other Associates	31 Dec 2021	Joint ventures	Associates	Other Associates	31 Dec 2020	
At the end of the preceding period	**0**	**12,351**	**11,030**	**23,381**	**39,843**	**25,623**	**0**	**65,465**	
Movements during the year									
Capital increase	**0**	**0**	**0**	**0**	**0**	**0**	**960**	**960**	
Remeasurement gains/losses on defined benefit plans	0	0	0	0	(258)	0	(17)	(275)	
Income tax relating to components of other comprehensive income	0	0	0	0	0	0	0	0	
Other comprehensive income net of tax	**0**	**0**	**0**	**0**	**(258)**	**0**	**(17)**	**(275)**	
Group's share in the result for the period	**0**	**371**	(682)	(311) [1]	(334)	704	(5,791)	(5,421)	
Translation differences	0	0	0	0	(1,399)	0	(243)	(1,641)	
Comprehensive income for the period	**0**	**371**	**(682)**	**(311)**	**(1,991)**	**704**	**(6,050)**	**(7,337)**	
Dividends distributed	**0**	0	0	0	3,640	0	0	3,640	[3]
Change in scope	0	0	0	0	(41,492)	(3,024)	10,692	(33,823)	[2]
Reclassification	0	0	0	0	0	(10,953)	10,953	0	[4]
Impairment	0	0	0	0	0	0	(5,524)	(5,524)	[5]
Other	0	**(13)**	**13**	0	0	0	0	0	
At the end of the period	**0**	**12,709**	**10,361**	**23,070**	**0**	**12,351**	**11,030**	**23,381**	

1 In **2021**, *only the result of TEMDA2 GmbH is recognised. As Recticel's investment in Proseat is reduced to zero as per 31 December 2020, additional losses are recognised by a provision (liability) only to the extent that Recticel has legal or constructive obligations or made payments on behalf of Proseat. As Recticel does not have such obligation, the loss of Proseat in 2021 did not result in an additional loss in the consolidated accounts of Recticel.*

2 In 2020, the item "Change in scope" relates mainly to the sale of 60% participation in Eurofoam and the transfer of the remaining 25% stake in Proseat to the item Other associates.

3 Dividends distributed by the Eurofoam group prior to the divestments.

4 In 2020 a reclassification was made of the interests in associates. Associates considered as being part of the Group's core business (i.e. Orsafoam) are reported under the item "Interest in associates", whereas associates not considered as being part of the Group's core business (i.e. Proseat and Automotive Interiors) are reported under the item "Interests in other associates" (cfr. 2.4.2.4.7).

5 Impairment loss relates to Proseat.

Pro forma key figures for associates and other associates: (on a 100% basis)

in thousand EUR

	Associates		Other associates			
Group Recticel	**ORSAFOAM**		**PROSEAT**		**TEMDA2 ***	
	31 Dec 2021	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
Aggregated figures (sum of individual company ledgers before eliminations)						
Non-current assets	40,874	44,456	89,172	90,456	65,756	61,965
Current assets	84,473	68,146	69,764	78,984	67,137	98,514
Total assets	**125,347**	**112,602**	**158,936**	**169,440**	**132,893**	**160,479**
Non-current liabilities	(14,695)	(12,827)	(71,510)	(68,483)	(60,975)	(78,926)
Current liabilities	(56,513)	(47,384)	(101,198)	(78,869)	(44,134)	(80,838)
Total liabilities	**(71,208)**	**(60,211)**	**(172,708)**	**(147,352)**	**(105,109)**	**(159,764)**
Net equity	**54,139**	**52,391**	**(13,772)**	**22,088**	**27,784**	**715**
Revenue	**109,224**	**80,489**	**220,084**	**206,881**	**147,906**	**81,228**
Profit or (loss) of the period	**1,734**	**2,159**	**(38,058)**	**(20,677)**	**1,151**	**(1,269)**

in thousand EUR

	ORSAFOAM		PROSEAT		TEMDA2	
Group Recticel						
	31 Dec 2021	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
Net equity (Group share)	**17,866**	**18,594**	**(3,443)**	**5,522**	**13,614**	**3,797**
Reversal of real estate revaluation	(4,727)	(6,337)	0	0	0	0
Corrections on opening balance	78	81	0	0	(3,223)	7,246
Impairment	0	0	(5,524)	(5,524)	0	0
Other	(508)	31	8,967	2	0	0
Carrying amount of interests in associate	**12,709**	**12,369**	**0**	**0**	**10,391**	**11,043**

The Group did not incur significant contingent liabilities for its interests in associates or other associates.

Proseat released a loss of EUR -13.8 million (or EUR -3.4 million for Recticel's share). As Recticel recognised an impairment loss of EUR -5.5 million at the end of 2020, as a result of which the investment in Proseat was reduced to zero, the fully-year 2021 income statement was not impacted by the loss of Proseat. No losses for Proseat will be recognized due to the fact that Recticel doesn't provide any financial support any longer, with exception to the provision that was made in connection to the exercise of the option (EUR 2.5 million).

Other financial assets

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Financial investments	**610**	**534**
Loans to affiliates	10,207	10,207
Other loans	1,380	1,568
Non-current financial receivables	**11,588**	**11,775**
Cash advances and deposits	576	426
Other receivables	1,044	1,043
Non-current other receivables	**1,620**	**1,469**
Derivatives - Option valuation	0	4,865
TOTAL	**13,818**	**18,643**

The item 'Loans to affiliates' relates mainly to a new loan to TEMDA2 (EUR 10.0 million) The loan to Proseat s.r.o. of EUR 10.0 million was fully reimbursed in 2020. The item 'Other loans' relates to loans granted by Recticel SAS, France (EUR 1.4 million; 2020: EUR 1.6 million) to some of its employees.

The carrying amounts of these non-current receivables approximate the fair value since the interest rate is a variable rate in line with market conditions.

The maximum exposure to credit risk equals to the carrying amounts of these assets as recognised on the statement of financial position.

There are no due but unpaid receivables, nor impairments on the outstanding receivables. There are no specific guarantees offered for the outstanding receivables.

The item 'Cash advances and deposits' are mainly related to guarantees provided for rents and supplies (water, electricity, telecom, waste treatment, ...).

The item 'Derivatives – Option valuation' is related to the divestment of Proseat (see note 2.4.2.5.5.)

Inventories

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Raw materials & supplies - Gross	66,366	50,782
Raw materials & supplies - Amounts written off	(3,753)	(3,401)
Raw materials & supplies	**62,613**	**47,381**
Work in progress - Gross	10,440	10,506
Work in progress - Amounts written off	(388)	(375)
Work in progress	**10,053**	**10,130**
Finished goods - Gross	38,503	26,391
Finished goods - Amounts written off	(1,749)	(1,335)
Finished goods	**36,753**	**25,056**
Traded goods - Gross	3,373	8,804
Traded goods - Amounts written off	(242)	(752)
Traded goods	**3,130**	**8,052**
Down payments - Gross	21	1
Down payments - Amounts written off	0	0
Down payments	**21**	**1**
Contracts in progress - Gross	328	213
Contracts in progress - Gross - Moulds	0	0
Contracts in progress	**328**	**213**
TOTAL INVENTORIES	**112,897**	**90,833**
Amounts written-off on inventories during the period	(7,084)	(2,713)
Amounts written-back on inventories during the period	7,140	2,205

Total inventories increased due to impact of acquisition of FoamPartner and as a result of higher raw material prices.

Contract assets and contract liabilities

The following schedule presents the overview of contract assets and liabilities following application of IFRS 15 and includes both the impact of the opening balance and the movements of the period.

For the year ending 31 December 2021:

in thousand EUR

Group Recticel	Opening balance	Release to income statement	Reclassification	Exchange differences	Transfer to discontinued operations	Change in scope	Closing balance at the end of the period
Current contract assets - Contracts in progress Tooling & Packaging	213	(167)	281	0	0	0	328
Current contract assets	**213**	**(167)**	**281**	**0**	**0**	**0**	**328**
Contract liabilities - Expected rebates and volume discounts	15,183	7,178	(6,175)	424	(7,964)	435	9,081
Current contract liabilities	**15,183**	**7,178**	**(6,175)**	**424**	**(7,964)**	**435**	**9,081**

The decrease of the contract assets and contract liabilities is mainly explained by the disposal of the Bedding activities.

For the year ending 31 December 2020:

in thousand EUR

Group Recticel	Opening balance	Consideration payable to customers	Release to income statement	Reclassification	Exchange differences	Change in scope	Closing balance at the end of the period
Non-current contract assets - Consideration payable to a customer	813	0	(209)	(84)	(7)	(513)	0
Non-current contract assets - Contracts in progress Moulds	8,869	0	(5,742)	3,646	(30)	(6,742)	0
Non-current contract assets - Contracts in progress Tooling & Packaging	1,456	0	(458)	1,702	(30)	(2,671)	0
Non-current contract assets	**11,138**	**0**	**(6,409)**	**5,264**	**(67)**	**(9,926)**	**0**
Current contract assets - Consideration payable to a customer	273	0	(122)	84	(14)	(221)	0
Current contract assets - Contracts in progress Moulds	10,263	0	(469)	(1,645)	(56)	(8,093)	0
Current contract assets - Contracts in progress Tooling & Packaging	765	0	(190)	734	(11)	(1,297)	0
Current contract assets	**11,300**	**0**	**(781)**	**(827)**	**(81)**	**(9,611)**	**0**
Total contract assets	**22,438**	**0**	**(7,190)**	**4,437**	**(148)**	**(19,537)**	**0**
Current contract assets - Contracts in progress Moulds	3,453	0	1,453	(2,004)	(1)	(2,901)	0
Current contract assets - Contracts in progress Tooling & Packaging	2,953	0	905	(2,494)	18	(1,169)	213
Total	**28,844**	**0**	**(4,832)**	**(61)**	**(131)**	**(23,607)**	**213**

in thousand EUR

Group Recticel	Opening balance	Consideration payable to customers	Release to income statement	Reclassification	Exchange differences	Change in scope	Closing balance at the end of the period
Non-current contract liabilities - Mould revenue recognition before SOP (start of production)	2,357	0	2,466	(2,924)	0	(1,898)	0
Non-current contract liabilities - Mould revenue recognition after SOP (start of production)	13,498	0	(8,633)	4,882	(34)	(9,712)	0
Non-current contract liabilities - Tooling & Packaging revenue recognition before SOP (start of production)	2,517	0	1,913	(3,260)	16	(1,186)	0
Non-current contract liabilities - Tooling & Packaging revenue recognition after SOP (start of production)	1,988	0	0	1,592	(29)	(3,531)	0
Non-current contract liabilities	**20,339**	**0**	**(4,255)**	**289**	**(47)**	**(16,327)**	**0**
Contract liabilities - Expected rebates and volume discounts	15,385	0	3,566	(3,437)	(290)	(41)	15,183
Contract liabilities - Long term agreements	366	0	900	0	(7)	(1,260)	0
Contract liabilities - Moulds revenue recognition	16,005	0	(1,019)	(1,837)	(91)	(13,058)	0
Contract liabilities - Tooling & Packaging revenue recognition	1,076	0	(861)	1,629	(11)	(1,833)	0
Current contract liabilities	**32,832**	**0**	**2,586**	**(3,644)**	**(399)**	**(16,191)**	**15,183**
Total contract liabilities	**53,172**	**0**	**(1,669)**	**(3,355)**	**(446)**	**(32,519)**	**15,183**

In the Automotive Interiors activity (divested in June 2020), Recticel developed a polyurethane-based technology for the manufacturing of interior trim components. For optimum implementation of this application, based on the specifications given by its customers, Recticel ensures the manufacturing of the moulds with its own suppliers during the pre-operating phase, before starting production of components. At the end of this subcontracting process, the moulds are sold to the customer.

Trade receivables, other receivables and other financial assets

Group Recticel	31 Dec 2021	31 Dec 2020
		in thousand EUR
Trade receivables	146,563	108,325
Loss allowance for expected credit losses	(4,967)	(5,599)
Total trade receivables	**141,596**	**102,726**
Other receivables [1]	**11,324**	**17,711**
Derivatives (forwerd exchange contracts)	180	0
Loans carried at emortised cost	4,365	40,219
Other financial assets [2]	**4,545**	**40,219**
Other receivables and other financial assets [1/2]	**15,869**	**57,930**

Trade receivables at the reporting date 2021 comprise amounts receivable from the sale of goods and services for EUR 141.6 million (2020: EUR 102.7 million).

In 2021, other receivables amounting to EUR 11.3 million relate to (i) VAT receivable (EUR 4.5 million), (ii) advances paid to third parties for operating costs spread over several financial years (EUR 2.9 million), (iii) prepayments, tax credits and subsidies, and contractual commitments with co-contractors (EUR 3.9 million).

In 2020, other receivables amounting to EUR 17.7 million relate to (i) VAT receivable (EUR 6.2 million), (ii) advances paid to third parties for operating costs spread over several financial years (EUR 5.2 million), (iii) prepayments, tax credits and subsidies, and contractual commitments with co-contractors (EUR 6.3 million).

In 2021, other financial assets (EUR 4.5 million) mainly consist mainly of, a receivable of EUR 3.2 million (2020: EUR 34.9 million) relating to the continuing involvement under non-recourse factoring programs in Belgium, France and The Netherlands and loans of EUR 0.6 million to other associates (2020: EUR 4.5 million).

In 2020, other financial assets (EUR 40.2 million) mainly consist of, a receivable of EUR 34.9 million (2019: EUR 11.7 million) relating to the continuing involvement under non-recourse factoring programs in Belgium, France, The Netherlands and the United Kingdom and loans of EUR 4.5 million to other associates (2019: EUR 0.2 million).

Factoring

To confine credit risks, non-recourse factoring programs were established for a total amount of EUR 40.0 million, which EUR 25.2 million was drawn down per 31 December 2021.

Group Recticel	31 Dec 2021	31 Dec 2020
		in thousand EUR
Factoring without recourse		
Gross amount	28,361	34,094
Continuing involvement	(3,198)	(34,094)
Net amount	**25,162**	**0**
Retention amount recognized in debt	0	0
Total amount factoring without recourse	**25,162**	**0**

The average outstanding amounts of receivables vary between 10% and 15% of total sales. A strict credit follow-up is organised through a centralised credit management organisation.

The continuing involvement represents the retention of contractual rights as specified in the terms and conditions under the factoring agreement.

Movement in loss allowance for expected credit losses

Group Recticel	31 Dec 2021	31 Dec 2020
		In thousand EUR
At the end of the preceding period	**(5,599)**	**(4,825)**
Additions	(124)	(1,117)
Reversals	479	693
Non-recoverable amounts	10	7
Reclassification	247	(637)
Exchange differences	36	117
Change in scope	(1,007)	0
Transfer to assets held for sale	991	163
Total at the end of the period	**(4,967)**	**(5,599)**

The non-recoverable amounts refer to trade receivable balances which have been written-off as the Group considers that these are not recoverable.

Cash and cash equivalents

Cash and cash equivalents include cash held by the Group and short-term bank deposits with an original maturity of three months and less. The carrying amount of these assets approximates to their fair value. There are no specific restrictions that apply to cash and cash equivalents.

Assets held for sale and discontinued operations

Discontinued operations

In **2021** this item relates to the Bedding activities which are to be sold to Aquinos. Reference is made note 2.4.2.4.7.

In **2020** this item related to the Automotive Interiors divestment agreement which contains reciprocal call/put options for Admetos to acquire, or Recticel to sell, its remaining 49% share, exercisable as from March 2024 at a price calculated on the basis of a pre-agreed EBITDA multiple. The current value option is estimated at zero value.

Assets held for sale

In **2020** this item relates to the idle site of Legutiano (Spain).

Share capital

Group Recticel	2021	2020
Number of shares		
Number of shares issued and fully paid at 01 January	55,742,920	55,397,439
Number of shares issued and fully paid at 31 December	55,963,420	55,742,920
of which number of treasury shares at 31 December	326,800	326,800

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Issued and fully paid shares	139,909	139,357

The change in share capital is explained by the exercise of subscription rights in 2021.

Recticel manages its share capital, without any corrections or adjustments. There are no external capital restrictions applicable on the share capital, except for the 'syndicated revolving credit financing facility and the acquisition financing facility, which are subject to some financial covenants. One covenant limits the annual dividend payment to highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million.

Employee benefit liabilities

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Post-employment benefits: defined benefit plans	36,572	50,465
Other long-term benefits and termination benefits	2,563	1,877
Net liabilities at 31 December	**39,135**	**52,342**

Post-employment benefits: defined benefit plans

Over 99% of the defined benefit obligation is concentrated in five countries: Belgium (40%), United Kingdom (25%), Switzerland (23%), France (7%) and Germany (4%).

Within these five countries Recticel operates funded and unfunded defined benefit retirement plans. These plans typically provide retirement benefits related to remuneration and period of service.

The following information describes the largest retirement plans, which make up 88% of the total defined benefit obligation.

in thousand EUR

Group Recticel	Defined benefit obligation	Assets	Funded status	Adjustment due to asset ceiling/ additional liability under IFRIC 14	Net liability/ (asset)
Belgium	65,115	(49,536)	15,579	0	15,579
United Kingdom	39,651	(41,803)	(2,152)	5,923	3,771
Switzerland	37,453	(39,105)	(1,652)	1,652	0
Other countries	18,612	(1,390)	17,222	0	17,222
Total	**160,831**	**(131,834)**	**28,997**	**7,575**	**36,572**

Belgium

The defined benefit and hybrid pension plans in Belgium are plans funded through group insurances. Only the employer pays contributions to fund the plans. The defined benefit plans are closed for new employees since 2003; most hybrid plans are still open to new employees. The plans function in, and comply with, a regulatory framework and comply with the local minimum funding requirements. Plan participants are entitled to a lump sum on retirement at age 65. The pension benefits provided by the plans are related to the employees' salary. Active members also receive a benefit on death in service. The assumed form of benefit payment is in all cases a lump sum, but the plans foresee the option to convert to annuity.

United Kingdom

Recticel sponsors one defined benefit plan in the United Kingdom. It is a funded pension plan which is closed to new entrants and to further accrual of benefits for existing members. The plan is governed via a trust which is legally separate from Recticel and is administered by a board of Trustees composed of both employer-appointed and member-nominated Trustees. The Trustees are required by law to act in the interest of the beneficiaries of the plan, and are responsible for the investment policy in respect of plan assets and for the day-to-day administration of the benefits. The plan functions in and complies with a regulatory framework and is subject to local minimum funding requirements. Under the plan, participants are entitled to annual pensions on retirement at age 65 based on the final pensionable salary and the years of service. Members also receive benefits on death.

UK legislation requires that the liabilities of defined benefit pension schemes are calculated for funding purposes on a prudent basis. The last funding valuation of the plan was carried out as at 31 December 2019 and showed a deficit of GBP 3.0 million. A new recovery plan was agreed in March 2021 to eliminate this deficit by 31 October 2022. Recticel agreed to pay a total amount of GBP 5.4 million as recovery contributions during the period 01 January 2020 to 31 December 2024. The outstanding amount at 31 December 2021 is GBP 3.3 million.

Switzerland

Recticel sponsors two hybrid pension plans in Switzerland, one of which relates to continuing operations. Both employer and employees pay contributions to fund this plan. The plan is open to new employees. The plan is funded through a collective foundation which is legally separate from Recticel and whose board of Trustees is composed equally of representatives of the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets and the administration and financing of the benefits. The plan operates in accordance with a regulatory framework and complies with the local minimum funding requirements. Under the plan, participants are insured against the financial consequences of old age, disability and death.

Risks associated with defined benefit pension plans

The most significant risks associated with Recticel's defined benefit plans are:

Asset volatility: The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The schemes hold a significant proportion of equities which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to equities is monitored to ensure it remains appropriate given the long-term obligations.

Changes in bond yields: A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be partially offset by an increase in the value of the bond holdings.

Inflation risk: The benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in some cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy: Many of the obligations are to provide benefits for the life of the member or take into account member mortality rates, so increases in life expectancy will result in an increase in the liabilities.

Currency risk: The risk that arises from the change in price of the euro against other currencies.

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Evolution of the net liability during the year is as follows:		
Net liability at 01 January	**50,465**	**55,543**
Changes in scope of consolidation	(274)	(2,860)
Expense recognised in the income statement	9,424	7,491
Employer contributions	(9,886)	(8,955)
Amount recognised in other comprehensive income	(7,417)	(419)
Exchange differences	302	(335)
Discontinued net liability	(6,042)	0
Net liability at 31 December	**36,572**	**50,465**

Changes in scope of consolidation relate in 2021 to the acquisition of FoamPartner, and in 2020 to the partial divestment of the Automotive Interiors division.

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Pension costs recognised in profit and loss and other comprehensive income:		
Service cost:		
Current service cost	9,531	7,417
Employee contributions	(957)	(269)
Past service cost (including curtailments)	332	(390)
Cost or gain on settlement	0	102
Administration expenses	362	314
Net interest cost:		
Interest cost	976	1,283
Interest income	(818)	(987)
Interest on asset ceiling/ additional liability recognised under IFRIC 14	(2)	21
Pension expense recognised in profit and loss	**9,424**	**7,491**
Remeasurements in other comprehensive income		
Return on plan assets (in excess of)/below that recognised in net interest	(3,878)	(6,084)
Actuarial (gains)/losses due to changes in financial assumptions	(7,599)	8,271
Actuarial (gains)/losses due to changes in demographic assumptions	(1,401)	128
Actuarial (gains)/losses due to experience	(6,734)	(1,548)
Changes in the asset ceiling impact, excluding amounts recognised in net interest cost	6,766	95
Changes in additional liability recognised under IFRIC 14, excluding amounts recognised in net interest cost	5,429	(1,281)
Total amount recognised in other comprehensive income	**(7,417)**	**(419)**
Total amount recognised in profit and loss and other comprehensive income	**2,007**	**7,072**

In 2021, amounts for past service costs, curtailments and settlements relate to a plan change in France and personnel movements related to the FoamPartner acquisition. In 2020, they related to plan changes in Belgium and to Guaranteed Minimum Pension equalisation in the United Kingdom.

The amounts above are in respect of both **continuing and discontinued operations.**

in thousand EUR

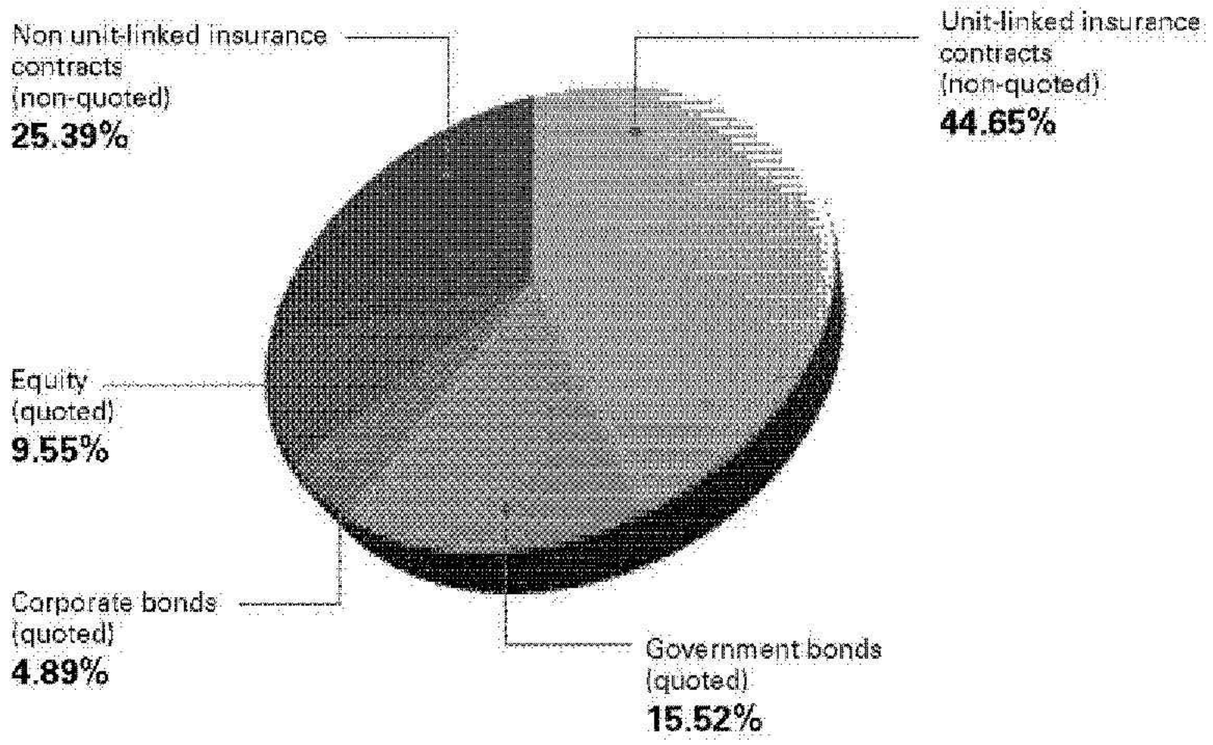
Group Recticel	31 Dec 2021	31 Dec 2020
Amounts recorded in the statement of financial position in respect of the defined benefit plans are:		
Defined benefit obligations for funded plans	152,260	168,673
Fair value of plan assets	(131,834)	(127,831)
Funded status for funded plans	**20,426**	**40,842**
Defined benefit obligations for unfunded plans	8,571	7,793
Total funded status at 31 December	**28,997**	**48,635**
Effect of the asset ceiling/ additional liability recognised under IFRIC 14	7,575	1,830
Net liabilities at 31 December	**36,572**	**50,465**
The key actuarial assumptions used at 31 December (weighted averages) are:		
Discount rate	0.91%	0.50%
Future pension increases	0.93%	0.83%
Expected rate of salary increases	1.72%	1.80%
Inflation	1.80%	1.73%

The mortality assumptions are based on recent mortality tables. The mortality tables of the United Kingdom, Germany and Switzerland assume that life expectancies will increase in future years.

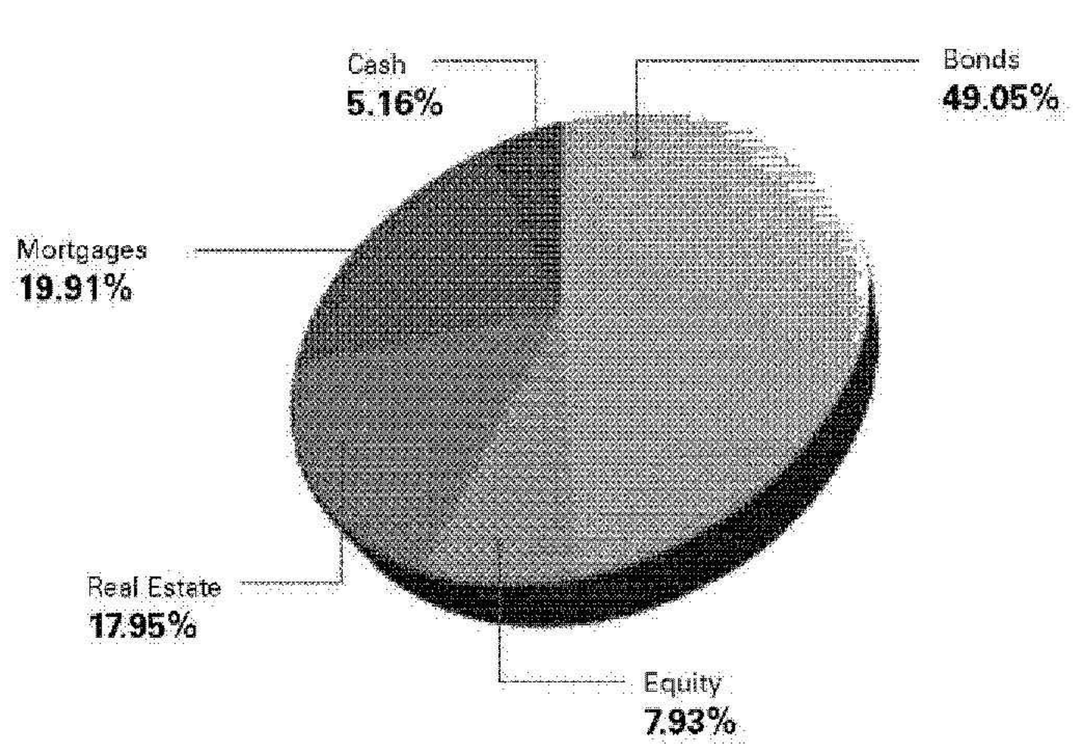
Movement of the plan assets		
Fair value of plan assets at 01 January	127,831	128,340
Changes in scope of consolidation	37,791	(5,127)
Interest income	818	987
Employer contributions	9,886	8,955
Employee contributions	957	269
Benefits paid (direct & indirect, including taxes on contributions paid)	(7,400)	(9,513)
Return on plan assets in excess of/(below) that recognised in net interest, excl. interest income	3,878	6,084
Settlement gains/(losses)	0	(47)
Administration expenses	(362)	(314)
Exchange differences	6,206	(1,803)
Discontinued plan assets	(47,771)	0
Fair value of plan assets at 31 December	**131,834**	**127,831**

The funded plans' assets are invested in mixed portfolios of shares and bonds, or insurance contracts. The plan assets do not include direct investments in Recticel shares, Recticel bonds or any property used by Recticel companies.

Plan assets portfolio mix at 31 December 2021



Asset classes of unit-linked insurance contacts



Unit-linked insurance contracts are investments in debt, equity and cash instruments managed by an insurance company, in which Recticel holds a specific number of fund units of which the net asset value is declared on a regular basis. Non-unit-linked insurance contracts are pure insurance policies with only limited financial investment risk.

in thousand EUR

Group Recticel	**31 Dec 2021**	**31 Dec 2020**
Movement of the defined benefit obligation		
Defined benefit obligation at 01 January	**176,466**	**180,817**
Changes in scope of consolidation	37,517	(7,987)
Current service cost	9,531	7,417
Interest cost	976	1,283
Benefits paid (direct & indirect, including taxes on contributions paid)	(7,400)	(9,513)
Actuarial (gains)/losses on liabilities arising from changes in financial assumptions	(7,599)	8,271
Actuarial (gains)/losses on liabilities arising from changes in demographic assumptions	(1,401)	128
Actuarial (gains)/losses on liabilities arising from experience	(6,734)	(1,548)
Past service cost (including curtailments)	332	(390)
Settlement (gains)/losses	0	55
Exchange differences	5,976	(2,067)
Discontinued defined benefit obligation	(46,833)	0
Defined benefit obligation at 31 December	**160,831**	**176,466**
Split of the defined benefit obligation per population		
Active members	94,274	90,417
Members with deferred benefit entitlements	40,740	37,067
Pensioners/Beneficiaries	25,817	48,982
Total defined benefit obligation at 31 December	**160,831**	**176,466**
Changes in the effect of the asset ceiling/ additional liability under IFRIC 14		
Asset ceiling/additional liability impact at 01 January	1,830	3,066
Interest on asset ceiling/additional liability	(2)	21
Changes in the asset ceiling/additional liability, excluding amounts recognised in net interest cost	12,195	(1,186)
Exchange differences	532	(71)
Discontinued asset ceiling/additional liability	(6,980)	0
Asset ceiling/additional liability impact at 31 December	**7,575**	**1,830**
Weighted average duration of the defined benefit obligation at 31 December	**12 years**	**13 years**
Sensitivity of defined benefit obligation to key assumptions at 31 December		
% increase in defined benefit obligation following a 0.25% decrease in the discount rate	3.40%	3.52%
% decrease in defined benefit obligation following a 0.25% increase in the discount rate	-3.32%	-3.32%
% decrease in defined benefit obligation following a 0.25% decrease in the inflation rate	-1.22%	-1.32%
% increase in defined benefit obligation following a 0.25% increase in the inflation rate	1.24%	1.37%

For plans where a full valuation has been performed the sensitivity information shown above is exact and based on the results of this full valuation. For plans where results have been rolled forward from the last full actuarial valuation, the sensitivity information above is approximate and takes into account the duration of the liabilities and the overall profile of the plan membership.

in thousand EUR

Group Recticel	2022
Estimated contributions for the coming year	
Expected employer contributions for defined benefit plans	8,871

Post-employment benefits: defined contribution plans

The amount recognised as an expense for defined contribution plans in respect of continuing operations was EUR 2,589,396 (2020 restated: EUR 2,424,281).

Provisions

For the year ending 31 December 2021:

in thousand EUR

Group Recticel	Litigations	Defective products	Environmental risks	Restructuring	Provisions for onerous contracts and dilapidation costs	Other risks	Total
At the end of the preceding year	**25**	**1,382**	**2,358**	**1,367**	**1,838**	**13,608**	**20,577**
Movements during the year							
Changes in scope	0	619	0	1,724	522	75	2,940
Increases	0	454	0	2,777	241	2,450	5,921
Utilisations	0	(43)	(355)	(1,979)	(1,000)	(716)	(4,093)
Write-backs	0	(282)	(400)	(27)	(1,340)	(2,349)	(4,398)
Transfer from one heading to another	0	90	0	352	1,335	(1,340)	438
Transfer to liabilities held for sale	(25)	(1,279)	0	(1,079)	2	0	(2,380)
Adjustment for reassessment of assumptions on dismantling and restoration costs	0	0	0	0	5,693	0	5,693
Exchange rate differences	0	49	1	3	505	124	682
At year-end	**0**	**990**	**1,604**	**3,138**	**7,796**	**11,852**	**25,380**
Non-current provisions (more than one year)	0	990	1,396	0	7,796	11,813	21,995
Current provisions (less than one year)	0	(0)	208	3,138	0	39	3,385
TOTAL	0	990	1,604	3,138	7,796	11,852	25,380

Provisions for defective products are mainly related to warranties granted for products in the Insulation and Engineered Foams division. The provisions are generally calculated on the basis of 1% of yearly turnover, which corresponds to the management's best estimate of the risk under 12-month warranties. When historical data are unavailable, the level of the provisions is compared to the yearly effective rate of liabilities, and if necessary, the amount of provision is adjusted.

Provisions for environmental risks cover primarily (i) the identified risk at the Tertre (Belgium) site (see section 2.4.2.6.9.1.) and (ii) other pollution risks in Belgium. EUR 0.4 million of this provision has been used in 2021 to cover clean-up costs on the site in Tertre.

Provisions for reorganisation relate to (i) the acquisition of FoamPartner (EUR 1.7 million) and (ii) the outstanding balance of expected expenses mainly relating to reorganisations in The Netherlands (EUR 2.4 million), Germany (EUR 0.1 million) and France (EUR 0.1 million).

Provisions for onerous contracts relate mainly to the buildings in the United Kingdom (EUR 7.3 million).

Provisions for other risks relate mainly to legal costs and fees for legacy remediation and litigations (see 2.4.6.9. – Contingent assets and liabilities) as well as management assessments with regards to post-closing settlements linked to the disposal of the Automotive Interiors activities. (cfr 2.4.2.4.7)

For the major risks (i.e. environmental, reorganisation and other risks) the cash outflow is expected to occur within a two years' horizon.

Financial liabilities

Financial liabilities carried at amortised cost include mainly interest-bearing borrowings:

in thousand EUR

Group Recticel	Non-current liabilities		Current liabilities	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Secured				
Lease liabilities	43,723	55,726	6,692	11,142
Bank loans	164,782	12,867	925	901
Total secured	**208,506**	**68,593**	**7,617**	**12,043**
Unsecured				
Other loans	0	1,834	0	260
Current bank loans	0	0	1	275
Commercial paper	0	0	49,992	0
Bank overdrafts	0	0	580	1,152
Other financial liabilities	0	0	873	673
Total unsecured	**0**	**1,834**	**51,447**	**2,360**
Total liabilities carried at amortised cost	**208,506**	**70,427**	**59,064**	**14,403**

Gross financial debt: interest-bearing borrowings, including continuing involvement of off-balance sheet non-recourse factoring programs

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Drawn amounts under the various available interest-bearing borrowing facilities		
Outstanding amounts under club deal facility	152,840	0
Outstanding amounts under lease liabilities	43,723	55,726
Outstanding amounts under other non-current loans	11,943	14,701
Outstanding amounts under non-current gross interest-bearing borrowing facilities (a)	**208,506**	**70,427**
Outstanding amounts under bank overdrafts	580	1,152
Outstanding amounts under current bank loans	926	1,176
Outstanding amounts under lease liabilities	6,692	11,142
Outstanding amounts under factoring programs - retention amount	0	0
Outstanding amounts under commercial paper programs [1]	49,992	0
Outstanding amounts under other current loans	0	260
Outstanding amounts under other financial liabilities	873	673
Outstanding amounts under current gross interest-bearing borrowing facilities (b)	**59,064**	**14,403**
Total outstanding amounts under gross interest-bearing borrowings (c)=(a)+(b)	**267,570**	**84,830**
Outstanding amounts under non-recourse factoring programs (d)	25,162	0
Total outstanding amounts under gross interest-bearing borrowings and factoring programs (e)=(c)+(d)	**292,732**	**84,830**
Weighted average lifetime of non-current interest-bearing borrowings (in years)	**2.50**	**4.70**
Weighted average interest rate of gross financial debt at fixed interest rate	2.26%	2.24%
Interest rate range of gross financial debt at fixed interest rate	1.46% - 2.62%	1.46% - 2.62%
Weighted average interest rate of gross financial debt at variable interest rate	1.40%	2.02%
Interest rate range of gross financial debt at variable interest rate	0.60% - 3.70%	0.80% - 3.70%
Weighted average interest rate of total gross financial debt	**1.50%**	**2.24%**
Percentage of gross financial debt at fixed interest rate	**11.8%**	**100.00%**
Percentage of gross financial debt at variable interest rate	**88.2%**	**0.00%**

[1] The amount drawn under the commercial paper program is to be covered at any time by the undrawn amount under the club deal facility. Therefor the reported unused amount under the EUR 175 million club deal revolving credit facility is after deduction of the issued amounts under the commercial paper program.

The fair value of floating rate borrowings is close to amortised cost.

The majority of the Group's financial debt is centrally contracted and managed through Recticel International Services NV/SA, which acts as the Group's internal bank.

Lease liabilities

Lease liabilities comprise (i) following the application of IFRS 16, the leases for property, plant and equipment, furniture and vehicles (see note 2.4.2.1.2.1.1.), and (ii) leases formerly classified as 'finance leases'.

These finance leases consist mainly of three leases:

the lease financing of the Insulation plant in Bourges (France), with an outstanding amount of EUR 3.4 million as of 31 December 2021 and is at floating rate, hedged by interest rate swap (cfr 2.4.2.5.17);

the lease financing buildings in Belgium, with an outstanding amount of EUR 2.0 million as of 31 December 2021 and is at a fixed rate;

the additional lease to finance the extension of the Insulation plant in Wevelgem (Belgium) in 2017, with an outstanding amount of EUR 6.3 million as of 31 December 2021 and is at a fixed rate.

Bank loans – "syndicated credit facility"

On 04 December 2020 the Group entered into:

a new EUR 100 million syndicated revolving credit facility to replace the EUR 175 million 'club deal' facility maturing in February 2021, and

a EUR 205 million acquisition financing facility to finance the acquisition of FoamPartner, closed on 31 March 2021. The outstanding balance on 31 December 2021 of the acquisition financing facility is EUR 155 million, as a redemption of EUR 50 million was made on 31 December 2021 to the banks.

Both facilities have a 3-year tenor with two 1-year extension options and have been arranged and underwritten by KBC Bank. The participating banks are Belfius Bank, BNP Paribas Fortis, Commerzbank and LCL. The new EUR 100 million syndicated revolving credit facility has effectively replaced the existing EUR 175 million 'club deal' facility as of 01 February, 2021.

Other bank loans

In 2018, Recticel concluded a secured fixed rate bilateral bank loan of EUR 15.5 million for the financing of the new greenfield Insulation plant in Finland. The tenor of this amortising bank loan is 15 years, with maturity in March 2033. The outstanding amount at 31 December 2021 is EUR 12.9 million.

Commercial paper program

In 2017, the Group started through Recticel NV/SA a short-term commercial paper program (TCN – Titres de Créances Négociables) in France for an amount of EUR 100 million, which was increased in 2018 to EUR 150 million. This TCN-program is used to complement the financing of day-to-day working capital needs of the Group. The amount issued under the TCN-program is to be covered by the unused amount under the club deal/syndicated credit facility. Following the refinancing and reduction of the amount of the syndicated revolving credit facility, the short-term commercial paper program has been reduced to EUR 100 million as of 01 February 2021.
The commercial paper program has an outstanding amount of EUR 50 million on 31 December 2021.

The 'syndicated revolving credit financing facility and the acquisition financing facility, are subject to financial covenants. No covenants are in place for other financial liabilities.

Other financial liabilities

For interest rate swaps reference is made to 2.4.2.5.17.

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Other financial debt	192	121
Interest accruals	368	330
Total	**560**	**451**

Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases. Trade payables increased to EUR 120.2 million (2020: EUR 88.9 million) as a result of the higher activity level of the last quarter of 2021 and increased raw materials costs.

Other current amounts payable decreased by EUR 22.0 million is composed as follows:

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Other non current liabilities maturing within one year	0	158
VAT payable - local and foreign	9,431	10,231
Other tax payables	1,458	1,620
Payroll, social security	36,920	33,912
Dividend payable	482	444
Result transfer (fiscal unit)	0	2,964
Other debts	3,906	26,029
Accrued liabilities - operating	11,235	9,081
Deferred income - operating	2,289	3,242
Deferred income - insurance premium	725	725
Deferred income - gain on sale and leaseback	439	472
Total	**66,885**	**88,878**

The major movements are linked to the net impact of the Discontinued liabilities (Bedding) and the acquisition of FoamPartner, and also to the termination of existing reverse factoring programs with two suppliers.

Financial instruments and financial risks

The following table presents the financial instruments by category of IFRS 9 and the fair value level for the financial assets and liabilities measured at fair value:

in thousand EUR

Group Recticel	category under IFRS 9	31 Dec 2021	31 Dec 2020	Fair value level
Financial assets				
Transactional hedges - operational	**FVTPL**	**4**	**0**	**2**
Derivatives not designed in a hedge relationship	FVTPL	177	69	2
Current trade receivables	**AC**	**141,597**	**102,726**	**2**
Other non-current receivables	AC	1,620	6,334	2
Other receivables	AC	11,324	17,711	2
Other receivables	**AC**	**12,944**	**24,045**	**2**
Loans to affiliates	AC	10,207	10,207	2
Other loans	AC	1,380	1,568	2
Non-current loans	**AC**	**11,588**	**11,775**	**2**
Financial receivables	AC	4,365	40,150	2
Loans to affiliates	**AC**	**15,952**	**51,925**	**2**
Cash and cash equivalents	**AC**	**118,367**	**79,255**	**2**
Other investments	**FVTOCI**	**599**	**523**	**2**
Financial liabilities				
Interest rate swaps designated as cash flow hedge relationship	**CFH**	**36**	**95**	**2**
Transactional hedges - operational	**FVTPL**	**15**	**46**	**2**
Derivatives not designated in a hedge relationship	FVTPL	269	83	2
Non-current financial liabilities at amortised cost	**AC**	**208,506**	**70,427**	**2**
Current financial liabilities at amortised cost	**AC**	**58,744**	**14,180**	**2**
Trade payables	**AC**	**120,245**	**88,922**	**2**
Other non-current payables	AC	25	26	2
Other payables	AC	66,885	88,878	2
Other payables	**AC**	**66,911**	**88,903**	**2**

AC = financial assets or liabilities at amortised cost
CFH = cash flow hedge
FVTPL = Financial assets or liabilities at fair value through profit or loss
FVTOCI = financial assets at fair value through other comprehensive income

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Financial risk management

Credit risk

The Group's principal current financial assets are cash & cash equivalents, trade and other receivables, and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of loss allowances for expected credit losses, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The risk profile of the trade receivables portfolio is segmented by business line and based on the conditions of sale observed on the market. At the same time, it is confined by the agreed limits of the general conditions of sale and the specifically agreed conditions, adapted accordingly. The latter also depend on the degree of industrial and commercial integration of the customer, as well as on the level of market competitiveness.

The trade receivables portfolio in Flexible Foams, Bedding and Insulation consists of a large number of customers distributed among various markets, for which the credit risk is assessed on an on-going basis and based on which the commercial and financial conditions are granted. In addition, the credit risks on trade receivables, except for Automotive associates, are mostly covered by credit insurance policies which the Group manages centrally and harmonises. In case of transfer of these receivables to the factoring company, the latter becomes the beneficiary of these credit insurance policies. The credit risk management is also strengthened by an organisation which is to a great extent centralised and enabled by the SAP FSCM software and best practice regarding the collection of receivables.

Credit terms granted on sales vary in function of the customer credit assessment, the business line and the country of operations.

There is a limited credit risk assessment on shareholder loans granted to the other associates. Shareholder loans to other associates are provided in accordance with rules foreseen in the joint venture agreements, which are subject to the evolution of the operational business performance.

Interest rate risk management

Recticel is hedging the interest rate risk linked to its interest-bearing borrowings on a global basis. The main derivative instruments used to convert floating rate debt into fixed rate debt are Interest Rate Swaps (IRS). The amount of fixed rate arrangements in relation to total financial debt is reviewed on an on-going basis by the Finance Committee and adjusted as and when deemed appropriate. In this, the Finance Committee aims at maintaining an appropriate balance between fixed and floating rate arrangements based on a philosophy of sound spreading of interest rate risks.

In an interest rate swap ("IRS") agreement, the Group undertakes to pay or receive the difference between the amounts of interest at fixed and floating rates on a nominal amount. This type of agreement enables the Group to fix the rate on a portion of its floating rate debt in order to be protected against the risk of higher interest charges on a loan at floating interest rates.

The market value of the portfolio of interest rate swaps on the reporting date is the discounted value of the future cash flows from the contract, using the interest rate curves at that date.

The current portfolio of IRS covers a portion of interest-bearing borrowings for EUR 10 million until July 2024.

The weighted average tenor of the IRS portfolio is 2.5 years.

On 31 December 2021, the fair value of the interest rate swaps was estimated at EUR -0.01 million.

All financial leases (EUR 11.8 million, of which EUR 2.0 million relate to a sale & lease back in Belgium) and a bank loan of EUR 12.8 million are at fixed rate or hedged; whereas most other bank debt is contracted at floating rate.

Sensitivity to interest rates

The Group's interest rate risk exposure derives from the fact that it finances at both fixed and variable interest rates. The Group manages the risk centrally through an appropriate structure of loans at fixed and variable interest rates and through interest rate swaps (IRS). The interest rate hedges are evaluated regularly to bring them in line with the Group's view on the trend in interest rates on the financial markets, with the aim of optimising interest charges throughout the various economic cycles. Hedge accounting in accordance with IFRS 9 is not applied.

Profit and loss impact from interest rate hedges

Had the interest rates yield curve risen by 100 basis points, with all other parameters unchanged, the Group's profit on the IRS portfolio in 2021 would have increased by EUR +0.05 million, comparable to 2020.

Conversely, had the interest rates yield curve fallen by 100 basis points, with all other parameters unchanged, the Group's profit on the IRS portfolio in 2021 would have decreased by EUR -0.0 million, compared to EUR -0.3 million in 2020.

Currency risk management

It is the Group's policy to hedge foreign exchange exposures resulting from financial and operational activities via Recticel International Services NV/SA (RIS), which acts as internal bank of the Group. This hedging policy is mainly implemented through forward exchange contracts. Hedge accounting under IFRS 9 is not applied for currency risk management.

In general, the Group concludes forward exchange contracts to cover currency risks on incoming and outgoing payments in foreign currency. The Group may also conclude forward exchange contracts and option contracts to cover currency risks associated with planned sales and purchases of the year, at a percentage which varies according to the predictability of the payment flows.

At reporting date, forward exchange contracts were outstanding for a nominal amount of EUR 59.1 million and with a total fair value of EUR -0.11 million.

Sensitivity analysis on currency risks

The Group deals mainly in 6 currencies outside the euro zone: GBP, USD, CHF, SEK, PLN, and CNY.

The following table details the sensitivity of the Group to a positive or negative variation, compared to the annual variation in the pairs of currencies during the previous financial year.

The sensitivity analysis covers only the financial amounts in foreign currency which are recognised in the statement of financial position and which are outstanding at 31 December and determines their variations at the conversion rates based on the following assumptions: USD and GBP 10%; PLN, CHF and SEK 5%.

The following table details the Group's sensitivity in profit or loss to a respectively 10% increase (or decrease) of the US Dollar and Pound Sterling against the Euro, and 5% increase and decrease of the Polish Zloty, Swedish Krona and Swiss Franc against the Euro. The percentages applied in this sensitivity analysis represent the management's assessment of the volatility of these currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for a 10%, respectively 5%, change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. It includes also the foreign exchange derivatives (not designated as hedging instruments).

A positive number indicates an increase in profit or loss when the Euro weakens by respectively 10% against the US Dollar or the Pound Sterling, or 5% against the Polish Zloty, Swedish Krona or Swiss Franc. For a respectively 10% strengthening of the Euro against the US Dollar or the Pound Sterling, or 5% against the Polish Zloty, Swedish Krona or Swiss Franc, there would be a comparable opposite impact on the profit or loss (i.e. the impact would be negative).

in thousand EUR

Group Recticel	Strengthening of USD versus EUR		Strengthening of GBP versus EUR		Strengthening of SEK versus EUR		Strengthening of CHF versus EUR		Strengthening of PLN versus EUR		Strengthening of CNY versus EUR	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Historical average variation	10%	10%	10%	10%	5%	5%	5%	5%	5%	5%	-	5%
Profit or (loss) recognized in the P&L account	517	393	(601)	(191)	(17)	2	1,815	(256)	757	(21)	-	1,240
Financial assets *	0	16,426	211	10,527	2,355	3,033	28,489	(692)	8,918	1,079	-	37,086
Financial liabilities *	(4,892)	(12,492)	(225)	(3,447)	(1,838)	(2,107)	(10,310)	(3,877)	(52)	(12)	-	(12,295)
Derivatives	10,065	0	(6,000)	(8,986)	(867)	(877)	18,123	(553)	6,279	(1,490)	-	0
Total net exposure	**5,174**	**3,934**	**(6,014)**	**(1,906)**	**(350)**	**49**	**36,303**	**(5,121)**	**15,145**	**(423)**	**-**	**24,791**

** Includes trade and other receivables and trade and other payables*

Financial assets and liabilities represent the foreign currency exposure of the different subsidiaries of the Group in relation to their local currency.

Liquidity risk

The financing sources are well diversified, and the bulk of the debt is irrevocable and long-term or backed-up by long-term commitments. It includes as of February 01, 2021 a new 3-year EUR 100 million syndicated revolving credit facility, with two 1-year extension options.

On 31 March 2021, EUR 205 million has been drawn under a new acquisition facility which has been put in place in relation with the acquisition of FoamPartner.

On 31 December 2021, a redemption of EUR 50 million was made to the banks, bringing the total outstanding amount of the acquisition facility to EUR 155 million.

In addition to the long-term loans, the Group has a diversified range of short-term financing sources, including a commercial paper program and non-recourse factoring facilities.

The diversified financing structure and the availability of committed unused credit facilities for EUR 103.6 million guarantee the necessary liquidity to ensure the future activities and to meet the short- and medium-term financial commitments.

The Group does not enter in financial instruments that require cash deposits or other guarantees (i.e. margin calls).

The new syndicated facility that replaced the former club deal facility as of 01 February 2021 is subject to bank covenants based on an adjusted leverage ratio and an adjusted interest cover, on a consolidated basis. These bank covenants will continue to be determined on the basis of the generally accepted accounting principles that were in place at the moment of the closing of the club deal agreement ("frozen GAAP"). The adoption of IFRS 16 has no impact on the measurement of these covenants. All conditions under the financial arrangements with its banks are respected.

Under the new syndicated facility agreement, the maximum dividend authorised for distribution, excluding the portion attributable to the treasury shares, amounts to the highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million

The gross dividend over 2021 – to be paid in 2022 – proposed to the Annual General Meeting amounts to EUR 0.29 per share, leading to a total dividend pay-out of EUR 16.1 million (excluding treasury shares). This amount falls below the above-mentioned 50% maximum pay-out limit.

The following table presents the unused credit facilities available to the Group:

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Unused amounts under non-current financing facilities		
Undrawn available commitments under the club deal facility[1]	50,000	175,000
Total available under non-current facilities	**50,000**	**175,000**
Unused amounts under current financing facilities		
Undrawn under current on-balance facilities	45,050	40,995
Undrawn under off-balance factoring programs	0	56,219
Total available under current facilities	**45,050**	**97,214**
Total unused amounts under financing facilities	**95,050**	**272,214**

1. The amount drawn under the commercial paper program is to be covered at any time by the undrawn amount under the syndicated credit facility. Therefor the reported unused amount as of 31 December 2021 of EUR 50 million under the EUR 100 million syndicated credit facility is after deduction of the issued amounts under the commercial paper program.

Maturity analysis of financial liabilities

For the year ending 31 December 2021:

in thousand EUR

Group Recticel	Maturing within 1 year	Maturing between 1 and 5 years	Maturing after 5 years	Total	Future financial changes	Carrying amount
	(a)	(b)	(c)	(a)+(b)+(c)		
Lease liabilities	12,917	28,556	16,315	55,789	(5,374)	50,415
Bank loans	1,766	160,664	8,862	171,292	(5,585)	165,707
Other loans	0	0	0	0	0	0
Interest-bearing borrowings	**14,683**	**187,220**	**25,178**	**227,082**	**(10,959)**	**216,123**
Other financial liabilities - Non-derivative						**51,163**
Other financial liabilities - Derivative						**284**
Total						**267,570**
Non-current financial liabilities						208,505
Current financial liabilities						59,064
Total						**267,569**

For the year ending 31 December 2020:

in thousand EUR

Group Recticel	Maturing within 1 year	Maturing between 1 and 5 years	Maturing after 5 years	Total	Future financial changes	Carrying amount
	(a)	(b)	(c)	(a)+(b)+(c)		
Lease liabilities	15,703	37,748	24,020	77,471	(10,603)	66,868
Bank loans	1,266	5,064	10,128	16,458	(2,690)	13,768
Other loans	270	1,001	1,020	2,291	(197)	2,094
Interest-bearing borrowings	**17,239**	**43,813**	**35,168**	**96,221**	**(13,490)**	**82,731**
Other financial liabilities - Non-derivative	**1,877**	**0**	**0**	**1,877**	**0**	**1,877**
Other financial liabilities - Derivative	**223**	**0**	**0**	**223**	**0**	**223**
Total						**84,830**
Non-current financial liabilities						70,427
Current financial liabilities						14,403
Total						**84,830**

Reference is also made to notes 2.4.2.1.5. (COVID), 2.4.2.1.6. (Brexit), 2.4.2.1.7. (Climate change) and 2.4.2.1.8. (Russia-Ukraine crisis).

Business combinations and disposals

In 2021, business combinations related to the acquisition of FoamPartner since 01 April 2022 (see note 2.4.2.4.8.).
In 2021, business disposals related to the Bedding activities which are in the process of being sold to Aquinos (see note 2.4.2.4.7).
In 2020, the Automotive Interiors business has been disposed of and is considered a discontinued operation in the 2020 consolidated financial statements (see note 2.4.2.4.7). Likewise, the 50% participation in the Eurofoam group was sold.

Capital management

The overview below defines the capital components which management considers key in order to realise its capital structure target ratio (i.e. Total net financial debt/Total equity) of less than 50%.

in thousand EUR

Group Recticel	**31 Dec 2021**	**31 Dec 2020**
Hedging liabilities	**320**	223
Non-current financial liabilities	208,506	70,427
Current portion of non current financial liabilities	7,617	12,303
Current financial liabilities	50,567	1,547
Interest accruals	368	330
Gross financial debt	**267,378**	**84,830**
Cash and cash equivalents	(118,367)	(79,255)
Hedging assets	(180)	(69)
Net financial debt	**148,830**	**5,506**
Drawn amounts under off-balance non-recourse factoring programs	25,162	(810)
Total net financial debt	**173,993**	**4,697**
Total equity	**391,306**	**334,780**
Ratios		
Net financial debt / Total equity	38.0%	1.6%
Total net financial debt / Total equity	44.5%	1.4%

Miscellaneous

Off-balance sheet items

Recticel NV/SA, or some of its subsidiaries have provided various parental corporate guarantees and comfort letters for commercial and/or financial commitments towards third parties.

Compared to the situation per 31 December 2020, most outstanding guarantees and/or comfort letters remained in place; save for some minor adjustments in some committed amounts.

During the year 2021, Recticel NV/SA issued the following material (> EUR 1 million) new additional guarantees and/or comfort letters:

For other associates: on behalf of Proseat Europe GMBH: EUR 6.75 million.

In thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Guarantees given or irrevocably promised by Recticel SA/NV as security for debts and commitments of companies	169,563	160,734

These guarantees include mainly parental corporate guarantees and letters of comfort for commitments contracted by subsidiaries with banks (EUR 114.1 million), lessors (EUR 45.2 million), governmental institutions (EUR 3.8 million) and other third parties (EUR 6.5 million).

The amount of expected credit losses on external guarantees is assessed at each reporting date to reflect changes in credit risk since the guarantee was granted. When determining whether the credit risk of a guarantee has increased significantly since the issuance and when estimating expected credit losses, Recticel considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Share-based payments

The Recticel Group has implemented a warrant plan for its leading managers.

The table below gives the overview of all outstanding subscription rights per 31 December 2021:

Issue	Number of warrants issued	Number of subscription rights outstanding	Exercise price in EUR	Exercise period	Fair value of subscription rights at moment of issue in EUR
April 2016	317,500	102,500	5.73	01 Jan 20 - 28 Apr 25	0.786
June 2017	410,000	240,000	7.00	01 Jan 21 - 29 Jun 24	0.928
April 2018	460,000	427,500	10.21	01 Jan 22 - 24 Apr 25	1.572
June 2019	500,000	465,000	7.90	01 Jan 23 - 27 Jun 26	1.181
March 2020	512,000	477,500	8.70	01 Jan 24 - 27 Jun 27	1.486
May 2021	475,000	475,000	12.44	01 Jan 25 - 11 May 28	2.290
Total	**2,674,500**	**2,187,500**			

All subscription rights have a vesting period of 3 years. Beneficiaries can lose the right to exercise their subscription rights in case of voluntary leave or dismissal for misconduct.

The expense recognised for the year for the share-based payments amounts to EUR 1.1 million (2020: EUR 0.6 million).
The plan of May 2021 still needs to be approved by the Board of Directors and will be formalised by a notarial deed.

A more general overview showing the trend during 2021 is given below:

in units

in units	2021	2020
Total number of subscription rights outstanding per 31 December	2,187,500	1,933,000
Weighted average exercise price (in EUR)	8.87	7.70
Weighted average remaining contractual life (in years)	3.54	4.84
Movements in number of subscription rights		
Subscription rights outstanding at the beginning of the period	1,933,000	1,833,480
New subscription rights granted during the period	475,000	512,000
Subscription rights forfeited and expired during the period	0	(66,999)
Subscription rights exercised during the period	(220,500)	(345,481)
Subscription rights outstanding at the end of the period	2,187,500	1,933,000
Status of subscription rights outstanding		
Closing share price at end of period (in EUR)	17.52	10.72
Total number of subscription rights exercisable at the end of the period	342,500	185,500
Total number of subscription rights that are 'in-the-money' at the end of the period *	2,187,500	1,933,000
Total number of subscription rights that are exercisable and 'in-the-money' at the end of the period *	342,500	185,500

** in comparison with the average daily closing price over the period*

The table below gives the overview of all subscription rights exercised during the period:

in EUR

in units	2021	2020
Total number of subscription rights exercised	220,500	345,481
Weighted average exercise price	5.61	5.20
Period during which these subscription rights were exercised	31/3 - 23/12	28/5 - 23/12
Average closing price of period during which these subscription rights were exercised	14.85	8.84
Average daily closing price for full year	14.23	8.09

To date, the Group has not issued share appreciation rights to any of its managers or employees, nor has it implemented any share purchase plan.

The theoretical value of the subscription rights at issuance is calculated by applying the Black & Scholes formula and taking into account certain assumptions regarding dividend payment (last dividend compared to share price - dividend yield: 1.83%), interest rate (Euribor 5 years: 0.00%) and volatility (stock market data on the Recticel share: 26.5%). For the issue of May 2021, the fair value amounted to EUR 2.29 per subscription right.

Overview of the outstanding subscription rights held by the members of the current Management Committee: (per 31 December 2021)

in thousand EUR

Issue[a]	Number of subscription rights held by the members of the current Management Committee
April 2016	95,000
June 2017	210,000
April 2018	280,000
June 2019	335,000
March 2020	335,000
May 2021	360,000
Total	**1,615,000**

a the conditions of the various issues are reflected in the global overview table herabove

Members of the Management Committee received the following subscription rights for the 2021 series:

in EUR

Name	Total number of subscription rights	Total theoretical value of subscription rights at issuance (*)
Olivier Chapelle	120,000	274,800
Ralf Becker	30,000	68,700
Betty Bogaert	30,000	68,700
François Desné	30,000	68,700
Jean-Pierre De Kesel	30,000	68,700
Jean-Pierre Mellen	30,000	68,700
Rob Nijskens	30,000	68,700
François Petit	30,000	68,700
Dirk Verbruggen	30,000	68,700
Total	**360,000**	**824,400**

(*) The theoretical value is calculated by using a Black & Scholes formula, and taken into account certain assumptions regarding dividend yield, interest rate and volatility.

Events after the reporting date

Baltisse

On 02 March 2022, Recticel received a transparency notification dated 02 March 2022, informing that Baltisse NV, as a result of the acquisition of shares on 28 February 2022, owns 12,647,732 (22.6%) voting rights of the company. Baltisse thus crossed upwards the 20% shareholding threshold.

Acquisition Trimo

On 22 March 2022, Recticel announced that it has entered into final agreements with Central European private equity fund Innova Capital to acquire 100% of Trimo d.o.o. in cash for an enterprise value of EUR 164.3 million. This represents a 9.5x 2021A normalized EBITDA multiple. The transaction is subject to customary conditions precedent, including regulatory approvals.

Trimo is specialized in the production of sustainable premium insulated panels for the construction industry. Predominantly geared towards the industrial and commercial building segments, it perfectly complements the current insulation boards activities of Recticel.

This acquisition will allow Recticel to:

- expand its insulation product portfolio into the adjacent and growing insulated panel market;
- accelerate its geographic expansion into the Central and South-Eastern European markets;
- increase its profit margin, as of the first full year of consolidation.

Financing is secured by the existing credit facilities, and ultimately by the proceeds from the disposals of the Bedding and Engineered Foams business lines, expected to close respectively at the end of 1Q2022 and around mid-2022.

Proseat

On 14 April 2022, Recticel exercised its put option under the agreement signed with Sekisui in February 2019. As a result, Sekisui will acquire the remaining 25% in Proseat till then held by Recticel and Recticel will no longer hold any shares in Proseat Group. The put option is exercised on the basis of a pre-agreed price calculation formula. As Proseat has been deeply impacted since 2020 by reduced demand following the COVID-crisis and the automotive semiconductor shortage on one hand, and substantial raw material price inflation on the other hand, the transfer of these remaining shares will have no material impact on Recticel's financials.

Disposal of Bedding activities

On 31 March 2022 Recticel successfully sold its Bedding activities to the Portuguese privately owned Aquinos Group (cfr 2.4.2.4.7 Discontinued operations).

Russia-Ukraine crisis

Reference is made to note 2.4.2.1.8.

Related party transactions

Transactions between Recticel NV/SA and its subsidiaries, which are related parties, have been eliminated in the consolidation and are not disclosed in this note. Transactions with other related parties are disclosed below, and concern primarily commercial transactions done at prevailing market conditions. The tables below include only transactions considered to be material, i.e. exceeding a total of EUR 1 million.

Transactions with joint ventures and associates: 2021

in thousand EUR

Group Recticel	Non-current receivables	Trade receivables	Other current receivables	Trade payables	Other payables	Revenues	Cost of sales
Total Orsafoam companies	0	24	0	0	0	47	0
Total Proseat companies	0	3,434	0	25	(0)	49,457	(88)
Total TEMDA2 companies	10,207	711	437	202	863	9,218	(1,297)
TOTAL	**10,208**	**4,169**	**437**	**227**	**863**	**58,722**	**(1,385)**

Transactions with joint ventures and associates: 2020

in thousand EUR

Group Recticel	Non-current receivables	Trade receivables	Other current receivables	Trade payables	Other payables	Revenues	Cost of sales
Total Orsafoam companies	0	53	0	192	5	153	(21)
Total Proseat companies	0	4,027	1	18	0	34,784	(119)
Total TEMDA2 companies	10,207	3,284	4,015	309	14,340	6,380	**(639)**
TOTAL	**10,207**	**7,364**	**4,016**	**519**	**14,345**	**41,316**	**(779)**

Following the partial divestment from the Proseat group in 2019 and from Automotive Interiors in 2020, revenues from respectively Proseat companies and TEMDA2 companies relate to the sale of chemical raw materials at cost.

Remuneration of the Board of Directors and of the Management Committee

The remuneration of the members of the Board of Directors and of the Management Committee is included in this note. For more information, reference is made to the remuneration report in the section 'Corporate Governance' of this annual report.

Total gross remuneration for the members of the Board of Directors

in EUR

Group Recticel	2021	2020
Director fees	150,000	142,500
Attendance fees Board of Directors	212,500	197,500
Attendance fees Audit Committee	50,000	42,000
Attendance fees Remuneration and Nomination Committee	25,000	43,750
Attendance fees Strategy Committee	105,000	0
TOTAL	**542,500**	**425,750**

In light of the COVID-19 crisis, and in line with the voluntary remuneration reductions implemented by the top management, the Board of Directors of 29 April 2020 decided to reduce the director fees for the second quarter by 30%, as a sign of solidarity with the management and the employees of the company.

Total gross remuneration for the members of the Management Committee

in EUR

Group Recticel	2021	2020
Fixed remuneration	2,882,656	2,851,266
Variable remuneration	2,743,928	2,049,670
Pensions	217,540	336,427
Other benefits	185,766	0
Extraordinary items	0	139,686
TOTAL	**6,029,890**	**5,377,049**

Exchange rates

in EUR

Group Recticel		Closing rate		Average rate	
		2021	2020	2021	2020
Swiss Franc	CHF	0.9680	0.9258	0.9249	0.9341
Yuan Renminbi	CNY	0.1390	0.1246	0.1311	0.1270
Czech Crown	CZK	0.0402	0.0381	0.0390	0.0378
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	1.1901	1.1123	1.1833	1.1240
Indian Rupee	INR	0.0119	0.0112	0.0114	0.0118
Moroccan Dirham	MAD	0.0951	0.0914	0.0940	0.0922
Norwegian Krone	NOK	0.1001	0.0955	0.0984	0.0933
Polish Zloty	PLN	0.2175	0.2193	0.2190	0.2251
Romanian Leu	RON	0.2021	0.2054	0.2032	0.2067
Swedish Krona	SEK	0.0976	0.0997	0.0986	0.0954
Singapore Dollar	SGD	0.6545	0.6166	0.6293	0.6352
Turkish Lira	TRY	0.0656	0.1097	0.0951	0.1242
US Dollar	USD	0.8829	0.8149	0.8455	0.8755

Staff

in units

Group Recticel	31 Dec 2021	31 Dec 2020
Management Committee	9	10
Employees	1,632	2,427
Workers	2,115	2,725
Average number of people employed (full time equivalent) on a consolidated basis (i.e. excluding joint ventures)	**3,756**	**5,162**
Remuneration and social charges (in thousand EUR)	**212,458**	**221,907**
Average number of people employed in Belgium	934	1,001

The decrease of the average number of people employed, as well as of the cost for remuneration and social charges, is to a large extent explained by the change of scope following the ongoing divestment of the Bedding activities (1,589 employees) (cfr 2.4.2.4.7).

Audit and non-audit services provided by the statutory auditor

The total fees in relation to services provided by the statutory auditor PwC Bedrijfsrevisoren BV (in 2020: Deloitte Bedrijfsrevisoren) and by companies related to the auditor to Recticel NV/SA and its subsidiaries, are as follows:

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020
Audit fees	1,037	757
Other audit services and legal missions	147	68
Tax services	75	5
Consulting services	7	0
Total fees	**1,266**	**830**

Audit fees for Recticel NV/SA and its subsidiaries are determined by the shareholders meeting after review and approval by the company's Audit Committee and Board of Directors. All non-audit fees have been pre-approved by the company's Audit Committee.

Contingent assets and liabilities

Tertre (Belgium)

1. Carbochimique, which was progressively integrated into the Recticel Group in the 1980s and early 1990s, owned an industrial site in Tertre (Belgium), where various carbochemical activities had been carried on since 1928. These activities were gradually spun off and sold to other industrial companies, including Yara and Prince Erachem (Eramet group). Finapal, a Recticel subsidiary, retained ownership of some plots on the site, chiefly old dumping sites and settling ponds that have been drained. In 1986, Recticel sold its "fertilizer" division, in particular the activities of the Tertre site, to Kemira, now acquired by Yara. As part of this agreement, Recticel undertook to set an old basin ("Valcke Basin"), in line with environmental regulations. This requirement was not yet performed because of the mutual dependence of the environmental conditions within the industrial site in Tertre. Yara sued Recticel for precautionary reasons pursuant to this obligation in July 2003. Both parties negotiated and signed a settlement agreement in the course of 2011, which ended the dispute. Under the settlement agreement Yara and Recticel committed to prepare together a recovery plan for four contaminated areas of the industrial area in Tertre, including the Valcke Bassin and a dump site of Finapal, and agreed on the cost split thereof.

   This plan was approved in December 2013 by Ministerial Order of the Walloon Government, and the specification book was likewise prepared by both parties and approved by the authorities. End December 2015 Ecoterres was appointed as contractor. The works were started in 2016 and have been completed by the end of 2021. Further monitoring may be required over the coming years.

2. Following the sale of the entity Sadacem to the French group Comilog, now part of the group Eramet, Recticel committed itself to sanitise, on a shared cost basis, an old industrial waste site on the grounds of Prince Erachem. The start of the execution of this commitment was studied in consultation with the entity Prince Erachem and has been provisioned in the accounts of the Recticel Group. A proposal was submitted to the Office Wallon des Déchets in April 2009 and since been approved.

   The implementation of the restructuring plan started in 2013 and has been completed as planned. The clean-up works were completed in 2018 but are still subject to a monitoring phase during 3 years, which was prolonged by one year.

Wetteren (Belgium)

In the production plant of Wetteren (Belgium) asbestos was found. In 2020 a provision for the costs linked to the removal was made for EUR 1.2 million. After further investigation and finetuning, the provision has been reduced to EUR 0.8 million at the end of 2021.

Litigations

The Group has been the subject of an antitrust investigation at European level. Recticel announced on 29 January 2014 that a settlement was reached with the European Commission in the polyurethane foam investigation. The case was closed after payment of the last instalment of the effective overall fine in April 2016.

Various claims have been issued by one or more customers, in which these entities allege harm with regard to the conduct covered by the European Commission's cartel decision. Some procedures have been ended or concluded in the course of 2016-2018, with only one court procedure still on-going in Germany linked to Eurofoam. No additional new claims are to be expected as these have now all become time-barred.

Recticel carefully reviews and evaluates the merits for each case with its legal advisors to determine the appropriate defensive strategy and recognises, where appropriate, provisions to cover any legal costs in this regard.

Regarding the on-going litigation no considered judgment can at this stage be formed on the outcome of this procedure or on the amount of any potential loss for the company.

One of our Group entities in the United Kingdom is the subject of a HSE investigation following the accidental death of one of its employees. The HSE has concluded the fact-finding phase of its investigation and has made certain allegations against Recticel Ltd for breach of HSE regulations. Recticel has replied to these allegations. In October 2020, the HSE has confirmed that it has taken an enforcement decision, which hence may lead to prosecution, legal costs and fines. There has been no further development to date. A provision has been established.

One of the Group's entities in France is implicated in a labour law case following the closure of a production site, whereby the former employees have launched a claim to obtain additional compensations, on the basis that the economic reasons for the closure were invalid. The court proceedings have so far confirmed the position of the employees, but Recticel SAS has launched an appeal procedure. The final outcome remains uncertain.

Following the fire incident in Most (Czech Republic), the involved Group entity has been temporarily unable to supply the contractually agreed quantities of products, leading to production interruptions at the direct customers and the car manufacturers. While the Group entity involved have claimed Force Majeure in this respect, this has been put in question or even contested by a number of customers, with indication that further claims could be raised to obtain damage compensation. While the Group is insured in this regard in line with industrial standards, it cannot be excluded that such claims could lead to financial losses for the companies involved. One customer has launched a legal proceeding in France in the course of the first semester of 2019.

In the framework of the finalization of the closing accounts per 30 June 2020 linked to the Automotive Interiors divestment, a dispute has arisen with the purchaser with regard to certain amounts to be taken into consideration for deduction from the purchase price, as well as a claimed breach of the agreement. This dispute has been settled in the meantime.

On 18 February 2021, Proseat Europe GmbH sent a claim notice for the maximum amount of EUR 865,000 to Recticel SA/NV with regard to the absence of dilapidation provisions linked to certain production sites leased by Proseat entities. Recticel contested the claim and it was finally discontinued.

Recticel signed a preliminary purchase agreement with the Gor-Stal shareholders to acquire Gor-Stal's insulation board business located in Bochnia, Poland, for an enterprise value of EUR 30 million. The sale required a prior carve-out of these activities into a new legal entity. Both parties cooperated well to finalise the due diligence and to realise this carve-out by July 2021, but then, the sellers came back to request a price adjustment, citing changed market conditions. Recticel requested more information before considering such a request, which was contrary to the agreement. The sellers did not provide such information and in October 2021, they informed Recticel that they did no longer want to continue the transaction. Recticel notified the sellers at the end of the year that they breached their obligations under the agreement and that Recticel would launch legal proceedings to enforce the preliminary agreement. These legal proceedings are launched in 2022.

As of 31 December 2021, total overall provisions and accruals for other litigations, environmental risk and other risks on Recticel Group level amounted to EUR 13.5 million in the consolidated financial statements. With reference to the prejudicial exemption in IAS 37 §92, the Group will not disclose any further information about the assumptions for the provision, including any details about current and the expected number of lawsuits and claims.

The disclosure of such information is believed to be detrimental to the Group in connection with the ongoing confidential negotiations and could inflict financial losses on Recticel and its shareholders.

Reconciliation table of Alternative Performance Measures

The Group uses and publishes several Alternative Performance Measures ("APM") to provide additional valuable insight to financial analysts and investors. APMs are related to the standards used by management to monitor and measure financial performance.

The overview tables below summarise the reconciliation of these APMs in respectively the income statement and the statement of financial position of the continuing operations.

in thousand EUR

Group Recticel	**2021**	**2020 restated**
Income statement		
Sales	1,032,795	616,883
Gross profit	187,390	106,660
EBITDA	89,734	38,290
Operating profit (loss)	46,532	9,106
Operating profit (loss)	**46,532**	**9,106**
Amortisation intangible assets	4,790	1,543
Depreciation tangible assets	38,385	26,273
Amortisation deferred charges long term	0	0
Impairments on goodwill, intangible and tangible fixed assets	27	1,367
EBITDA	**89,734**	**38,290**
EBITDA	**89,734**	**38,290**
Restructuring charges	2,816	1,040
Other [1]	16,695	5,104
Adjusted EBITDA	**109,245**	**44,434**
[1] see note 2.4.2.3.1.		
Operating profit (loss)	**46,532**	**9,106**
Restructuring charges	2,816	1,040
Other	16,695	5,104
Impairments	27	1,367
Adjusted Operating Profit (Loss)	**66,070**	**16,617**

Total net financial debt	**31 Dec 2021**	**31 Dec 2020 (as published)**
Non-current financial liabilities	208,505	70,427
Current financial liabilities	59,064	14,403
Cash	(118,367)	(79,255)
Other financial assets [1]	(1,380)	(1,000)
Net financial debt on statement of financial position	**147,822**	**4,575**
Factoring programs	25,162	0
Total net financial debt	**172,984**	**4,575**
1 Hedging instruments and interest advances		
Gearing ratio (Net financial debt / Total equity)		
Total equity	391,306	334,780
Net financial debt on statement of financial position / Total equity	37.8%	1.4%
Total net financial debt / Total equity	44.2%	1.4%
Leverage ratio (Net financial debt / EBITDA)		
Net financial debt on statement of financial position / EBITDA	1.6	0.1
Total net financial debt / EBITDA	1.9	0.1
Net working capital		
Inventories and contracts in progress	112,897	90,833
Trade receivables	141,596	102,726
Other receivables	15,869	57,929
Income tax receivables	4,660	1,452
Trade payables	(120,247)	(88,923)
Current contract liabilities	(9,081)	(15,183)
Income tax payables	(4,466)	(1,045)
Other amounts payable	(66,885)	(88,878)
Net working capital	**74,343**	**58,911**
Current ratio (= Current assets / Current liabilities)		
Current assets	534,855	333,665
Current liabilities	359,814	210,030
Current ratio (factor)	**1.5**	**1.6**

Recticel NV/SA - General information

Recticel NV/SA

Address
Bourgetlaan - avenue du Bourget, 42
1130 Brussels
Belgium

Established: on 19 June 1896 for thirty years, later extended for an unlimited duration.

Object: (article 3 of the Coordinated Articles)
The object of the company is the development, production, conversion, trading, buying, selling and transportation, on its own account or on behalf of third parties, of all plastics, polymers, polyurethanes and other synthetic components, of natural substances, metal products, chemical or other products used by private individuals or by industry, commerce and transport, especially for furniture, bedding, insulation, the construction industry, the automotive sector, chemicals, petrochemicals, as well as products belonging to or necessary for their production or which may result or be derived from this process.

It may achieve its object in whole or in part, directly or indirectly, via subsidiaries, joint ventures, participations in other companies, partnerships or associations.

In order to achieve this object, it can carry out all actions in the industrial, property, financial or commercial field which are associated with its object directly or indirectly, in whole or in part, or which would be of a nature to promote, develop or facilitate its operation or its trade or that of the companies, partnerships or associations in which it has a participation or an interest; it can in particular develop, transfer, acquire, rent, hire out and exploit all movable and immovable goods and all intellectual property.

Legal form: naamloze vennootschap / société anonyme (limited company)

Recorded in the Brussels register of legal entities

Company number: 0405 666 668

Subscribed capital: EUR 139,908,550 (per 31 December 2021)

Type and number of shares: at 31 December 2021 there was only one type of shares, namely ordinary shares; total number of shares outstanding: 55,963,420

Portion of the subscribed capital still to be paid up: 0 shares/EUR 0.

Nature of the shares not fully paid up: none.

Percentage fully paid up: 100%. The shares are all fully paid up.

The accounts were prepared in accordance with requirements specified by the Royal Decree of 30 January 2001.

These annual accounts comprise the balance sheet, the income statement and the notes prescribed by law. They are presented hereafter in condensed form.

In accordance with Belgian law, the management report, the annual accounts of Recticel NV/SA and the report of the Statutory Auditor will be filed with the Belgian National Bank.

They are available on request from:

Recticel NV/SA - Corporate Communications

Address
Bourgetlaan - Avenue du Bourget, 42
B-1130 Brussels
Tel.: +32 (0)2 775 18 11
Fax: +32 (0)2 775 19 90
E-mail: desmedt.michel@recticel.com

The notes to the annual accounts are related to the financial situation of the company as shown in the statement of financial position. The results are also commented on in the preceding annual report.

The Statutory Auditor has delivered an unqualified opinion on the statutory annual accounts of Recticel NV/SA.

The statutory annual accounts of Recticel NV/SA, as well as the statutory report by the Board of Directors, are freely available on the company's web site **https://www.recticel.com/investors/annual-half-year-reports.html**.

Recticel NV/SA - Condensed statutory accounts

The statutory statement of financial position and the statutory income statement for the period ended 31 December 2021 of Recticel NV/SA are given below in a condensed form.
The accounting principles used for the Statutory Financial Statements of Recticel NV/SA differ from the accounting principles used for the Consolidated Financial Statements: the Statutory Financial Statements follow the Belgian legal requirements, while the Consolidated Financial Statements follow the International Financial Reporting Standards.

in thousand EUR

Group Recticel		31 Dec 2021	31 Dec 2020
ASSETS			
FIXED ASSETS		**525,729**	**383,259**
I.	Formation expenses	0	0
II.	Intangible assets	20,148	27,068
III.	Tangible assets	52,711	59,910
IV.	Financial assets	452,871	296,281
CURRENT ASSETS		**80,883**	**95,127**
V.	Amounts receivable after one year	4,414	6,221
VI.	Inventories and contracts in progress	24,731	25,869
VII.	Amounts receivable within one year	49,365	59,952
VIII.	Cash investments	1,398	1,398
IX.	Cash	6	5
X.	Deferred charges and accrued income	968	1,682
TOTAL ASSETS		**606,613**	**478,386**
LIABILITIES			
I.	Capital	139,909	139,357
II.	Share premium account	132,087	131,267
III.	Revaluation surplus	2,551	2,551
IV.	Reserves	17,578	15,046
V.	Profits (losses) brought forward	99,659	52,133
VI.	Investment grants	0	0
VII.	A. Provisions for liabilities and charges	4,845	6,518
	B. Deferred taxes	0	0
VIII.	Amounts payable after one year	50,579	8,838
IX.	Amounts payable within one year	153,130	115,344
X.	Accrued charges and deferred income	6,474	7,332
TOTAL EQUITY AND LIABILITIES		**606,613**	**478,386**

in thousand EUR

Group Recticel		31 Dec 2021	31 Dec 2020
PROFIT AND LOSS ACCOUNT			
I.	**Operating revenues**	**392,326**	**323,804**
II.	Operating charges	(354,866)	(318,913)
III.	**Operating profit (loss)**	**37,460**	**4,892**
IV.	Financial income	53,817	5,591
V.	Financial charges	(24,215)	(14,723)
VI.	**Profit (loss) for the year before taxes**	**67,062**	**(4,240)**
VII.	Income taxes	(774)	(177)
VIII.	**Profit (loss) for the year after taxes**	**66,289**	**(4,417)**
IX.	Transfer to untaxed reserves	0	0
X.	**Profit (loss) for the period available for appropriation**	**66,289**	**(4,417)**

The management report of the Board to the Annual General Meeting of Shareholders and the Statutory Financial Statements of Recticel NV/SA, as well as the auditor's report, will be filed with the National Bank of Belgium within the statutory periods. These documents are available on www.recticel.com and can be requested free of charge. The statutory auditor's report is unqualified and certifies that the non-Consolidated Financial Statements of Recticel NV/SA for the year ended 31 December 2021 gives a true and fair view on the financial position and results of the company in accordance with all legal and regulatory dispositions. The statutory annual accounts of Recticel NV/SA as well as the statutory report by the Board of Directors, is freely available on the company's web site **www.recticel.com**.

Profit appropriation policy

The General Shareholders Meeting decides on the appropriation of the profit available for the distribution of a dividend based upon a proposal by the Board of Directors. The Board of Directors intends to propose to pay out a stable or gradually increasing annual dividend, considering the following elements:

- proper compensation for the shareholders
- retention of adequate self-financing capacity to enable investment in value creation opportunities.

The Board of Directors decided to present the following appropriation of the results to the General Meeting:

		in EUR
Group Recticel		
Profit/(Loss) for the financial year		66,288,524.25
Profit/(Loss) brought forward from previous year	+	52,132,613.10
Profit/(Loss) to be added to legal reserves	-	2,532,517.81
Profit/(Loss) to be added to other reserves	-	0.00
Result to be appropriated	=	115,888,619.54
Gross dividend[1]	-	16,229,391.80
Profit to be carried forward	=	99,659,227.74

1 Gross dividend per share of EUR 0.29, resulting in a net dividend after tax of EUR 0.203 per ordinary share.

Risk factors and risk management

Assisted in its work by the Audit Committee, the Board of Directors determines the Group's risk management policy, taking the significance of the general corporate risks that it is prepared to accept into account.

Business and management imply dealing with external and internal uncertainties. These uncertainties imply that decisions intrinsically involving potential risks are constantly being taken at all levels. For this reason, and also because a company must be able to achieve its objectives, it is important to outline, assess, quantify and grade corporate risks as precisely as possible. An appropriate, adapted risk management system that can also draw on efficient monitoring mechanisms and best practices must avoid any adverse effects of potential risks on the company and its value or at least control or minimise those effects.

RISK FACTORS

The items dealt with below are the most relevant risk factors for the Recticel Group, as defined during the assessment process described above.

1. The Group's investment programs are subject to the risk of delays, cost overruns and other complications, and may not achieve the expected returns

The Group's businesses are, and will continue to be, capital-intensive. A number of its plants have operated for many years, and a large part of the Group's capital expenditures relate to the repair, maintenance and improvement of these existing facilities.

The Group's investments programs in the field of repair, maintenance and improvements of its existing equipment and facilities are subject to the risk of incorrect or inadequate evaluation. As a result, these investment programs may suffer from delays or other complications and may not achieve the return projected at the beginning of such programs. Furthermore, the Group's actual expenditures may ultimately reveal to be higher than budgeted for various reasons beyond its control. Such cost increases may be material and may have a material adverse effect on its business, financial condition, operating results and cash flows.

2. Price volatility of major chemicals

As a producer and converter of polyurethane foam and other products, the Group is sensitive to fluctuations in the prices of chemical raw materials, in particular those chemical raw materials used for the production of polyurethane. The main chemical raw materials used by the Group are polyols and isocyanates (TDI and MDI). Although these base materials are petroleum derivatives, and hence follow the evolution of the oil price, their price evolution may differ from that of petroleum products on the global market. Excess volatility of raw materials prices or their scarcity or shortage may have a negative effect on Recticel's results and financial situation.

Chemical raw materials represent, on average, nearly 55% of the cost of sales of the Group's finished products (continuing operations and discontinued activities). For certain flexible foam and insulation applications, this share is even higher.

These raw materials are purchased on the open market. The Group has to date not hedged its commodity risk.

The purchase of chemical raw materials is centralised, and the relevant central department negotiates the supply contracts. The centralised approach allows better negotiation power and continuous optimisation.

Although the Group monitors raw material price developments and tries to reflect price increases in its sales prices when appropriate, ultimately the extent to which such increased chemical raw material prices can be charged to customers depends on the commercial negotiations with customers and competition on the market. There may be periods of time in which the Group is not able to timely or fully recover increases in the cost of chemical raw materials due to weakness in demand for its products or the actions of its competitors. On the other hand, during periods in which market prices of Group's chemical raw materials fall, the Group may face demands from its customers to reduce its prices or experience falls in demand for its products while customers delay orders in anticipation of price reductions.

3. The Group may be subject to the risk of not identifying an M&A opportunity or not being able to afford it

Making acquisitions are an integral part of the Group's growth strategy. There can be no assurance that any of these transactions will be realised or, if realised, will be beneficial to the Group.

The Group continues to explore additional opportunities to implement its strategy which may require substantial investment and subsequent capital expenditures. To date, the Group has been able to fund its capital investment projects through cash generated from its internal operations and debt financing. If the Group's cash flows were reduced or if it were to make further acquisitions, the Group would need to seek to fund its cash requirements through additional debt and equity financing or through asset divestitures.

4. If the Group fails to identify, develop and introduce new products successfully it may lose key customers or product orders and its business could be harmed

In 2021 the Group has been further developing products, such as Thermoflex® in its Business Line Engineered Foams and Lambda 19 Eurowall® Xentro® and Eurofloor Xentro® in its Business Line Insulation.

The Group competes in industries that are changing and becoming more complex. The Group's ability to achieve a successful evolution development of its existing products to new offerings and differentiation of its products requires that accurate predictions of the product development schedule as well as market demand are made. The process of developing new products is complex and often uncertain due to the frequent introduction of new products by competitors. The Group may anticipate demand and market acceptance that differs from the product's realisable customer demand and revenue stream. Furthermore, in the face of intense industry competition, any unanticipated delay in implementing certain product strategies or in the development, production or marketing of a new product could adversely affect the Group's revenues.

The Group invests constantly in the development of new products. These investments are subject to a number of

risks, including: difficulties and delays in the development, production, testing and marketing of products; customer acceptance of products; resources to be devoted to the development of new technology; and the ability to differentiate the Group's products and compete with other companies which are active in the same markets.

The Group's ability to generate future revenue and operating income depends upon, among other factors, its ability to timely develop products that are suitable for manufacturing in a cost-effective manner and that meet defined product design, technical and performance specifications.

All these factors could have a material adverse impact on the Group's business, operations and financial results.

5. The Group may be subject to misconduct by its employees and managers or third-party contractors

The Group may be subject to misconduct by its employees and managers or third-party contractors, such as theft, bribery, sabotage, violation of laws or other illegal actions and may be exposed to the risk of stoppages by third parties, such as transport companies. Any such misconduct may lead to fines or other penalties, slow-downs in production, increased costs, lost revenues, increased liabilities to third parties, impairment of assets or harmed reputation, any of which may have a material adverse effect on the Group's operations, business and financial results.

The Group has developed various internal initiatives to limit the risk of misconduct of its own employees and managers. These initiatives include the reinforcement of the internal audit function, the setting up of a Compliance Committee whose role is to investigate matters reported to it, as well as the organisation, on a regular basis, of various internal training sessions for employees aimed at increasing awareness on compliance. However, there can be no assurance that such initiatives will result in effectively preventing any misconduct by its employees and managers.

Furthermore, such initiatives are not aimed at third party contractors, as a result of which the Group relies on the third-party contractors' capacity to prevent misconduct by their own employees and managers.

6. Evaluation of projects and investments

The Group may be subject to the risk that an innovation project fails and that the innovation investments do not achieve the target to contribute to a sustainable revenue growth or cost effectiveness, including the risk of not having the right human resources to achieve the incremental changes needed to achieve the innovation strategy.

7. Failure to obtain the needed chemical raw materials

The Group has negotiated yearly or multi-year supply agreements with important suppliers to secure more than half of its yearly supplies of isocyanates. The supply of polyols is for a minority share secured under yearly supply agreements. The Group sources its remaining chemical raw materials essentially from suppliers with whom it has a long-term relationship, but with monthly or quarterly price and volume negotiations.

Notwithstanding the existence of long-term supply agreements for certain chemical raw materials, the risk of a delivery disruption of chemical raw materials cannot be excluded. Such delivery disruptions may result from, amongst others, a major accident or incident in a supplier's processing plant, transportation problems or any other fact or circumstance that can give rise to a force majeure situation. In such case, there can be no assurance that the Group can source alternative supplies of chemical raw materials on a timely basis and at acceptable conditions or at all, which could have a material adverse impact on the Group's business, operations and financial results.

Neither can it be excluded that a decrease in volumes of raw material procurement (i.e. due to market trends) could have an impact on raw material prices or that it could incite suppliers to end their supplies to the Group, the latter scenario forcing the Group to search for other suppliers, which may not be available on a timely basis or at an acceptable conditions or at all. This could have a material adverse impact on the Group's business, operations and financial results.

8. Safety, health and the environment - new regulations and its impacts

Due to the nature of its activities, the Recticel Group is exposed to environmental risks. The Group uses potentially hazardous products (chemicals and the like) as part of its development activities and manufacturing processes. Pollution can never be ruled out. The Group prevents pollution by adopting appropriate industrial policies. Scenarios precisely outlining the modus operandi for tackling this type of crisis and managing the consequences thereof have been circulated throughout the organisation.

It goes without saying that the handling of these same products constitutes a health risk for staff, customers and any other visitor, particularly in the event of failure to comply with the safety rules issued by Recticel.

Due to new regulations, the Group may face the risk that these new regulations may have a significant negative business impact.

Failure to comply with the various laws and regulations governing the Group's activities is likely to have a negative impact on these activities and invoke its liability.

These activities are particularly subject to various environmental laws and regulations that are likely to expose the Group to major compliance costs or legal proceedings.

The Group further operates in some countries in old industrial sites, already operational at a time when no or insufficient environmental legislation was in place, potentially leading to historic pollution, for which the Group may be held liable leading to important compliance or clean-up costs.

Furthermore, the Group may incur other major costs following the non-fulfilment of its contractual obligations or also in cases where the negotiated contractual provisions in place prove to be insufficient, or even inadequate.

9. The risk that the importance of certain stakeholders is underestimated when making strategic decisions

The Group is exposed to the risk that the importance of certain stakeholders is underestimated when making important strategic decisions for the Group. This could lead to resistance and put at risk the implementation of the strategy.

10. Risks relating to not fully analysing the investment decisions
The Group may face difficulties if investment decisions have not been fully analysed and as such lead to unsuccessful investments not reaching the initial objectives, as well as the risk that investment capacity is absorbed by one business unit, not leaving sufficient investment fund for more profitable investments in other business segments.

11. Risks relating to sub-optimal execution of transactions
The Group is subject to the risk of a suboptimal execution of transactions due to the lack of preparation, communication and/or project management. Although the Group has developed M&A guidelines, there is no assurance that these risks will not materialise, and if so, this might have a material adverse effect on the Group's operations, business and financial results.

12. The Group's results may be substantially affected by general macroeconomic trends and the level of activity in its industries
The Group is exposed to the risks related to an economic recession. Economic factors outside of the Group's control (including slowing economic growth, particularly in Europe where the Group realises approximately 88% of its consolidated turnover, inflation or deflation or fluctuations in interest and foreign currency exchange rates) could affect the Group's financial results and prospects.
There is a risk that certain markets in which the Group is active will experience economic decline or a prolonged period of negligible growth in the future. The current uncertainty about economic recovery and the pace of growth may negatively affect the level of demand from existing and prospective customers. Additional factors which may influence customer demand include access to credit, budgetary constraints, unemployment rates and consumer confidence.

13. Product liability
The Group produces and sells both semi-finished and finished consumer durable goods. In both cases, the Group is exposed to any complaints relating to product liability. Recticel tries to offset or limit these risks by means of product guarantees provided for in the conditions of sale and through the application of a strict quality control system. To protect itself from the adverse effects of product liability, the Group has put in place general and product-specific insurance policies.

14. The implementation of the Group's business strategy is dependent on its ability to attract and retain qualified personnel
The Group's ability to maintain its competitive position and to implement its business strategy will largely depend on its ability to attract and retain skilled personnel and management. The loss or diminution in the services of skilled employees and management, or difficulties in recruiting or retaining them, could have a material adverse effect on the Group's operations, business and financial results. Competition for personnel with relevant expertise is intense due to the relatively small number of qualified individuals, and the Group may have difficulties in obtaining or enforcing non-compete obligations from its skilled personnel and management, all of which may seriously affect the Group's ability to retain existing skilled employees and management and attract additional qualified personnel. If the Group were to experience difficulties in recruiting or retaining qualified personnel, this could have a material adverse effect on the Group's operations, business and financial results.

15. Brexit
The turnover of the Group in the UK represents 18% of total consolidated sales. The products the Group sells in the UK are mainly produced locally. The direct impact of Brexit concerns (i) the import of chemical raw materials necessary for local production, as these raw materials are not available in the UK, and (ii) a currency exchange rate risk. The Brexit treaty concluded in 2020 between the European Union and the United Kingdom has led to the elimination of possible risks with regard to the supply of raw materials.

16. COVID-19 (Corona virus)
In the preparation of the consolidated financial statements for the year ended 31 December 2021, management considered the current economic environment and the impact of COVID-19. Despite the negative impact on the performance and cash flows during 1H2021 on the Bedding division, Recticel maintains a solid financial and liquidity position and meets its financial covenants. As such, management concluded the company is able to continue as a going concern with no long-term impact from COVID-19

17. Climate change
The Group's operations are generally speaking not energy intensive. Consequently, Recticel's activities and products have a limited negative impact on the emission of greenhouse gases. Moreover, this is overcompensated by Recticel's Insulation activities, that produce high-performance thermal insulation boards which over their product lifetime substantially overcompensate any negative impact on climate change from the Group's operations. Going forward, Recticel will become an even more "green company" as its insulation products will reduce the impact of heating buildings; hence it positively mitigates impact on climate change.

18. Russia-Ukraine conflict
Currently Recticel has no local operations in Russia and Ukraine. Neither does Recticel export to Russia and Ukraine. Consequently, there is no direct impact observed nor to be expected.
However, it is not excluded that future operations and business are affected indirectly by the conflict. These indirect impacts may come from supply issues, an inflationary macro-economic environment, credit risks on customers and increasing financing costs. It is expected that these eventual impacts on operations and financial position should remain limited for the Group.

RISK MONITORING

Operational and industrial risks are usually covered by centrally managed insurance contracts. The conditions governing these contracts are reviewed on a regular basis. Recticel owns a reinsurance subsidiary, whose principal task consists of reinsuring the Group's own risk associated with the excesses that are payable by the Group under external insurance policies.

The risks and uncertainties for which provisions have been raised in accordance with IFRS rules are explained under the heading 2.4.2.5.14. of the financial section of the annual report. More precisely, these are provisions for litigation, product guarantees, environmental risks and reorganisation charges.

Recticel's Internal Audit Department is involved in implementing control procedures in the broadest sense and ensures that they are complied with. It also plays a major role in the permanent monitoring of corporate risks and contributes to the basic considerations regarding these risks in the Group.

Declaration by the responsible officers

We hereby certify that, to the best of our knowledge, the Consolidated Financial Statements as of 31 December 2021, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and with legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings 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 Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Mr Johnny Thijs (Chairman of the Board of Directors)

Mr Olivier Chapelle (Chief Executive Officer)

Mr Dirk Verbruggen (Chief Financial Officer)

Auditor's report on the consolidated financial statements for the year ending 31 December 2021

Recticel NV/SA

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2021

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF RECTICEL NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Recticel NV (the "Company") and its subsidiaries (jointly "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. 25 May 2021, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2023. We have performed the statutory audit of the Company's consolidated accounts for 1 year.

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 2021, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in shareholders' equity and the consolidated cash flow 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 EUR '000 1,055,739 and a result of the period after taxes – continuing and discontinued operations (share of the Group) of EUR '000 53,522.

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 2021, 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.

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL - Financial Assurance Services
Maatschappelijke zetel/Siège social: Culliganlaan 5, B-1831 Diegem
Vestigingseenheid/Unité d'établissement: Sluisweg 1 bus 8, B-9000 Gent
T: +32 (0)9 268 82 11, F: +32 (0)9 268 82 99, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated accounts of the current period. These matters were 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.

Discontinued operations Bedding activities - Note 2.4.2.4.7

Description of key audit matter

On 18 November 2021 Recticel entered into a binding agreement with Aquinos Group for the sale of its Bedding Activities. At the special shareholders meeting on 24 December 2021 all proposed resolutions regarding the sale of the Bedding business line to Aquinos were approved. The Sales and Purchase Agreement ("SPA") was signed on 28 December 2021. The business generated sales of EUR 208,6 million for the year ending 31 December 2021 and represents disposed net assets of EUR 65,1 million as of 31 December 2021. The transaction was expected to be closed during the first quarter of 2022. Based on these considerations, management determined the criteria of IFRS 5 were met and the activities should be presented as discontinued operations at 31 December 2021. We considered the accounting treatment in the financial statements of this event as a key audit matter taking into account:

- the size and complexity of the transaction including management's judgement applied to identify the discontinued assets, liabilities and operations partly carved out from legal companies active in other continuing activities at Recticel;
- the appropriate application of IFRS 5, in particular the classification in accordance with the requirements of IFRS and the measurement of the assets and liabilities at the lower of fair value less costs to sell or their carrying amounts.

The discontinued assets and liabilities, the consolidated income statement and the consolidated cash flows from discontinued operations are disclosed in Note 2.4.2.4.7 Discontinued operations of the consolidated accounts.

How our audit addressed the key audit matter

We read and reviewed the executed agreements, minutes of boards of directors and shareholders to evaluate and determine the appropriate treatment of the transaction in accordance with the requirements of IFRS 5. Moreover, we held meetings and performed inquiries with management to obtain an understanding of the disposal process as well as of the executed agreements.

We performed procedures to verify completeness and accuracy of the assets, liabilities and results presented as discontinued operations, including measurement in accordance with IFRS 5. Our procedures include but are not restricted to:

- reconciling the reclassified assets, liabilities and results to the business unit reporting available in the entity's financial reporting system;
- validating of assumptions taken on carved out assets, liabilities and net results as part of the discontinued operations from legal companies also active in other continuing activities at Recticel based on audit evidence obtained;
- reviewing and challenging management's estimate of the disposal gain;
- evaluating the adequacy of the disclosure (Note 2.4.2.4.7) of this disposal in the consolidated accounts.

Our findings

We agree with management's position that the IFRS 5 criteria were met as of 31 December 2021. We found the methodologies and the assumptions applied in respect of the reclassified assets, liabilities and results of the discontinued operations and the preliminary estimate of the disposal gain to be in line with our expectations and the SPA. We consider the disclosure on the discontinued operations as appropriate.

The acquisition of FoamPartner - Note 2.4.2.4.8

Description of key audit matter

The acquisition of FoamPartner Group was of most significance to our audit due to the size and significant judgments and assumptions involved in the purchase price allocation of CHF 270 million (EUR 250,3 million), mainly in relation to step ups on the valuation of property, plant, equipment and the recognition of intangible assets such as customer list, contracts and technology related intangible assets. As disclosed in Note 2.4.2.4.8 'Business Combinations' no goodwill or badwill was recognised.

How our audit addressed the key audit matter

With respect to the accounting for the FoamPartner's acquisition, we have, amongst others,

- read the share purchase agreement, confirming the correct accounting treatment has been applied and appropriate disclosure has been made;
- assessed the valuation and accounting for the consideration payable and traced payments to bank statements;
- tested the identification and valuation of the assets and liabilities Recticel acquired, including any GAAP and fair value adjustments;
- assessed and challenged the valuation assumptions used in the calculations such as discount rates amongst others based on external evidence. In doing so we have utilized valuation specialists to assist with the audit of the identification and valuation of the assets and liabilities acquired;
- we also assessed the adequacy of the disclosures in Note 2.4.2.4.8.

Our findings

We found the methodologies and the assumptions applied to be in line with our expectations, and the acquisition accounting and related disclosure in line with the share purchase agreement.

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 judgment and maintain professional skepticism 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 the reference framework Global Reporting Initiative (GRI) 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 (GRI) 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 itemized in the notes to the consolidated accounts.

European Uniform Electronic Format ("ESEF")

In accordance with the standard on the draft verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter "ESEF"), we must verify whether the ESEF format is in accordance 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 "digital 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.

The digital consolidated financial statements have not yet been submitted to us at the date of this report.

If, in our audit of the digital consolidated financial statements, we determine that there is a material misstatement, we will be required to report the matter to the board of directors and request the latter to make any necessary changes. If this does not happen, we will be forced to adjust this report due to the fact that the format of and the marking of information in the digital consolidated financial statements included in the annual financial statements report of Recticel NV conform 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.

Diegem, 28 April 2022

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

Marc Daelman
Réviseur d'Entreprises / Bedrijfsrevisor

General concepts

Isocyanate: Highly reactive substance that easily combines with other substances (such as alcohols).
The structure of these alcohols determines the hardness of the PU-foam

Lambda: Expression of the thermal conductivity of thermal insulation

MDI: Methylene diphenyl diisocyanate

PIR: Abbreviation for polyisocyanurate

Polyisocyanurate: Is an improved version of polyurethane. PIR-foam has an improved dimensional stability, excellent mechanical properties such as compressive strain and is a much stronger fire retardant. PIR is mainly used as thermal insulation

Polyol: Synonym for PU polyalcohol, which is acquired from propylene oxide

Polyurethane: Represents an important group of products within the large family of polymers or plastics. Polyurethane is a generic term for a wide range of foam types

PU or PUR: Polyurethane

SID: Is short for Sustainable Innovation Department, the department for international research and development of the Recticel Group

TDI: Toluene diphenyl diisocyanate

Financial concepts

IFRS measures

Consolidated (data): financial data following the application of IFRS 11, whereby joint ventures and associates are integrated on the basis of the equity method.

Alternative Performance Measures

In addition, the Group uses alternative performance measures (Alternative Performance Measures or "APM") to express its underlying performance and to help the reader to better understand the results. APM are not defined performance indicators by IFRS. The Group does not present APM as an alternative to financial measures determined in accordance with IFRS and does not give more emphasis to APM than the defined IFRS financial measures.

Adjusted EBITDA: EBITDA before Adjustments (to Operating Profit)

Adjusted operating profit (loss): Operating profit (loss) + adjustments to operating profit (loss)

Adjustments to Operating profit (loss): include operating revenues, expenses and provisions that pertain to restructuring programmes (redundancy payments, closure & clean-up costs, relocation costs,...), reorganisation charges and onerous contracts, impairments on assets ((in) tangible assets and goodwill), revaluation gains or losses on investment property, gains or losses on divestments of non-operational investment property, and on the liquidation of investments in affiliated companies, revenues or charges due to important (inter)national legal issues and costs of advisory fees incurred in relation to acquisitions or business combination projects, costs of advisory fees incurred in relation to acquisitions, divestments or business combination projects, including fees incurred in connection with their financing and reversals of inventory step up values resulting from purchase price allocations under IFRS 3 Business Combinations.

Current ratio: Current assets / Current liabilities

EBITDA: Operating profit (loss) + depreciation, amortisation and impairment on assets; all of continuing activities

Gearing: Net financial debt / Total equity

Income from associates: income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsafoam

Income from other associates: income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat and Ascorium (formerly Automotive Interiors)

Leverage: Net financial debt / EBITDA (last 12 months)

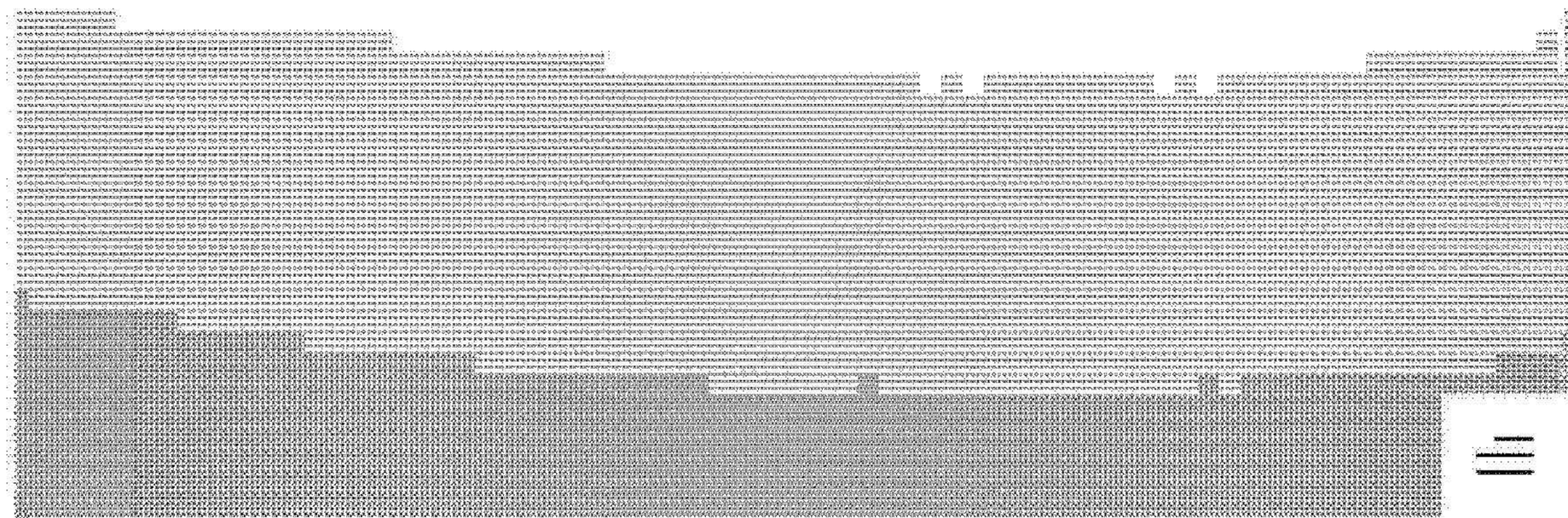
Net free cash-flow: the sum of the (i) Net cash flow after tax from operating activities, (ii) the Net cash flow from investing activities, (iii) the Interest paid on financial liabilities and (iv) reimbursement of lease liabilities; as shown in the consolidated cash flow statement.

Net financial debt: Interest bearing financial liabilities and lease liabilities at more than one year + interest bearing financial liabilities and lease liabilities within maximum one year + accrued interests – cash and cash equivalents + Net marked-to-market value position of hedging derivative instruments. The interest-bearing borrowings do not include the drawn amounts under non-recourse factoring/forfeiting programs

Net working capital: Inventories and contracts in progress + Trade receivables + Other receivables + Income tax receivables – Trade payables – Income tax payables – Other amounts payable

Operating profit (loss): Profit before income from other associates, fair value adjustments of option structures, earnings of discontinued activities, interests and taxes. Operating profit (loss) comprises income from associates of continuing activities.

Total net financial debt: Net financial debt + the drawn amounts under off-balance sheet non-recourse factoring programs



Key figures 2013 - 2021

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013
ASSETS									
Intangible assets	34,945	14,806	14,306	12,045	12,323	12,104	13,411	12,384	11,954
Goodwill	13,721	24,139	24,412	23,354	24,169	25,073	25,888	24,949	24,610
Property, plant & equipment	313,406	173,000	227,617	232,541	226,783	216,207	209,681	202,733	204,614
Right-of-use assets	62,603	75,377	105,110	0	0	0	0	0	0
Investment property	7,564	3,331	3,331	3,289	3,331	3,331	3,331	3,306	3,330
Investments in joint ventures and associates	12,709	12,351	65,465	68,631	76,241	82,389	73,196	73,644	72,507
Financial investments	10,381	11,030	580	63	64	71	30	160	161
Available for sale investments	0	0	0	728	603	410	1,015	771	275
Non-current contract assets	**0**	**0**	**11,138**	**15,655**	**0**	**0**	**0**	**0**	**0**
Non-current receivables	18,730	25,760	25,802	15,326	14,804	13,860	13,595	13,373	10,973
Deferred tax	46,845	25,298	24,108	20,468	26,241	37,820	43,272	46,834	48,929
Non-current assets	520,884	365,092	501,869	392,099	384,559	391,265	383,419	378,154	377,353
Inventories and contracts in progress	112,897	90,833	101,797	103,789	99,408	91,900	93,169	96,634	94,027
Trade receivables	141,596	102,726	99,117	107,680	110,935	101,506	83,407	78,109	64,516
Current contract assets	0	0	11,300	13,782	0	0	0	0	0
Other receivables and other financial assets	15,869	57,929	32,667	55,227	73,373	69,561	55,327	49,597	46,358
Income tax receivables	4,660	1,452	1,448	5,587	1,350	1,441	2,061	504	3,851
Available for sale investments	0	170	154	138	123	107	91	75	60
Cash and cash equivalents	118,367	79,255	48,479	37,733	57,844	37,174	55,967	26,163	26,237
Discontinued assets	141,466	1,300	5,638	19,201	2,570	0	3,209	8,569	0
Current assets	**534,855**	**333,665**	**300,600**	**343,137**	**345,603**	**301,689**	**293,231**	**259,651**	**235,049**
Total assets	**1,055,739**	**698,757**	**802,469**	**735,236**	**730,162**	**692,954**	**676,650**	**637,805**	**612,402**

in thousand EUR

Group Recticel	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013
LIABILITIES									
Capital	*139,909*	139,357	138,494	138,088	136,941	135,156	134,329	74,161	72,388
Share premium	132,087	131,267	130,334	129,941	127,982	126,071	125,688	108,568	107,042
Share capital	**271,996**	**270,624**	**268,828**	**268,009**	**264,923**	**261,227**	**260,017**	**182,729**	**179,410**
Treasury shares	(1,450)	(1,450)	(1,450)	(1,450)	(1,450)	(1,450)	(1,450)	(1,735)	(1,735)
Retained earnings	*116,739*	76,273	25,606	20,422	18,235	7,425	2,582	1,768	27,364
Hedging and translation reserves	(4,270)	(11,372)	(18,288)	(22,003)	(19,922)	(15,997)	(12,189)	(16,599)	(18,279)
Elements of comprehensive income of discontinued operations	7,367	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Equity before non-controlling interests	**389,782**	**334,075**	**274,696**	**264,978**	**261,786**	**251,205**	**248,960**	**166,163**	**186,760**
Non-controlling interests	1,524	705	701	0	0	0	0	0	0
Total equity	**391,306**	**334,780**	**275,397**	**264,978**	**261,786**	**251,205**	**248,960**	**166,163**	**186,760**
Employee benefit liabilities	39,135	52,342	57,860	48,055	54,295	50,979	49,581	54,548	44,557
Provisions	21,993	18,979	6,905	13,775	14,266	13,208	11,505	7,301	8,149
Deferred tax	*36,229*	12,173	10,023	9,650	9,113	10,116	9,505	8,907	8,203
Non-current financial liabilities	*208,505*	70,426	100,334	34,706	96,080	97,049	40,363	142,135	98,834
Other amounts payable	25	26	43	202	230	183	226	6,810	444
Non-current contract liabilities	*0*	0	20,339	24,096	0	0	0	0	0
Non-current liabilities	**305,887**	**153,946**	**195,504**	**130,484**	**173,984**	**171,535**	**111,180**	**219,701**	**160,187**
Employee benefit liabilities	0	0	0	4,720	3,978	4,168	2,370	2,205	1,809
Provisions	3,388	1,598	5,759	3,116	1,155	1,780	4,566	4,687	6,732
Current financial liabilities	59,064	14,403	117,415	88,200	48,988	50,147	114,675	52,798	66,181
Trade payables	120,247	88,923	93,008	90,756	126,584	102,929	94,276	96,373	81,720
Current contract liabilities	9,081	15,183	32,832	44,964	0	0	0	0	0
Income tax payables	4,466	1,045	1,229	3,061	2,411	2,291	2,463	414	3,086
Deferred payables for share investments	*16,749*	*0*	*0*	*0*	*0*	0	0	0	0
Other amounts payable	*66,885*	88,879	81,325	104,957	111,276	108,899	98,160	95,464	105,927
Discontinued liabilities	*76,668*	0	0	0	0	0	0	0	0
Current liabilities	**358,546**	**210,031**	**331,568**	**339,774**	**294,392**	**270,214**	**316,510**	**251,941**	**265,455**
Total liabilities	**1,055,739**	**698,757**	**802,469**	**735,236**	**730,162**	**692,954**	**676,650**	**637,805**	**612,402**

in thousand EUR

Group Recticel	2021	2020	2019	2018	2017	2016	2015	2014	2013
INCOME STATEMENT (as published)									
Sales	1,032,795	828,792	1,038,517	1,117652	1,135,353	1,046,323	1,033,762	983,367	976,763
Cost of sales	(845,405)	(671,762)	(847,460)	(916,029)	(951,818)	(847,215)	(839,321)	(811,160)	(809,850)
Gross profit	**187,390**	**157,030**	**191,057**	**201,623**	**183,535**	**201,108**	**194,441**	**172,207**	**166,913**
General and administrative expenses	(68,733)	(57,949)	(73,581)	(70,582)	(76,428)	(79,395)	(76,723)	(72,299)	(74,397)
Sales and marketing expenses	(44,892)	(60,624)	(72,743)	(72,593)	(69,537)	(72,031)	(77,123)	(73,257)	(64,532)
Research and development expenses	(9,186)	(9,281)	(11,599)	(11,042)	(13,724)	(12,890)	(12,537)	(13,277)	(14,177)
Impairments	(27)	(2,440)	(1,821)	(5,819)	(7,009)	(1,672)	(983)	(688)	(3,365)
Other operating result	(20,391)	(13,589)	(3,456)	(8,850)	27,632	(12,828)	(10,714)	(12,869)	(31,766)
Income from joint ventures and associates	371	703	9,271	10,170	2,390	16,927	6,674	9,966	439
Operating profit (loss)	**46,532**	**13,850**	**37,148**	**42,947**	**44,861**	**39,219**	**23,235**	**8,783**	**(20,885)**
Interest income and expenses	(5,773)	(3,420)	(6,986)	(3,272)	(6,460)	(8,095)	(9,554)	(10,031)	(9,405)
Other financial income and expenses	1,235	(1,724)	(1,241)	(614)	1,718	(3,633)	(2,968)	(2,799)	(1,940)
Financial result	**(4,538)**	**(5,144)**	**(8,227)**	**(3,886)**	**(4,742)**	**(11,728)**	**(12,522)**	**(12,830)**	**(11,345)**
Results of other associates	(6,864)	(10,212)	0	0	0	0	0	0	0
Result of the period before taxes	**35,130**	**(1,506)**	**28,921**	**39,061**	**40,119**	**27,491**	**10,713**	**(4,047)**	**(32,230)**
Income taxes	14,335	(4,025)	(4,203)	(10,212)	(16,206)	(11,161)	(6,170)	(5,702)	(3,908)
Result of the period after taxes - continuing operations	**49,465**	**(5,531)**	**24,718**	**28,849**	**23,913**	**16,330**	**4,543**	**(9,749)**	**(36,138)**
Result of the period after taxes - discontinued operations	4,876	68,686	0	0	0	0	0	0	0
Result of the period after taxes - continuing and discontinued operations	**54,341**	**63,155**	**24,718**	**28,849**	**23,913**	**16,330**	**4,543**	**(9,749)**	**(36,138)**
of which share of minority interests	*819*	*4*	*(44)*	*0*	*0*	*0*	*0*	*0*	*0*
of which share of the Group	*53,522*	*63,151*	*24,762*	*28,849*	*23,913*	*16,330*	*4,543*	*(9,749)*	*(36,138)*

Colofon
Recticel NV/SA
Bourgetlaan 42 Avenue du Bourget
B-1130 Brussels
www.recticel.com

This report is available in English and Dutch.
Dit verslag is beschikbaar in het Nederlands en het Engels.

In case of textual contradictions between the English and the Dutch version the first shall prevail.

RECYCLED
Made from recycled material
FSC® C008551