



STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF BALTA GROUP NV ON THE ANNUAL 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 annual accounts of Balta Group NV (the "Company"). This report includes our report on the annual 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. 26 May 2020, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company's annual accounts for 5 consecutive years.

Report on the annual accounts

Unqualified opinion

We have performed the statutory audit of the Company's annual accounts, which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and the notes to the annual accounts, characterised by a balance sheet total of EUR 295.906.893 and a profit and loss account showing a loss for the year of EUR 176.641.389.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2021, and of its results for the year then ended, in accordance with the financial-reporting framework 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 annual 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 annual accounts in Belgium, including the requirements related to independence.

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

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

Key audit matter

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



Impairment testing on participations in affiliated companies

Description of the key audit matter

The participations in affiliated companies of Balta Group NV as at 31 December 2021 consist of a participation in LSF9 Balta Issuer S.à.r.l. for an amount of EUR 292,170,000.

We consider the impairment testing of participations in affiliated companies as most significant to our audit because of the fact that these participations represent a substantial amount of the total assets. Additionally, such impairment assessment involves significant judgement by management with respect to the future results and cash flow generation of the underlying entity. In accordance with art 3:44 §2 of the RD of 29 April 2019, a write down needs to be accounted for in case of a permanent reduction in value.

How our audit addressed the key audit matter

For the evaluation of the impairment testing on the participation in LSF9 Balta Issuer S.à.r.l, we have obtained management's assessment whereby the value in use has been considered.

In evaluating management's impairment assessment, we focused on the reasonableness and impact of key assumptions including cash flow forecasts of LSF9 Balta Issuer S.à.r.l and its subsidiaries, discount rate, long term growth rate of revenue and EBITDA margin.

In assessing the reasonableness of the assumptions used by management we involved our internal valuation experts. Additionally, we have assessed whether the valuation models used have been consistently applied as part of the overall financial closing process.

Whilst recognizing that cash flow forecasting and impairment assessment are all inherently judgmental, we found that the assumptions used by management, in evaluating whether a permanent reduction in value exists, are reasonable.

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

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.



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

Our objectives are to obtain reasonable assurance about whether the annual 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 annual accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the annual accounts in Belgium. A statutory audit does not provide any assurance as to the Company's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management. 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 annual 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 Company'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 Company'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 annual 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 Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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 annual 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, of the documents required to be deposited by virtue of the legal and regulatory requirements as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' and Associations' Code and the Company's articles of association.

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, certain documents required to be deposited by virtue of legal and regulatory requirements, as well as compliance with the articles of association and of certain requirements of the Companies' and Associations' Code, and to report on these matters.

Aspects related to the directors' report

In our opinion, after having performed specific procedures in relation to the directors' report, the directors' report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report 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.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the annual accounts.



Other statements

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code that we have to report to you.
- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.
- We have evaluated the property effects resulting from the decision of the board of directors dated 9 March 2021 as described in section "6. Corporate governance statement" included in the directors' report and we have no remarks to make in this respect.

Ghent, 21 April 2022

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

Peter Opsomer

Peter Opsomer
Réviseur d'Entreprises / Bedrijfsrevisor

40				1	EUR	
NAT.	Filing date	N°. 0671.974.626	P.	U.	D.	C-cap 1

ANNUAL ACCOUNTS AND OTHER DOCUMENTS TO BE FILED IN ACCORDANCE WITH THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

IDENTIFICATION DETAILS (at the filing date)

NAME: **BALTA GROUP**

Legal form: **Public limited liability company**

Address: **Wakkensteenweg**

N°. **2**

Postal code: **8710**

Town: **Wielsbeke**

Country: **Belgium**

Register of legal persons - commercial court: **Gent, Division Kortrijk**

Website ¹:

Company registration number **0671.974.626**

DATE **1/07/2020** of filing the most recent document mentioning the date of publication of the deed of incorporation and of the deed of amendment of the articles of association.

ANNUAL ACCOUNTS **IN EURO** ²

approved by the general meeting of **25/05/2022**

regarding the period from **1/01/2021** to **31/12/2021**

Preceding period from **1/01/2020** to **31/12/2020**

The amounts for the preceding period are / ~~are not~~ ³ identical to the ones previously published.

Total number of pages filed: **33** Numbers of the sections of the standard model form not filed because they serve no useful purpose: 6.1, 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5, 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.3.6, 6.4.2, 6.4.3, 6.5.2, 6.6, 6.8, 6.17, 6.20, 7, 8, 9, 10, 11, 12, 13, 14, 15

Signature
(name and position)
Ragoucy Cyrille
CEO - Managing Director

Signature
(name and position)
Kolbeck Michael
Director

¹ Optional mention.

² If necessary, change to currency in which the amounts are expressed.

³ Strike out what does not apply.

**LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS AND
DECLARATION REGARDING A COMPLIMENTARY REVIEW OR
CORRECTION ASSIGNMENT**

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and town) and position within the company

RAGOUCY Cyrille

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Delegated director

Mandate : 16/06/2017- 28/05/2025

FRYZUK Jeremy

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 29/05/2017- 28/05/2025

KOLBECK Michael

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 1/03/2017- 28/05/2025

ACCELIUM PLLC 0675.830.177

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 16/06/2017- 28/05/2025

Represented by :

1. VANDEN ABEELE Nicolas

Wakkensteenweg 2 , 8710 Wielsbeke, Belgium

HEDGER Sarah

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 16/06/2017- 31/12/2021

STRONG Hannah

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 29/05/2017- 28/05/2025

LEBRETON Patrick

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 29/05/2017- 28/05/2025

MORAR Neal

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 1/03/2018- 28/05/2025

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS (continued from previous page)

WIESENFELD Itzhak

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 28/05/2019- 24/05/2023

TEMPLE Vanessa

Wakkensteenweg 2, 8710 Wielsbeke, Belgium

Title : Director

Mandate : 1/01/2022- 28/05/2025

PricewaterhouseCoopers Bedrijfsrevisoren BV 0429.501.944

Culliganlaan 5, 1830 Machelen (Bt.), Belgium

Title : Auditor, Membership number : B00009

Mandate : 27/05/2020- 24/05/2023

Represented by :

1. Opsomer Peter

Blue Tower 1 , box 8, 9000 Gent, Belgium

Revisor, Membership number : A01838

DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

The managing board declares that not a single audit or correction assignment has been given to a person not authorized to do so by law, pursuant to articles 34 and 37 of the law of 22 April 1999 concerning accounting and tax professions.

The annual accounts ~~were~~ / were not * or corrected by an external accountant or by a company auditor who is not the statutory auditor.

If affirmative, should be mentioned hereafter: surname, first names, profession and address of each external accountant or company auditor and their membership number at their Institute, as well as the nature of their assignment:

- A. Bookkeeping of the company **,
- B. Preparing the annual accounts **,
- C. Auditing the annual accounts and/or
- D. Correcting the annual accounts.

If the tasks mentioned under A or B are executed by certified accountants or certified bookkeepers - tax experts, the following information can be mentioned hereafter: surname, first names, profession and address of each certified accountant or certified bookkeeper-tax expert and their membership number at the Institute of Accounting professionals and Tax Experts, as well as the nature of their assignment.

Surname, first names, profession and address	Membership number	Nature of the assignment (A, B, C and/or D)

* Strike out what does not apply.

** Optional mention.

ANNUAL ACCOUNTS

BALANCE SHEET AFTER APPROPRIATION

	Notes	Codes	Period	Preceding period
ASSETS				
FORMATION EXPENSES	6.1	20		
FIXED ASSETS		21/28	<u>292.170.000</u>	<u>468.927.447</u>
Intangible fixed assets	6.2	21		
Tangible fixed assets	6.3	22/27		
Land and buildings		22		
Plant, machinery and equipment		23		
Furniture and vehicles		24		
Leasing and other similar rights		25		
Other tangible fixed assets		26		
Assets under construction and advance payments		27		
Financial fixed assets	6.4 / 6.5.1	28	292.170.000	468.927.447
Affiliated Companies	6.15	280/1	292.170.000	468.927.447
Participating interests		280	292.170.000	468.927.447
Amounts receivable		281		
Other companies linked by participating interests	6.15	282/3		
Participating interests		282		
Amounts receivable		283		
Other financial fixed assets		284/8		
Shares		284		
Amounts receivable and cash guarantees		285/8		

	Notes	Codes	Period	Preceding period
CURRENT ASSETS		29/58	<u>3.736.893</u>	<u>3.060.304</u>
Amounts receivable after more than one year		29		
Trade debtors		290		
Other amounts receivable		291		
Stocks and contracts in progress		3		
Stocks		30/36		
Raw materials and consumables		30/31		
Work in progress		32		
Finished goods		33		
Goods purchased for resale		34		
Immovable property intended for sale		35		
Advance payments		36		
Contracts in progress		37		
Amounts receivable within one year		40/41	3.698.931	3.060.304
Trade debtors		40	3.698.931	3.030.913
Other amounts receivable		41		29.391
Current investments	6.5.1 / 6.6	50/53		
Own shares		50		
Other investments		51/53		
Cash at bank and in hand		54/58	37.962	
Accruals and deferred income	6.6	490/1		
TOTAL ASSETS		20/58	295.906.893	471.987.751

	Notes	Codes	Period	Preceding period
EQUITY AND LIABILITIES				
EQUITY		10/15	294.810.481	471.451.869
Contributions	6.7.1	10/11	326.249.997	326.249.997
Capital		10	260.589.621	260.589.621
Issued capital		100	260.589.621	260.589.621
Uncalled capital ⁴		101		
Beyond capital		11	65.660.376	65.660.376
Share premium account		1100/10	65.660.376	65.660.376
Other		1109/19		
Revaluation surpluses		12		
Reserves		13	147.124.528	147.124.528
Reserves not available		130/1		
Legal reserve		130		
Reserves not available statutorily		1311		
Purchase of own shares		1312		
Financial support		1313		
Other		1319		
Untaxed reserves		132		
Available reserves		133	147.124.528	147.124.528
Accumulated profits (losses)	(+)/(-)	14	-178.564.044	-1.922.656
Capital subsidies		15		
Advance to shareholders on the distribution of net assets ⁵		19		
PROVISIONS AND DEFERRED TAXES				
Provisions for liabilities and charges		160/5		
Pensions and similar obligations		160		
Taxes		161		
Major repairs and maintenance		162		
Environmental obligations		163		
Other liabilities and charges	6.8	164/5		
Deferred taxes		168		

⁴ Amount to be deducted from the issued capital.

⁵ Amount to be deducted from the other components of equity.

	Notes	Codes	Period	Preceding period
AMOUNTS PAYABLE		17/49	1.096.412	535.882
Amounts payable after more than one year	6.9	17		
Financial debts		170/4		
Subordinated loans		170		
Unsubordinated debentures		171		
Leasing and other similar obligations		172		
Credit institutions		173		
Other loans		174		
Trade debts		175		
Suppliers		1750		
Bills of exchange payable		1751		
Advance payments on contracts in progress		176		
Other amounts payable		178/9		
Amounts payable within one year	6.9	42/48	1.096.412	535.882
Current portion of amounts payable after more than one year falling due within one year		42		
Financial debts		43		
Credit institutions		430/8		
Other loans		439		
Trade debts		44	983.979	502.100
Suppliers		440/4	983.979	502.100
Bills of exchange payable		441		
Advance payments on contracts in progress		46		
Taxes, remuneration and social security	6.9	45	112.433	32.955
Taxes		450/3	112.433	32.955
Remuneration and social security		454/9		
Other amounts payable		47/48		827
Accruals and deferred income	6.9	492/3		
TOTAL LIABILITIES		10/49	295.906.893	471.987.751

PROFIT AND LOSS ACCOUNT

	Notes	Codes	Period	Preceding period
Operating income		70/76A	3.097.650	1.951.411
Turnover	6.10	70	3.096.627	1.939.851
Stocks of finished goods and work and contracts in progress: increase (decrease)	(+)/(-)	71		
Produced fixed assets		72		
Other operating income	6.10	74	1.023	11.560
Non-recurring operating income	6.12	76A		
Operating charges		60/66A	2.980.594	1.823.677
Goods for resale, raw materials and consumables		60		
Purchases		600/8		
Stocks: decrease (increase)	(+)/(-)	609		
Services and other goods		61	2.970.640	1.809.926
Remuneration, social security and pensions	(+)/(-) 6.10	62		
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets		630		
Amounts written down on stocks, contracts in progress and trade debtors: additions (write-backs)	(+)/(-) 6.10	631/4		
Provisions for liabilities and charges: appropriations (uses and write-backs)	(+)/(-) 6.10	635/8		
Other operating charges	6.10	640/8	9.954	13.751
Operating charges reported as assets under restructuring costs	(-)	649		
Non-recurring operating charges	6.12	66A		
Operating profit (loss)	(+)/(-)	9901	117.056	127.734

	Notes	Codes	Period	Preceding period
Financial income		75/76B		778
Recurring financial income		75		778
Income from financial fixed assets		750		
Income from current assets		751		
Other financial income	6.11	752/9		778
Non-recurring financial income	6.12	76B		
Financial charges	6.11	65/66B	176.758.336	1.699
Recurring financial charges		65	889	1.699
Debt charges		650	463	1.111
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (write-backs)	(+)/(-)	651		
Other financial charges		652/9	426	588
Non-recurring financial charges	6.12	66B	176.757.447	
Profit (Loss) for the period before taxes	(+)/(-)	9903	-176.641.280	126.813
Transfer from deferred taxes		780		
Transfer to deferred taxes		680		
Income taxes on the result	(+)/(-) 6.13	67/77	109	431
Taxes		670/3	109	431
Adjustment of income taxes and write-back of tax provisions		77		
Profit (Loss) of the period	(+)/(-)	9904	-176.641.389	126.382
Transfer from untaxed reserves		789		
Transfer to untaxed reserves		689		
Profit (Loss) of the period available for appropriation(+)/(-)		9905	-176.641.389	126.382

APPROPRIATION ACCOUNT

		Codes	Period	Preceding period
Profit (Loss) to be appropriated	(+)/(-)	9906	-178.564.045	-1.922.656
Profit (Loss) of the period available for appropriation	(+)/(-)	(9905)	-176.641.389	126.382
Profit (Loss) of the preceding period brought forward	(+)/(-)	14P	-1.922.656	-2.049.038
Transfers from equity		791/2		
from contributions		791		
from reserves		792		
Appropriations to equity		691/2		
to contributions		691		
to legal reserve		6920		
to other reserves		6921		
Profit (loss) to be carried forward	(+)/(-)	(14)	-178.564.044	-1.922.656
Shareholders' contribution in respect of losses		794		
Profit to be distributed		694/7		
Compensation for contributions		694		
Directors or managers		695		
Employees		696		
Other beneficiaries		697		

PARTICIPATING INTERESTS INFORMATION**PARTICIPATING INTERESTS AND OTHER RIGHTS IN OTHER COMPANIES**

The following list mentions the companies in which the company holds a participating interest (recorded in headings 280 and 282 of assets), as well as the companies in which the company holds rights (recorded in headings 284 and 51/53 of assets) for an amount of at least 10% of the capital, the equity or a class of shares of the company.

NAME, full address of the REGISTERED OFFICE and, for an entity governed by Belgian law, the COMPANY REGISTRATION NUMBER	Rights held			Data extracted from the most recent annual accounts				
	Nature	Directly		Subsidiaries	Annual accounts as per	Currency code	Equity	Net result
		Number	%				%	(+) or (-) (in units)
LSF9 Balta Issuer S.à r.l Boulevard F.W. Raiffeisen 15 L-2411 Luxemburg Luxembourg	Registered shares without nominal value	137.848.446	100,00	0,00	31/12/2020	EUR	292.773.768	-106.959

STATEMENT OF CAPITAL AND SHAREHOLDERS' STURCTURE

STATEMENT OF CAPITAL

Capital

Issued capital at the end of the period
 Issued capital at the end of the period

Codes	Period	Preceding period
100P	XXXXXXXXXXXXXXXX	260.589.621
(100)	260.589.621	

Modifications during the period

Composition of the capital
 Share types

Shares without nominal value
 Registered shares
 Shares dematerialized

Codes	Period	Number of shares
	260.589.621	35.943.396
8702	XXXXXXXXXXXXXXXX	
8703	XXXXXXXXXXXXXXXX	35.943.396

Unpaid capital

Uncalled capital
 Called up capital, unpaid
 Shareholders that still need to pay up in full

Codes	Uncalled amount	Called up amount, unpaid
(101)		XXXXXXXXXXXXXXXX
8712	XXXXXXXXXXXXXXXX	

Own shares

Held by the company itself
 Amount of capital held
 Number of shares
 Held by a subsidiary
 Amount of capital held
 Number of shares

Commitments to issuing shares

Owing to the exercise of conversion rights
 Amount of outstanding convertible loans
 Amount of capital to be subscribed
 Corresponding maximum number of shares to be issued
 Owing to the exercise of subscription rights
 Number of outstanding subscription rights
 Amount of capital to be subscribed
 Corresponding maximum number of shares to be issued

Authorised capital not issued

Codes	Period
8721	
8722	
8731	
8732	
8740	
8741	
8742	
8745	
8746	
8747	
8751	260.589.621

Shares issued, non-representing capital

Distribution

Number of shares

Number of voting rights attached thereto

Allocation by shareholder

Number of shares held by the company itself

Number of shares held by its subsidiaries

Codes	Period
8761	
8762	
8771	
8781	

ADDITIONAL NOTES REGARDING CONTRIBUTIONS (INCLUDING CONTRIBUTIONS IN THE FORM OF SERVICES OR KNOW-HOW)

Period

SHAREHOLDERS' STRUCTURE OF THE COMPANY AT YEAR-END CLOSING DATE

As reflected in the notifications received by the company pursuant to article 7:225 of the Belgian Companies and Associations Code, article 14 fourth paragraph of the law of 2 May 2007 on the publication of major holdings and article 5 of the Royal Decree of 21 August 2008 on further rules for certain multilateral trading facilities.

The shareholder structure of Balta Group NV based on the declarations received in the period up to 31 December 2021 and based on the final vesting pursuant to existing Management Incentive Plans with Lone Star entities, is as follows:

Structure of shareholders (€ thousand)	Upon vesting of the MIP* shares	
	Number	%
LSF9 Balta Holdco S.à r.l.	19.408.879	54,00%
Farringdon Capital Management	1.804.095	5,02%
Prime AIFM Lux S.A.	1.798.185	5,00%
Management	383.245	1,07%
Public	12.548.992	34,91%
	35.943.396	100%

*MIP = Management Incentive Plan

STATEMENT OF AMOUNTS PAYABLE AND ACCRUALS AND DEFERRED INCOME (LIABILITIES)

	Codes	Period
BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL MATURITY		
Current portion of amounts payable after more than one year falling due within one year		
Financial debts	8801	
Subordinated loans	8811	
Unsubordinated debentures	8821	
Leasing and other similar obligations	8831	
Credit institutions	8841	
Other loans	8851	
Trade debts	8861	
Suppliers	8871	
Bills of exchange payable	8881	
Advance payments on contracts in progress	8891	
Other amounts payable	8901	
Total current portion of amounts payable after more than one year falling due within one year	(42)	
Amounts payable with a remaining term of more than one year, yet less than 5 years		
Financial debts	8802	
Subordinated loans	8812	
Unsubordinated debentures	8822	
Leasing and other similar obligations	8832	
Credit institutions	8842	
Other loans	8852	
Trade debts	8862	
Suppliers	8872	
Bills of exchange payable	8882	
Advance payments on contracts in progress	8892	
Other amounts payable	8902	
Total amounts payable with a remaining term of more than one year, yet less than 5 years	8912	
Amounts payable with a remaining term of more than 5 years		
Financial debts	8803	
Subordinated loans	8813	
Unsubordinated debentures	8823	
Leasing and other similar obligations	8833	
Credit institutions	8843	
Other loans	8853	
Trade debts	8863	
Suppliers	8873	
Bills of exchange payable	8883	
Advance payments on contracts in progress	8893	
Other amounts payable	8903	
Amounts payable with a remaining term of more than 5 years	8913	

AMOUNTS PAYABLE GUARANTEED (included in accounts 17 and 42/48 of liabilities)

Amounts payable guaranteed by the Belgian government agencies

	Codes	Period
Financial debts	8921	
Subordinated loans	8931	
Unsubordinated debentures	8941	
Leasing and other similar obligations	8951	
Credit institutions	8961	
Other loans	8971	
Trade debts	8981	
Suppliers	8991	
Bills of exchange payable	9001	
Advance payments on contracts in progress	9011	
Remuneration and social security	9021	
Other amounts payable	9051	
Total of the amounts payable guaranteed by the Belgian government agencies	9061	

Amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets

Financial debts	8922	
Subordinated loans	8932	
Unsubordinated debentures	8942	
Leasing and other similar obligations	8952	
Credit institutions	8962	
Other loans	8972	
Trade debts	8982	
Suppliers	8992	
Bills of exchange payable	9002	
Advance payments on contracts in progress	9012	
Taxes, remuneration and social security	9022	
Taxes	9032	
Remuneration and social security	9042	
Other amounts payable	9052	
Total amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets	9062	

TAXES, REMUNERATION AND SOCIAL SECURITY

Taxes (headings 450/3 and 178/9 of liabilities)

Outstanding tax debts	9072	
Accruing taxes payable	9073	112.324
Estimated taxes payable	450	109

Remuneration and social security (headings 454/9 and 178/9 of liabilities)

Amounts due to the National Social Security Office	9076	
Other amounts payable in respect of remuneration and social security	9077	

ACCRUALS AND DEFERRED INCOME

Allocation of heading 492/3 of liabilities if the amount is significant

Period

OPERATING RESULTS**OPERATING INCOME****Net turnover**

Allocation by categories of activity

Allocation by geographical market

Other operating income

Operating subsidies and compensatory amounts received from public authorities

OPERATING CHARGES**Employees for whom the company submitted a DIMONA declaration or who are recorded in the general personnel register**

Total number at the closing date

Average number of employees calculated in full-time equivalents

Number of actual hours worked

Personnel costs

Remuneration and direct social benefits

Employers' contribution for social security

Employers' premiums for extra statutory insurance

Other personnel costs

Retirement and survivors' pensions

Codes	Period	Preceding period
740		
9086		
9087		
9088		
620		
621		
622		
623		
624		

		Codes	Period	Preceding period
Provisions for pensions and similar obligations				
Appropriations (uses and write-backs)	(+)/(-)	635		
Depreciations				
On stock and contracts in progress				
Recorded		9110		
Written back		9111		
On trade debtors				
Recorded		9112		
Written back		9113		
Provisions for liabilities and charges				
Appropriations		9115		
Uses and write-backs		9116		
Other operating charges				
Taxes related to operation		640	868	868
Other		641/8	9.086	12.883
Hired temporary staff and personnel placed at the company's disposal				
Total number at the closing date		9096		
Average number calculated in full-time equivalents		9097		
Number of actual hours worked		9098		
Costs to the company		617		

FINANCIAL RESULTS**RECURRING FINANCIAL INCOME****Other financial income**

Subsidies paid by public authorities, added to the profit and loss account

Capital subsidies

9125

Interest subsidies

9126

Allocation of other financial income

Exchange differences realized

754

Other

RECURRING FINANCIAL CHARGES**Depreciation of loan issue expenses**

6501

Capitalised interests

6502

Depreciations on current assets

Recorded

6510

Written back

6511

Other financial charges

Amount of the discount borne by the company, as a result of negotiating amounts receivable

653

Provisions of a financial nature

Appropriations

6560

Uses and write-backs

6561

Allocation of other financial costs

Exchange differences realized

654

Results from the conversion of foreign currencies

655

190

Other

INCOME AND CHARGES OF EXCEPTIONAL SIZE OR FREQUENCY

	Codes	Period	Preceding period
NON-RECURRING INCOME	76		
Non-recurring operating income	(76A)		
Write-back of depreciation and of amounts written off intangible and tangible fixed assets	760		
Write-back of provisions for extraordinary operating liabilities and charges	7620		
Capital profits on disposal of intangible and tangible fixed assets	7630		
Other non-recurring operating income	764/8		
Non-recurring financial income	(76B)		
Write-back of amounts written down financial fixed assets	761		
Write-back of provisions for extraordinary financial liabilities and charges	7621		
Capital profits on disposal of financial fixed assets	7631		
Other non-recurring financial income	769		
NON-RECURRING CHARGES	66	176.757.447	
Non-recurring operating charges	(66A)		
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	660		
Provisions for extraordinary operating liabilities and charges: appropriations (uses) (+)/(-)	6620		
Capital losses on disposal of intangible and tangible fixed assets	6630		
Other non-recurring operating charges	664/7		
Non-recurring operating charges carried to assets as restructuring costs (-)	6690		
Non-recurring financial charges	(66B)	176.757.447	
Amounts written off financial fixed assets	661	176.757.447	
Provisions for extraordinary financial liabilities and charges - appropriations (uses) (+)/(-)	6621		
Capital losses on disposal of financial fixed assets	6631		
Other non-recurring financial charges	668		
Non-recurring financial charges carried to assets as restructuring costs (-)	6691		

TAXES

INCOME TAXES

Income taxes on the result of the period

Income taxes paid and withholding taxes due or paid
 Excess of income tax prepayments and withholding taxes paid recorded under assets
 Estimated additional taxes

Income taxes on the result of prior periods

Additional income taxes due or paid
 Additional income taxes estimated or provided for

Major reasons for the differences between pre-tax profit, as it results from the annual accounts, and estimated taxable profit

Non deductible expenses
 Use loss carried forward

Codes	Period
9134	109
9135	
9136	
9137	109
9138	
9139	
9140	
	176.759.174
	-117.377

Influence of non-recurring results on income taxes on the result of the period

Period

Sources of deferred taxes

Deferred taxes representing assets
 Accumulated tax losses deductible from future taxable profits
 Deferred taxes representing liabilities
 Allocation of deferred taxes representing liabilities

Codes	Period
9141	1.802.058
9142	1.802.058
9144	

VALUE-ADDED TAXES AND TAXES BORNE BY THIRD PARTIES

Value-added taxes charged

To the company (deductible)
 By the company

Amounts withheld on behalf of third party by way of

Payroll withholding taxes
 Withholding taxes on investment income

Codes	Period	Preceding period
9145	70.941	219.933
9146	618.776	494.542
9147		
9148		

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

Codes	Period
9149	
9150	
9151	
9153	
91611	
91621	
91631	
91711	
91721	
91811	292.170.000
91821	
91911	
91921	
92011	
92021	

PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES**Of which**

Bills of exchange in circulation endorsed by the company

Bills of exchange in circulation drawn or guaranteed by the company

Maximum amount for which other debts or commitments of third parties are guaranteed by the company

REAL GUARANTEES**Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of the company**

Mortgages

Book value of the immovable properties mortgaged

Amount of registration

For irrevocable mortgage mandates, the amount for which the agent can take registration

Pledging of goodwill

Maximum amount up to which the debt is secured and which is the subject of registration

For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription

Pledging of other assets or irrevocable mandates to pledge other assets

Book value of the immovable properties mortgaged

Maximum amount up to which the debt is secured

Guarantees provided or irrevocably promised on future assets

Amount of assets in question

Maximum amount up to which the debt is secured

Vendor's privilege

Book value of sold goods

Amount of the unpaid price

Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of third parties

Mortgages

Book value of the immovable properties mortgaged

Codes	Period
91612	
91622	
91632	
91712	
91722	
91812	
91822	
91912	
91922	
92012	
92022	

Amount of registration

For irrevocable mortgage mandates, the amount for which the agent can take registration

Pledging of goodwill

Maximum amount up to which the debt is secured and which is the subject of registration

For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription

Pledging of other assets or irrevocable mandates to pledge other assets

Book value of the immovable properties mortgaged

Maximum amount up to which the debt is secured

Guarantees provided or irrevocably promised on future assets

Amount of assets in question

Maximum amount up to which the debt is secured

Vendor's privilege

Book value of sold goods

Amount of the unpaid price

GOODS AND VALUES, NOT REFLECTED IN THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT FOR THE BENEFIT AND AT THE RISK OF THE COMPANY

SUBSTANTIAL COMMITMENTS TO ACQUIRE FIXED ASSETS

SUBSTANTIAL COMMITMENTS TO DISPOSE OF FIXED ASSETS

FORWARD TRANSACTIONS

Goods purchased (to be received)

Goods sold (to be delivered)

Currencies purchased (to be received)

Currencies sold (to be delivered)

Codes	Period
9213	
9214	
9215	
9216	

COMMITMENTS RELATING TO TECHNICAL GUARANTEES IN RESPECT OF SALES OR SERVICES

Period

AMOUNT, NATURE AND FORM CONCERNING LITIGATION AND OTHER IMPORTANT COMMITMENTS

Period

SETTLEMENT REGARDING THE COMPLEMENTARY RETIREMENT OR SURVIVORS' PENSION FOR PERSONNEL AND BOARD MEMBERS

Brief description

Measures taken to cover the related charges

PENSIONS FUNDED BY THE COMPANY ITSELF

Estimated amount of the commitments resulting from past services

Methods of estimation

Code	Period
9220	

NATURE AND FINANCIAL IMPACT OF SIGNIFICANT EVENTS AFTER THE CLOSING DATE not reflected in the balance sheet or income statement

Period

COMMITMENTS TO PURCHASE OR SALE AVAILABLE TO THE COMPANY AS ISSUER OF OPTIONS FOR SALE OR PURCHASE

Period

NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET

If the risks and benefits resulting from such transactions are of any meaning and if publishing such risks and benefits is necessary to appreciate the financial situation of the company

Period

OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those that cannot be calculated)

Period

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

	Codes	Period	Preceding period
AFFILIATED COMPANIES			
Financial fixed assets	(280/1)	292.170.000	468.927.447
Participating interests	(280)	292.170.000	468.927.447
Subordinated amounts receivable	9271		
Other amounts receivable	9281		
Amounts receivable	9291	3.698.763	3.030.914
Over one year	9301		
Within one year	9311	3.698.763	3.030.914
Current investments	9321		
Shares	9331		
Amounts receivable	9341		
Amounts payable	9351		2.423
Over one year	9361		
Within one year	9371		2.423
Personal and real guarantees			
Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies	9381	292.170.000	468.927.447
Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company	9391		
Other significant financial commitments	9401		
Financial results			
Income from financial fixed assets	9421		
Income from current assets	9431		
Other financial income	9441		
Debt charges	9461		
Other financial charges	9471		
Disposal of fixed assets			
Capital profits realised	9481		
Capital losses realised	9491		

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

	Codes	Period	Preceding period
ASSOCIATED COMPANIES			
Financial fixed assets			
Participating interests	9253		
Subordinated amounts receivable	9263		
Other amounts receivable	9273		
	9283		
Amounts receivable			
Over one year	9293		
Within one year	9303		
	9313		
Amounts payable			
Over one year	9353		
Within one year	9363		
	9373		
Personal and real guarantees			
Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies	9383		
Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company	9393		
Other significant financial commitments			
	9403		
COMPANIES LINKED BY PARTICIPATING INTERESTS			
Financial fixed assets			
Participating interests	9252		
Subordinated amounts receivable	9262		
Other amounts receivable	9272		
	9282		
Amounts receivable			
Over one year	9292		
Within one year	9302		
	9312		
Amounts payable			
Over one year	9352		
Within one year	9362		
	9372		

TRANSACTIONS WITH AFFILIATED PARTIES BEYOND NORMAL MARKET CONDITIONS

Mention of these transactions if they are significant, including the amount of the transactions, the nature of the link, and all information about the transactions that should be necessary to get a better understanding of the financial situation of the company

Nihil

Period

FINANCIAL RELATIONSHIPS WITH**DIRECTORS AND MANAGERS, INDIVIDUALS OR LEGAL PERSONS WHO CONTROL THE COMPANY DIRECTLY OR INDIRECTLY WITHOUT BEING ASSOCIATED THEREWITH, OR OTHER COMPANIES CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS****Amounts receivable from these persons**

Principal conditions regarding amounts receivable, rate of interest, duration, any amounts repaid, cancelled or written off

Guarantees provided in their favour**Other significant commitments undertaken in their favour****Amount of direct and indirect remunerations and pensions, reflected in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person**

To directors and managers

To former directors and former managers

Codes	Period
9500	
9501	
9502	
9503	1.663.472
9504	

THE AUDITOR(S) AND THE PERSONS WHOM HE (THEY) IS (ARE) COLLABORATING WITH**Auditors' fees****Fees for exceptional services or special assignments executed within the company by the auditor**

Other audit assignments

Tax consultancy assignments

Other assignments beyond the audit

Fees for exceptional services or special assignments executed within the company by people the auditor(s) is (are) collaborating with

Other audit assignments

Tax consultancy assignments

Other assignments beyond the audit

Codes	Period
9505	46.714
95061	
95062	
95063	5.500
95081	
95082	
95083	

Mentions related to article 3:64, § 2 and § 4 of the Belgian Companies and Associations Code

DECLARATION WITH REGARD TO THE CONSOLIDATED ANNUAL ACCOUNTS**INFORMATION TO DISCLOSE BY EACH COMPANY GOVERNED BY THE BELGIAN COMPANIES AND ASSOCIATIONS CODE ON THE CONSOLIDATED ANNUAL ACCOUNTS**

The company has prepared and published consolidated annual accounts and a consolidated annual report*

~~The company has not prepared consolidated annual accounts and a consolidated annual report, because of an exemption for the following reason(s)*~~

~~The company and its subsidiaries exceed, on a consolidated basis, not more than one of the criteria mentioned in article 1:26 of the Belgian Companies and Associations Code*~~

~~The company only has subsidiaries that, considering the evaluation of the consolidated capital, the consolidated financial position or the consolidated result, individually or together, are of negligible interestError! Bookmark not defined. (article 3:23 of the Belgian Companies and Associations Code)~~

~~The company itself is a subsidiary of a parent company that prepares and publishes consolidated annual accounts, in which the annual accounts are integrated by consolidation**~~

Name, full address of the registered office and, if it concerns companies under Belgian law, the company registration number of the parent company(ies) and the indication if this (these) parent company(ies) prepares (prepare) and publishes (publish) consolidated annual accounts, in which the annual accounts are included by means of consolidation**:

If the parent company(ies) is (are) (a) company(ies) governed by foreign law, the location where the abovementioned annual accounts are available**:

* Strike out what does not apply.

** Where the annual accounts of the company are consolidated at different levels, the information should be given, on the one hand at the highest and on the other at the lowest level of companies of which the company is a subsidiary and for which consolidated accounts are prepared and published.

FINANCIAL RELATIONSHIPS OF THE GROUP THE COMPANY IS IN CHARGE OF IN BELGIUM WITH THE AUDITOR(S) AND THE PERSONS WITH WHOM HE (THEY) IS (ARE) LINKED

Codes	Period
9507	296.778
95071	123.820
95072	
95073	5.500
9509	336.950
95091	152.147
95092	64.099
95093	20.000

Mentions related to article 3:65, § 4 and § 5 of the Belgian Companies and Associations Code

Fees to auditors according to the mandate at the group level led by the company publishing the information

Fees for exceptional services or special missions executed by the auditor(s) at this group

Other audit assignments

Tax consultancy assignments

Other assignments beyond the audit

Fees to people auditors are linked to according to the mandate at the group level led by the company publishing the information

Fees for exceptional services or special assignments executed at this group by people the auditor(s) is (are) linked to

Other audit assignments

Tax consultancy assignments

Other assignments beyond the audit

Mentions related to article 3:64, § 2 and § 4 of the Belgian Companies and Associations Code

Approval for the fees granted to the auditor or to the people linked to the auditor.

VALUATION RULES

In accordance with article 3:6 of the Royal Decree of 29 April 2019 for the execution of the Belgian Companies and Associations Code, the following valuation rules were applied which are approved by the Board of Directors:

Formation and restructuring expenses: the formation and restructuring expenses are immediately recognized in the income statement.

Financial fixed assets: are valued at historical cost. Revaluations are only booked when they are sustainable and fixed. Impairment losses are only recognized in the event of sustainable losses or depreciation, justified by the condition, profitability and the future outlook of the company in which the participations or the shares are held.

Debts and receivables: valued at nominal value taking into account the possible collectability of the receivables. At the end of the financial year, debts and receivables are revaluated using the exchange rates as published by the European Central Bank (ECB). The negative exchange rate differences are recognized in the income statement

Provision for doubtful debtors take into account the amounts covered by the credit insurance. Doubtful receivables which are not insured, are depreciated in function of the recoverability of the debt.

Grants and other compensating amounts: are included in the income statement at the moment the related costs are recognized in the income statement.

Provisions for liabilities and charges: are set up to cover losses or charges that are probable or certain at the balance sheet date but for which the amount is not yet certain.

Accrued and deferred charges and accrued and deferred income: valued at nominal value to ascertain a correct recognition in the income statement in the correct financial year.

In the case the balance shows a loss carried forward or the income statement of the financial year and the income statement of the previous year shows a loss in two consecutive periods, in accordance with article 3:6, §1, 6° of the Belgian Companies Code, the annual report contains a justification of the application of the valuation rules under going concern.

The loss carried forward is due to a write-off following the sale of part of the Balta Group and concerns a one-time event which will have no effect on the future activities of the company. The company will use the proceeds of the sale to optimize its operations which will result in an improvement of its results. This operation and the further strategic plans of the group guarantee the continuity of the company.

On April 4, 2022, the Company has completed the sale of its Rugs, Residential polypropylene (Residential PP) and Non-Woven businesses, together with the Balta brand, to Victoria PLC (the Transaction, the Divested Businesses). The Transaction will allow the remaining Group to focus on developing its commercial businesses in Europe and the United States under the main brands modulyss and Bentley Mills respectively, as well as its premium European Residential polyamide (Residential PA) business (ITC). With the closing of the Transaction, the Company has also settled the tender offer for its senior secured notes and refinanced other debt facilities. Post completion, the group has outstanding senior secured notes of EUR 132m, a sale and lease back facility of EUR 20m and an undrawn RCF facility of EUR 45m.

(Non-binding translation)

Balta Group NV
Franklin Rooseveltlaan 172-174
B-8790 Waregem
Company number: 0671.974.626

(the “Company”)

**ANNUAL REPORT OF THE BOARD OF DIRECTORS
TO THE SHAREHOLDERS’ MEETING OF 25 MAY 2022**

Dear shareholders,

In accordance with legal and statutory Belgian regulations, we have the honour to present the annual report of the financial year 2021.

The Company is an holding company whose corporate purpose is the direct or indirect acquisition of shares and the management of the participating interests in Belgium and foreign countries. The Companies’ shares are publicly traded. The Company was founded for an indefinite period on 1 March 2017.

1. Comments to the annual accounts

Article 3:6, §1, 1° of the Belgian Code of Companies and Associations (“**Belgian Companies Code**” or “**BCCA**”) determines the annual report gives information about the annual accounts to provide a true and fair view of the financial position and operations of the Company.

	€
The balance sheet total is:	295.906.892,77
The financial result for the period available for distribution:	-176.641.388,47

The financial fixed assets amount to € 292,170,000.00, which is 99% of the balance sheet total.

The Equity at 31 December 2021 is composed as follows:

	<u>2021 (€ thousands)</u>	<u>2020 (€ thousands)</u>	<u>In- or decrease (€ thousands)</u>
Issued capital:	260.590	260.590	0
Share premium account:	65.660	65.660	0
Available reserves:	147.125	147.125	0
Accumulated loss:	-178.564	-1.923	176.641
Equity:	294.811	471.452	-176.641

The Equity represents 99% of the balance sheet total.

In the schedule below, you can find an overview of the income and charges for the financial year 2021.

	<u>2021 (€ thousands)</u>	<u>2020 (€ thousands)</u>	<u>In- or decrease (€ thousands)</u>
Operating income incl. non-recurring operating income:	3.098	1.951	1.147
Operating charges incl. non-recurring charges:	2.981	1.824	1.157
Operating profit:	117	128	(11)
Financial income incl. non-recurring financial income:	-	1	(1)
Financial charges incl. non-recurring financial charges:	176.758	2	176.757
Loss for the period before taxes:	(176.641)	127	(176.768)
Transfer from/to postponed taxes:	-	-	-
Income taxes:	0	0	(0)
Loss for the period:	(176.641)	126	(176.768)
Transfer from/to untaxed reserves:	-	-	-
Loss for the period available for appropriation:	(176.641)	126	(176.768)

The Board proposes to appropriate the profit as follows:

Gain (loss) to be appropriated	(176.641.388,47) EUR
Profit (loss) to be carried forward	(1.922.656,14) EUR
Profit (loss) to be appropriated	(178.564.044,61) EUR
<u>Appropriation of profit (loss)</u>	
Transfers to reserves	- EUR
Profit (loss) to be carried forward	(178.564.044,61) EUR
Transfers to capital	- EUR

We ask you to approve the annual accounts for the year ended 31 December 2021.

2. Reporting and analysis in accordance with article 3:6, §1, 1° of the Belgian Companies Code

In accordance with article 3:6, §1, 1° of the Belgian Companies Code, the following is reported:

The Company itself is not exposed to any operational risks other than those which exist for the Balta Group because the main activity of the Company is to provide services to the Balta Group. We refer to section 7 of this report for an overview of the risks which are defined within the Balta Group.

3. Information concerning significant events after the year-end

In accordance with article 3:6, §1, 2° of the Belgian Companies Code the annual report contains information about significant events which have occurred after the year-end.

The Company was pleased to announce that it has completed the sale of its Rugs, Residential polypropylene (Residential PP) and Non-Woven businesses, together with the Balta brand, to Victoria PLC (the Transaction, the Divested Businesses) on 4 April 2022. With the closing of the transaction, Balta Group NV has also settled the tender offer for its senior secured notes and refinanced other debt facilities (see below). Post completion, the Group has outstanding senior secured notes of € 132m, a sale-and-leaseback facility of € 20m and an undrawn RCF facility of € 45m.

In preparation of and conditioned upon completion of the Disposal discussed above, LSF9 Balta Issuer S.à r.l announced on 3 March 2022 that it was offering to purchase for cash any and all of its € 234,027,888 Senior Secured Notes due 2024 (the “Notes”), exchange any and all of the Notes for new Senior Secured Notes (the “New Notes”) and soliciting consents (the “Consent Solicitation”) to vote in favour of certain amendments to the terms of the Notes and the indenture governing the Notes (the “Proposed Amendments”) from holders of the Notes (“Noteholders”). More than 90% of the holders of the principal amount of the Notes participated in the Tender Offer and/or Exchange Offer and so the Notes will remain outstanding as a single tranche as amended by the Proposed Amendments, for an amount of € 130m due in 2024.

The Proposed Amendments, amended the Indenture to decrease the redemption price of the Notes during the period on or after March 15 2023 to (but excluding) the date of redemption, to 100% of the principal amount thereof plus accrued and unpaid interest and Additional Amounts.

Next to that, the € 61m European Super Senior Revolving Credit Facility was repaid and replaced by an undrawn € 45m Super Senior Revolving Credit Facility to be used by the full remaining continuing operations. Finally, the \$ 18.0m revolving credit facility was also repaid in full and was terminated as the Bentley Group is now allowed to draw under the € 45m Super Senior Revolving Credit Facility.

Following the events in Ukraine that started in the first quarter of 2022, several economic sanctions against Russia were taken by both Europe and the US. The direct impact on the Balta Group was limited as we have no direct sourcing from Russia (nor Ukraine) and sales into Russia is only a negligible part of the group sales. New sales towards Russia are put on hold until further notice. The indirect impacts in terms of raw material prices, general inflation, interest rates are assessed on a daily basis and proportional measures are implemented.

4. Circumstances that could have a significant effect on the development of the Company

In accordance with article 3:6, §1, 3° of the Belgian Companies Code, the annual report contains information on circumstances that could have a significant effect on the development of the Company insofar as this information or circumstances does not harm the Company.

No risks other than the risks associated with the activities of the Company and relating to the activities described above should be mentioned.

5. Research and development

In accordance with article 3:6, §1, 4° of the Belgian Companies Code the annual report contains information of the activities of research and development.

No research and development activities have been executed.

6. Corporate governance statement

This chapter provides information on Balta Group NV's (hereinafter also referred to as "Balta" or "the Company") corporate governance.

CORPORATE GOVERNANCE CHARTER

Pursuant to article 3:6 § 2, 1° of the Belgian Code of Companies and Associations ('Belgian Code on Companies and Associations' or 'BCCA'), Balta relies on the Belgian Code on Corporate Governance of 9 May 2019 (the 'Corporate Governance Code') as a reference code. The Corporate Governance Code can be found on the website of the Belgian Corporate Governance Committee (www.corporategovernancecommittee.be).

As a Belgian headquartered, listed company with a commitment to high standards of corporate governance, the Board adopted a Corporate Governance Charter in May 2017, as required by the Corporate Governance Code. This Corporate Governance Charter is updated occasionally and was most recently revised in 2018. It is available for download on the Corporate Governance section of our investor relations website www.baltainvestors.com.

The Company follows the rules provided by the Belgian Corporate Governance Code of 2020, except as explicitly stated otherwise and justified in the Corporate Governance Statement.

CAPITAL AND SHAREHOLDERS STRUCTURE

Capital and capital evolution

The capital of the Company amounts to € 260,589,621 as of 31 December 2021 represented by 35,943,396 shares without nominal value. Each share carries one vote. No capital movements took place in 2021.

Shareholder evolution

The applicable successive thresholds pursuant to the Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market and other provisions are set at 5% of the total voting rights, and 10%, 15%, 20% and so on at incremental intervals of 5%.

In the course of 2021, the Company received a transparency declaration from Prime AIFM Lux S.A. on 27 September 2021, stating that by virtue of an acquisition of shares on 17 September 2021, it holds at that date 1,798,185 shares of the Company, representing 5.00% of the voting rights.

Shareholder structure

The following table shows the shareholder structure on 31 December 2021 based on the notifications made to the Company and the Belgian Financial Services and Markets Authority ('FSMA') by the shareholder listed below in accordance with article 6 of the Belgian law of 2 May 2007 on the notification of significant shareholdings:

Shareholders	Shares	
	Number	%
LSF 9 Balta Holdco S.à r.l.	19,408,879	54.00%
Farringdon Capital Management	1,804,095	5.02%
Prime AIFM Lux S.A.	1,798,185	5.00%
Management	383,245	1.07%
Public	12,548,992	34.91%

No acquisitions or disposals of shares by persons discharging managerial responsibilities ('PDMR') have been notified in the course of 2021.

Dividend policy

Subject to the availability of distributable reserves and the lack of any material external growth opportunities, the Company intends to pay a dividend of between 30% to 40% of its net profits for the year based on its consolidated IFRS financial statements. The amount of any dividend and the determination of whether to pay the dividend in any year may be affected by several factors, including the Company's business prospects, cash requirements, and any material growth opportunities.

Shareholders' Meetings

Due to the measures and recommendations made by public authorities in Europe and Belgium in the context of the COVID-19 pandemic, the Board of Directors strongly recommended the shareholders not to be physically present at the Annual Shareholders' Meeting in 2021. The shareholders were advised to participate in the Annual Shareholders' Meeting by granting a proxy or by completing a voting form. The shareholders were given the possibility to attend the Annual Shareholders' Meeting online via a livestream in the language of their choice (Dutch or English).

Annual General Shareholders' Meeting

The Company's Annual General Shareholders' Meeting ('Shareholders' Meeting') took place on 26 May 2021.

Shareholders acknowledged the annual report and the statutory auditor's report with respect to the statutory and consolidated annual accounts relating to the financial year ending on 31 December 2020 and the consolidated annual accounts relating to the financial year ending on 31 December 2020.

Shareholders approved the remuneration report relating to the financial year ending on 31 December 2020 as well as the remuneration policy. They further approved the statutory annual accounts relating to the financial year ending on 31 December 2020, including the allocation of the results as proposed by the Board of Directors. Both the directors and the statutory auditor (PwC, Bedrijfsrevisoren BV, represented by Mr Peter Opsomer, with registered seat at Woluwedal 18, 1932 Sint-Stevens-Woluwe), were discharged of liability regarding the execution of their mandates during the financial year ending on 31 December 2020.

Shareholders approved the reappointment of:

- Mr Cyrille Ragoucy as executive director;
- Mr Michael Kolbeck, Mr Neal Morar, Mrs Hannah Strong, Mr Jeremy Fryzuk and Mr Patrick Lebreton as non-executive directors;
- Mrs Sarah Hedger and Accelium BV, represented by its permanent representative Mr Nicolas Vanden Abeele, as independent directors. Both independent directors comply with the criteria of independence set forth in article 7:87 of the Belgian Companies and Associations Code.

All directors were re-appointed for a four-year period, until the annual general meeting resolving on the annual accounts of the financial year ending on 31 December 2024. These mandates are remunerated as described in the annual remuneration report and in accordance with the remuneration policy.

Dealing Code

On 29 August 2017, the Board approved the Company's Dealing Code in accordance with the EU Market Abuse Regulation EU 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ('MAR'). The Dealing Code restricts transactions of Balta securities by members of the Board and the Management Committee, senior management and certain other persons during closed and prohibited periods. The Dealing Code also contains rules concerning the disclosure of intended and executed transactions by leading managers and their closely associated persons through a notification to the Company and to the FSMA. The General Counsel is the Compliance Officer for the purposes of the Balta Dealing Code.

THE BOARD AND COMMITTEES

Balta Group NV has a Board of Directors, a Management Committee, an Audit Committee and a Remuneration and Nomination Committee.

BOARD OF DIRECTORS

Mandate of the Board

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realisation of the Company's purpose, except for those actions that are specifically reserved by law or the articles of association for the Shareholders' Meeting or other corporate bodies.

In particular, the Board of Directors is responsible for:

- defining the general policy and strategy of the Company and its subsidiaries;
- deciding on all major strategic, financial and operational matters of the Company;
- overseeing the management by the Chief Executive Officer ('CEO') and other members of the Management Committee; and
- all other matters reserved to and obligations imposed (including disclosure obligations) on the Board of Directors by law or the articles of association.

Composition of the Board of Directors

The BCCA proposes different governance models. The Company has chosen monism, meaning a single Board of Directors. This governance model aligns with the existing model and is the most suitable for our organisation. The CEO chairs the Management Committee and the Board of Directors. The CEO is a vital link between different management levels and the Board of Directors, and is best placed to connect the supervision of the business. That is the main reason we did not adopt a dualism governance model (with a Supervisory Board and Management Board). This model does not allow those individuals are a member of both Boards.

Pursuant to the articles of association, the Board of Directors must comprise at least five members.

On 31 December 2021, the Board consisted of nine members, comprising three independent non-executive directors. The CEO is the only executive member of the Board of Directors.

The articles of association entitle LSF 9 Balta Holdco S.à r.l., if it holds at least 50% of the total number of shares issued by the Company (which is the case), to nominate at least five members to be appointed by the Shareholders' Meeting.

Although the term of office of directors under Belgian law is limited to six years (renewable), the Corporate Governance Code recommends that it be limited to four years. The articles of association limit the term of office of directors to four years.

The appointment and renewal of directors is based on a recommendation of the Remuneration and Nomination Committee to the Board of Directors and is subject to approval by the Shareholders' Meeting, considering the nomination rights described above.

On 31 December 2021, the Board of Directors was composed as follows:

Name	Position	Director since	Mandate expires
Cyrille Ragoucy	Chairman of the Board and CEO	2017	2025
Michael Kolbeck	Non-Executive Director and chairman of the Remuneration and Nomination Committee	2017	2025
Accelium BV, represented by Nicolas Vanden Abeele	Independent Director	2017	2025
Sarah Hedger (1)	Independent Director	2017	2025
Itzhak Wiesenfeld	Independent Director	2019	2023
Neal Morar	Non-Executive Director	2018	2025
Hannah Strong	Non-Executive Director	2017	2025
Jeremy Fryzuk	Non-Executive Director and chairman of the Audit Committee	2017	2025
Patrick Lebreton	Non-Executive Director	2017	2025

(1) On 31 December 2021, Mrs Sarah Hedger stepped down as a non-executive independent director (see below)

Mrs Annelies Willemyns was appointed as Corporate Secretary of the Board of Directors.

Mr Cyrille Ragoucy has more than 30 years experience in senior management positions. His last operational position, before becoming CEO of Balta, was as CEO of Tarmac Ltd (originally Lafarge Tarmac), a leading building materials and construction solutions firm in the UK, where he oversaw the creation of the joint venture between Lafarge SA and Anglo American as well as the integration of several acquisitions, before the entity was purchased by CRH, a large Irish construction firm in August 2015. From 1998 to 2012, Mr Ragoucy was with Lafarge, serving as CEO of Lafarge Shui On Cement, a Chinese joint venture between Lafarge and Shui On, and CEO of Lafarge Construction Materials for Eastern Canada, among other director and executive-level posts.

Mr Ragoucy holds a Master of Management from the University of Paris IX (Dauphine), France.

Mr Michael Kolbeck is Managing Director and Head of Europe for Corporate Investments at Hudson Advisors UK Limited, which advises Lone Star Funds, including Lone Star Fund IX, an investor in the Company. Prior to being appointed to his post at Hudson in January 2017, he was a Managing Director at Lone Star Germany Acquisitions GmbH. He currently also serves as Board Member of Xella International S.A., a leading European building materials company, and of LSF11 Skyscraper Investments S.à r.l., the main entity at the head of the MBCC Group, a leading supplier of innovative construction chemicals and solutions, and of Dynamic Bulk LLC, a shipping company, and is an observer of the Board of LSF10 Edilians Investments S.à r.l., a leading roof tile manufacturer in France. Prior to joining Lone Star and Hudson in 2004, Mr Kolbeck worked for several years as an investment manager for Allianz Group.

Mr Kolbeck holds a Master's degree in Business Administration from Ludwig-Maximilians University, Munich, Germany.

Mr Nicolas Vanden Abeele is currently CEO of Ascom, a global leading player in medtech and healthcare ICT solutions. He is a seasoned global leader with over 25 years of multi-market and deep commercial, financial and operational expertise. Nicolas brings a valuable track record in sales acceleration, business transformation and operational excellence in a variety of leadership roles. Prior to Ascom, he served 4,5 years as a member of the Executive Committee and divisional head of Barco, a global leader in visualisation solutions, and 6 years with the Etex Group, as a member of the Executive Committee, where he headed the Insulation and Building Materials Division. Prior to Etex, he held various global executive positions in the technology industry with Nokia/Alcatel-Lucent, with postings also in the Americas and Asia, and in strategy consulting with Arthur Andersen.

Mr Vanden Abeele holds Master's degrees in Business Administration (K.U. Louvain, Belgium), Management (Solvay School of Management/ULB Belgium) and International Business and European Economics (College of Europe, Belgium).

Mrs Sarah Hedger was employed by General Electric for 12 years, prior to retiring in March 2017. She held leadership positions in its Corporate, Aviation and Capital business development teams, leaving General Electric as Leader of Business Development and M&A for its GE Capital division. While at General Electric, she served as a non-executive director of

GE Money Bank AB from 2011 to 2014, prior to its sale to Santander Group, as well as GE Capital EMEA Services Limited from 2011 to 2018. Before General Electric, Mrs Hedger worked at Lazard & Co. Limited for 11 years, leaving as Director Corporate Finance and spent five years as an auditor at PricewaterhouseCoopers.

Mrs Hedger was appointed as non-executive director of OneSavings Bank plc on 1 February 2019. She was also appointed a non-executive director of OSB Group PLC on 28 February 2020, which replaced OneSavings Bank plc as the listed holding company of the same group on 30 November 2020.

Mrs Hedger holds a Master's degree in Electrical and Electronic Engineering and Business Studies from Imperial College, London University and is a qualified chartered accountant.

Mr Itzhak (Tzachi) Wiesenfeld has 30 years' experience in senior management positions. For 12 years he was the EMEA CEO at ASSA ABLOY, the global leader in door opening solutions. EMEA had a revenue of € 2bn and 10,000 employees across 40 factories and 100 selling units. Under Mr Wiesenfeld's leadership, the EMEA revenues grew by 50% and delivered high profits and strong cash flows.

Previously Mr Wiesenfeld was CEO of ASSA ABLOY in the UK and CEO of Mul-T-Lock in Israel. His experience includes optimisation of manufacturing footprint, digitisation of industrial companies and execution of many M&A deals. His commercial background includes B 2B and B 2C in a competitive, multi-channel market environment.

Mr Wiesenfeld is currently the chairman of ACRE, a global integrated security business, headquartered in Dallas, Texas, and iLOQ, a fast-growing digital locks company, based in Finland. He is also a board member at FläktGroup, a leading European air management solutions company. Mr Wiesenfeld is also a Senior Industry Expert, supporting private equity firms with M&A deals.

Mr Wiesenfeld holds a BSc degree in Industrial Engineering and an MBA. He is also a Sloan graduate from London Business School. Mr Wiesenfeld holds a dual British and Israeli citizenships.

Mr Neal Morar is a Managing Director in the Corporates team at Hudson Advisors UK Limited, which advises Lone Star and the funds which it administers, including Lone Star Fund IX, which is an investor in the Company. Prior to his current role, he held the post of UK CFO of Hudson Advisors UK Limited for five years and served on the Boards of various entities across industries including hotels and developments, loan servicer in Italy and an equity release company. Prior to joining Hudson in 2012, Mr Morar worked for 5 years as Managing Director, International CFO for AIG Investments and 10 years in various CFO roles for the FTSE 100 Capita Group including the set up and running of a captive server in Mumbai, India, in 2003. Mr Morar obtained membership of the Chartered Certified Accountants in 1996, gained Fellow status (FCCA) in 2001 and has also been regulated in various capacities with the FCA (UK), JFSC (Jersey) and CBI (Ireland) over the last 20 years.

Mr Morar holds a degree in Accounting and Finance from the University of Hertfordshire, UK.

Mrs Hannah Strong is Senior Vice President, Legal Counsel at Hudson Advisors UK Limited, which advises Lone Star and the funds which it administers, including Lone Star Fund IX, an investor in the Company. Prior to her position at Hudson, Mrs Strong worked as in-house legal counsel at The Carlyle Group (2013-2017) and was a corporate associate at Latham & Watkins in London (2007-2013). Mrs Strong has extensive experience advising on legal and compliance issues that face companies across numerous industries and jurisdictions.

Mrs Strong holds a Bachelor's degree in Jurisprudence from Oxford University.

Mr Jeremy Fryzuk is Director in the Corporate Private Equity Team at Hudson Advisors UK Limited, which advises Lone Star and the funds which it administers, including Lone Star Fund IX, an investor in the Company. Prior to his post at Hudson, he worked for Rhône Group (2013-2015), a mid-market private equity fund based in London. Prior to joining Rhône, he worked for Morgan Stanley in the firm's principal investments group and investment banking division.

Mr Fryzuk holds a Bachelor of Commerce with a major in Finance from Dalhousie University in Canada.

Mr Patrick Lebreton is Managing Director Corporates at Hudson Advisors UK Limited, which advises Lone Star and the funds which it administers, including Lone Star Fund IX, an investor in the Company. Prior to his post at Hudson, he was a Director (Operating Partner) of Montagu Associates (2012-2015), advising the Montagu Private Equity Fund. From 2004 to 2012, he was an Executive Vice President in the Portfolio Group at Bain Capital. Previously he held executive posts at General Electric, was a manager at Accenture, and is a retired U.S. Army Officer, having served in Operation Desert Storm. He is currently a non-executive Director of McCarthy and Stones, a UK retirement home builder and operator, and of Edilans S.à r.l., the leading French roofing solutions company.

Mr Lebreton holds a Bachelor of Science in International Economics and Finance from Georgetown University and a Master's degree in Business Administration from Harvard Business School.

Evolution in composition during 2021

On 31 December 2021, Mrs Sarah Hedger stepped down as a non-executive independent director.

As of 1 January 2022, Mrs Vanessa Temple joined the Board of Directors as a non-executive independent director by way of co-optation and for the remainder of the mandate of Mrs Sarah Hedger. On 31 January 2022 Mrs Temple was appointed as a member of the Audit Committee.

Mrs Temple has been a member of ING's Climate Risk team since Q1 2021. Previously, for 6 years, she led ING's corporate sector teams for Belgium, Luxembourg & the Nordics, after having led its Belgian capital structuring & advisory team. Prior to these leadership positions, she worked for many years as an originator for various debt products: complex financing, and acquisition & leveraged finance and bonds for large & mid-sized corporates. In the early

stages of her career, she spent 3 years working for ING in Singapore, as a corporate relationship manager. Mrs Temple has been working for ING for over 20 years.

Functioning of the Board of Directors

In principle, the Board of Directors meets at least five times a year. Additional meetings may be called with appropriate notice at any time to address specific business needs. In total, the Board met on twelve (12) occasions. All Directors were present (or were represented) at these meetings.

Major matters reviewed and discussed by the Board of Directors in 2021 were:

- Financial and overall performance of the Group;
- Continuous monitoring of the cashflow situation, the purchase action plan and follow-up of the impact of COVID-19;
- Implementation, actions, outcome and follow-up of health & safety initiatives;
- Detailed follow-up of the progress made with the Company's three-year transformation and earnings enhancement programme NEXT;
- General strategic, financial and operational matters for the business;
- Approval of the acquisition by Victoria of the Balta Home Residential Broadloom PP and Captiqs businesses;
- On a recommendation from the Audit Committee, approval of the quarterly and half-year financial results and the corresponding reports and press releases, the refinancing business plan, the 2021 budget and the amendment of the RCF;
- On a recommendation from the Remuneration and Nomination Committee, approval of the 2020 bonus and the 2021 bonus methodology for members of the Management Committee, as well as the appointment of a new director;
- Follow-up of specific projects and approval of relevant documents related to these projects;
- Approval of corporate strategy (liquidations, share transfers, ...).

The Board of Directors is convened by the chairman or the CEO whenever the interest of the Company so requires, or at the request of two directors.

Directors' attendance at Board and Committee meetings

	Board of Directors	Audit Committee	Remuneration and Nomination Committee
Cyrille Ragoucy	12/12		
Michael Kolbeck	12/12		4/4
Accellum BV, represented by Nicolas Vanden Abeele	12/12	6/6	4/4
Sarah Hedger	12/12	6/6	4/4
Itzhak Wiesenfeld	12/12		4/4
Neal Morar	12/12		
Hannah Strong	12/12		
Jeremy Fryzuk	12/12	6/6	
Patrick Lebreton	12/12		

Under the lead of its chairman, the Board will regularly evaluate its scope, composition and performance and those of its Committees, as well as its interaction with executive management.

The CEO and other executive managers are invited to attend meetings as appropriate. The Chief Financial Officer ('CFO') is present at all Board meetings and other members of the Management Committee are regularly invited to attend. This guarantees appropriate interaction between the Board and management.

Diversity

For companies whose securities are admitted to a regulated market for the first time, the requirement to have at least one-third of board members of an opposite gender than the other members is to be met as of the first day of the sixth financial year starting after the IPO, being for the Company as of 1 January 2023. Our Board of Directors is currently 22% female. The necessary attention is being paid to meet this requirement as soon as practically possible. Our Board also features a mix of expertise from different operational fields.

We face a challenge to make our broader workforce diverse and create fully equal opportunities regardless of gender, race or cultural background given the nature of our operations. In 2020, the Management Committee launched a new ambition, to have at least 40% women in all layers of Balta Group's top management by 2030. This would reflect the partition of gender in the whole of our organisation. Increasing gender diversity both in the workplace and in the leadership teams are critical success factors in making better decisions and developing more innovative business solutions. A demonstrated focus on gender equality enables an organisation to attract and retain the best talent. It also ensures that all employees within the organisation have access to equal opportunities in developing their careers in a workplace free of bias.

Balta employees have diverse backgrounds across all age groups, from our identified 'future leaders' through to those with deep domain expertise, and are gender diverse with an increasing number of women in management roles.

Being a global business headquartered in Belgium, we operate in several different languages and employ over 50 nationalities across 10 locations. This is reflected in the Management Committee, composed of diverse American, Belgian, French and German nationalities.

It is our strong belief that employing the right people for the right roles encourages a balanced workplace and this has been reflected in a slight improvement in gender balance at the end of 2021. However, our diversity does need to improve in senior management functions and we expect the steps taken in engagement and well-being will help address this issue. During 2022, we will continue to work towards making our workforce reflect the international stage on which we operate more closely.

Balta is actively trying to attract and promote women to managerial positions through our recruitment campaigns and our internal talent management process. A great deal of actions in promoting an optimal work-life balance were promoted for men and women. This way, we encourage all our employees and managers to move to this new way of working.

Audit Committee

In accordance with the stipulations in book 7, title 4, chapter 1 of the Belgian Code on Companies and Associations and provision 5.2 of the Corporate Governance Code, the Board of Directors of Balta has established an Audit Committee.

During 2021, the Audit Committee consisted of three members, all being non-executive directors and a majority of them being independent directors.

On 31 December 2021 Mrs Sarah Hedger stepped down as a non-executive independent director. She was also no longer a member of the Audit Committee as from that date.

By decision of the Board of 31 January 2022 Mrs Temple was appointed as a new member of the Audit Committee.

In the course of 2021, the Audit Committee met six (6) times.

As required by the Belgian Code on Companies and Associations, Mr Jeremy Fryzuk, chairman of the Audit Committee possesses appropriate expertise and experience in this field. Reference is made to his biography in the 'Board of Directors' section above.

The chairman reported the outcome of each meeting to the Board of Directors.

The CEO and CFO are not members of the Audit Committee but are invited to attend its meetings. This guarantees appropriate interaction between the Committee and management. As appropriate, other Board members are invited to attend the Audit Committee meetings.

The statutory auditor attended three meetings during which it reported on the outcome of the audit and presented the global audit plan.

In addition to its statutory powers and its power under the Corporate Governance Charter, the Audit Committee considered the following main subjects: the quarterly financial

statements, refinancing, the compliance approach and related policies, the 2021 budget and the approval of non-audit services, and the amendment of the RCF.

Name	Position	Director since	Mandate expires
Jeremy Fryzuk	Non-Executive Director and chairman of the Audit Committee	2017	2025
Accellium BV, represented by Nicolas Vanden Abeele	Independent Director	2017	2025
Sarah Hedger	Independent Director	2017	2025

Remuneration and Nomination Committee

In accordance with the stipulations in book 7, title 4, chapter 1 of the Belgian Code on Companies and Associations and provision 5.3 and 5.4 of the Corporate Governance Code, the Board of Directors has established a Remuneration and Nomination Committee. During 2021, the Remuneration and Nomination Committee consisted of four members, all being non-executive directors and a majority of them being independent directors:

Name	Position	Director since	Mandate expires
Michael Kolbeck	Chairman and Non-Executive Director	2017	2025
Accellium BV, represented by Nicolas Vanden Abeele	Member and Independent Director	2017	2025
Sarah Hedger	Member and Independent Director	2018	2025
Itzhak Wiesenfeld	Member and Independent Director	2019	2023

On 31 December 2021 Mrs Sarah Hedger stepped down as a non-executive independent director. She was also no longer a member of the Remuneration and Nomination Committee.

In 2021 the Remuneration and Nomination Committee met four (4) times.

The CEO and the Group HR Director are not members of the Committee, but are invited to attend its meetings, unless the members of the Committee want to meet separately (e.g., when discussing remuneration). This guarantees appropriate interaction between the Committee and management.

In addition to its statutory powers and its powers under the Corporate Governance Charter, the Remuneration and Nomination Committee discussed the following main subjects: the performance of members of the Management Committee, the 2020 bonus for members of the Management Committee and the general management, compensation and benefit packages for members of the Management Committee, the remuneration report, remuneration policy and talent and succession planning at management level.

Chief Executive Officer

Mr Ragoucy was appointed as CEO by the Board of Directors and reports directly to it. The CEO has direct operational responsibility for the Company and oversees the organisation and day-to-day management of the Company and its subsidiaries.

The CEO is responsible for the execution and management of the outcome of all Board of Directors' decisions.

The CEO heads the Management Committee, which reports to him, within the framework established by the Board of Directors and under its ultimate supervision.

Management Committee

The Management Committee is chaired by the CEO. Other members of the Management Committee are appointed and removed by the Board of Directors upon the advice of the CEO and the Remuneration and Nomination Committee.

The Management Committee exercises the duties assigned to it by the CEO, under the ultimate supervision of the Board of Directors.

The composition of the Company's Management Committee changed in 2021 and consists of the following members on 31 December 2021:

Name	Position
Cyrille Ragoucy	Chief Executive Officer
Jan-Christian Werner	Chief Financial Officer
Marc Dessein BV, represented by Marc Dessein	Managing Director Balta home
Jim Harley	President Bentley Mills Inc
Mieke Buckens	Group HR Director
Emmanuel Rigaux	Managing Director Commercial and Residential Europe

For the biography of **Mr Cyrille Ragoucy**, please see the 'Board of Directors' section above.

Mr Jan-Christian Werner was appointed Chief Financial Officer of Balta in 2019. Mr Werner has extensive experience in financial controllership, Corporate Finance and M&A at international stock market listed companies. Before joining Balta, Mr Werner was Head of the Finance organisation for the EMEA region at Orion Engineered Carbons for five years and afterwards spent one year as acting CFO of AvesOne AG, a listed Investment holding company.

Mr Emmanuel Rigaux is Managing Director for the Commercial and Residential Europe Business Unit, which includes modulyss, Balta carpets and Captiqs. He started his new role on 7 October 2021. He started his career with the Boston Consulting Group and spent 20 years in the Lafarge (then Holcim Group) in operational positions in the US, Europe and Africa. His last

position in Holcim was as CEO of LHMA, a pan-African Joint Venture with Al-Mada, a leading private equity based in Casablanca. Mr Rigaux joined Balta in 2019 as Chief Transformation Officer to design and lead the NEXT program.

Mr Marc Dessein has worked for Balta since 1992, serving as Managing Director of the Rugs division since 2006. From 1993 until 2006, he was General Manager of the Wool-Heatset Rugs Business Unit of Balta and prior to that Export Sales manager. From 1985 to 1992 he held sales and management positions at Pfizer, Radar and Sun International.

Mr Jim Harley, a seasoned industry executive, rejoined Bentley in February 2013 as Chief Operating Officer, and became President in November 2017. He started his career with Bentley more than 35 years ago, as part of the management team that built the company from a small start-up carpet manufacturer in 1980 into a brand widely recognised for its innovative design, high-quality products and excellence in customer service. Prior to re-joining Bentley, he spent 15 years in executive roles at Tandus (now Tarkett), Monterey Carpets and Chroma Systems.

Mrs Mieke Buckens joined Balta in September 2021 as Human Resources Director. Mrs Buckens holds a Master's degree in Law and has a wealth of HR management experience as she worked for leading global companies. She has previously served in international HR executive roles at TUI, Barry Callebaut and Deceuninck.

Mr Kris Willaert (Group HR Director) left Balta on 15 October 2021 and was replaced by Mrs. Mieke Buckens. Mr Kris Willaert joined Balta on 3 June 2019 as Group HR Director. He holds a Master's degree in Communication Sciences and has a wealth of HR management experience having worked for leading global companies. He has previously served in international HR executive roles at KONE International (Southern Europe, Middle East and Africa), MasterCard Europe and Lloyds Pharma.

Mr Oliver Forberich (Managing Director Balta carpets, ITC and arc edition) and **Quercum BV**, represented by **Mr Stefan Claey**s (Managing Director modulys) left Balta on 22 November 2021.

Mr Oliver Forberich joined Balta on 2 September 2019 as Managing Director Balta carpets, ITC, arc edition and Captiqs. In 1998, he started his career at SCHOTT focusing on business development and marketing. In 2006 Mr Forberich joined thinXXS Microtechnology and moved on in 2007 to join Bekaert in Belgium. Mr Forberich worked at Bekaert for 12 years holding various general management positions before being appointed Chief Marketing Officer and Senior Vice President Stainless Technologies. Over the last 20 years he gained extensive experience in many different industries across the globe.

Mr Stefan Claeys joined Balta on 23 April 2019, as Managing Director modulys. Mr Claey

s worked at Beaulieu from 2012 until he joined Balta as General Manager of the technical textiles division. From 2002 to 2012, he was in the Wienerberger Group in various positions including Director Corporate Marketing and Export, CEO of Wiekor in Poland and Product Group Business Manager at the Vienna HQ. Prior to that he occupied international sales, marketing and business development positions within CNH Group, Bekaert and the Koramic Investment Group.

Statutory auditor

The audit of the statutory and consolidated financial statements of the Company are entrusted to the statutory auditor appointed at the Shareholders' Meeting, for renewable terms of three years. The current statutory auditor is PricewaterhouseCoopers Bedrijfsrevisoren BV, with its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, and represented by Mr Peter Opsomer.

The current mandate of PricewaterhouseCoopers Bedrijfsrevisoren BV will expire at the Annual General Shareholders' Meeting that will be asked to approve the annual accounts for the financial year ended on 31 December 2022.

Article 3:71 of the Belgian Code on Companies and Associations and article 24 of the Law of 7 December 2016 on the organisation of the profession of and the public supervision over auditors, limit the liability of auditors of listed companies to € 12m for, respectively, tasks concerning the legal audit of annual accounts within the meaning of article 3:55 of the Belgian Code on Companies and Associations and other tasks reserved to auditors of listed companies by Belgian law or in accordance with Belgian law, except for liability resulting from the auditor's fraud or other deliberate breach of duty.

In 2021, the remuneration paid to the statutory auditor for auditing activities amounted to € 605,000. Remuneration paid for other assignments outside the audit mandate were € 285,000 and € 64,000 for tax related services.

RELEVANT INFORMATION IN THE EVENT OF A TAKEOVER BID

Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of securities which have been admitted to trading on a regulated market, requires that listed companies disclose certain items that may have an impact in the event of a takeover bid.

Capital structure

A comprehensive overview of our capital structure as of 31 December 2021 can be found in the 'Capital Structure' section of this Corporate Governance Statement.

Restrictions on transfers of securities

The Company's articles of association do not impose any restrictions on the transfer of shares. Furthermore, the Company is not aware of any such restrictions imposed by Belgian law except in the framework of the Market Abuse Regulation.

Holders of securities with special control rights

There are no holders of securities with special control rights other than the nomination rights set out below.

The Company has not set up employee share plans where control rights over the shares are not exercised directly by the employees.

Restriction on voting rights

The articles of association of the Company do not contain any restrictions on the exercise of voting rights by the shareholders, provided that the shareholders concerned comply with all formalities to be admitted to the Shareholders' Meeting.

Shareholder agreements

Balta is not aware of any shareholder agreement which includes, or could lead to, a restriction on the transfer of its shares or exercise of voting rights related to its shares.

Rules on the appointment and replacement of members of the Board of Directors and on amendments to the articles of association

The term of office of directors under Belgian law is limited to six years (renewable) but the Corporate Governance Code recommends that it be limited to four years.

In accordance with the articles of association, the Company is managed by a Board of Directors that shall consist of a minimum of five directors. These are appointed by the Shareholders' Meeting for a maximum term of four years, as recommended by the Corporate Governance Code, and may be reappointed. Their mandate may be revoked at any time by the Shareholders' Meeting.

Should any of the directors' mandates become vacant, for whatever reason, the remaining directors may temporarily fill such vacancy until the next Shareholders' Meeting appoints a new director.

For as long as LSF 9 Balta Holdco S.à r.l. ('LSF 9') or a company affiliated therewith within the meaning of article 1:20 of the Belgian Code on Companies and Associations (a 'company affiliated therewith'), directly or indirectly, holds at least 50% of the total number of shares issued by the Company – which was the case in 2021 – it is entitled to nominate at least five directors to be appointed by the Shareholders' Meeting.

For as long as LSF 9 or a company affiliated therewith, directly or indirectly, holds less than 50% but at least 40% of the total number of shares issued by the Company, it is entitled to nominate four directors to be appointed by the Shareholders' Meeting.

For as long as LSF 9 or a company affiliated therewith, directly or indirectly, holds less than 40% but at least 30% of the total number of shares issued by the Company, it is entitled to nominate three directors to be appointed by the Shareholders' Meeting.

For as long as LSF 9 or a company affiliated therewith, directly or indirectly, holds less than 30% but at least 20% of the total number of shares issued by the Company, it is entitled to nominate two directors to be appointed by the Shareholders' Meeting.

For as long as LSF 9 or a company affiliated therewith, directly or indirectly, holds less than 20% but at least 10% of the total number of shares issued by the Company, it is entitled to nominate one director to be appointed by the Shareholders' Meeting.

If the direct or indirect shareholding of LSF 9 or a company affiliated therewith in the Company falls below one of the aforementioned thresholds, LSF 9 shall cause a director appointed upon its nomination to tender its, his or her resignation as director with effect as of the date of the next annual Shareholders' Meeting, failing which the mandate of the director who was most recently appointed upon LSF 9's nomination, shall automatically terminate on the date of the next annual Shareholders' Meeting.

The CEO is vested with the day-to-day management of the Company and the representation of the Company in respect of such management. The Board of Directors appoints and removes the CEO.

Within the limits of the powers granted to him/her by or pursuant to the articles of association, the CEO may delegate special and limited powers to a Management Committee or any other person.

Save for capital increases decided by the Board of Directors within the limits of the authorised capital, only an Extraordinary Shareholders' Meeting is authorised to amend the Company's articles of association. A Shareholders' Meeting is the only body which can deliberate on amendments to the articles of association, in accordance with the articles of the Belgian Code on Companies and Associations.

AUTHORISED CAPITAL AND ACQUISITION OF OWN SHARES

Authorised capital

According to article 6 of the articles of association, the Board of Directors may increase the capital of the Company once or several times by a (cumulated) amount of maximum 100% of the amount of the capital.

This authorisation may be renewed in accordance with the relevant legal provisions. The Board of Directors can exercise this power for a period of five years as from the date of publication in the Annexes to the Belgian Official State Gazette of the amendment to the articles of association approved by the Extraordinary Shareholders' Meeting of 26 May 2020.

Any capital increases which can be decided pursuant to this authorisation will take place in accordance with the modalities to be determined by the Board of Directors and may be effected (i) by means of a contribution in cash or in kind (where appropriate including a in distributable share premium), (ii) through conversion of reserves, whether available or unavailable for distribution, and issuance premiums, with or without issuance of new shares with or without voting rights. The Board of Directors can also use this authorisation for the issuance of convertible bonds, subscription rights or bonds to which subscription rights or other tangible values are connected, or other securities.

When exercising its authorisation within the framework of the authorised capital, the Board of Directors can limit or cancel the preferential subscription right of shareholders in the interests of the Company, subject to the limitations and in accordance with the conditions provided for by the Belgian Code on Companies and Associations. This limitation or cancellation can also occur to the benefit of the employees of the Company or its subsidiaries, or to the benefit of one or more specific persons, even if these are not employees of the Company or its subsidiaries.

The Board of Directors is expressly empowered to proceed with a capital increase in all forms, including but not limited to a capital increase accompanied by the restriction or withdrawal of the preferential subscription right, (even after receipt by the Company of a notification by the FSMA) of a takeover bid for the Company's shares. Where this is the case, however, the capital increase must comply with the additional terms and conditions laid down in article 7:202 of the Belgian Code on Companies and Associations. The powers hereby conferred on the Board of Directors remain in effect for a period of three years from the date of publication in the Annexes to the Belgian Official State Gazette of the authorisation of the Extraordinary Shareholders' Meeting of 26 May 2020. These powers may be renewed for a further period of three years by resolution of the Shareholders' Meeting, deliberating and deciding in accordance with applicable rules. If the Board of Directors decides upon an increase of authorised capital pursuant to this authorisation, this increase will be deducted from the remaining part of the authorised capital specified in the first paragraph.

In the course of 2021, the Board of Directors did not make use of its mandate to increase Balta's capital as stated in article 6 of the articles of association.

Acquisition of own shares

According to article 16 of its articles of association, the Company may, without any prior authorisation of the Shareholders' Meeting, in accordance with articles 7:215 ff. of the Belgian Code on Companies and Associations and within the limits set out in these provisions, acquire, on or outside a regulated market maximum 20% of its own shares for a price which will respect the legal requirements, but which will in any case not be more than 10% below the lowest closing price in the last thirty trading days preceding the transaction and not more than 10% above the highest closing price in the last thirty trading days preceding the transaction. This authorisation is valid for five years from the date of the publication in the Annexes to the Official Belgian State Gazette of the authorisation of the Extraordinary Shareholders' Meeting of 26 May 2020. This authorisation covers the acquisition on or outside a regulated market by a direct subsidiary within the meaning and the limits set out by article 7:221, indent 1 of the Belgian Code on Companies and Associations. If the acquisition is made by the Company outside a regulated market, even from a subsidiary, the Company shall comply with article 7:215 §1 4° of the Belgian Code on Companies and Associations.

The Board of Directors is authorised, subject to compliance with the provisions of the Belgian Code on Companies and Associations, to acquire and to divest for the Company's account the Company's own shares, profit-sharing certificates or associated certificates if such acquisition is necessary to avoid serious and imminent harm to the Company. Such authorisation is valid for three years as from the date of publication in the Annexes to the Official Belgian State Gazette of the authorisation of the Extraordinary Shareholders' Meeting of 26 May 2020.

In accordance with article 7:218 of the Belgian Code on Companies and Associations the Board of Directors is authorised to divest itself of part of or all the Company's shares at any time and at a price it determines, on or outside the stock market or in the framework of its remuneration policy to members of the personnel of the Company. This authorisation covers the divestment of the Company's shares, profit-sharing certificates or associated certificates by a direct subsidiary within the meaning of article 7:221, indent 1 of the Belgian Code on Companies and Associations. By authorisation of the Extraordinary Shareholders' Meeting of 26 May 2020 the Board of Directors is, in accordance with article 7:218, §1, 4° of the Belgian Code on Companies and Associations, explicitly authorised to divest its own shares, in favour of persons who are not part of the personnel of the Company.

In the course of 2021, the Board of Directors did not make use of its mandate to acquire its own shares as stated in article 16 of the articles of association.

MATERIAL AGREEMENTS TO WHICH BALTA OR CERTAIN OF ITS SUBSIDIARIES IS A PARTY CONTAINING CHANGE OF CONTROL PROVISIONS

Senior Secured Notes

On 3 August 2015, LSF 9 Balta Issuer S.à r.l. (the 'Issuer') issued € 290,000,000 in aggregate principal amount of 7.75% Senior Secured Notes due 2022 of which € 234,900,000 remained outstanding after the partial redemptions in 2017. On 8 March 2021, an amend and extend agreement was closed and the maturity date of the replacement Senior Secured Notes issued was extended until 31 December 2024.

Upon the occurrence of a change of control (as defined in the Senior Secured Notes Indenture), the Senior Secured Notes Indenture requires the Issuer to offer to repurchase the Senior Secured Notes at 101% of their aggregate principal amount, plus accrued and unpaid interests and additional amounts, if any, to the date of purchase.

Revolving Credit Facility

On 3 August 2015, the Issuer and LSF 9 Balta Investments S.à r.l. entered into a Super Senior Revolving Credit Facility Agreement (as amended or supplemented from time to time, the 'Revolving Credit Facility'), which provides for € 61,000,000 of committed financing at 31 December 2020.

On 9 October 2020 the Company signed agreements with each of its lenders under its existing European Super Senior Revolving Credit Facility to amend and extend the maturity date for this facility to 30 June 2024.

The Revolving Credit Facility requires mandatory prepayment in full or in part in certain circumstances including upon a change of control (as defined in the Revolving Credit Facility).

One-off PSU package CEO

Mr Ragoucy was awarded a one-off package consisting of PSUs in view of his appointment as permanent CEO. The agreement relative to this one-off award contains a clause that triggers an accelerated vesting of the PSUs on the occurrence of a public takeover resulting in a change of control of the Company (i.e. the closing/first settlement date of a voluntary or mandatory public takeover bid on all shares of Balta Group NV).

Sale-and-leaseback

On 1 April 2014, a subsidiary of the Company, Balta Oudenaarde NV, entered into a sale-and-leaseback agreement with four banks, containing a change of control clause. In case of a change of control there is a full or partial immediate repayment.

On 20 December 2019, the Company entered into a sale-and-leaseback agreement with three banks. If a third party gains control over the Company, the banks are entitled to terminate the agreement at their own discretion. This change of control clause was approved by the general Shareholders' Meeting of 26 May 2020 in accordance with article 7:151 of the Belgian Code on Companies and Associations.

Factoring Agreement

On 7 September 2012, several subsidiaries of the Company entered into a Commercial Finance Agreement with ING. At several occasions, this Agreement was amended. The last time on 10 June 2021. According to the applicable general terms, the outstanding sums are immediately due in case of a change of control, if such a change would not be in the interest of the bank.

2018 Long Term Incentive Plan

In 2018, a long-term incentive plan (the '2018 LTIP') was implemented to create alignment between managers' and shareholders' interests. The 2018 LTIP consists of Performance Share Units ('PSUs') which convert into shares and vest to relevant managers that still provide services to the Balta Group on the third anniversary of their award, to the extent that the Company's share price reaches certain defined targets. As approved by the Shareholders' Meeting of 16 June 2018 in accordance with article 7:151 of the Belgian Code on Companies and Associations, the PSU vesting is accelerated in the event of a change of control or the closing of a public takeover bid for the Company.

2019 Long Term Incentive Plan

Also in 2019, a long-term incentive plan (the '2019 LTIP') was implemented by the Board of Directors. The PSUs granted under the 2019 LTIP will vest to relevant managers that still provide services to the Balta Group on the second and third anniversaries of their award, to the extent that the Company's share price reaches certain defined targets. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting of 28 May 2019, in accordance with article 7:151 of the Belgian Code on Companies and Associations.

2020 Long Term Incentive Plan

On 5 March 2020, the Board of Directors approved a new long-term incentive plan (the '2020 LTIP'). The PSUs granted under the 2020 LTIP will vest to relevant managers that still provide services to the Balta Group on the third anniversary of their award, to the extent that the Company's share price reaches certain defined targets. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting of 26 May 2020, in accordance with article 7:151 of the Belgian Code on Companies and Associations.

Severance pay pursuant to the termination of contract of Board members or employees pursuant to a takeover bid

The Company has not concluded any agreement with its Board members or employees which would result in the payment of specific severance pay if, pursuant to a takeover bid, the Board members or employees resign, are dismissed or their employment agreements are terminated.

Please see the section 'Provisions concerning individual severance payments for Management Committee members / Termination Provisions' of this Corporate Governance Statement on termination provisions of the members of the Management Committee.

CONFLICTS OF INTEREST

Directors' conflicts of interest

Articles 7:96 and 7:97 of the Belgian Code on Companies and Associations provides for a special procedure if a director of the Company, save for certain exempted decisions or transactions, directly or indirectly has a personal financial interest that conflicts with a decision or transaction that falls within the Board of Directors' powers. The director concerned must inform the other directors before any decision of the Board of Directors is taken and the statutory auditor must also be notified. For listed companies, the director thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction.

Relevant section of the minutes of the Board of Directors of 9 March 2021

Before the deliberation started, Mr Cyrille Ragoucy declared a conflict of interest, as defined in article 7:96 of the Belgian Code on Companies and Associations ('BCCA'), concerning the following items on the agenda: (i) the approval of the 2020 bonus for the members of the Management Committee and (ii) approval of the 2021 compensation and benefits packages for the members of the Management Committee.

The conflict results from the fact that Mr Ragoucy is both director of the Company and member of the Management Committee.

In observance of article 7:96 of the Belgian Code on Companies and Associations, the Board acknowledged that the approval of the 2020 bonus for the members of the Management Committee and approval of the 2021 compensation & benefits packages for members of the Management Committee would have the following financial consequences for the company: the 2020 bonus pay out amounts to € 218,000. The fixed annual remuneration for 2021 amounts to € 700,000 gross. Subject to satisfying all performance objectives set by the Board of Directors, the target variable fee for 2021 may be a maximum of € 560,000 gross.

In accordance with article 7:96 BCCA, Mr Ragoucy refrained from taking part in the deliberations and from voting on those resolutions. The Board noted that Mr Ragoucy did not participate in the deliberation and decision making on the approval.

The Board noted that the quorum was met notwithstanding that Mr Ragoucy did not participate in the deliberation nor in the voting on any item giving rise to the conflict of interests.

Notwithstanding the aforementioned conflict of interest, each director, by signing the minutes, confirmed approval of any documents, events, transactions mentioned therein, to be in the corporate interest.

Compliance with the 2020 Belgian Code on Corporate Governance

Balta is committed to high standards of corporate governance and to the 2020 Corporate Governance Code as a reference code for the financial year ending 31 December 2021. As the Corporate Governance Code is based on a 'comply or explain' approach, the Board of Directors intends to comply with the Corporate Governance Code, except with respect to the following:

1) the articles of association allow the Company to grant shares, stock options and other securities vesting earlier than three years after their grant;

2) certain members of the Management Committee are entitled in certain circumstances to severance pay higher than 12 months of remuneration. This is due to binding agreements which were already in place at the time of the Company's IPO. All agreements with members of the Management Committee entered into by the Company after its IPO follow the 2020 Corporate Governance Code;

3) the group of directors appointed at the nomination of LSF 9 Balta Holdco S.à r.l., constitute a majority of the directors (5 out of 9) as a consequence of the majority of shares held by that company. This situation is specific to the Company's shareholding structure and is based on nomination rights set out in the Company's articles of association. As LSF 9 Balta HoldCo S.à r.l. reduces its shareholding below certain agreed percentages their right to appoint directors is also reduced (see above). The Remuneration and Nomination Committee aims to ensure, in consultation with LSF 9 Balta Holdco S.à r.l., that the Board of Directors is well-balanced and that non-executive directors have complimentary skills and experience;

4) the chairman of the Board and the CEO are the same individual. The Board of Directors appointed its chairman as CEO. Following his mandate as interim CEO, during which he was instrumental in developing and starting to implement the NEXT programme, the Board of Directors requested that Mr Ragoucy assumed the role in a permanent capacity. Given his deep knowledge of the organisation and his strong track record of leading and driving strategy and profitability improvements, the Board of Directors is convinced that Mr Ragoucy is best placed to continue to drive and deliver the implementation of the Company's transformation programme;

5) the non-executive directors of the Board of Directors are not remunerated in shares, which are held until one year after they leave the Board of Directors and at least three years after the moment of the award. As the remuneration policy of the Company entails that the directors appointed upon nomination by LSF 9 Balta Holdco S.à r.l. are not remunerated, they are also not entitled to shares. Their personal interests are aligned with the long-term interests of the Company. Also the non-executive independent directors are not remunerated in shares, because the Company feels that they are sufficiently oriented to the creation of long-term value for the Company and in this way they maintain their independent status. This will be reviewed annually;

6) the members of the Management Committee are not remunerated in shares. To ensure the personal interests of the Management Committee are aligned with the interests of long-term shareholders, other mechanisms were put in place, i.e., LTIP and variable remuneration;

7) the variable remuneration awarded to members of the Management Committee for 2021 was based upon Group (and divisional) financial targets and not on individual targets. Initially individual targets were set (such as plant safety walks), however due to COVID-19 pandemic measures, these individual targets were replaced by alternative Company objectives. This will be reviewed annually;

8) no specific provisions on the recovery of or withholding of payment of variable remuneration are inserted in the contracts with Management Committee members. The customary triggers included in claw-back provisions, such as fraud or gross misconduct, can be addressed in other ways such as dismissal (for cause), recovery on the basis of civil law, exclusion from D&O insurance coverage and others. In addition, the number of situations that could give rise to a claw-back is very limited, as grants of variable remuneration will be based on audited financial information.

REMUNERATION REPORT

Introduction

The remuneration report is structured in a way to be transparent and to comply with the latest rules, regulations and guidance on the (standardised) presentation of the remuneration report, including the Shareholder Rights Directive and the related Belgian Implementation Act.

The remuneration paid to the members of the Board of Directors and the Management Committee in 2021 was in line with Balta's remuneration policy, as amended and approved by the Shareholders' Meeting of 26 May 2021.

This remuneration policy continues the existing practices, while updating certain principles to better promote the long-term interests of the Company and the alignment of all stakeholders.

During the financial year 2021, Balta did not deviate from the principles laid down in its remuneration policy.

Remuneration of directors

In accordance with the Company's remuneration principles, as decided by the Shareholders' Meeting dated 26 May 2021, only the independent directors of the Board of Directors are entitled to a (fixed) remuneration for their director's mandate. No director's remuneration was paid to the directors appointed upon nomination by LSF 9 Balta Holdco S.à r.l.

The remuneration of the independent members of the Board of Directors was as follows in 2021:

- Annual independent director's fee of € 40,000 gross;
- Additional annual fee for each Committee membership of € 10,000 gross; and
- Additional annual fee for the chairman of the Board of Directors of € 70,000 gross.

The remuneration of the chairman of the Board of Directors is capped at € 120,000 gross. Since the chairman of the Board of Directors has been mandated as CEO of the Company, he is no longer remunerated for his director's mandate.

The actual remuneration granted to the directors in 2021

Name / position	Chairmanship	Independent directorship	AC membership	RNC membership	Total
Cyrille Ragoucy CEO Chairman of the Board of Directors	-	-	-	-	-
Michael Kolbeck Non-executive director Chairman of the Remuneration and Nomination Committee	-	-	-	-	-
Jeremy Fryzuk Non-executive director Chairman of the Audit Committee	-	-	-	-	-
Accelium BV, represented by Nicolas Vanden Abeele Independent director	-	€ 40,000	€ 10,000	€ 10,000	€ 60,000
Sarah Hedger Independent director	-	€ 40,000	€ 10,000	€ 10,000	€ 60,000
Itzhak Wiesenfeld Independent director	-	€ 40,000	-	€ 10,000	€ 50,000
Neal Morar Non-executive director	-	-	-	-	-
Hannah Strong Non-executive director	-	-	-	-	-
Patrick Lebreton Non-executive director	-	-	-	-	-
Total	-	€ 120,000	€ 20,000	€ 30,000	€ 170,000

No other benefits were paid to the members of the Board of Directors for their director's mandate. A total of € 170,000 gross was granted.

Remuneration granted to the CEO and other members of the Management Committee

The remuneration for the members of the Management Committee was reviewed by the Board of Directors on 9 March 2021 based on recommendations from the Remuneration and Nomination Committee of 4 March 2021.

In line with the Company's remuneration principles, as decided by the Shareholders' Meeting dated 30 May 2017, the remuneration of the members of the Management Committee included (i) a fixed annual fee, (ii) a variable annual fee (short-term incentive plan ('STIP')), (iii) a long-term incentive plan ('LTIP'), (iv) pension contributions, and (v) various other benefits.

(i) Fixed annual fee

For the financial year 2021, the CEO received a fixed annual fee of € 700,000 (gross) and the other members of the Management Committee received a total fixed annual fee of € 2,764,970 (gross), severance payments included.

(ii) Short-term incentive plan ('STIP')

The short-term incentive plan rewards the realisation of key financial performance indicators with targets recommended by the Remuneration and Nomination Committee and approved by the Board of Directors for the period from 1 January 2021 to 31 December 2021.

For the CEO, the CFO, the Group HR Director and the CTO, the STIP for 2021 was based on Group financial targets: 70% on Group Adjusted EBITDA and 30% on Group Seasonality Adjusted Net Debt. For the Managing Directors of the divisions, the STIP was based on the realisation of Group and divisional financial targets: 25% on Group Adjusted EBITDA, 50% on Divisional Adjusted EBITDA and 25% on Divisional Working Capital.

The Remuneration and Nomination Committee evaluated achievement against the 2021 performance objectives for each member of the Management Committee and proposed their short-term variable remuneration component to the Board of Directors.

The aim of the variable fee is to create a high-performance culture through a cash bonus linked to performance against contracted deliverables with due regard to preventing excessive risk taking. This STIP is harmonised throughout the organisation. It is designed to reward the manager for the performance of the Company and its divisions over a one-year time horizon.

The variable remuneration is not spread over time.

In 2021, the target STIP was 80% of fixed annual remuneration for the CEO and, on average, 46% of annual fixed remuneration for other members of the Management Committee.

(iii) Long-term incentive plan ('LTIP')

In 2018, the Board of Directors decided to implement annual Long-Term Incentive Plans ('LTIPs') to create alignment between manager's and shareholders' interests. These LTIPs consist of Performance Share Units ('PSUs').

The PSUs in the 2018 LTIP could vest to relevant managers that still provide services to the Balta Group on the third anniversary of their award and are converted into shares, to the extent that the Company's share price had reached defined targets with a minimum hurdle of € 13.25 per share required for any conversion. The 2018 LTIP was awarded to members of the Management Committee at that time. Since the minimum hurdle was not reached, there was no vesting in 2021.

In 2019, a similar LTIP was designed to drive the performance and long-term growth of the Group by offering long-term incentives to managers who contribute to such performance and growth and was also intended to facilitate recruiting and retaining personnel of outstanding

ability. The PSUs granted under the 2019 LTIP will vest to relevant managers that still provide services to the Group on the second and third anniversaries of their award, to the extent that the Company's share price has reached certain defined targets, all significantly above the current share price. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting on 28 May 2019, in accordance with article 7:151 of the Belgian Code on Companies and Associations. The 2019 LTIP was awarded to the CEO and to the other members of the Management Committee.

For the same purposes, a 2020 LTIP was also implemented. The PSUs granted under the 2020 LTIP will vest to relevant managers that still provide services to the Balta Group on the third anniversary of their award, to the extent that the Company's share price reaches certain defined targets. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting on 26 May 2020, in accordance with article 7:151 of the Belgian Code on Companies and Associations. The 2020 LTIP was awarded to the members of the Management Committee, except to the CEO.

In 2021 no LTIP was implemented.

(iv) Pension contributions

Members of the Management Committee can be entitled to affiliation with a Group insurance scheme.

(v) Other benefits

Members of the Management Committee can be entitled to a Company car or car allowance, lunch vouchers and fixed expenses.

(vi) Overall remuneration awarded to the CEO as a member of the Management Committee

For the year ended 31 December 2021, the total remuneration of the CEO was as follows:

- Base salary (gross remuneration): € 700,000
- Variable remuneration (relating to performance in 2021, paid out in 2022): € 780,752
- Pension: nil
- Other compensation components (company car, fuel card and smartphone): € 12,720
- No PSUs were granted in 2021.

Upon his appointment as CEO, Mr Ragoucy was compensated for (a) the fact that no LTIP award was made to him in 2018 and (b) the loss of income connected to him giving up external roles. Therefore he was awarded a one-off package consisting of PSUs, which would vest subject to a significant increase in the Company's share price (i.e., to a minimum share price of € 13).

(vii) Remuneration awarded to the other Management Committee members

For the year ended 31 December 2021, the total remuneration of the other Management Committee members was as follows:

- Base salary (gross remuneration – severance payments included): € 2,764,970
- Variable remuneration (relating to performance in 2021, paid out in 2022): € 957,057
- Pension: € 74,851
- Other compensation components (car, insurance, lunch vouchers, representation allowances): € 104,549
- No PSUs were granted in 2021.

Overview LTIP

Main conditions of LTIP						Information regarding the financial year	
In 2021 no LTIP was implemented.							
Beneficiaries	Plan	Performance period	Award date	Vesting date	PSU awarded	Shares vested	
Members of the Management Committee	2020	11/09/2020 – 11/08/2023	11/09/2020	11/08/2023	84,500	0	
	2019	Period 1: 05/16/2019 – 05/15/2021 Period 2: 05/16/2019 – 05/15/2022	16/05/2019	Vesting date 1: 05/15/2021 Vesting date 2: 05/15/2022	343,500	0	
	2018	07/01/2018 – 06/30/2021	07/01/2018	06/30/2021	46,666	0	

Overview remuneration

Name and position	Fixed annual fee	STIP	LTIP	Pension contributions	Various other benefits	Total remuneration	% of fixed and variable
Cyrille Ragoucy (CEO)	€ 700,000	€ 780,752	€ 0	€ 0	€ 12,720	€ 1,493,472	48% fixed 52% variable
Other members of the Management Committee (total)	€ 2,764,970	€ 957,057	€ 0	€ 74,851	€ 104,549	€ 3,901,472	75% fixed 25% variable

CHANGES TO THE REMUNERATION POLICY SINCE THE END OF 2021

No changes have been made to the remuneration policy since the end of 2021.

Provisions concerning individual severance payments for Management Committee members / Termination provisions

During 2021, no changes were made for the following specific termination provisions of the enumerated Management Committee members.

Other than in the case of termination in certain events of breach of contract, the CEO is entitled to a notice period of six (6) months or a termination fee equal to the proportion of the fixed fee that he would be entitled to during this six months' period.

Other than in the case of termination in certain events of breach of contract, the CFO is entitled to a minimum notice period of six (6) months. As an exception, in case of termination of the employment contract by the employer before 31 August 2021 directly resulting from a divestment or reorganisation, he will be entitled to a notice period of twelve (12) months. If the employer does not require him to perform his duties during the entire notice period, he will be entitled to an amount equal to his fees for the non-performed period.

Other than in certain cases of termination for breach of contract, Mr Marc Dessein is entitled to a notice period of eighteen (18) months and a termination fee equal to the relevant portion of his fixed and variable fee paid out in the preceding calendar year for early termination of the notice period.

Mr Dessein is subject to a noncompetition clause for a period of up to one (1) year from the date of termination or resignation, restricting his ability to work for competitors. He is entitled to receive compensation of an amount up to € 162,500 of remuneration if this non-competition clause is applied in full.

Mr Dessein's management agreement dates from before the IPO. The termination provision included in Mr Dessein's management agreement was justified given his skills and seniority.

Other than in the case of termination in certain events of breach of contract, Mr Kris Willaert was entitled to a minimum notice period of six (6) months. If the employer does not require him to perform his duties during the entire notice period, he will be entitled to an amount equal to his fees for the non-performed period.

Other than in the case of termination in certain events of breach of contract, Mr Stefan Claeys was entitled to a notice period of six (6) months or a termination fee equal to the proportion of the fixed fee that he would be entitled to during this six months' period.

The notice period of Mr Jim Harley can be negotiated, with a minimum of two (2) weeks.

Other than in the case of termination in certain events of breach of contract, Mrs Mieke Buckens is entitled to a minimum notice period of thirty (30) calendar days or a termination fee equal to the proportion of the fixed fee that she would be entitled to during these 30 calendar days.

Unlike the previous termination provisions, for the following Management Committee members some changes were made to their provisions during 2021.

Comparative information on change of remuneration and Company performance, and ratio

	FY 2017 ⁽¹⁾	FY 2018	FY 2019	FY 2020	FY 2021
Board of Directors and Management Committee remuneration					
Board of Directors members' total remuneration	€ 124,584	€ 216,022	€ 162,930	€ 154,462	€ 170,000
CEO's total remuneration	€ 584,000	€ 776,490	€ 990,664	€ 867,141	€ 1,493,472
Management Committee members' total remuneration	€ 1,708,496	€ 1,353,114	€ 2,230,675	€ 2,536,733	€ 3,901,427
Company performance					
Group Adjusted EBITDA	€ 84,381,000	€ 72,352,000	€ 74,356,000	€ 67,990,000	€ 87,800,000
Average remuneration (on a full-time equivalent basis) for employees					
Employees of the Company ⁽²⁾	€ 584,000	€ 776,490	€ 990,664	€ 867,141	€ 1,493,472

(1) As Balta Group NV was incorporated in 2017, only data as from 2017 can be mentioned.
(2) Only one individual has an employment agreement with Balta Group NV.

Since the addendum signed on 17 March 2021 Mr Oliver Forberich was entitled to a notice period of twelve (12 months) as an exception and in case of termination of the employment contract by the employer before 31 December 2021 directly resulting from a divestment or reorganisation of the Residential division. If the employer does not require him to perform his duties for the entire notice period, he will be entitled to an amount equal to the fees for the non-performed period.

Since the agreement effective as from 7 October 2021 Mr Emmanuel Rigaux was entitled to a notice period of twelve (12 months), as an exception and in case of termination of the employment contract by the employer before 31 December 2021 directly resulting from a divestment or reorganisation. If the employer does not require him to perform his duties for the entire notice period, he will be entitled to an amount equal to the fees for the non-performed period.

In accordance with the terminations provisions as set forth here-above severance payments were made to Mr Oliver Forberich and Mr Stefan Claeys for an aggregate amount equal to € 610,478. These severance payments are included in the total remuneration.

Clawback provision regarding members of the Management Committee

There are no clawback provisions. No specific provisions on the recovery of or withholding of payment of variable remuneration are inserted in the contracts with Management Committee Members. The customary triggers included in claw-back provisions, such as fraud or gross misconduct, can be addressed in other ways such as dismissal (for cause), recovery on the basis of civil law, exclusion from D&O insurance coverage and others. In addition, the number

of situations that could give rise to a claw-back is very limited, as grants of variable remuneration will be based on audited financial information.

Compliance with remuneration policy, long-term objectives and sustainability

Remuneration is aligned with current market practice and targets a market median position for the total salary package. The remuneration system rewards individual performance. Short-term variable pay incentivises actions and results in line with annual Company targets. Long-term commitment to the Company is stimulated through a share-based long-term incentive plan, that considers the share price performance of the Company. Balta's remuneration rewards its employees fairly and appropriately regardless of gender, nationality or beliefs, and will solely be based on function and performance.

Derogations and deviations from the remuneration policy

There were no derogations or deviations in 2021.

In 2021, the ratio between the highest remunerated executive and the least remunerated employee (on a full-time equivalent basis) within the Company was 1.

Information on shareholder vote

The Shareholders' Meeting on 26 May 2021 approved the remuneration report for financial year 2020 with a majority of 87.6%. The remuneration policy was approved with a majority of 87.6%.

7. Risk management and internal control framework

Balta operates a risk management and control framework in accordance with the Belgian Code on Companies and Associations and the Corporate Governance Code. Balta is exposed to a wide variety of risks within the context of its business operations, possibly resulting in its objectives being affected or potentially not being achieved. Controlling such risks is a core task of the Board of Directors, the Management Committee and all other employees with managerial responsibilities. The risk management and control system has been set up to achieve the following goals: achieving Balta's objectives, achieving operational excellence, ensuring correct and timely financial reporting and ensuring compliance with all applicable laws and regulations.

Control environment

The control environment constitutes the basis of the internal control and risk management system. The control environment is defined by a mix of formal and informal rules and corporate culture on which the operation of the business relies.

Three lines of defence

Balta applies the 'three lines of defence model' to clarify roles, responsibilities and accountabilities, and to enhance communication within the area of risk and control:

- First line of defence: the line management is the first body responsible for assessing emerging risks continuously and implementing controls in response to these risks.
- Second line of defence: oversight functions such as Finance, Controlling, Safety Health Environment and Quality, Compliance and Legal oversee and challenge risk management as executed by the first line of defence. Those constituting the second line of defence provide guidance and direction and verify whether the first line of defence is properly designed, in place, and operating as intended.
- Third line of defence: internal audit provides the governing body and senior management with comprehensive assurance based on the highest level of independence and objectivity within the organisation and challenges the risk management processes as executed by the first and second line of defence. External auditors, regulators and other external bodies reside outside the organisation's structure, but they have an important role in the organisation's overall governance and control structure. When coordinated effectively, external auditors, regulators and other groups outside the organisation can be considered as additional lines of defence, providing assurance to the organisation's shareholders, including the governing body and senior management.

Policies, procedures and processes

Corporate culture is sustained by the implementation of different company-wide policies, procedures and processes such as the Balta compliance charter, the anti-fraud and anti-corruption policy, the gift and entertainment policy, the travel and expense note policy, the non-audit services policy, the reserved matters policy, the antitrust policy, the anti-money laundering policy, Delegation Of Authority and Signing (DOAS) policy, the economic sanctions policy, the privacy and data protection policies (GDPR) (including the data breach policy, data protection policy, the privacy policy for collaborators, the privacy policy for recruitment and selection), the whistleblowing policy and the quality management system. Both the Board of Directors and the Management Committee fully endorse these initiatives. Employees will be regularly informed and trained on these subjects to develop sufficient risk management and control at all levels and in all areas of the organisation. Balta is a company with an open culture, striving to uphold the outmost business ethics. As unethical

behaviour might take place in most organisations, having an open corporate culture is not always enough to eliminate such unethical behaviour. For this reason, Balta has implemented a speak-up procedure, policy and tool in 2020 and has further rolled out the awareness to all Balta employees in 2021. Cases which are reported in the whistleblowing tool and which fall within the scope of the policy are anonymously managed by a dedicated investigation team. General and discrete reporting on whistleblowing cases is provided to the Audit Committee.

Group-wide ERP system

The majority of Balta's entities operate the same Group-wide ERP system, which is managed centrally. This system embeds the roles and responsibilities defined at Group level. Through this system, the main flows are standardised, key internal controls are enforced and regular testing is carried out by the corporate finance department. The system also allows detailed monitoring of activities and direct central access to data.

Control activities

Control measures are in place to minimise the effect of risk on Balta's ability to achieve its objectives. These control activities are embedded in Balta's key processes and systems to ensure that the risk responses and Balta's overall objectives are carried out as designed. Control activities are conducted throughout the organisation at all levels and within all departments. The following control measures have been implemented at Balta: an authorisation cascade in the computer system, access and monitoring systems in the buildings, payment authorities, cycle counts of inventories, identification of machinery and equipment, daily monitoring of the cash position and an internal reporting system by means of which both financial data and operational data are reported on a regular basis. Deviations from budgets and previous reference periods are carefully analysed and explained. Great importance is attached to the security of all data stored in computer systems.

Information and communication

Balta recognises the importance of timely, complete and accurate communication and information, top-down as well as bottom-up. The Group therefore communicates operational and financial information at both divisional and group level. The general principle is to ensure consistent and timely communication to all stakeholders of all information impacting their area of responsibility.

All key business processes are managed through the ERP system for the majority of the subsidiaries. This not only offers extensive functionality with regard to internal reporting and communication, but also the ability to manage and audit access rights and authorization management on a centralised basis. During 2021, a number of additional reporting tools have been rolled out within the Group which further enable more instant in depth and automated reporting.

The Management Committee also discusses the results on a monthly basis. The Corporate Finance department directs the information and communication process. For both internal and external reporting and communication, a financial calendar in which all reporting dates are set out is communicated to all parties involved.

Risk management

Sound risk management starts with identifying and assessing the risks associated with the business, in order to minimise such risks on the organisation's ability to achieve its objectives and to create value for its stakeholders.

All Balta employees are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility. Balta has identified and analysed its key corporate risks as disclosed under the 'Summary of main risks' chapter of this Annual Report.

Risk management and internal control with regard to financial reporting

The accurate and consistent application of accounting rules throughout the Company is ensured by means of Finance and Accounting procedures and guidelines. The accounting teams are responsible for producing the accounting figures, whereas the controlling teams check their validity. These checks include consistency tests, comparing current figures with historical and budget figures, as well as sample checks of transactions according to their materiality. Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. These checklists ensure clear communication of timelines, the completeness of tasks and the clear assignment of responsibilities. Uniform reporting of financial information throughout the organisation ensures a consistent flow of information, in turn allowing potential anomalies to be detected. The Group-wide ERP system and management information tools give the central controlling team direct access to disaggregated financial and non-financial information. An external financial calendar is planned in consultation with the Board of Directors and the Management Committee. This calendar is announced to external stakeholders via the Investor Relations section of our corporate website. The objective of this external financial reporting is to provide Balta stakeholders with the information necessary for making sound business decisions. Supervision and monitoring of control mechanisms is mainly performed by the Board of Directors through the work of the Audit Committee and the Management Committee. Internal audit also reports to the Audit Committee on the risk-based audit plan. Risk-based auditing focuses on the analysis and management of the corporate, operational and strategic risks. The aim is to provide assurance to the Board of Directors and the Audit Committee that risk management processes are managing risks effectively and adequately in relation to the risk appetite. Moreover, the statutory auditor, in the context of reviewing the annual accounts, reports to the Audit Committee on their review of internal controls and risk management systems. In doing so, the statutory auditor focuses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements.

8. Remuneration report

The remuneration report is included by the Board in the annual Corporate Governance Statement.

The Remuneration and Nomination Committee advises the Board and consist of all non-executive directors and a majority of them being independent directors.

The following directors form the Remuneration and Nomination Committee: Michael Kolbeck, Vanessa Temple, Itzhak Wiesenfeld and Nicolas Van Den Abeele (providing services through Accelium BVBA).

9. Information concerning permanent establishments of the Company

In accordance with article 3:6, §1, 5° of the Belgian Companies Code the annual report contains information on the permanent establishments of the Company.

We confirm there are no permanent establishments.

10. Justification of the application of the valuation rules

In the case the balance shows a loss carried forward or the income statement of the financial year and the income statement of the previous year shows a loss in two consecutive periods, in accordance with article 3:6, §1, 6° of the Belgian Companies Code, the annual report contains a justification of the application of the valuation rules under going concern.

The loss carried forward is due to a write-off following the sale of part of the Balta Group and concerns a one-time event which will have no effect on the future activities of the company. The company will use the proceeds of the sale to optimize its operations which will result in an improvement of its results. This operation and the further strategic plans of the group guarantee the continuity of the company.

The Board proposes to apply the valuation rules under going concern.

11. Information of the use of financial instruments

In accordance with article 3:6, §1, 8° of the Belgian Companies Code, the annual report contains information concerning the use of financial instruments by the Company and the risk management.

The Company doesn't use financial instruments.

12. Discharge directors and auditor

We ask to individually discharge the directors and the auditor for the execution of their mandate.

Done at Waregem on April 21st, 2022.

The Board of Directors

RAGOUCY Cyrille
Chairman

DocuSigned by:
Cyrille Ragoucy
CC38BC5E60E1473...

Accelium BV
Permanently represented by
VAN DEN ABEELE Nicolas
Director

KOLBECK Michael
Director

MORAR Neal
Director

TEMPLE Vanessa
Director

STRONG Hannah
Director

FRYZUK Jeremy
Director

LEBRETON Patrick
Director

WIESENFELD Itzhak
Director

