Jensen group annual report 2018

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The bp Annual Report and Form 20-F 2021 available for download on this webpage constitutes the Annual Report and Accounts in accordance with UK requirements and the Annual Report on Form 20-F in accordance with the US Securities Exchange Act of 1934, for BP p.l.c. for the year ended 31 December 2021. A cross reference to Form 20-F requirements is included on page 390 of the bp Annual Report and Form 20-F 2021. The bp Annual Report and Form 20-F 2021 contains the Strategic report on the inside front cover and pages 1-80 and the Directors' report on pages 81-115, 116 (in part only), 142-143, 254-281 and 337-388. The Strategic report and the Directors' report together include the management report required by DTR 4.1 of the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules. The Directors' remuneration report is on pages 116-141. The consolidated financial statements of the group are on pages 145-253 and the corresponding reports of the auditor are on pages 146-172. The parent company financial statements of BP p.l.c. are on pages 282-336. The Directors' statements (comprising the Statement of directors' responsibilities; Risk management and internal control; Longer-term viability; Going concern; and Fair, balanced and understandable), the independent auditor's report on the annual report and accounts to the members of BP p.l.c., the parent company financial statements of BP p.l.c. and corresponding auditor's report do not form part of bp's Annual Report on Form 20-F as filed with the SEC. To obtain a hard printed copy of BP's complete audited financial statements, free of charge, UK based investors should contact bp Distribution Services by clicking the link above or calling +44 (0)870 241 3269 or by emailing bpdistributionservices@bp.com. If based in the US or Canada investors should contact Issuer Direct by calling +1 888 301 2505 or by emailing bpreports@issuerdirect.com. BP p.l.c. is the parent company of the bp group of companies. The company was incorporated in 1909 in England and Wales and changed its name to BP p.l.c. in 2001. Where we refer to the company, we mean BP p.l.c. The company and each of its subsidiaries« are separate legal entities. Unless otherwise stated or the context otherwise requires, the term "BP" or "bp" and terms such as "we", "us" and "our" are used for convenience to refer to one or more of the members of the bp group instead of identifying a particular entity or entities. Information in the bp Annual Report and Form 20-F 2021 reflects 100% of the assets and operations of the company and its subsidiaries that were consolidated at the date or for the periods indicated, including non-controlling interests. The company's primary share listing is the London Stock Exchange. In the US, the company's securities are traded on the New York Stock Exchange (NYSE) in the form of ADSs (see page 368 of the bp Annual Report and Form 20-F 2021 for more details) and in Germany in the form of a global depositary certificate representing bp ordinary shares traded on the Frankfurt, Hamburg and Dusseldorf Stock Exchanges. The term 'shareholder' in the bp Annual Report and Form 20-F 2021 means, unless the context otherwise requires, investors in the equity capital of BP p.l.c., both direct and indirect. As the company's shares, in the form of ADSs, are listed on the NYSE, an Annual Report on Form 20-F is filed with the SEC. Ordinary shares are ordinary fully paid shares in BP p.l.c. of 25 cents each. Preference shares are cumulative first preference shares and cumulative second preference shares in BP p.l.c. of £1 each.   JENSEN-GROUP ANNUAL REPORT 2020 The Dutch language text of the Annual Report is the official version. The English language version is provided as a courtesy to our shareholders. JENSEN-GROUP has verified the two language versions and assumes full responsibility for matching both language versions. In this report, the terms "JENSEN-GROUP" or "Group" refer to JENSEN-GROUP NV and its consolidated companies in general. The terms "JENSEN-GROUP NV" and "the Company" refer to the holding company, registered in Belgium. Business activities are conducted by operating subsidiaries throughout the world. The terms "we", "our", and "us" are used to describe the Group. Table of contents Consolidated key figures ... 4 Message to our Shareholders ... 7 Profile of the JENSEN-GROUP ... 10 Information for shareholders and investors ... 14 Report of the Board of Directors ... 18 Statement of responsible persons ... 69 Statutory Auditor's Report to the General Shareholders' Meeting of the Company JENSEN-GROUP NV on the consolidated financial statements for the year ended 31 December 2020 ... 70 Consolidated statement of financial position - Assets ... 75 Consolidated statement of financial position - Liabilities ... 76 Consolidated statement of comprehensive income ... 77 Consolidated statement of comprehensive income - Other comprehensive income ... 78 Consolidated statement of changes in equity - prior year ... 79 Consolidated statement of changes in equity - current year ... 80 Consolidated cash flow statement ... 81 Notes to the Consolidated Financial Statements ... 82 Summary balance sheet of JENSEN-GROUP NV ... 138 Summary income statement of JENSEN-GROUP NV ... 139 Appropriation result JENSEN-GROUP NV ... 140 General Information ... 144 ANNUAL REPORT 2020 Consolidated key figures Financial year ended December 31 December 31 2020 2019 Revenue 245,238 332,178 Operating profit (EBIT) 12,795 23,016 Operating cash flow (EBITDA) 19,793 31,235 Net interest charges 1,200 1,242 Share in result of associates and companies consolidated under equity 1,251 -229 method Profit before taxes 11,181 20,294 Profit for the period from continuing operations 7,178 15,155 Result from assets held for sale -54 -118 Result attributable to Non Controlling Interest -479 -675 Consolidated result attributable to equity holders 7,602 15,712 Added value 102,963 135,886 Net cash flow 14,600 23,932 Equity 136,044 132,374 Net financial debt (+)/Net cash (-) -28,340 4,362 Working capital 101,933 126,723 Non-Current Assets (NCA) 41,190 46,182 Capital Employed (CE) 143,123 172,905 Market capitalization (high) 271,319 282,266 Market capitalization (low) 150,125 240,043 Market capitalization (average) 189,220 265,064 Market capitalization (December 31) 189,220 271,319 Entreprise value (December 31) (EV) 160,880 275,682 RATIOS EBIT/Revenue 5.22% 6.93% EBITDA/Revenue 8.07% 9.40% ROCE (EBIT/CE) 8.10% 13.78% ROE (Net profit/Equity) 5.66% 12.16% Gearing (Net debt(+) net cash (-)/Equity) 3.30% EBITDA Interest coverage 16.49 25.15 Net financial debt (+) or net cash (-)/EBITDA -0.61 -0.02 Working capital/Revenue 46.62% 39.06% EV/EBITDA (December 31) 8.13 8.83 ANNUAL REPORT 2020 (in thousands of euro) Key figures per share Financial year ended December 31 December 31 2020 2019 Operating cash flow (EBITDA) 2.53 3.99 Consolidated result attributable to equity holders (= earnings per share) 0.97 2.01 Net cash flow 1.87 3.06 Equity (= book value) 17.40 16.93 Gross dividend 1.00 Number of shares outstanding (average) 7,818,999 7,818,999 Number of shares outstanding (year-end) 7,818,999 7,818,999 Share price (high) 34.70 36.10 Share price (low) 19.20 30.70 Share price (average) 24.20 33.90 Share price (December 31) 24.20 34.70 Price/earnings (high) 35.80 18.00 Price/earnings (low) 19.80 15.30 Price/earnings (average) 24.90 16.90 Price/earnings (December 31) 24.90 17.30 ANNUAL REPORT 2020 (in euro) Definitions ■ EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) = Operating profit (EBIT) + Depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions (refer to Note 14) ■ Net interest charges = interest charges - interest income ■ Added value = EBIT + remuneration, social security costs and pensions + depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions (refer to Note 14) ■ Net cash flow = Consolidated result attributable to the equity holders + depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions (refer to Note 14) ■ Net financial debt (+)/Net cash (-)= Borrowings (non-current and current) + government grant - financial fixed assets at amortized cost - financial fixed assets at fair value through OCI - cash and cash equivalents ■ Working capital = Inventory + advance payments + current trade receivables + contract assets - trade payables - contract liabilities ■ Non-current assets = Intangible assets + goodwill + property plant and equipment ■ Capital employed = Working capital + non-current assets (see definitions above) ■ Market capitalization = share price x number of shares outstanding ■ Enterprise value = Market capitalization (December 31) + net financial debt (+)/Net cash (-) (see definitions above) ■ EBITDA interest coverage = EBITDA/Net interest charges (see definitions above) For ratio's comparing figures from the consolidated statement of comprehensive income with figures from the consolidated statement of financial position, the average figure from the consolidated statement of financial position is used. The average is the opening balance + closing balance divided by two: ■ ROCE (return on capital employed) = EBIT/ average capital employed ■ ROE (return on equity) = consolidated result attributable to equity holders / average equity ■ Average net financial debt (+) or net cash (-)/EBITDA. Message to our Shareholders After a strong first quarter, the JENSEN-GROUP faced the onset of the global health crisis that began in the second quarter and lasted for the remainder of the year. As restaurant attendance, tourism, business and cruise travel dropped, many industrial laundries were forced to reduce their capacity or temporarily close their operations. To address these drastic market changes, the Executive Management under the supervision of the Board of Directors took swift action to secure cash, reduce costs, lower the work force and implement furlough and partial unemployment conditions. Despite lower revenues, fluctuating capacity utilization, temporary closing of factories and other necessary restructuring measures, we acknowledge the achievement of management in remaining profitable despite losing over one quarter of revenues. The impact of the hurricane Michael, which caused significant damage to our American facility on October 10, 2018, continued to influence operations. A settlement was reached with our insurance company and the rebuild of the last remaining section of the plant will be completed in the fall of 2021. We maintain our strategy of world-wide reach by having a local presence in every significant global market. We have continued our efforts to decrease our dependence on Europe with now almost 39% of our turnover outside of the continent. Our decision to invest in new markets including Asia are creating healthy and sustainable growth opportunities. Our offer continues to include individual machines as well as systems solutions with varying degrees of automation to cater to all customer needs and specifications, helping us grow across all customer segments. In 2020, the JENSEN-GROUP made significant progress in securing large, high-tech projects in partnership with Inwatec, Denmark. Our joint effort extends our market offering and supports our strategy to be industry leaders and innovators in applying robotics and AI (Artificial Intelligence) to laundry automation processes. This year, a new position of Chief Information Officer was integrated into our Executive Management Team with the intent to drive digitalization and integration of our system processes and to increase IT security and data protection. Gotli Labs, our cooperation with ABS, the leading laundry software provider, saw a reduction in large projects due to the current market situation and a temporary slow-down due to changes in new software development. The integration of technology and software like GLOBE from Gotli Labs allow customers to monitor and track production in real-time, and to use the data to improve their performance. The new software takes our industry to a new level of data management and prepares us for industry 4.0 and IoT (Internet of Things). ANNUAL REPORT 2020 Our determination to prepare for the future and build on recent investments continued in 2020, although on a smaller scale. Our investments in recent years include two new factories, new distribution companies, the acquisition of a sub-supplier, a JV for laundry management software, a commitment to robotics and a participation in TOLON, a manufacturer of stand-alone equipment. With this year's restructuring of operations, we are well-prepared for growth. Due to the decline in activities, we end the year with a substantial decrease in working capital, enabling significant net cash generation. The effects of cancelled projects were concentrated in the first semester, with sporadic cancellations continuing into 2021. We were also able to secure a long-term loan, obtain a kfW (Kreditanstalt für Wiederaufbau) loan in Germany and a PPP (Paycheck Protection Program) loan in the US. An application for forgiveness of the PPP loan has been filed and the outcome is still open at the time of writing. Uniting around the JENSEN spirit, our staff and employees have been crucial in overcoming the day-to-day challenges in these unforeseen times. Throughout the year, their focus and commitment to our customers never wavered. We are also grateful for the flexibility and open-mindedness of our employees in welcoming structural changes that will make the JENSEN-GROUP more agile in meeting customer needs, as we break down departmental silos and make room for entrepreneurial skills across all functions of the organization. We enter 2021 with a workforce that is more agile and well prepared for future growth thanks to our investments in product development, and important restructurings including the alignment of more digital and integrated core processes. The challenges that we have managed to overcome this year demonstrate our ability to quickly adapt to changes in market conditions, which strengthens the resolve of our employees, our brand and our products. Our new product developments are targeted at reducing energy and water consumption as well as increasing the throughput and up-time of our equipment. Our Clean Tech products and environmentally responsible approach enable customers to reduce their average water and energy consumption. Our new product developments and our latest software innovation allow our customers to monitor the critical metrics of typical heavy-duty laundries in real time and enable them to reach ever lower water and energy consumption figures and costs. In 2020, the JENSEN-GROUP received 223.4 million euros in orders, compared to 326.3 million euro orders last year. Due to the challenging market conditions, we enter the year 2021 with a smaller order backlog than last year. Our objective in 2021 is to fully capitalize on our strengths and join forces with our customers to pursue every valuable business opportunity across all segments and markets. We thank our customers for their continued trust and loyalty. We strive to meet their expectations in terms of productivity, reliability, cost and reduced environmental impact of our products and solutions. We also thank our staff throughout the world for their commitment to the JENSEN-GROUP values and for their dedication and drive. As we set our sight on ever higher performance standards, we will continue to support and invest in our employees to help them reach new levels of excellence and growth. Last but not least, we thank our shareholders for their support of the Board of Directors and management in our journey to be the leader in this industry. . Jesper Munch Jensen Chief Executive OfficerRudy Provoost Chairman of the Board of Directors ANNUAL REPORT 2020 Profile of the JENSEN-GROUP Mission statement It is the aim of the JENSEN-GROUP to offer the best solutions to our customers worldwide in the heavy-duty laundry industry. We work for and with our customers to supply sustainable single machines, systems, turnkey solutions and laundry process automation. Laundries supplied by JENSEN aim to reach the highest level of labor efficiency in the industry. We will continuously grow our people and our efficiency so that we can offer environmentally friendly innovative products and services. By combining our global skills and offering local presence to our customers, we are able to create profitable growth and responsible industry leadership. Making a difference Through technical excellence, significant investment in product development and specialized industry knowledge, the JENSEN-GROUP is able to plan, develop, manufacture, install and service everything from single machines and processing lines to complete turnkey solutions. Our partners include textile rental suppliers, industrial laundries, central laundries as well as on-premises laundries in hospitals, hotels and cruise ships. We believe that our customers know their laundry business better than anybody else and that with the help of the JENSEN-GROUP's comprehensive laundry competence and experience we are able to find the right solution for their specific requirements. Organization The JENSEN-GROUP is organized into six Business Regions spanning the world. All products designed and manufactured by the JENSEN-GROUP are under the responsibility of those Business Regions that are managing our factories. These factories develop, manufacture and deliver a full, innovative and competitive range of JENSEN products to our customers through our worldwide network of Sales and Service Centers (SSCs) and authorized local distributors. This worldwide distribution network together with our laundry design capabilities, project management expertise and our after-sales service capability make the JENSEN-GROUP uniquely positioned to act locally while meeting our customer's expectations fast and reliably whether the requirement is a single machine or a complete turnkey solution anywhere in the world. Manufacturing The JENSEN-GROUP has a manufacturing platform of six factories in five countries on three continents: ■ Denmark: JENSEN Denmark in Rønne ■ Sweden: JENSEN Sweden in Borås ■ Germany: JENSEN GmbH in Harsum and JENSEN Components in Pattensen ■ USA: JENSEN USA in Panama City, FL ■ China: JENSEN China in Xuzhou ANNUAL REPORT 2020 Distribution The JENSEN-GROUP sells its products and services under the JENSEN name and the ALPHA by JENSEN name through wholly owned sales and service centers and through independent authorized distributors worldwide. The relative share of sales through our own SSCs has increased in recent years. These SSCs operate in the most important heavy-duty markets: Australia, Austria, Benelux, Brazil, China, Denmark, France, Germany, Italy, Japan, Middle East, New Zealand, North America, Norway, Singapore, Spain, Sweden, Switzerland and United Kingdom. Sales and service centers play a critical coordination role for the increasing number of complex installation projects involving several of our production companies simultaneously. Local presence enables us to deliver after-sales services on demand to our customers. On top of that, we have an experienced distributor network base in more than 50 countries. Product development The JENSEN-GROUP's key technologies encompass the entire laundry process, including the washroom itself, the logistics of moving linen and textiles inside the laundry, finishing with feeders, ironers and folders, as well as software technology to control the overall process. In short, a large number of different technologies are used in the process of turning soiled linen and textiles into clean linen with a perfect finish. Given the wide range of technologies needed to cater for the needs of our customer base, we do not focus on fundamental research and development. Our task is to make use of existing technologies and incorporate them into our industry's processes. In recent years, we have invested in further upgrading and expanding our product range in particular in laundry robotics, AI (Artificial Intelligence), automation, new software applications for our industry and in environmentally friendly products. Many developments that target natural resource and energy savings for our customers are grouped under our CleanTech brand. Together with ABS Laundry Business Solutions, the JENSEN-GROUP created Gotli Labs AG. Gotli Labs offers state-of-the-art software solutions for the heavy-duty laundry industry. The integration of technology and software allows customers to monitor and track production in real time and use the acquired information to improve productivity based on relevant data. The new product from Gotli Labs labelled GLOBE and the investments in Inwatec for automation and AI bring our industry up to a new level and prepare us for Industry 4.0 and the Internet of Things. Process control and production monitoring software have become crucial in offering the customer a total laundry-operation solution. The Group has numerous patents and patent applications on particular features of our machinery, and our product development teams in our various competence centers are continuously examining the possibility of protecting our innovative developments. Our ambition is to automate heavy-duty laundries as far as possible. Patents and notarial depositions are used primarily to prove prior art. We protect our patents on a case-by-case basis and primarily in the larger markets. In general, the JENSEN-GROUP invests in the range of 2% to 3% of its turnover in Product Development every year. JENSEN-GROUP in the world Plus a worldwide network of distributors ANNUAL REPORT 2020 Information for shareholders and investors The JENSEN-GROUP NV share is quoted on the Euronext Stock Exchange under the ticker JEN (Reuters: JEN.BR Bloomberg JEN.BB) since June 1997. The ISIN code is BE0003858751. The quote of the JENSEN-GROUP shares can be found online on the following websites: Share price evolution The JENSEN-GROUP NV stock price decreased from 34.7 euro at the end of 2019 to 24.2 euro at the end of 2020, with an average daily trading volume of 2,966 shares compared with 2,592 in 2019. Communication strategy JENSEN-GROUP will maintain its communication strategy based on the following principles: ■ Organizing two analysts' conference calls per year, following publication of the half year and the full year results; ■ Communicating any major changes in the financial position and earnings of the Company; ■ Distributing its press releases to professional and private investors and posting them on its corporate website; ■ Posting the votes and minutes of the Shareholders' meetings on its corporate website; ■ Providing all communication, including the corporate website, in English and Dutch; ■ Making information on shareholdings and the financial calendar available on the corporate website; ■ Attending small cap investor events upon request; ■ Phone conferences with analysts and existing or potential shareholders upon request. Change in ownership structure During 2020, JENSEN-GROUP did not receive any notification. The ownership structure as per December 31, 2020 is set out below: Shareholders' calendar ■ May 18, 2021: 10 a.m. Annual Shareholders' Meeting at the JENSEN-GROUP Headquarters, Ghent; ■ August 2021: Half year results 2021 (analysts' meeting); ■ March 2022: Full year results 2021 (analysts' meeting). The Investor Relations Manager is also available to meet individual shareholders, analysts, specialized journalists and institutional investors to enable them to see the JENSEN-GROUP's short and long-term potential, with respect to both the business as a whole and/or specific activities. Presentations, meetings and site visits are organized upon request. The JENSEN-GROUP's Annual Report, press releases and other information are available on the corporate website (. jensen-group.com). Shareholders wishing to convert registered shares into dematerialized shares can contact the Investor Relations Manager. Shareholders and investors who want to receive the Annual Report, the financial statements of JENSEN-GROUP NV, press releases or other information with respect to JENSEN-GROUP can also contact the Investor Relations Manager: JENSEN-GROUP NV Mrs. Scarlet Janssens Bijenstraat 6 BE 9051 Ghent (Sint-Denijs-Westrem) Belgium Tel. +32.9.333.83.30 E-mail:investor@jensen-group.com Financial report 2020 Report of the Board of Directors Impact Covid-19 on the JENSEN-GROUP activities and other important developments JENSEN-GROUP's revenues for the year amount to 245.2 million euro compared to 332.2 million euro in the previous year. As a consequence of the Covid-19 crisis, the Group experienced a significant slow-down in order intake as well as several project cancellations and postponements of confirmed orders. The cancellation of contracts has a negative impact on EBIT of 2.5 million euro. Several customers serving the hospitality industry temporarily closed their operations due to a stand-still in travel and tourism as well as authorities' decisions. We therefore expect that a number of hospitality projects in the quotation phase will be postponed for several months. The servicing, installation, and maintenance of our machines remain challenging for our technicians in the face of the Covid-related travel restrictions that many countries impose. Occasionally, the JENSEN-GROUP grants buy-back guarantees to selected customers. Due to the closing of many laundries in Europe, a few extensions of buy-back guarantees of up to 12 months were granted. Despite management's swift reaction to the drastic changes in market conditions, lower revenues resulted in an EBIT decrease of 44.4% compared to last year. Management took measures to adjust the capacity in several plants and to temporarily close others in response to individual workloads or government directives. The EBIT includes 2.9 million euro in one-off costs, particularly restructuring costs related to the reduction of workforce. The Group took the following measures to decrease the structural cost base: ■ Implementation of a simplified business structure that divides markets into 6 Business Regions; ■ The integration of factories and Business Regions in order to benefit from cost synergies ■ Restructuring programs that enable a reduction of our workforce by 25% year-on-year ■ Establishment of a new EMT (Executive Management Team) structure with the nomination of a Chief Information Officer driving the digitalization of our processes and solutions. The current EMT consists of Mr. Jesper M. Jensen (CEO), Mr. Fabian Lutz (CIO), Mr. Martin Rauch (CSO) and Mr. Markus Schalch (CFO) The Group benefited from support from authorities mostly related to payroll compensation in several countries (1.7 million euro). JENSEN USA received a Promissory Note from the state of Florida amounting to 1.9 million USD in May 2020. The Company applied for forgiveness while provisionally recording this Promissory Note as liability. Any forgiven amount will eventually be recorded as other income once a final decision has been made. In July, JENSEN GmbH was granted an amortizing KfW (Kreditanstalt für Wiederaufbau) loan amounting to 10 million euro for a period of six years. An interest of 2% is applicable. During the period of the loan, a dividend restriction at the level of JENSEN GmbH is applicable. Within the conditions of the loan, the Company has the right to repay the loan before the ultimate end date. At year-end 2020, an amount of 5 million euro out of the total amount of 10 million EUR was drawn by the Company.. On the balance sheet, working capital at closing date was 24.8 million euro lower than last year because of the lower activity level. The Group reports a net financial cash position of 28.3 million euro, including 10.2 million euro leasing debt, compared to a net debt of 4.4 million euro prior year. Despite delays in the installation and payment of certain projects, the Group was able to increase its net cash by 32.7 MEUR compared to last year. We note an increase in net cash in the second semester of 2020 of 26.9 MEUR. The Group's borrowing agreements include financial covenants with one of the financial institutions on solvency as well as a positive EBITDA on an annual basis and a maximum debt/EBITDA ratio. As per December 31, 2020, the JENSEN-GROUP was in full compliance with its bank covenants. An impairment of the financial participations was not required as our participations in Tolon GLOBAL MAKINA Sanyi Ve Tikaret Sirketi

to a natural disaster; ■ Risk of non-compliance with new local laws and regulations regarding environmental protection; ■ Risk of being held responsible for environmental contamination without knowledge of having caused the contamination. Risk mitigating measures are defined, implemented, and evaluated on a yearly basis by the Executive Management Team. A dedicated project has been introduced to ensure that the JENSEN-GROUP is fully compliant with local laws and regulations. For further information on environmental risks, we refer the reader to the 'Risk Factors' and 'Risk Management and Internal Control' sections in the 2020 Annual Report. Continuous investment in product development, alignment of our core processes and in-depth market presence enable us to better meet our customers' needs. Many of these developments are targeted at reducing energy and water consumption as well as increasing the up-time of our equipment. In general, the JENSEN-GROUP invests in the range of 2% to 3% of its turnover in Product Development every year. A major share of our product development work is directed at natural resource and energy savings and at reducing the environmental impact of our equipment. This includes continuously monitoring the performance of our equipment during the development phase. Many product developments that target natural resource and energy savings for our customers are grouped under our CleanTech concept. CleanTech The JENSEN-GROUP takes sustainability and environmental protection seriously and is pursuing a continuous energy saving strategy to meet the challenges of the future, such as climate change and the finiteness of fossil fuels. CleanTech embraces knowledge-based products and services that improve operational performance, productivity and efficiency while reducing costs, input, energy consumption, waste, or pollution. The objective of the JENSEN CleanTech concept is to increase the efficient use of primary energy and to ensure this is consumed more economically in gas-heated laundry equipment. In developing laundry machines, the JENSEN-GROUP focuses on high performance with as little energy and freshwater input as possible. As well as the use of direct gas operation, this involves integrating water- and energy recovery systems into machines. In this context, the JENSEN-GROUP has developed a new gas-heated Water Removal dryer, with a consumption of just 0.95 kWh/l, this is currently the world's most energy-efficient dryer. The EcoSafeguard process monitors the pH- and conductivity value as well as water hardness. Additionally, the heat of ironers is re-used to heat the water in the tunnel washer. Moreover, the JENSEN-GROUP does not just confine itself to reducing CO_2 emissions and energy and water consumption in its machines. The JENSEN-GROUP also handles valuable resources and energy sources carefully at the production stage. Our CleanTech technology has produced some remarkable resource and energy savings for our customers in recent years. Average water consumption of under 3 liters per kg linen processed, and energy consumption of under 1 KW/h per kg linen processed can be reached today with our products and solutions. Our advanced solutions offer energy savings of up to 60% per year, combined with lower investment and installation costs. Productivity is up to 25% higher thanks to shorter drying and finishing cycle times. Recorded figures under ideal circumstances in CleanTech laundries supplied by: ■ Senking Universaltunnel washer: consuming 1.6 l/kg or 0.2 gal/lb water (Comparison: A washing machine in a private household consumes on average slightly more than 10 l/kg of laundry) ■ WR Dryers:0.95 kWh/l or 1,474 btu/lb ■ Jenfeed Express:1800 pcs/h ■ Greater throughput, higher availability: 0.8 kWh/kg or 0.36 kWh/lb of linen We are working to take the energy reduction program a step further through investments in software and by on-site measurement of the KPIs of typical heavy-duty laundries: Globe by Gotli Labs, a real-time production management tool, provides information to monitor equipment, staff, utilities and energy in a laundry. Manufacturing process The JENSEN-GROUP has a manufacturing platform of six factories in five countries on three continents. Each manufacturing site focuses on specific technologies for the heavy-duty industry. We develop environmentally friendly equipment, manufactured in the most ecologically responsible way. Furthermore, we are continuously monitoring our factories to reduce their impact on the environment. Savings on electrical energy costs is the goal of each of our factories. In 2020, the production and assembly of all heavy-duty laundry equipment consumed a total of 6'067'319 kWh, or 0.02 kWh/Euro revenue. Both factories with their own paint booth, namely Xuzhou/China and Rønne/Denmark, are meeting high standards when it comes to emissions. Emissions are constantly monitored. Two manufacturing sites operating a paint booth, namely Xuzhou/China and Rønne/Denmark, employ a dedicated person in charge of environmental issues and hazardous waste. The pollutant discharge from the paint booth consists of hazardous solid waste, liquid waste and waste acid in pickling station. The hazardous solid waste is stored in a separate warehouse for collection by the supplier. Its correct disposal is supervised by the Chinese and the Danish government. The wastewater is sent to an official sewage plant. The waste acid is stored in a separate warehouse, supervised by government installed cameras (in China) or locked (in Denmark), and collected by a government appointed company. It is ensured that the waste acid is not polluting the environment. None of the plants have had any spills into the environment. Both paint booths are thoroughly cleaned on a regular level, depending on the activity. The heating of both paint booths consumes approximately 276 tons of gas per year (66 tons in Denmark, 210 tons in China). An environmentally friendly manufacturing process starts with selecting the most appropriate supplier. The JENSEN-GROUP is therefore constantly looking for partnerships with suppliers who can contribute any resource and energy-savings opportunity. Climate-related risks, dependencies, and opportunities As mentioned in the Risks factor section of this Annual Report the JENSEN-GROUP operates in 23 countries and is therefore exposed to natural hazards such as earthquakes, windstorms, or flood. It is reasonably accepted that on the long-term climate change could result in an average increase of the worldwide temperature, which could cause more frequent natural hazards. Because of this increased risk insurance coverage is taken when possible and compliance with specific building codes is reviewed carefully, this to reduce the impact on the Group's performance and financial results. As indicated in our Mission Statement the aim of the JENSEN-GROUP is to supply our customers with sustainable single machines, systems, turnkey solution and laundry process automation. Sustainable solutions also imply that we want to limit the negative impact of our activities on the climate as much as possible. Apart from our strict monitoring of internal energy usage KPI's as mentioned above and the reduction of our internal travelling, we consider the reduced water usage of our solutions to be a key differentiator an opportunity as the public opinion attaches more importance to climate change. Indeed, limiting water usage of our solution is not only high on the agenda of our own operations, we stress the importance throughout our complete value chain, starting from selecting our suppliers just until positioning our strategy at our customers. As many companies, the JENSEN-GROUP is depending on natural, human, and social capital for its operations. Water is becoming more and more scarce, when we develop new machines and solutions we have further reduction of water usage high on the agenda. Our employees and by extension all our stakeholders appreciate these initiatives, resulting in not only higher motivated employees but also a better brand image throughout the value chain. PEOPLE Our second sustainability dimension relates to people. Our customers and employees are the basis of our success and they are in a constant dialogue through our local presence, in order to identify the best solution for each customer. Health & Safety At the JENSEN-GROUP, the wellbeing of our employees and customers is crucial. We want our employees around the globe to work in safe and ergonomically sound environments. We encourage all employees to help build safe work environments by applying safety measures in their day-to-day activities. Health and safety are a priority at each JENSEN-GROUP location. At all our production sites, plant managers' performance evaluations include the prevention of work accidents and remedial initiatives taken. Every JENSEN factory employs a Health & Safety Manager, who is responsible for implementing Health & Safety measures in their respective factory, starting from local regulations and requirements. At JENSEN China, an equipment operation safety management system analyses the key safety points in the production process. Quarterly work environment committees, consisting of local management and employee representatives, are organized at different JENSEN factories to discuss Health & Safety procedures and to review work accidents. Compliance with local health and safety laws and regulations is also part of the annual risk mapping exercise by the Executive Management Team. In total, 22 occupational accidents occurred over all factories. In 2020, management and employees were tremendously challenged by Covid-19. The Executive Management Team acted very fast with pro-active instructions to its entire staff. Instructions included an immediate ban on travelling and on receiving visitors at our factories as well as a policy to enforce home-working solutions wherever possible. Safety measures for staff working at our premises were immediately put in place, as well as a series of new processes, tools and architectural changes safeguarding the health of our staff. The JENSEN-GROUP reports a very limited number of cases (less than 2% of the entire work force) where employees got infected, very fortunately without any fatalities. None of our employees suffered long-term consequences. Our responsibility for safety continues after our equipment is manufactured and has left our premises. We consider the safety of our customers' operators and anyone using our equipment to be as important as that of our own employees. Our equipment complies with all European safety regulations (European Standards, ENs) and other local requirements. At the same time, we believe that machine safety has to go beyond regulations. Already during the product development phase, we focus on the ergonomics and overall safety of our equipment. In 2020, the JENSEN-GROUP launched a new loading station for garments with the unique buttons-to-the-front feature. Patient scrubs and gowns often have their closing (buttons, ties) at the backside, which was difficult for the operator to close - he or she had to turn around the garment. With the new development, the hanger turns automatically, making it easier and quicker for the operator to process the garment. No specific security measures include ironer line with integrated design of walkway and railing, safety covers for chain drives, installation of a safety door on the press, emergency stop buttons or pull cords for belts near operators. Ergonomic solutions have been integrated in sorting, handling and finishing processes, e.g. optimized sorting belt height to reduce stress and strain caused by bending, engineered sorting stations which bring the bin chutes closer to the operators and individual adjustable height loading stations. Next to that, the JENSEN-GROUP is the only supplier of cornerless remote stations and systems. With this mindset we have been able to reduce work accidents to an absolute minimum; even so, we consider each occupational accident as one too many. Health and safety is and will therefore remain a cornerstone of our strategy. Employees The JENSEN-GROUP is fully aware of its responsibility to its employees. Driven by what we call the JENSEN spirit, our culture is open and international. We offer opportunities for achievement, recognize people's contributions, give each team member as much responsibility as possible, and offer training and development opportunities. This open culture results in job satisfaction for each employee and in long-term employment at the JENSEN- GROUP, as shown by the high average career lengths of 10 years and 11 months. Especially for engineering companies that aim at building long-term relationships with its customers (often over generations), seniority is an important success factor. The longer someone has been with the organization, the better the contribution will be. Senior staff are valuable employees who become knowledge-leaders in the organization. They are passing their experience and knowledge on to junior staff members, both in structured way as in our corporate JENSEN Academy trainings and on-the-job. Opportunities for promotion are not preferentially offered to senior employees: The leadership team of the JENSEN-GROUP promotes colleagues based on their achievements, talents and ambitions, regardless of seniority. The JENSEN-GROUP makes no distinction in terms of age, gender, culture, religion, origin or other diversity feature. We are committed to providing equal opportunity in employment and to respecting the rights and dignity of each employee. We also prohibit all forms of discrimination in recruitment and promotion. We have decided to drive the JENSEN-GROUP by culture. When we all live the JENSEN spirit, we naturally do the right things. We count 50 nationalities in the JENSEN-GROUP. Female/male (total workforce 2020) Female/male (management 2020) 11% 89% 13%87% As a direct consequence of our type of business, the percentage of women is rather low, though with a higher percentage in management. Furthermore, the Belgian Law of 28 July 2011 on gender diversification requires that at least one third of the Board of Directors be female. The JENSEN-GROUP is in full compliance with this law. People development To fulfill our mission and to sustain our JENSEN spirit, we need to attract and retain talented people and develop the skills of our current and future leaders. In recent years, the JENSEN-GROUP has invested heavily in the development of its employees, through corporate training, local training and individual initiatives. Training is given through the JENSEN Academy to all organizational levels, through webinars and by onboarding training for new employees, new managers and new project managers. The JENSEN factories also offer apprenticeships in a range of professions. Training programs include technical and function-specific training, as well as leadership modules that help our employees develop and cooperate in a global business environment. We believe that developing teamwork and collaboration is critical to our success. In 2020, no physical trainings were conducted. The JENSEN-GROUP set up virtual systems to organize digital trainings also for service engineers. The office employees (sales, marketing, management, and back-office) have been participating in online trainings since 2010 already. Based on these experiences, the company could quickly develop similar approaches for staff that was originally trained at our factories. Digital meetings cannot fully replace live trainings taking place either at a customer's site or at one of our factories. Once the travel restrictions have been loosed, we aim at setting a hybrid solution, with a mix of live and online trainings. Social dialogue We want to further strengthen our open culture and to embed it throughout the Group. For this, we use a variety of communication channels and platforms to inform our employees about corporate targets, strategies and current developments. Jennet, the intranet of the JENSEN-GROUP, offers information on a wide range of subjects, including product information, HR information, and our Ethics Code, Principles and Guidelines. While Jennet is a valuable tool for disseminating information within the JENSEN-GROUP, we also encourage the use of internal social media, including an app on employees' smartphones, as a modern way of sharing news and interacting. The various departments then determine their own priorities using these general communication tools and implement action plans to achieve them. 2020 was the first year in our company's history where the number of digital meetings surpassed the number of live meetings. As for most professionals around the globe, this change was not without consequences for our staff. Our executives and management played a crucial role in ensuring the team's morale and productivity, with great success: In December 2020, we conducted a survey among all HR managers in the JENSEN- GROUP. When asked how well they and their team had mastered the challenges, they responded with 8.1 points out of 10 whereby 10 represents the most ideal situation. In addition to this representative survey, the JENSEN-GROUP also measures how the JENSEN spirit is being experienced by our employees. A survey among 255 employees showed an average figure of 7 points, out of 10. With our 'we think globally, and act locally' approach, a lot of authority is shifted towards local management. This requires us to make sure that several rules are respected. At the JENSEN-GROUP, these are summarized in our 'Principles and Guidelines' which can be found on the JENSEN intranet. In addition, the JENSEN-GROUP has developed a whistleblowing procedure and set up a Whistleblowing Hotline. We refer also to the paragraph below on social responsibility. We also encourage managers to enter into a dialogue with their teams, putting transparency into practice. Customers The JENSEN culture makes the difference: our corporate culture incorporates our past, our presence with the preferred values that we live by, and our future. We want to be able to deepen our JENSEN-GROUP culture throughout the organization. We believe that our corporate culture is a dynamic process that directly incorporates the needs of our customers. As our customers know the laundry business better than anybody else, we want to create partnerships with them. Constant dialogue with our customers, through local presence, results in long-term relationships. In this way we know their needs and can focus on efficiencies to provide sustainable laundry solutions and systems. Our CleanTech solutions are helping us gain new customers that require ecological processes to meet Corporate Social Responsibility guidelines or to obtain quality certificates. With the JENSEN-GROUP, our customers have a strong partner they can rely on from the initial consultation, on to the planning stage, correct installation and start-up of the equipment and through to after-sales service. This includes regular technical inspections of the JENSEN equipment and customer training. Both of these reduce maintenance costs for our customers and help avoid equipment downtime, resulting into increased productivity and profitability. We believe this strong business partnership between the JENSEN-GROUP and its customers places us in a win-win position. SOCIETY Our last sustainability dimension relates to all the ways the JENSEN-GROUP is making a difference for society at large. At the JENSEN-GROUP, we are convinced that our responsibility goes beyond our employees and our customers, towards the communities where we provide employment and to society at large. Strategy and brand Our strategy is to fully leverage our global capabilities while reinforcing our local presence in every significant market. The JENSEN-GROUP brand portfolio represents tailor-made and high-quality solutions for our customers wherever they are. In that respect, our aim is to truly make a difference by entering into local level partnerships and respecting local habits and needs, as well as respecting the needs and requirements of the wider local by living up to the highest professional standards and complying with all legal requirements. Furthermore, the JENSEN-GROUP does not only stand for productivity and efficiency but also for energy-efficient and environmentally friendly value propositions. Environment section of this report for further information on this topic. The JENSEN-GROUP brand portfolio includes the "JENSEN" brand as well as the "ALPHA by JENSEN" brand which was introduced in 2017. In combination with our partner for stand-alone machines, TOLON, we also cater to the needs of smaller commercial laundries and large on-premise laundries through the "TOLON" brand. Changing markets 2020 has proven that the world is changing in fundamental ways, rapidly. The Covid-19 pandemic and its adverse effects, both existing and unpredictable, calls for an immense agility and resilience. Management and staff will be forced to flexibility, as are our customers. Regardless of the current pandemic, the world is becoming a global village, where people will continue to travel, both for business and for leisure, to traditional and new destinations (emerging markets). This offers opportunities for growth, with an increased need to process hotel and catering linen, and for increasing the JENSEN-GROUP's positive social contribution through providing environmentally friendly equipment. Corporate governance As the JENSEN-GROUP NV share is quoted on the Euronext Stock Exchange, the Group has adopted the 2020 Belgian Corporate Governance Code as well as a risk management and internal control process. For more information on these, we refer to the separate Corporate Governance chapter in the Annual Report and to the Corporate Governance Charter on our website. We acknowledge that adopting the Corporate Governance Code positively contributes to a better society by inspiring greater trust among our investors and other stakeholders. As we consider trust in our brand and our organization to be a crucial part of our strategy, we have also implemented a strict policy to prevent Insider Trading as well as a whistle-blowing procedure, both of which significantly reduce the risk of improper conduct or appearance thereof. We hereby also refer to page 57-58 of the Annual Report for more information on this policy and to the heading below on "Social responsibility initiatives" for more Information on this procedure. Social responsibility initiatives We strive to maintain an open culture throughout the organization. Our Code of Conduct outlines the responsibilities for proper practices of both individuals and the organization. These contribute to the welfare of and respect for all stakeholders. Next to this, we have created an environment in which personal initiatives are highly appreciated. We are strongly convinced that our employees are best placed to identify local needs in which the JENSEN-GROUP can make a difference. We believe that our people live our value statement 'we think globally and act locally'. This has resulted in many different initiatives and activities on company-wide and local levels. Education and training are highly valued at JENSEN-GROUP. As a result, relationships with local schools and local student initiatives are strongly encouraged. Before Covid-19 hit the world, several activities were being organized by local JENSEN organizations. This was unfortunately not possible in 2020. The JENSEN-GROUP supported a large-scale charity initiative for families in vulnerable situations in Spain, donating non-perishable food that was donated to the food banks. The JENSEN-GROUP holds integrity, honest business practices as well as lawful conduct amongst its topmost priorities. No business requirement can justify an illegal, unethical or unprofessional act. Our success in business depends upon maintaining the trust of our employees, company directors, shareholders, customers, suppliers and other commercial partners, as well as government authorities and the public at large. In order to achieve this, the JENSEN-GROUP has developed an Ethical Business Policy Statement that reflects our values and the ethical, legal and business expectations that we have towards all our employees and stakeholders. Any violation of the Ethical Business Policy might cause operational disruption, damage to reputation, and financial losses. Appropriate disciplinary actions will be imposed against any officer and employee who violate the Ethical Business Policy and Code of Conduct. To the best of our knowledge, no violation of the Ethical Business Policy and Code of Conduct has been observed within the JENSEN-GROUP hence no disciplinary actions have already been imposed on any officer or employee of the JENSEN-GROUP. The JENSEN-GROUP has not taken any remedial action so far towards a supplier nor had to stop a commercial relationship so far due to violation of the Ethical Business Policy and Code of Conduct or violation of human rights. In order to secure effective compliance with the Ethical Business Policy Statement, the JENSEN-GROUP has developed a whistleblowing procedure and set up a Whistleblowing Hotline. The Whistleblowing Hotline is tested on a yearly basis and is available on our website: . Until now, no issues were reported. Next to that, the JENSEN-GROUP developed an Internal Control Process. We refer to the Corporate Governance Chapter, Risk Management and Internal Control, for more Information about our Internal Control Process. Conflict of interest Under the Belgian Companies and Associations Code, the members of the Board of Directors are required to give the Chairman prior notice of any agenda items in respect of which they have a conflict of interest with the Company, either direct or indirect, whether of a financial or other nature, and to refrain from participating in the discussions of and voting on those items. This is also a standard item on the agenda of each Board meeting. Two potential conflicts arose in the course of 2020 at the meetings of the Board of Directors that were held on March 12, 2020 and on April 9, 2020, during which the dividend proposal was discussed. The minutes of the meetings are included below: "On March 12, 2020 at 11.30 a.m., the Board of Directors of JENSEN-GROUP NV held a meeting at the office of JENSEN-GROUP NV, Bijenstraat 6 in 9051 Sint-Denijs-Westrem, Belgium. The following directors were present: ■ Gobes Comm V., represented by Mr. Raf Decaluwé ■ SWID AG, represented by Mr. Jesper Munch Jensen (by videoconference) ■ TTP bv, represented by Mr. Erik Vanderhaegen ■ Inge Buyse bv, represented by Mrs. Inge Buyse (by videoconference) ■ Mr. Jobst Wagner (by videoconference) ■ Cross Culture Research LLc, represented by Mrs. Anne Munch Jensen (by videoconference) ■ YquitY bv, represented by Mr. Rudy Provoost The following invitees were attending: ■ Werner Vanderhaeghe bv, represented by Werner Vanderhaeghe, Esq. ■ Mr. Markus Schalch (by videoconference) ■ Mrs. S. Janssens (in part) Mr. Decaluwé presided. Mr. Vanderhaeghe acted as Secretary. The Chairman pointed out that notice of the meeting had been given by email of March 5, 2020, that all of the directors were present and that the meeting was thus validly constituted. The Chairman then suggested that the meeting consider the following items of business. The Chairman informed the members of the Board that by letters dated March 12, 2020 and addressed to the Board of Directors and to the Corporation's statutory auditor, SWID AG, Cross Culture Research LLc and Mr. Jobst Wagner had given notice of a conflict of interest in relation to the item proposal for dividend. The letters were handed over to the Secretary for filing with the Board's records. Mrs. Anne Jensen and Messrs. Jesper Jensen and Jobst Wagner confirmed that they would abstain from discussion and the vote relative to that item on the agenda. The other members of the Board then confirmed that none of the items on the present agenda raised a conflict of interest. Following a brief review of the items on the agenda by the Chairman and of the various documents relative to these items that were sent to the members of the Board, the Chairman then moved for a decision on the items that required approval of the Board and after discussion, the Board resolved as follows: … Presentation and approval Financial Statements 2019 JENSEN-GROUP NV and Consolidated Accounts 2019 JENSEN-GROUP - Preparation and approval of Report to Shareholders - Preparation and approval of Corporate Governance Statement - Proposal for dividend The Chairman reviewed with the Board the draft financial statements and consolidated accounts of the Corporation for the year ended as at December 31, 2019, the proposal for the Report to the Shareholders on the Corporation's activities in the course of 2019 and the proposal for the payment of a dividend. The Chairman further reviewed with the Board the draft Corporate Governance Statement thereby noting, with the Board's concurrence, that the 2020 Code Corporate Governance is as of now the Corporation's reference code. Copies of the draft financial statements, the consolidated accounts, the Report to the Shareholders and the draft Corporate Governance Statement are annexed to these minutes as Appendix 1. The Chairman then recalled for the Board the discussion within the Audit and Risk Committee, as reported earlier in the meeting, on the proposed dividend payout in view of the COVID-19 crisis, the cash position impact resulting therefrom and the need, as suggested by the CEO, to revisit the decision of the Board in this respect in the event of worsening market conditions. At the suggestion of the Chairman, the Board resolved to adopt the following resolution: (In English) "Upon a motion duly made, the Board of Directors resolved unanimously to approve the financial statements of the Corporation for the year ended as at December 31, 2019 and the proposal for the Report to the Shareholders on the Corporation's activities and the Corporate Governance Statement, as presented at this meeting and as annexed to the minutes of this meeting; resolved further that the Chairman and the Managing Director are authorized to amend such financial statements, Report and Statement if and when such amendments are necessary and provided such amendments are not material; resolved further that the Chairman and the Managing Director are authorized and directed to finalize and formally file the Corporation's financial statements." "Upon a motion duly made, the Board of Directors resolved unanimously to approve the consolidated accounts for the year ended as at December 31, 2019 including the explanatory notes, as presented at this meeting and as annexed to the minutes of this meeting; resolved further that the Chairman and the Managing Director are authorized and directed to finalize such consolidated accounts and to amend such notes if and when such amendments are necessary and provided such amendments are not material." "Upon a motion duly made, the Board of Directors resolved unanimously, but with Mrs. Anne Jensen and Messrs. Jesper Jensen and Jobst Wagner abstaining from the deliberation and vote, to approve the proposal for the payment of a dividend to the Corporation's shareholders in the amount of 1.00 Euro per share, payable as of May 31, 2020; resolved further to revisit the present resolution if and when the Board of Directors, in view of the COVID-19 crisis and acting upon advice from management, deems such action necessary in the best interest of the Corporation." ˜˜˜ There being no further business to discuss, the meeting was adjourned at 2. 50 p.m." "On April 9, 2020 at 10 a.m. the Board of Directors of JENSEN-GROUP NV held a meeting via a video conference call by means of which all persons participating could see and hear one another. The following directors were present: ■ Gobes CommV., represented by Mr. Raf Decaluwé, Chairman ■ SWID AG, represented by Mr. Jesper Munch Jensen ■ TTP bv, represented by Mr. Erik Vanderhaegen ■ Mr. Jobst Wagner ■ Cross Culture Research LLc, represented by Mrs. Anne Munch Jensen ■ YQUITY bv, represented by Mr. Rudy Provoost The following director was represented by proxy: ■ Inge Buyse bv, represented by Mrs. Inge Buyse The following invitees were attending: ■ Mr. Markus Schalch ■ Werner Vanderhaeghe bv, represented by Werner Vanderhaeghe, Esq., Company Secretary Mr. Decaluwé presided. Mr. Vanderhaeghe acted as Secretary. The Chairman pointed out that notice of the meeting had been given by email of March 31, 2020, that all the directors were present or represented and that the meeting was validly constituted.

internal control system and of reporting back to the Board of Directors on both topics at regular intervals. Risk management Based on a framework model prepared by an external consultant, the JENSEN-GROUP Executive Management Team has developed a risk map describing the financial, operational, strategic and legal risks. Prepared for the first time in 2008 and reviewed on a regular basis, this map outlines and evaluates the probability of the different risks occurring, the impact of such occurrence on the results, and the measures to mitigate the risk exposure. The Executive Management Team presents the conclusions of this risk management exercise to the Audit and Risk Committee and to the Board of Directors, which discusses the significant risks and changes in risks with management on an as needed basis but at least once a year. The Executive Management Team discloses, on a quarterly basis, a certain number of risk areas as reported during the quarterly review process by the reporting entities. The Executive Management Team then re-examines those risks, formulates mitigation approaches, and looks at various ways to transfer, or areas of continuing material risk exposure to the Company, the risks to third parties. Internal control Definition Internal control is a process that is defined and has to be followed by the Board of Directors, management and other personnel, and that is designed to provide reasonable assurance regarding the achievement of objectives in the following categories: a) strategic - high-level goals, aligned with and supporting its mission; b) effectiveness and efficiency of operations; c) reliability of financial reporting; and d) compliance with laws and regulations. Control environment The Board of Directors and the Executive Management Team have approved and adopted the JENSEN-GROUP Ethical Business Statement (hereinafter referred to as "the Statement"). The Statement sets forth the JENSEN- GROUP's mission and ethical values, describes the JENSEN-GROUP's rules of conduct, and lists the transactions that are permissible between the JENSEN-GROUP and third parties to the extent that these transactions are not covered by the legal provisions on conflict of interest. Implementation and application of the Statement is mandatory for all companies of the JENSEN-GROUP. A review of the Statement is integrated into every training session that is organized. The Statement is available on the corporate website www.jensen-group.com under the heading "Investor Relations/Corporate Governance." In addition, the JENSEN-GROUP has developed a whistleblowing procedure that is available to all stakeholders on its corporate website under the heading "JENSEN-GROUP Whistleblowing Procedure." Control activities and monitoring The JENSEN-GROUP consists of several entities which are closely monitored by local management teams. The JENSEN-GROUP headquarters further monitors the local management teams through quarterly operational and financial reviews. In addition, the Company's Group Control and Reporting function reviews the different entities on a quarterly basis. The JENSEN-GROUP monitors its business with a view towards achieving a certain level of Return on Capital Employed (ROCE). The local management teams are responsible for implementing the JENSEN-GROUP Procedures and Guidelines. Conformity with reporting requirements All applicable IFRS accounting principles, guidelines and interpretations are incorporated in the accounting manual, which is updated on a regular basis and which is part of the JENSEN-GROUP Procedures and Guidelines. The JENSEN-GROUP Procedures and Guidelines are available on the JENSEN-GROUP intranet and accessible to all local management and staff. Additional reporting is undertaken as requested by management and/or the Audit and Risk Committee and is, where appropriate, included in the accounting manual. The Financial Managers of the JENSEN-GROUP meet at regular intervals. During each such meeting, the Financial Managers are informed of relevant changes in IFRS. Training is provided on an as-needed basis to ensure a correct implementation of such changes. All JENSEN-GROUP companies are converting to the same ERP system over a set timeframe. All companies use the same software to report the financial data for consolidation purposes. The JENSEN-GROUP management has introduced, after discussion with the Audit and Risk Committee, a set of key controls to provide reasonable assurance about the reliability of financial reporting and of the financial statements made available to external parties starting in 2009. Local management has implemented these key controls, which are reassessed from time to time and amended if necessary. Compliance with key controls at local level is also checked periodically. Financial Reviews To ensure the accuracy of the reported data, the Group's Control and Reporting function reviews on a quarterly basis the financial accuracy, the consistency with the budget or forecast, or previous year together with related explanations, of all data submitted for consolidation. The JENSEN-GROUP management ensures proper follow-up on, and action in response to, any such deviations from the budget, forecast or previous year. Operational Reviews Monitoring is performed during the quarterly Business Board Reviews, which include a financial review that specifically focuses on major changes in P&L and balance sheet items, deviations from budgets or forecasts, and consistency in applying IFRS rules. The internal control system is monitored on a quarterly basis. Management's monitoring of internal controls is performed on a continuous basis. The performance of the individual companies of JENSEN-GROUP is measured and compared to budgets or forecasts and to figures of previous years, which may identify anomalies indicative of a control failure. Failures are promptly remedied. For consolidation purposes, all JENSEN-GROUP companies are audited or reviewed by the same accounting firm, and significant risk factors are reviewed consistently in the external audits of the different subsidiaries. The external auditor reports twice a year to the Audit and Risk Committee on the findings of such audits or reviews and on any significant issues. Relevant findings by the Internal Audit (which is outsourced as described above) and/or the Statutory Auditor are reported to both the Audit and Risk Committee and to the management concerned. Periodic follow-up is performed to ensure that corrective action has been taken. All relevant financial information is presented to the Audit and Risk Committee and to the Board of Directors so as to enable both to analyze the financial statements. Prior to any external reporting, all press releases and other financial information are subject to: ■ Appropriate review and controls by the JENSEN-GROUP headquarters; ■ Review by the Audit and Risk Committee; and ■ Approval by the Board of Directors. The Company's Audit and Risk Committee believes that an in-house internal audit function is not the most effective and efficient way to perform audit work within the JENSEN-GROUP. The Audit and Risk Committee has therefore developed, in consultation with the external auditor and on the basis of a risk analysis, an internal audit plan for specific internal audit projects. The Audit and Risk Committee outsources the internal audit activity to a locally competent audit service provider. In 2020, a service satisfaction survey was performed for customers in the Nordics, Switzerland, Austria and Germany to assess the degree of satisfaction with the services provided by the SSC. Significant results from prior internal audit reports are regularly reviewed with respect to progress until the related issues are fully resolved. Information and communication The JENSEN-GROUP Controlling provides management with transparent and reliable management information in a form and timeframe that enables management to effectively carry out its responsibilities. Every year, the JENSEN-GROUP Controlling prepares a financial reporting calendar in consultation with the Board of Directors and the Executive Management Team. This calendar is designed to allow accurate and timely reporting to external stakeholders. Condensed consolidated half-year information is reported in August and the full Annual Report is published at year-end. Prior to any external reporting, all press releases and other financial information are subject to appropriate controls by the JENSEN-GROUP headquarters, to a review by the Audit and Risk Committee, and to approval by the Board of Directors. Composition of the Board of Directors The members of the Board of Directors are appointed by a simple majority vote of the shareholders during the Annual Shareholders' Meeting. The Company Bylaws allow for appointment by cooptation, which is considered a transitional arrangement whereby the Director-elect completes the mandate of the outgoing Director as opposed to taking on a new mandate. For this reason, the transition period is not considered a mandate for the purpose of the independence rule review, where the Company looks at total years of service on the Board of Directors. The Company's Bylaws require the Board of Directors to have at least three, but not more than eleven, members. Board members are elected for terms of office of no more than four years. The Company's Bylaws are supplemented by the Charter of the Board of Directors, which outlines and details the Board's role and responsibilities. This Charter is revised from time to time and includes the following major chapters: 1. "Functioning of the Board," which addresses: Directors' responsibilities; number of Board and Committee meetings; Company Secretary responsibilities; setting the agenda of Board meetings; Director compensation, orientation and training; CEO evaluation; management succession; Director access to officers and employees; and use of independent advisors. 2. "Board Structure," which addresses: size of the Board; selection of Directors; required qualifications including the criteria of independence; resignation from the Board; and term limits. 3. "Committees of the Board," which addresses the establishment of the Audit and Risk Committee and of the Nomination and Remuneration Committee. 4. "Other Board practice," which addresses: Directors' roles and responsibilities; the terms of reference of the Board Chairman and of the Executive Management Team; interaction with institutional investors, analysts, media, customers and members of the public at large; limitation of liability; policy to prevent insider trading and market abuse; conflict of interest policy and code of conduct; and evaluation of Board performance. For more details, please consult our websitewww.jensen-group.comunder the heading "Investor Relations/Corporate Governance." As it has consistently done in the past, the Company selects its Board members in a manner that allows for a balance in the profiles of the different Directors. The Company hereby seeks to ensure a balance between, in particular, executive and non-executive Directors, Directors representing shareholders and independent Directors, and in respect of Directors' professional backgrounds, experience and gender. A majority of the members of the Board of Directors is not related to the Company's controlling shareholders. The composition of the Board of Directors of the Company, the attendance records of the individual Directors, and the remuneration packages of the individual Directors, are as follows: Name (CORES c.v.) Function(s)End Term AttendanceCommittee Chairman Expiry 2020 Board 100% NRC Attendance committees 100% Remuneration 37,500 represented by Mr. Raf Decaluwé YquitY bv represented by Mr. Rudy Provoost SWID AG represented by Mr. Jesper Munch Jensen TTP bv Chairman/Director Director 2024 2021 2021 100% 100% 100% NRC 100% 100,000 - ARC 100% 51,750 represented by Mr. Erik Vanderhaegen NRC 100%Mr. Jobst Wagner 1 Director V 2023 100% NRC 100% 58,500 ARC 100% Inge Buyse Cross Culture Research LLC represented by Anne Munch Jensen Total remuneration Board of DirectorsDirector V Director 2023 2022 67% ARC 70% 100% 41,000 33,000 321,750 1: Non-executive director 2: Executive director, CEO, representing the reference shareholder 3: Non-executive director, representing the reference shareholder 4: Non-executive director, Chairman as from May 19, 2020 ARC: Audit and Risk committee NRC: Nomination and Remuneration Committee Gobes Comm.V., represented by Mr. Raf Decaluwé. Mr. Decaluwé is the former CEO of the Bekaert Group. He held senior positions at Black & Decker and Fisher Price Toys prior to joining the Bekaert Group. Mr. Decaluwé is a Board member or advisor in various companies. Mr. Decaluwé retired on May 19, 2020 as he elected not to renew his mandate. The Board of Directors would like to express its sincere thanks and appreciation to Mr. Decaluwé for his highly valued contribution to the development and success of the JENSEN-GROUP during his 18 years' tenure as Chairman. YquitY bv, represented by Mr. Rudy Provoost. Mr. Provoost holds a master in psychology from the university of Ghent and a master in management from Vlerick Business School. He has held senior leadership positions with Royal Philips in The Netherlands, where he was a member of the Board of Management and CEO of, successively, Philips Consumer Electronics and Philips Lighting, as well as with Rexel in France, where he served as CEO and Chairman of the Board of Directors. Mr. Provoost is currently a member of the Supervisory Board of Randstad, as well as a member of the Board of Directors of Elia Group and Vlerick Business School. Mr. Provoost is Chairman of the Board of Directors from May 19, 2020. SWID AG, represented by Mr. Jesper Munch Jensen. Mr. Jensen is the CEO of the JENSEN-GROUP. TTP bv, represented by Mr. Erik Vanderhaegen. Mr. Vanderhaegen is the former CFO of Bekaert Group. He is currently CFO of Biobest Group. Before that, he was a certified auditor, M&A manager at Greenyard and corporate tax, audit and M&A manager at Bekaert NV. Mr. Jobst Wagner. Mr. Wagner is Chairman and co-owner of the globally active Rehau Industrial Group. He holds several other positions such as Chairman and co-owner of Four W Holding and is the Founder and Chairman of LARIX Foundation. Mr. Wagner resides in Bern, Switzerland. Inge Buyse bv, represented by Mrs. Inge Buyse. Mrs. Buyse is CEO of AZ Groeninge. Prior to assuming her current role, she held CFO positions in Sapa, Koramic Roof Tiles and Telindus. Mrs. Buyse is also a Board member of ResiDolmen and of the Flemish Symphony Orchestra. Cross Culture Research LLC, represented by Mrs. Anne M. Jensen. Mrs. Jensen was raised in Europe and educated in the United States, where she studied cross-cultural communication. Mrs. Jensen began her career as a business analyst and later started her own wholesale and consulting company selling fine art for children and specializing in hospitals. Mrs. Jensen then returned to her original field of developing and teaching cross-cultural curricula and is currently an independent consultant offering qualitative market research with an emphasis on identifying culturally-patterned user behavior. Werner Vanderhaeghe, by Mr. Vanderhaeghe, a Senior Partner at the law firm Pierstone in Brussels, Belgium, is the Company Secretary and acts as General Counsel of the JENSEN-GROUP. Before that, Mr. Vanderhaeghe was a Partner at the international law firm White & Case LLP and held General Counsel positions at the Bekaert Group and the Agfa-Gevaert Group. The Board of Directors held five meetings in 2020. The topics of discussion at these meetings included: ■ The JENSEN-GROUP overall strategy, strategic plans, risk assessment, organization and budgets; ■ Economic and market developments; ■ The JENSEN-GROUP financial structure, financial performance and external reporting; ■ Convening of the Annual Meeting of Shareholders; ■ Investment and M&A projects; ■ Shareholder value creation and shareholder return; ■ Impact Covid-19 on the JENSEN-GROUP; ■ Corporate governance and compliance; ■ Insurances; ■ The appointment of Directors; and ■ Status of internal controls and risk management. Depending on the items on the agenda, members of the JENSEN-GROUP Executive Management Team were invited to the meetings of the Board of Directors and of the Board Committees. Evaluation of the Board of Directors The Board of Directors and the Board Committees conduct from time to time a self-evaluation exercise to determine their effective functioning. This process includes the completion by all Board and Board Committee members of a self-evaluation questionnaire, after which the Group General Counsel prepares a report. The summaries of the results, trends and comments from the individual reports. The summaries focus on the contribution of the Board of Directors to the Company and specifically on areas where the Board or the Executive Management believes the Board or its Committees could improve. The results, trends and comments are then discussed within the Board of Directors, after which action points are derived and implemented. In addition, informal individual assessments of the Board members are made on an ongoing basis during Board meetings. In 2019, the Board of Directors conducted a self-evaluation exercise, the results of which were discussed during the Board meeting of March 2020. The Board of Directors hereby assessed the Board's overall performance as good and effective. Committees established by the Board of Directors Nomination and Remuneration Committee Until May 19, 2020, the Nomination and Remuneration Committee consisted of Gobes Comm.V., represented by Mr. Raf Decaluwé, acting as Chairman of the Committee, of YquitY bv, represented by Mr. Rudy Provoost, and of Mr. Jobst Wagner. As from May 19, 2020, YquitY bv, represented by Mr. Provoost, has acted as Chairman of the Committee. On August 11, 2020, TTP bv, represented by Mr. Erik Vanderhaegen, joined the Nomination and Remuneration Committee. The three members of the Committee qualify as independent Directors. The Nomination and Remuneration Committee met three times in the course of 2020. The topics of discussion at these meetings included: ■ Discussion and approval of the remuneration report and the remuneration policy; ■ Remuneration and the bonuses of the Executive Management Team of the JENSEN-GROUP; ■ Fees of the Board of Directors; ■ Self-evaluation of the Committee; ■ Impact Covid-19 on remuneration; ■ Election of members of the Committee; ■ Succession planning of the CEO and of the Board of Directors; ■ Status of the leadership and competence program; and ■ Corporate governance and compliance including with the Shareholder Rights Directive II. In 2019, the Nomination and Remuneration Committee conducted a self-evaluation exercise, the results of which were discussed, together with the proposed action points for improvement, during the Nomination and Remuneration Committee meeting of March 2020. The Committee hereby rated its overall performance and the improvement level, indicating firm agreement with the principal components of effective governance. The Nomination and Remuneration Committee uses its Charter as its terms of reference. The Charter can be found on our website www.jensen-group.com under the heading "Investor Relations/Corporate Governance" and covers: ■ Authority; ■ Objectives; ■ Composition; ■ Role of the Chairperson; ■ Responsibilities; ■ Meetings; ■ Attendance; ■ Non-consensus; ■ Objectivity; ■ Access to members of management; ■ Reporting and appraisal; ■ Remuneration report; and ■ Performance evaluation. Audit and Risk Committee The Audit and Risk Committee consists of TTP bv, represented by Mr. Erik Vanderhaegen, acting as Chairman of the Committee, of Inge Buyse bv, represented by Mrs. Inge Buyse, and of Mr. Jobst Wagner. Two of the three members of the Committee qualify as independent Directors. The Audit and Risk Committee met four times in the course of 2020. Two meetings were held in the presence of the external auditor PwC, represented by Mrs. Lien Winne. The topics of discussion at these meetings included: ■ Findings of the external auditor on the financial statements as at December 31, 2019; ■ Findings of the review procedures on the financial statements as at June 30, 2020; ■ Financial statements including non-financial information and quarterly financial statements; ■ JENSEN-GROUP financial structure; ■ XBRL reporting; ■ Cash management; ■ Insurances; ■ Corporate governance and compliance; ■ Tax audit and transfer pricing; and ■ Risk Management and Internal Control System. In 2020, the Audit and Risk Committee conducted a self-evaluation exercise, the results of which will be discussed during the Audit and Risk Committee meeting of March 4, 2021. The Audit and Risk Committee uses its Charter as its terms of reference. The Charter can be found on our website www.jensen-group.com under the heading "Investor Relations/Corporate Governance" and covers: ■ Role and responsibilities; ■ Number of meetings; ■ Composition of the Audit and Risk Committee; ■ Role of the Chairperson; ■ Presence of the external auditor; and ■ Performance evaluation. Senior management attends each Audit and Risk Committee meeting in part, with the remainder of the meeting reserved for an executive session with the external auditor for the Committee members only. Conflicts of Interest within the Board of Directors As required under the Belgian Companies and Associations Code, the members of the Board of Directors are expected to give the Board Chairman prior notice of items on the agenda in respect of which they have a direct or an indirect conflict of interest with the Company, either of a financial or other nature, and to refrain from participating in the discussion and vote on those items. The Board of Directors and the Board Chairman constantly monitor potential conflicts of interest that do not fall within the definition as set forth by the Belgian Companies and Associations Code. The review of a potential conflict of interest is a standard item on the agenda of each meeting of the Board of Directors. Two potential conflicts arose in the course of 2020 at the meetings of the Board of Directors that were held on March 12, 2020 and April 9, 2020. During these meetings, the dividend proposal was discussed. In case of doubt, written confirmation of the reasons for the absence of a conflict of interest as more broadly defined is sought from the Director or the senior executive involved. Policy to prevent Insider Trading The Company has had a longstanding policy on insider trading and the prevention of improper conduct or appearance in that regard. Following the recent introduction of new EU legislation and applicable regulations on market abuse, the Board of Directors has revised its guidelines on the subject as set forth in a Protocol to prevent Market Abuse. The purpose of this Protocol is, inter alia, to inform: ■ any person who possesses inside information (either as a shareholder, Director, member of the Executive Management Team, employee, service provider or any other person by virtue of his function, duties or employment), of (i) their legal and regulatory duties regarding the prevention of insider dealing, tipping and the unlawful disclosure of inside information; and of (ii) the applicable sanctions; ■ any person who has been identified as a Reference Shareholder, Key Manager, Person with Management Responsibility or Key Employee of the Company, of the fact that they and, by extension, their spouses, children of any living at home and advisors, may under no circumstances trade the Company's securities during a closed period i.e.: ■ the period of sixty (60) calendar days immediately preceding the announcement of the Company's annual results and extending through and including forty-eight (48) hours following such announcement; and ■ the period of thirty (30) calendar days immediately preceding the announcement of the Company's half-year results and extending through and including forty-eight (48) hours following such announcement; ■ any person who has been identified as a Reference Shareholder, Key Manager, Person with Management Responsibility or Key Employee of the Company, of the fact that they and, by extension, their spouses, children of any living at home and advisors, must notify the Compliance Officer of the Company and the Belgian Regulator (i.e. the Financial Services and Market Authority or "FSMA") of every transaction in the Company's securities if and when the total amount of transactions has reached or exceeds the threshold of 5,000 euro within a given calendar year. The Company requires a signed statement from all those concerned, acknowledging that they have read the Protocol to prevent Market Abuse, that they understand its content and that they agree to comply with its provisions. Notwithstanding the above, all trading in the Company's shares requires prior authorization from the Compliance Officer. In addition, all Directors and members of the Executive Management Team are required to inform the Compliance Officer on a quarterly basis of any trading respectively to confirm any non- trading in the Company's shares. Mrs. Scarlet Janssens is the Compliance Officer of JENSEN-GROUP NV. As of December 31, 2020, the members of the Board of Directors and the Executive Management Team collectively own 185,305 shares. Next to this, Mrs. Anne Munch Jensen and Mr. Jesper Munch Jensen indirectly own shares in JENSEN-GROUP NV, see Note 8 - Equity. No warrants are outstanding. The Policy to prevent Insider Trading and the relevant provisions of the Protocol to prevent Market Abuse are included in the Charter of the Board of Directors. The Charter can be found on our websitewww.jensen- group.com under the heading "Investor Relations/Corporate Governance." Executive Management In 2005, the Bylaws of the Company were amended so as to authorize the Board of Directors to delegate its powers of day-to-day management to an executive committee in conformity with art. 7:104 (previously art. 524 bis) of the Belgian Companies and Associations Code. The Board of Directors has not acted on that authorization to date. In the course of 2009, an Executive Management Team was appointed. The Executive Management Team consists of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Sales Officer & Innovation (CSO) and the Chief Information Officer (CIO). The CEO chairs the Executive Management Team meetings. The Executive Management Team is responsible for: ■ Development of the overall JENSEN-GROUP strategy; ■ Introduction and implementation of an internal control framework and risk management processes that are in line with the nature, organization and size of the JENSEN-GROUP; ■ Implementation and deployment of the Ethical Business Statement; ■ Preparation of the financial statements and disclosures; ■ Report of the CEO and CFO to the Board of Directors with respect to the financial situation of the JENSEN-GROUP; ■ Presentation at regular intervals to the Board of Directors of all information necessary for the Board of Directors to carry out its duties; and ■ Evaluation of the manufacturing footprint. The Executive Management Team meets at least every quarter and consists of: ■ Mr. Jesper Munch Jensen, CEO; ■ Mr. Fabian Lutz, CIO; ■ Mr. Martin Rauch, CSO; and ■ Mr. Markus Schalch, CFO. From left to right: Mr. Fabian Lutz, Mr. Martin Rauch, Mr. Markus Schalch, Mr. Jesper Munch Jensen. Mr. Jesper Munch Jensen, permanent representative of SWID AG, started his career at Swiss Bank Corporation and worked as a Corporate Finance Officer in Basle and Frankfurt (1984-1987). After obtaining an MBA degree from Lausanne Business School, he joined JENSEN AG Burgdorf as an Assistant General Manager of JENSEN Holding (1991). Mr. Jensen became CEO of the JENSEN-GROUP in 1996. Mr. Fabian Lutz holds graduate degrees in Project Management and Telematics/Information as well as a certificate of advanced studies in Business Intelligence from the Bern University of Applied Sciences. Following his practical training as federally qualified mechanic and automation engineer at Landis & Gyr (now Siemens) in Zug/Switzerland, Mr. Lutz joined the JENSEN-GROUP in 1999 as IT manager for its operations in Switzerland. Mr. Lutz was appointed Head of ICT for the JENSEN-GROUP in 2010 and CIO of the JENSEN-GROUP since January 2020. Mr. Martin Rauch holds a Bachelor of Science degree in Electrical Engineering. After his studies in 1989, he joined JENSEN AG Burgdorf and held various positions in the technical and commercial areas. Mr. Rauch became General Manager of JENSEN AG Burgdorf in 2003 and Managing Director of JENSEN SWEDEN AB following the formation of the Garment Technology Business Unit in 2006. Mr. Rauch joined the Executive Management Team in 2009 and held various functions. He was nominated as Chief Sales Officer in 2017. Mr. Markus Schalch holds a Master of Arts in Finance and Accounting from the Hochschule St. Gallen. He started his career in an audit firm, where he worked for two years prior to joining the Alstom Group in various finance positions. In 2000, Mr. Schalch joined a leading Swiss telecommunication firm where he became CFO of Swisscom Systems Ltd. (2002-2004) and was then appointed CFO of Swisscom Solutions AG (2005 till August 2007). Mr. Schalch joined the JENSEN-GROUP in September 2007 as CFO. Remuneration Policy The remuneration policy of the Company is intended to attract and retain the qualified and talented employees that are needed to support the long-term development and growth of the Company. By offering a competitive compensation package, the Company seeks to stimulate individual performance and to align the individual interests of its employees with those of the shareholders and other stakeholders. The Company provides information regarding its remuneration policy for one year only as variable remuneration is part of the annual budget review process, whereby the budget is first evaluated in the context of the strategic plan and variable compensation is based on a full payout in the year in which the compensation is earned. To that effect, the Company's shareholders approved and extended an exemption from the Law on Corporate Governance of April 6, 2010 and its requirement to spread objectives and variable compensation payments over several years. We believe that spreading out variable compensation has more disadvantages than advantages. The JENSEN-GROUP's focus is certainly on long-term strategic performance, and the Company sets internal milestones to evaluate progress and performance on at least an annual basis. The compensation packages of the Board of Directors, CEO and Executive Management Team are reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors. The shareholders approved the remuneration policy by unanimous vote at the Annual Meeting held on May 19, 2020. The market conformity of the compensation packages of the Board of Directors and the Executive Management Team is periodically checked with the support of external, independent advisors. Remuneration Report Remuneration of the Board of Directors The remuneration of the non-executive Directors is based on their responsibilities and their specific tasks within the Board of Directors. With the exception of the Board Chairman, the fees for non-executive Directors consist of a fixed remuneration of 17,000 euro and an attendance fee of 3,000 euro per Board meeting or 1,000 euro if the meeting is by telephone. Members of Board Committees receive a fixed fee of 7,500 euro per year and an attendance fee of 1,500 euro per meeting. The Chairman of the Board of Directors in turn receives a fixed fee of 100,000 euro per year, which is deemed to correspond to the actual services to be rendered. Directors do not receive any variable compensation and the CEO does not receive any compensation as a member of the Board of Directors. In 2020, the total fees paid to Board members and members of the Board Committees amounted to 321,750 euro, which is within the amount of 400,000 euro approved by the shareholders. In 2020, Cross Culture Research LLC, represented by Mrs. Anne M. Jensen received 2,000 USD by JENSEN AG Burgdorf for editorial services. Mr. Jobst Wagner owns 16,805 shares. Mrs. Anne M. Jensen and Mr. Jesper Munch Jensen indirectly own shares in JENSEN-GROUP NV, see Note 8 - Equity. Remuneration of the Executive Management Team The Nomination and Remuneration Committee prepares all recommendations relating to the appointment and the remuneration of the Executive Management Team based on proposals made by the CEO. The Committee discusses in detail the remuneration policy, the pay levels and the individual performance evaluations of members of the Executive Management Team. The external auditor reviews the conformity of the remuneration paid to the Executive Management Team with the remuneration policy as approved by the Nomination and Remuneration Committee and approved by the Board of Directors. The shareholders approved the remuneration report by unanimous vote at the Annual Meeting held on May 19, 2020. The remuneration of the Executive Management Team is composed of a base salary and of variable compensation that is paid out in cash or used for pension plan contributions depending on the managers' country of residence, life insurance, other customary insurances, and benefits. Appointments of certain subsidiaries to the Board of Directors can also be remunerated. Executive managers are provided with all resources necessary to perform their duties. The variable compensation part of the remuneration of the Executive Management Team members is targeted at 20% to 30% of the annual base salary, except, in the case of the CEO, for whom the variable compensation is targeted at a level of up to 60% of the annual base salary. No variable compensation is paid below a minimum performance threshold of 85% while in case of overperformance, variable compensation is capped at 130%. The variable remuneration of the CEO and the Executive Management Team is based on performance against the following objectives: ■ Individual, qualitative objectives for 20% to 50% of the total target amount. Qualitative objectives focus on important projects and actions to be realized during the year. ■ Quantitative objectives for 50% to 80% of the total, divided between: ■ the financial results against the JENSEN-GROUP targets in terms of profitability, capital employed, specific elements of capital employed and/or cash flow; and ■ The financial results against the target of the unit for which the individual manager is accountable. The JENSEN-GROUP targets are derived from the budget as approved by the Board of Directors. The targets are defined as part of the annual budget review process, whereby the budget is evaluated in the context of the strategic plan. For 2020, the JENSEN-GROUP targets were set on the basis of the operating profit and working capital as percentage of turnover. During the Annual Meeting held on May 19, 2020, the shareholders approved an extension of the exemption from the Law on Corporate Governance of April 6, 2010 and in particular from its requirement to spread objectives and variable compensation payments over several years during a term of five years expiring at the Annual Meeting of May 2024. Where pension plans are customary, the Executive Management Team participates in such pension plans. As set forth in the above section on Remuneration of the Board of Directors, the CEO does not receive any compensation as a member of the Board of Directors. The Executive Management Team members do not receive any compensation as members of the Boards of JENSEN-GROUP companies. The total remuneration granted to the Executive Management Team in the course of 2020 amounted to 1,633,704 euro. As required by the Belgian Company Code, salaries of the members of the Executive Management Team are disclosed on an individual basis. The total amount is composed as follows: 2020 2020 2020 2020 2019 2019 CEO CFO CSO CEO EMT, excluding CEO Basic remuneration 301,551 159,029 301,551 941,848 Invoiced services Variable remuneration 743,197 0 681,353 Fixed expenses Fringe benefits Pension plan 29,431 11,212 4,541 10,668 15,883 4,485 4,664 20,602 11,212 4,933 10,745 245,125 260,660 21,874 28,602 53,480 Total 743,197 357,403 184,061 349,043 926,478 1,306,464 As described above, the composition of the Executive Management Team changed as of January 1, 2020. The basic remuneration includes the salaries of the members of the Executive Management Team and represents their total fixed compensation before local taxes and employee and employer contributions. The fixed remuneration includes salaries, pension and allowances or lump sums. The pension plan consists of a defined-contribution plan. The CEO invoices his services through the company SWID AG. The amounts disclosed above consist of the amounts, totaling 743,197 euro (926,478 euro in 2019), that SWID AG invoiced to the Company. Invoiced services include basic remuneration, variable remuneration, fixed expenses, fringe benefits and pension plans. Variable remuneration is based on performance against objectives as described above. The amount paid out in 2020 was based on the performances of 2019. Depending on the applicable legislation and on the employee's preferences, the variable remuneration is paid out in cash, into the employees' pension plan, or in the form of other benefits. Fixed expenses relate primarily to representation allowances. The fringe benefits include the value of the employees' company cars and of the related car insurance premiums. The pension plan is the contribution of the employer to a pension plan above contributions required by law. These managers participate in a defined benefit plan. The Nomination and Remuneration Committee discusses all individual salaries and checks whether the remuneration paid is in line with market conditions. The market conformity of compensation packages is periodically checked with the assistance of external, independent advisors. The Board of Directors approves the remuneration amounts and the shareholders approve the remuneration report. The agreements with respect to termination of senior managers vary from country to country, subject to the locally applicable legislation. Legal regulations apply in countries where there is a legal framework, while a severance payment of up to, but not exceeding, two years' salary is granted for countries where there is no legal framework. Mr. Jesper Munch Jensen has a severance pay arrangement of 18 months, which is deemed in line with current market practice based on periodic reviews by the Nomination and Remuneration Committee of the market conformity of the compensation packages of the Executive Management Team. There has been no termination of a senior manager in 2020. There are no change of control clauses included in the management contracts. Two managers have a two-year non-compete clause exercisable at the request of the Company. No special compensation is given in the event of voluntary departure. No loans have been granted to members of the Executive Management Team. No unusual transactions or conflicts of interest have occurred. The Executive Management Team holds a total of 1,540 shares in the following manner: ■ Mr. Jesper Munch Jensen indirectly owns shares in the JENSEN-GROUP NV, see Note 8 - Equity; ■ Mr. Fabian Lutz: no shares; ■ Mr. Martin Rauch: 1,500 shares; ■ Mr. Markus Schalch: no shares No warrants are outstanding and there are no stock option plans. The annual change of remuneration, of the performance of the Company and of the average remuneration on a full-time equivalent basis of employees (excluding the Executive Management Team) over the five last years is as follows : (in thousands of euro) 2020 2019 2018 2017 2016 Total remuneration excluding BoD and EMT Number of employees Avg remun. on a FTE basis of the employees (excl. BoD, EMT) Consolidated result attributable to equity holders 82,491 102,089 103,944 105,961 96,897 1,239 1,660 1,634 1,725 1,518 67 61 64 61 64 7,602 15,712 19,108 21,106 17,119 The ratio between the highest remunerated executive and the least remunerated employee within the Company is 1% with the caveat that the basis for calculating this ratio is global and includes many different countries, functions and roles and that overall, the Company has embedded the Social Corporate Responsibility principles in its business model. Policy for appropriation of the result Based on the result of the past year and on the current financial situation, the Board of Directors will propose an appropriate dividend. Shareholding structure The following are the major shareholders of the Company: JENSEN INVEST SA: 54.4%Lazard Frères Gestion SAS: 5.2%Free float: 40.4% The voting rights are described in note 8 - Equity. Acquisition of own shares The JENSEN-GROUP does not own any treasury shares and there is no repurchase program. Relationship among shareholders There is no agreement between the reference shareholders listed above. Statutory auditor PwC Bedrijfsrevisoren bv, represented by Mrs. Lien Winne. The Statutory Auditor received worldwide fees of 417,400 euro (excl. VAT) for auditing the statutory accounts of the various legal entities of the JENSEN-GROUP. Apart from its mandate, the Statutory Auditor received during 2020 additional fees of 60,376 euro (excl. VAT), of which 2,000 euro was invoiced to JENSEN-GROUP NV. The JENSEN-GROUP has appointed a single audit firm for the audit of the consolidated financial statements. Issued capital As at December 31, 2020, the issued share capital of the Company was 30.7 million euro, represented by 7,818,999 ordinary shares without nominal value. There are no preference shares. The Bylaws of the Company allow the purchase of own shares. The JENSEN-GROUP does not hold any treasury shares. Pursuant to article 74, §6 of the Law of April 1, 2007 on takeover bids, JENSEN INVEST SA disclosed to both the FSMA and to JENSEN-GROUP NV that, as at September 1, 2007, it held in concert more than 30% of the shares with voting rights in JENSEN-GROUP NV. Further details of the shareholders' notification are disclosed in note 8 - equity. Dividend proposal The Board proposes to the Annual Shareholders' meeting to approve a dividend of 0.25 euro per share. The dividend proposal is based on the strong financial position at year-end. The dividend pay-out will amount to 1,954,749.75 euro, based on the number of shares outstanding as at December 31, 2020. Appropriation of the result JENSEN-GROUP NV reported in its statutory accounts a net loss of -415,139.60 euro. The Board of Directors proposes to appropriate this result as follows: In euro Result of the year -415,139.60 Dividend -1,954,749.75 Appropriation to retained earnings -2,369,889.35 This brings the total amount of retained earnings to 61,705,752.44 euro. Significant post-balance sheet events There are no significant post-balance sheet events. Ghent, March 4, 2021 YquitY bv Chairman Represented by Mr. Rudy Provoost SWID AG Represented by Mr. Jesper Munch Jensen CEO Statement of the Board of Directors Statement of responsible persons We hereby certify, to the best of our knowledge, that the consolidated financial statements as of December 31, 2020, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. Jesper M. Jensen Chief Executive OfficerMarkus Schalch Chief Financial Officer FREE TRANSLATION Statutory Auditor's Report to the General Shareholders' Meeting of the Company JENSEN-GROUP NV on the consolidated accounts for the year ended 31 December 2020 We present to you our statutory auditor's report in the context of our statutory audit of the consolidated financial statements of JENSEN-GROUP NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated financial statements, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible. We have been appointed as statutory auditor by the general meeting d.d. 19 May 2020, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company's consolidated accounts for 19 consecutive years. Report on the consolidated accounts Unqualified opinion We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated accounts, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of '000 EUR 278,389 and a consolidated result attributable to equity holders of '000 EUR 7,602. In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Basis for unqualified opinion We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence. We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Key audit matters Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matter 1: Revenue recognition of construction contracts Description of the key audit matter We focused on revenue recognition on construction contracts because JENSEN-GROUP substantially generates its revenue from projects which qualifies as construction contracts under IFRS. The recognition of revenue and the estimation of the outcome of fixed price construction contracts is complex and requires significant management judgement, in particular with respect to estimation of the cost incurred and the cost to complete the contracts. For these reasons, we identified revenue from construction contracts as a key audit matter. Reference is made to Note 1: Summary of significant accounting policies: Revenue Recognition and Note 6 Contract assets and contract liabilities. At December 31, 2020 contract assets included EUR 6.3 million of accrued profits. How our audit addressed the key audit matter Our testing of revenue recognition of construction contracts included both tests of the design and operating effectiveness of controls, as well as substantive procedures. We tested the controls that the company has put in place over its process to record contract costs and contract revenues and the determination of the stage of completion. Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies. We also included an evaluation of the significant judgements made by management based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and technical staff of the company for specific individual transactions/projects. In addition, in order to evaluate the reliability of management's estimates, we performed a rundown of subsequent costs incurred for closed projects. We also performed testing over manual journals posted to revenue to identify unusual or irregular items. We found no material misstatements from our testing. Key audit matter 2: recognition of warranty and take back obligation provisions Description of the key audit matter Significant management judgement is required to assess the provision for expected warranty claims and take back obligations on the construction contracts. JENSEN records a provision for expected warranty claims on products sold during the year and a provision for take back obligations on products sold to a customer for which the customer wants to enter into a leasing contract with a financial institution. Assumptions used to calculate the provision for warranty claims are based on current sales levels and current information on warranty costs. For the provision for take back obligations, JENSEN-GROUP assesses the transfer of the risks and rewards and the potential costs to take over and resell the machines. We considered this to be a key audit matter due to the size of provisions and because the recognition of those provisions required significant judgement from management. Reference is made to Note 12: Provisions for other liabilities and charges. The provisions for warranties and take back obligations amounted to EUR 7.9 million per December 31, 2020. How our audit addressed the key audit matter Our testing included both tests of the design and operating effectiveness of controls, as well as substantive procedures. We tested the controls that the company has put in place to review the sales contracts with specific attention to standard warranty period and take back obligations, record and monitor the ongoing and expected claims and take back cases on products and review and compare provisions to actual costs incurred. Our audit procedures included considering the appropriateness of the Group's accounting policies. We challenged management's assumption used in determining the provision through discussions with management and performing the following specific substantive procedure. On a sample basis we reviewed the contracts with take back obligations and reviewed the market value of the machines based on the history of cases where JENSEN-GROUP needed to take over the machines or similar transactions in their second-hand business. For the provision for warranty we performed a rundown of subsequent costs incurred. We also performed testing over manual journals posted to revenue to identify unusual or irregular items. We found no material misstatements from our testing. Responsibilities of the board of directors for the preparation of the consolidated accounts The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error. ANNUAL REPORT 2020 In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Statutory auditor's responsibilities for the audit of the consolidated accounts Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts. In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: ■ Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control; ■ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control; ■ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors; ■ Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; ■ Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation; ■ Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion. We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter. Other legal and regulatory requirements Responsibilities of the board of directors The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts. Statutory auditor's responsibilities In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts and to report on these matters. Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code. ANNUAL REPORT 2020 In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you. The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated accounts. The Company has prepared the non-financial information, based on Global Reporting Initiative Standards. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative Standards as disclosed in the directors' report on the consolidated accounts. Statement related to independence ■ Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate. ■ The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts. Other statements ■ This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014. Ghent, 24 March 2021 The statutory auditor PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV Represented by Lien Winne Reviseur d'Entreprises / Bedrijfsrevisor Consolidated statement of financial position - Assets (in thousands of euro) Notes December 31 2020 December 31 2019 Total Non-current Assets 72,923 62,597 Goodwill 4 6,879 6,861 Intangible assets 4 46 38 Land and buildings 15,820 11,620 Machinery and equipment 5,268 6,369 Furniture and vehicles 3,000 4,068 Right of use assets 10,018 13,526 Other tangible fixed assets 0 0 Assets under construction and advance payments 158 3,698 Property, plant and equipment 4 34,265 39,283 Companies accounted for under equity method 23 8,184 7,574 Financial Assets at amortised cost 21 6,095 0 Financial Assets at fair value through OCI 21 8,986 0 Trade receivables 3,241 2,941 Other amounts receivable 757 114 Trade and other receivables 3,998 3,055 Deferred taxes 5 4,471 5,687 Total Current Assets 205,466 213,069 Inventories 31,843 Goods purchased for resale 14,215 17,778 Inventory 43,750 49,620 Advance payments 616 1,478 Trade receivables 7 52,336 69,775 Other amounts receivable 7 4,373 5,837 Contract assets 6 33,159 41,466 Derivative Financial Instruments 7, 21 50 79 Trade and other receivables 7 89,917 117,156 Cash and cash equivalents 19 70,775 45,369 Assets held for sale 22 407 445 TOTAL ASSETS 278,389 276,666 The notes on pages 82-136 are an integral part of these consolidated financial statements. ANNUAL REPORT 2020 Consolidated statement of financial position - Liabilities (in thousands of euro) Notes December 31, 2020 December 31, 2019 Equity 8 136,044 132,374 Share Capital 30,710 30,710 Share premium 5,814 5,814 Other reserves -10,222 -6,776 Retained earnings 111,095 103,501 Non-Controlling Interest 23 -1,354 -874 Non-Current Liabilities 65,947 49,062 Government grants 9 1,539 Borrowings 10 46,682 31,940 Deferred income tax liabilities 5 973 904 Provisions for employee benefit obligations 11 16,654 16,194 Derivative financial instruments 21 99 24 Current Liabilities 76,398 95,230 Borrowings 10 9,295 17,792 Provisions for other liabilities and charges 12 10,267 12,597 Trade payables 13 17,031 25,255 Contract liabilities 6/13 10,896 10,360 Remuneration and social security 13 13,321 14,141 Other amounts payable 13 883 1,572 Accrued expenses 13 8,142 8,255 Derivative financial instruments 13/21 172 96 Trade and other payables 13 50,445 59,680 Current income tax liabilities 6,391 5,162 TOTAL EQUITY AND LIABILITIES 278,389 276,666 The notes on pages 82-136 are an integral part of these consolidated financial statements. Consolidated statement of comprehensive income (in thousands of euro) Notes December 31, 2020 December 31, 2019 Revenue 6 245,238 332,178 Trade goods -118,007 -158,288 Services and other goods -26,674 -41,606 Remuneration, social sec. costs and pensions -83,170 -104,650 Depreciation, amortisation, write downs of assets, impairments 14 -6,998 -8,219 Total expenses -234,848 -312,764 Other Income / (Expense) 15 2,406 3,602 Operating profit before tax and finance (cost)/ income 12,795 23,016 (EBIT) Interest income 738 998 Other financial income 1,549 1,309 Financial income 16 2,287 2,307 Interest charges -1,939 -2,240 Other financial charges -3,214 -2,560 Financial charges 16 -5,152 -4,800 Share in result of associates and companies accounted for using the equity method 1,251 -229 Profit before tax 11,181 20,294 Income tax expense 17 -4,004 -5,138 Profit for the period from continuing operations 7,178 15,155 Result from assets held for sale 22 -54 -118 Consolidated profit for the year 7,124 15,037 Result attributable to Non-Controlling Interest 23 -479 -675 Consolidated result attributable to equity holders 7,602 15,712 December 31, The notes on pages 82-136 are an integral part of these consolidated financial statements. Consolidated statement of comprehensive income - Other comprehensive income (in thousands of euro) Notes December 31, 2020 December 31, 2019 Other comprehensive income (OCI): Items that may be subsequently reclassified to Profit and Loss Financial instruments -125 209 Currency translation differences -2,297 621 Currency translation differences related to associates and companies accounted for using the equity method -642 321 Items that will not be reclassified to Profit and Loss Actual gains/(losses) on Defined Benefit Plans -561 -2,017 Tax on OCI 172 452 Other comprehensive income for the year -3,454 -414 OCI attributable to Non-Controlling Interest 0 0 OCI attributable to the equity holders -3,454 -414 Total comprehensive income for the year 3,670 14,624 Profit attributable to: Non-Controlling Interest -479 -675 Equity holders of the company 7,602 15,712 Total comprehensive income attributable to: Non-Controlling Interest -479 -675 Equity holders of the company 4,148 15,298 Basic and diluted earnings per share (in euro) 18 0.97 2.01 Weighted average number of shares 7,818,999 7,818,999 December 31, The notes on pages 82-136 are an integral part of these consolidated financial statements. Consolidated statement of changes in equity - prior year The notes on pages 82-136 are an integral part of these consolidated financial statements. ANNUAL REPORT 2020 Consolidated statement of changes in equity - current year The notes on pages 82-136 are an integral part of these consolidated financial statements. Consolidated cash flow statement (in thousands of euro) Cash flow from operating activities Consolidated result attributable to equity holders Result attributable to non-controlling interest Adjusted for - Current and deferred tax - Interest and other financial income and expenses - Depreciation, amortization and impairments - Write downs of trade receivables - Write downs of inventory - Write downs on contract assets - Changes in provisions - Companies accounted for using equity method Interest received Changes in working capital Increase (-), decrease (+) Changes in advance payments Changes in inventory Changes in long- and short-term amounts receivable Changes in trade and other payables Corporate income tax paid Corporate income tax paid Net cash generated from operating activities - continuing Notes December 31 December 31 2020 2019 23,332 31,600 7,602 15,712 23 -479 -675 4,004 4,435 2,865 2,493 14 6,811 7,178 14 772 -329 14, 15 1,615 394 6 2,985 11, 12 -2,330 1,623 23 -1,251 -229 16 738 998 18,132 -382 6 858 1,952 6 2,810 -5,982 7 22,135 14,589 13 -7,671 -10,941 -2,380 -5,331 -2,380 -5,331 39,084 25,887 held for sale 38 -8 Net cash generated from operating activities - total 39,122 25,879 Net cash used in investing activities -2,778 -9,047 Purchases of intangible and tangible fixed assets 4 -2,952 -8,775 Sales of intangible and tangible fixed assets 4 174 379 Acquisition of subsidiaries and participations (net of cash acquired) 24 -651 Cash flow before financing 36,344 16,832 Net cash used in financing activities -6,463 -8,300 Other financial charges and currency losses 16 -983 -2,560 Other financial income and currency gains 16 1,309 Dividend 8 37 -7,818 Purchase of financial instruments -15,081 Proceeds of government grants 9 1,732 Proceeds of borrowings 10 18,329 6,515 Repayments of borrowings 10 -8,559 -3,506 Interest paid 16 -1,939 -2,240 Net Change in cash and cash equivalents 29,881 8,532 Cash, cash equivalent and bank overdrafts at the beginning of the year 37,499 27,806 Exchange gains/(losses) on cash and bank overdrafts -951 1,161 Cash, cash equivalent and bank overdrafts at the end of the year 19 66,429 37,499 ANNUAL REPORT 2020 Net cash generated from operating activities - Result from assets operations The notes on pages 82-136 are an integral part of these consolidated financial statements. Notes to the Consolidated Financial Statements Note 1: Summary of significant accounting policies Basis of preparation The JENSEN-GROUP (hereafter "the Group") is one of the major suppliers to the heavy-duty laundry industry. The Group markets its products and services under the JENSEN and 'ALPHA by JENSEN' brands and is one of the leading suppliers to the heavy-duty market. The product range varies from transportation and handling systems, tunnel washers, separators, feeders, ironers and folders to complete project management for fully-equipped and professionally managed industrial laundries. The JENSEN-GROUP has operations in 23 countries and distributes its products in more than 50 countries. Worldwide, the JENSEN-GROUP employs 1,239 people. JENSEN-GROUP NV (hereafter "the Company") is incorporated in Belgium. Its registered office is at Bijenstraat 6, 9051 Sint-Denijs-Westrem, Belgium. The JENSEN-GROUP shares are quoted on the Euronext Stock Exchange. The Board of Directors approved the present consolidated financial statements for issue on March 4, 2021. These consolidated financial statements are for the 12 months ended December 31, 2020 and are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These annual financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective as at December 31, 2020 and which have been adopted by the European Union. These consolidated financial statements have been prepared under the historical cost convention, with financial assets and financial liabilities (including derivative instruments), assets held for sale and defined benefit plans stated at fair value through profit or loss or OCI or at amortized cost. These consolidated financial statements are prepared on an accrual basis and on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the accounting policies. Based on the information described in the Report of the Board of Directors, p. 18 and 19, the analysis of the markets, valuation of the order backlog, the analysis of the sales funnel, the future revenues, various scenarios and cash projections, the Group is of the opinion that the consequences of Covid-19 are manageable for the coming period with the knowledge as of today. Therefore, the EMT has concluded, and the Board concurs, that the JENSEN-GROUP is able to continue as a going concern. The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2020 and have been endorsed by the European Union: ■ Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020); ■ Amendments to the definition of material in IAS 1 and IAS 8 (effective 1 January 2020); ■ Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective 1 January 2020); ■ Amendments to the guidance of IFRS 3 Business Combinations, that revises the definition of a business (effective 1 January 2020). The following new amendments have been issued, is not mandatory for the first time for the financial year beginning 1 January 2020 but have been endorsed by the European Union: ■ Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 01/06/2020, with early application permitted); ■ Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9 (effective 01/01/2021). The following new standards and amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2020 and have not been endorsed by the European Union: ■ Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non- current' (effective 1 January 2022); ■ IFRS 17 'Insurance contracts' (effective 1 January 2023); ■ Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 01/01/2022); ■ Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Interest Rate Benchmark Reform - Phase 2 (effective 01/01/2021). The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard: ▪ IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016). The Group is currently assessing the impact of these standards. ANNUAL REPORT 2020 The main accounting policies defined by the Group are as follows: Consolidation Methods The consolidated financial statements are presented in euro and rounded to the nearest thousand. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases. The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in any acquired company on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies. Investments in associates and joint ventures are accounted for under the equity method set out in IAS28, subject to certain exceptions. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investors' share in the profit or loss of the investee after the date of acquisition. Associates are those investments where the investor has significant influence. A joint venture is a joint arrangement where the investor has joint control but does not have direct rights to assets or obligation for liabilities. For entities where the Group holds 20% or more of the voting power of another entity, either directly or indirectly, the Group is presumed to have significant influence over that entity. The presumption of significant influence from a 20% or more investment can be rebutted where the Group can demonstrate that it has or does not have significant influence. Likewise, significant influence could be demonstrated for an investment of less than 20%. The existence of a substantial or majority ownership by another entity does not necessarily preclude the Group from having significant influence. Use of estimates The preparation of the financial statements involves the use of estimates and assumptions, which may have an impact on the reported values of assets and liabilities at the end of the period as well as on certain items of income and expense for the period. Estimates are based on economic data, which are likely to vary over time, and are subject to a degree of uncertainty. These mainly relate to non-current assets - right to use, contracts in progress (percentage of completion method), pension liabilities, provisions for other liabilities and charges and expected credit loss model. We refer to note 4 - Non-current assets, note 6 - Contracts assets and contract liabilities, note 11 - provision for employee benefit obligations, note 12 - provision for other liabilities and charges and note 21 - Financial instruments - market and other risks. Translation of Foreign Currency - transactions The conversion of assets, liabilities and commitments which are denominated in foreign currencies is based on the following guidelines: ▪ monetary assets and liabilities are translated at closing rates; ▪ transactions in foreign currencies are converted at the foreign exchange rate prevailing at the date of the transaction; ▪ Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges; ▪ non-monetary assets and liabilities are translated at the foreign exchange rate prevailing at the date of the transaction. Translation of Foreign currency translation - Operations Translation The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows: ▪ assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; ▪ income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates of the dates of the transactions); and ▪ all resulting translation differences are recognized as a separate component of equity. ANNUAL REPORT 2020 Initial Recognition On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Revenue Recognition The JENSEN-GROUP has developed a five-step model for recognizing revenue from contracts with customers: Step 1. Identifying the customer contracts A contract creates enforceable rights and obligations. The contract may be written, oral or implied by customary business practice. A contract contains a promise (or promises) to transfer goods or services to a customer. When identifying the customer contracts, first the customer should be determined and then it should be assessed whether a contract exists. JENSEN-GROUP defines a "customer" and a "contract" as follows: ▪ Customer: a party that has contracted to obtain goods or services that are an output of ordinary activities in exchange for consideration; ▪ Contract: an agreement between two or more parties that creates enforceable rights and obligations. Contracts shall be combined when they are entered into at or near the same time and are negotiated as a package, payment of one depends on the other, or goods/services promised are a single performance obligation. A contract modification or change order is accounted for as a separate contract or as a continuation of the original contract prospectively or with cumulative catch-up, depending on facts and circumstances. Step 2. Identifying performance obligations The second step in accounting for a contract with a customer is identifying the performance obligations. Performance obligations are the unit of account for the purposes of applying the revenue standard and therefore determine when and how revenue is recognized. A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services, including those a customer can resell or provide to its customers. Step 3. Determining the transaction price The transaction price in a contract reflects the amount of consideration to which the Company expects to be entitled from a customer in exchange for goods or services transferred to that customer. The transaction price includes only those amounts to which the Company is entitled under the present contract. Step 4. Allocating the transaction price The transaction price is allocated to the performance obligation in the contract based on relative standalone selling prices of the goods or services being provided to the customer. Step 5. Recognizing revenue Revenue is recognized when (or as) the performance obligations are satisfied. Revenue is allocated to the individual performance obligations when or as the customer obtains control over the products to be delivered or services to be performed under the customer contract. The Group has identified one performance obligation within its contracts: the installation of a heavy duty laundry system. Revenue related to this performance obligation is recognized over time as both the JENSEN-GROUP does not create an asset with an alternative use (not practically possible to direct or transfer the constructed asset in its completed state to another customer as the installations are typically designed around the specific needs and requirements of the customer) and its contracts provides the JENSEN-GROUP an enforceable right to payment for performance completed to date. This enforceable right to payment represents an amount that at least compensates Jensen for performance completed to date if the contract is terminated by the customer or another party for reasons other then Jensens' failure to perform as promised. The JENSEN-GROUP recognizes revenue over time by measuring the progress toward complete satisfaction of the performance obligation. The JENSEN-GROUP uses the input method (costs incurred up to the balance sheet date as compared to the total estimated costs to incur to complete the project) recognizing the revenue based on the Group's effort to satisfy the performance obligation. Any costs linked to uninstalled materials or costs incurred that relate to future activities are excluded from measuring progress towards satisfying a performance obligation. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognized as an expense immediately. ANNUAL REPORT 2020 The JENSEN-GROUP presents a contract as a contract asset, excluding any amounts already received by means of progress billings, if the Group has performed by transferring goods or services to a customer before the customer pays consideration or before payment is due. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. The JENSEN-GROUP presents a contract as a contract liability when the payment is made or the payment is due (whichever is earlier), if the customer has paid a consideration before the Group transfers a good or service to the customer. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. The timing of invoicing and the payment terms are discussed case by case. The billing schedule and the typical timing of the payment does not materially differentiate from the pattern of revenue recognition. The projects generally have a lifetime of less than one year. Royalties and rentals are recognized as income when it is probable that the economic benefits associated with the transaction can be sufficiently measured and will flow to the Group. The income is recognized on an accrual basis in accordance with the substance of the relevant agreement. Other income and other expenses Other income and other expenses relate primarily to income received from the insurance company, support from authorities, deductible tax charges, restructuring measures or other income or expenses arising from events or transactions that are clearly distinct from the ordinary business activities of the Group. Goodwill On the acquisition of a new subsidiary or participation, the difference between the acquisition price and the Group share of the identifiable assets, liabilities and contingent liabilities of the consolidated subsidiary or participation, after adjustments to reflect fair value, is recorded in the consolidated balance sheet under assets as goodwill. Goodwill is not amortized but tested for impairment annually, or more frequently, if events or changes in circumstances indicate a possible impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to a cash-generating unit for the purpose of impairment testing. Intangible assets Research and development expenses Research costs are charged to the income statement in the year in which they are incurred. The JENSEN-GROUP does not capitalize development expenses since its business reality makes it very difficult to distinguish product enhancements from adaptations to specific circumstances, and to define the future cash flows that will originate from these efforts. Since moreover the development expenses are relatively stable and are a continuous process, the JENSEN-GROUP does not capitalize these efforts but expenses them as incurred. Concessions, patents, licenses, know-how and other similar rights etc. Investments in licenses, trademarks, etc. are capitalized from 50,000 euro upwards and amortized over 5 years. Investments in licenses, trademarks below EUR 50,000 are deemed to be not material and are not capitalized but are expensed as incurred. Property, plant and equipment Property, plant and equipment are recorded at their acquisition value or construction cost less accumulated depreciation and impairment losses and increased, where appropriate, by ancillary costs. The Group has broken down the cost of property plant and equipment into major components. These major components, which are replaced at regular intervals, are depreciated over their useful lives. Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives from the month of acquisition onwards. If necessary, tangible fixed assets are considered as a combination of various units with separate useful lives. The annual depreciation rates are as follows: Annual Depreciation rates: Buildings 3.33% 30y Infrastructure 10% 10y Roof 10% 10y Installations, plant and machinery 10% - 33% 3y - 10y Office equipment and furnishings 10% - 20% 5y - 10y Computer 20% - 33% 3y - 5y Vehicles 20% - 33% 3y - 5y Leases where the Group is acting as a lessee - Right of use assets The Group recognizes on the balance sheet nearly all leases reflecting the right to use an asset over the lease term as well as the associated lease liability for payments required to be made by the lessee to the lessor over the lease term. ANNUAL REPORT 2020 The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment. Lease liabilities At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs. The Group presents interest paid on its lease liabilities as financing activities in the cashflow statement. Variable payments as well as amounts paid for short-term and low-value leases are presented in the 'operating activities' line. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the intention to purchase the underlying asset. Short-term leases and leases of low-value assets The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below 5,000 euro). Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term. Significant judgement in determining the lease term of contracts with renewal options The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Impairment of assets Assets other than inventories, deferred tax assets, employee benefits and derivative financial instruments and assets arising from construction contracts are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of its fair value less cost to sell and its value in use), an impairment loss is recognized in the profit and loss statement. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the assets belong. Reversals of impairment losses recognized are recorded in income up to the initial amount of the impairment loss. Goodwill is tested for impairment at least once a year. Impairment on goodwill can never be reversed at a later date. Inventories and contracts in progress Inventories are valued at the lower of cost or net realizable value. Depending on the different ERP systems, cost is determined by the first-in, first-out (FIFO) method or by the weighted average method. For produced inventories, cost means the full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses. Provisions for liabilities and charges A provision is recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. ANNUAL REPORT 2020 The amount of the provision is the best estimate of the expenditure required to settle the present value of the obligation at the balance sheet date. The provisions are discounted when the impact of the time value of money is material. Provisions for take-back obligations are recorded when JENSEN-GROUP sells equipment to a customer for which the customer wants to enter into a leasing contract with a Leasing Company. In case of customer default, the leasing company can request JENSEN-GROUP to take back the machine in certain situations (see 'Vendor financing, p.24). Based on historical data an appropriate percentage of the outstanding receivable is recorded and reversed a ratio of the repayment by the customer. Employee benefits Some of the Group's employees are eligible for retirement benefits under defined contribution and defined benefit plans. The provision for employee benefit plans is based on the calculation of an external, independent actuary. The calculation is based on the projected unit credit method. Defined contribution plans Contributions to defined contribution plans are recognized as an expense in the income statement as incurred. Defined benefit plans For defined benefit plans, the amount recorded in the balance sheet is determined as the present value of the benefit obligation less the fair value of any plan assets. All past service costs are recognized in P&L. The actuarial gains and losses are recognized in the period in which they occur outside profit and loss, in the consolidated statement of comprehensive income. Deferred Taxes Deferred income tax is provided in full, using the liability method, on temporary differences arising between the value of assets and liabilities for tax purposes and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Current taxes The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Accrued charges and deferred income Accrued charges are costs that have been charged against income but not yet disbursed at balance sheet date. Deferred income is revenue that will be recognized in future periods. Financial instruments Financial instruments are recorded at trade date. The fair value of the financial instruments is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Accounts and notes receivable Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The JENSEN-GROUP applies the life time expected credit loss model. For specific cases, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payments as well as forward-looking information such as economic forecasts, regulatory environment, GDP, employment, politics or other external market indicators are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective ANNUAL REPORT 2020 interest rate. This policy of credit risk management is applied throughout the JENSEN-GROUP by the individual entities based on the local historical data and forward-looking information. The simplified approach is applied. Cash and cash equivalent Cash and cash equivalent includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Payables (after one year and within one year) Amounts payable are carried at nominal value at the balance sheet date. Derivative financial instruments The Company uses derivative financial instruments to reduce the exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company's policy not to hold derivative financial instruments for speculative or trading purposes. Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Recognition of any resulting gain or loss depends on the nature of the item being hedged. Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value, with changes in value included in the income statement. Cash flow hedges Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income. When the firm commitment or forecasted transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognized in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss is recognized in the income statement immediately. Any gain or loss arising from changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss recognized in other comprehensive income is recognized in the income statement immediately. Financial assets at amortized cost All movements in financial assets at amortized cost are accounted for at trade date. Financial assets at amortized cost are carried at amortized cost. Financial assets at fair value through OCI (Other Comprehensive Income) All movements in financial assets at fair value through OCI are accounted for at trade date. Financial assets at fair value through OCI are carried at fair value. Unrealized gains and losses from changes in the fair value of such assets are recognized in equity as financial assets at fair value through OCI reserves. When the assets are sold or impaired, the accumulated fair value adjustments are also included in the OCI. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Government Grants The government grants received by the JENSEN-GROUP are recognized in profit or loss as other income on a systematic basis over the period in which the entities recognize the expenses for the related costs for which the grants are intended to compensate. The income of the government grants is only recognized if all the conditions are met and there is 100% certainty that no repayment can be claimed by the government. As long as not all the conditions are met, the government grant received is presented as a debt. Borrowings Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Non-current assets (or disposal groups) held for sale Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. Consolidated statement of cash flows The consolidated cash flow statement reports the cash flow during the period classified by analyzing the cash flow from operating, investing and financing activities. ANNUAL REPORT 2020 Business combination On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Segment reporting The Company is operating in a single business segment: Heavy-Duty Laundry. Closing date and length of accounting period All accounting periods presented represent 12 months of operations starting on January 1 of each year. Change in valuation rules There are no changes in the accounting policies compared with the accounting policies used in the preparation of the consolidated financial statements as per December 31, 2019. With view to Covid-19, several entities within the JENSEN-GROUP received government grants or support from authorities. The accounting rules are described above under Government Grants and under Other income and Other expenses. During the year, the Group spreads its cash surplus over different investments. The accounting rules on Financial Asset at amortized cost and Financial Assets at fair value through OCI (Other Comprehensive Income) are described above. Note 2: Scope of consolidation The parent Company, JENSEN-GROUP NV, and all the subsidiaries that it controls are included in the consolidation. On March 27, 2019, the JENSEN-GROUP increased its shareholding in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, by 6.34% to 49%. As the JENSEN-GROUP only holds a 49% participation and does not control the company, this participation is consolidated under the equity method. On January 2, 2018 JENSEN-GROUP acquired a participation of 30% in Inwatec, ApS. JENSEN-GROUP has the option to increase its shareholding between 2020 and 2023. As the JENSEN-GROUP only holds a 30% participation and does not control the company, this participation is consolidated under the equity method Note 3: Segment reporting The Board of Directors has examined the Group's performance and has identified a single business segment. The total laundry industry can be split up into Consumer, Commercial and Heavy-Duty laundry. The JENSEN-GROUP entities serve end-customers only in the Heavy-Duty laundry segment. Most of these laundries range from large on premises laundries to large international textile rental groups. Basically, all JENSEN-GROUP customers follow the same processes. The JENSEN-GROUP sells its products and services under the 'JENSEN' and 'ALPHA by Jensen' names through own sales and service companies and independent distributors worldwide. In this way the JENSEN-GROUP operates only in a single segment. The following table presents revenue and certain asset information based on the Group's geographical areas. The basis for attributing revenues is based on the location of the customer: The difference between non-current assets in the table above (68.5 million euro) and the non-current assets as per the consolidated statement of financial position (72.9 million euro) relates to the deferred tax assets (4.5 million euro). Note 4: Non-current assets Goodwill (in thousands of euro) Goodwill Gross carrying amount January 1, 2019 8,848 Translation differences -6 Gross carrying amount December 31, 2019 8,842 Translation differences 18 AGcrocussmcualrartyeidngamamorotuiznat iDonec, ewmribter-d3o1w, n2s0,20 8,860 impairments January 1, 2019 1,981 Adcdciutimonuslated amortization, write-downs, 0 impairments December 31, 2019 1,981 Adcdciutimonuslated amortization, write-downs, 0 impairments December 31, 2020 1,981 Net carrying amount December 31, 2019 6,861 Net carrying amount December 31, 2020 6,879 The goodwill arises mainly from the acquisitions of JENSEN Australia, JENSEN Austria, JENSEN Benelux, JENSEN France, JENSEN Italia, JENSEN Norway, JENSEN Spain, JENSEN Sverige (Sweden) and JENSEN Switzerland. ANNUAL REPORT 2020 JENSEN-GROUP identifies the cash flow-generating units (CGU) as being the Group. JENSEN-GROUP assists the heavy-duty laundry industry worldwide by designing and supplying sustainable single machines as well as systems and integrated solutions. The success of JENSEN-GROUP results from combining the global skills with the local presence. The non-current assets of the plants are managed together, and the cash flows generated by the usage of these plants come from one group of local, regional or global customers that are approached with same deliverable, being the optimization of the heavy-duty laundry activity. Therefore, the non-current assets of the plants are allocated to one CGU for impairment testing purposes. Goodwill is subject to a yearly impairment test, close to year-end, that is based on a number of critical judgments, estimates and assumptions, based on value in use and applying a discounted free cash flow approach. JENSEN-GROUP believes that its estimates are very reasonable; they are based on the past experience, external sources of information (such as long-term growth rate and discount rate) and reflect the best estimates by management. The goodwill is assessed closed to year-end. The recoverable amount of the goodwill is determined based on a calculation of its value in use to the cash-generating unit to which it is allocated. The main judgments, assumptions and estimates for the cash-generating unit are: ▪ The first year of the model is based on management's best estimate of the free cash flow outlook for the coming year; ▪ For the second, third, fourth and fifth years of the model, cash flows are based on the previous year's cash flows, applying a growth rate of 2% per year; ▪ Cash flows beyond the first five years are extrapolated, usually with a growth rate of 2% of free cash flows; ▪ Projections are discounted at the weighted average cost of capital (WACC), which lies between 5% and 9%; ▪ This calculated enterprise value is compared to the book value. The test includes a sensitivity analysis on key assumptions used, among them the WACC, free cash flow and long-term growth percentage: the occurrence of any of the following individual less favorable assumptions would not lead to an impairment of goodwill: WACC of 10%, free cash flow of 95% of the projections of free cash flows used for the calculation of the impairment test and a long-term growth of 1%. JENSEN-GROUP has completed its annual impairment test on goodwill and concluded from this that no impairment allowance is necessary. Although JENSEN-GROUP believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions. Intangible Fixed Assets (in thousands of euro) Gross carrying amount January 1, 2019 Additions Gross carrying amount December 31, 2019 Additions Gross carrying amount December 31, 2020 Accumulated depreciation, write down and impairment January 1, 2019 Additions Accumulated amortization, write-downs, impairments December 31, 2019 Additions Accumulated amortization, write-downs, impairments December 31, 2020 Net carrying amount December 31, 2019 Net carrying amount December 31, 2020 Know how Other intangibles Licenses TOTAL 343 432 848 1,623 0 0 0 0 343 432 848 1,623 0 0 27 27 343 432 875 1,650 343 432 781 1,556 0 0 29 29 343 432 810 1,585 0 0 19 19 343 432 829 1,604 0 0 38 38 0 0 46 46 Licenses The licenses relate to the capitalization of the license costs of the ERP system and for other IT tools. Development costs of 5.5 million euro (7.6 million euro in 2019) were expensed during the year. These costs are accounted for in the lines 'services and other goods', 'employee compensations and benefit expense' and 'depreciation, amortization, write-down of assets'. ANNUAL REPORT 2020 Property plant and equipment Land & Buildings Machinery and equipmentFurniture and vehiclesRight to use assetsOther tangible assetsAssets under construction TOTAL (in thousands of euro) Gross carrying amount January 1, 2019 Translation differences Entry in the consolidation Additions Disposals Transfers Gross carrying amount December 31, 2019 Translation differences Additions Disposals Transfers Gross carrying amount December 31, 2020 Accumulated depreciation, write down and impairment January 1, 2019 2,687 0 2 33,640 -422 52 -3,430 5,071 34,911 21,128 33 128 71,704 -342 618 -210 39 29,346 20,950 1,663 -777 -136 12,951 -99 599 -1,097 0 12,354 8,065 257 -320 0 16,328 -351 1,202 -2,5710 14,609 0 -5 16,396 14 308 16,396 0 -30 0 3 -1 0 -2 0 0 33 3,644 0 -87 3,698 -51 1,655 -33 -5,111 8,775 -1,320 0 95,863 -1,266 4,127 -7,344 0 158 0 91,379 50,175 Translation differences Depreciation Disposals Transfers Accumulated depreciation, write down and impairment December 31, 2019 93 799 0 0 22,020 4 2,847 -49 0 2,802 -1 1 -30 0 3 0 0 0 0 0 198 7,150 -941 -1 56,580 Translation differences Depreciation Disposals Accumulated depreciation, write down and impairment December 31, 2020 -683 1,186 -3,432 19,091 -75 2,439 -576 4,591 -1 0 -2 0 0 0 0 0 -1,088 6,792 -5,171 57,114 Net carrying amount December 31, 2019 Net carrying amount December 31, 2020 11,620 15,820 6,369 5,268 4,067 3,000 13,526 10,018 0 0 3,698 158 39,283 34,265 During 2020, the net carrying amount of tangible fixed assets decreased by 5.0 million euro. Excluding the depreciation charges of 6.8 million euro, tangible fixed assets increased by 1.8 million euro. The investments in 2020 related mainly to building repairs at JENSEN USA in the wake of hurricane Michael, extension of the building in Sweden and equipment and vehicles. The Investments In 2019 related mainly to repairs to the building in JENSEN USA after the impact of the hurricane Michael, extension of the building in Sweden, purchase and extension of the Inwatec building, and equipment and vehicles. The net book value of the property, plant and equipment pledged as security for liabilities amounts to 6.4 million euro (6.8 million euro at December 2019).

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