BELYSSE™

2025 Interim Financial Report

Belysse Group NV

Period ended June 30, 2025

Registered office:

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8790 Waregem, België
Registration number: 0671.974.626

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1 Declaration regarding the information provided in this report

We, the undersigned declare that, to the best of our knowledge, the condensed financial statements for the six-months period ended June 30, 2025, which have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole, and that the half-year report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the condensed financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Andy Rogiest	Chief Financial Officer
James Neuling	Chief Executive Officer

2 Key Figures

(€ thousands)	H1 2025	H1 2024
Results		
Revenue	**134,627**	**144,719**
Adjusted EBITDA	**17,250**	**21,454**
Adjusted EBITDA Margin	**12.8%**	**14.8%**
Integration and restructuring expenses	(1,995)	365
EBITDA	**15,255**	**21,819**
Depreciation / amortisation	(9,717)	(9,727)
Operating profit / (loss) for the period	**5,539**	**12,092**
Net finance expenses	(3,217)	795
Income tax benefit / (expense)	(2,401)	(2,338)
Profit/(loss) for the period	**(79)**	**10,549**
Cash flow		
Cash, cash equivalents and bank overdrafts at the beginning of the period	**38,605**	**35,812**
Net cash generated / (used) by operating activities	14,195	13,450
Net cash used by investing activities	(4,783)	(5,126)
Net cash generated / (used) by financing activities	(9,626)	(15,139)
Exchange rate fluctuations on cash balance in foreign currencies	(1,945)	-
Cash, cash equivalents and bank overdrafts at the end of the period	**36,446**	**28,998**

Financial position

(€ thousands)	H1 2025	H1 2024
Net debt[1]	**105,050**	**113,932**
Leverage	**3.5**	**3.2**

Note 1: IFRS 16 effect is excluded from the leverage comparison (see glossary)

3 Management discussion and analysis of the results

3.1 Group Highlights

H1 2025 consolidated Group Revenue was €134.6m (-7.0% YoY of which -0.5% FX)

- Revenue growth by division: United States (US) -0.0% (+1.0% organic, -1.0% FX), Europe -14.7%

H1 2025 Adjusted EBITDA was €17.3m (-19.6% YoY) with an Adjusted EBITDA margin of 12.8% (14.8% in H1 2024)

- US Adjusted EBITDA: €15.6m (+8.2% YoY of which -1.3% FX)
- Europe Adjusted EBITDA: €1.7m (-76.0% YoY)

Q2 2025 consolidated Group Revenue was €67.4m (-9.5% YoY of which -2.5% FX)

- Revenue growth by division: United States (US) -4.4% (-0.0% organic, -4.4% FX), Europe -16.3%

Net Debt at the end of H1 2025 was €126.8m (including €21.8m of IFRS 16 lease liabilities), €8.2m lower than the 31 December 2024 figure.

Net leverage[1] increased to 3.5x at the end of June 2025 from 3.1x reported at the end of 2024.

Total available liquidity (including headroom under the RCF) was €48.7m at the end of H1 2025 (versus €52.7m at the end of 2024).

Debt and cash movements were strongly influenced by offsetting USD translation impacts.

3.2 Business Update

Consolidated Group Revenue for H1 2025 compared to the prior year period reflects a continued weakening of market demand in the European business at a level in line with H2 2024 trading. The US continued to show more resilience with volumes in line with prior year. Consolidated Group Adjusted EBITDA for H1 2025 was impacted by lower volumes in Europe as well as a weaker USD, despite a further increasing profitability of the US business.

In the US, overall volumes in H1 2025 were stable vs. H1 2024, supported by solid performance in the corporate, education and healthcare segments. Adjusted EBITDA and Adjusted EBITDA margin improved in H1 2025 compared to H1 2024 as a result of higher unitary margins.

Jay Brown, who has been leading Bentley Mills since 2022, left the business for personal reasons at the end of August 2025 and was succeeded by Jim Cusick, who joined the company as Interim President. With over 30 years of industry experience at Shaw Industries, Jim has successfully led large-scale operations and is known for his strong focus on safety, customer centricity, team development and driving continuous improvement.

In Europe, H1 2025 volumes were in line with H2 2024, but below H1 2024 mainly due to the continued market softness in the Residential business as well as a strategic phase out of low profitability offerings in this segment. In the project-driven Commercial business volumes in H1 2025 were also below H1 2024 albeit to a lesser extent. Adjusted EBITDA and Adjusted EBITDA margin for H1 2025 reflects the negative volume effect on sales and unitary product costs that were partially offset by reduced fixed costs.

1 Excluding IFRS 16 impacts, but including sale and leaseback

4 Operating review per segment

4.1 Q2 2025 Revenue per Division

(€ million, unless otherwise mentioned)	*Q2 2025*	*Q2 2024*	% Change	o/w organic	o/w FX
Europe	26.6	31.7	(16.3)%		
US	40.9	42.7	(4.4)%		
Consolidated Revenue	**67.4**	**74.5**	**(9.5)%**	**(7.0)%**	**(2.5)%**

4.2 H1 2025 Revenue and Adjusted EBITDA per Division

(€ million, unless otherwise mentioned)	*H1 2025*	*H1 2024*	% Change	o/w organic	o/w FX
Europe	58.7	68.8	(14.7)%		
US	75.9	75.9	(0.0)%		
Consolidated Revenue	**134.6**	**144.7**	**(7.0)%**	**(6.4)%**	**(0.5)%**
Europe	1.7	7.1	(76.0)%		
US	15.6	14.4	8.2%		
Consolidated Adjusted EBITDA	**17.3**	**21.5**	**(19.6)%**	**(18.7)%**	**(0.8)%**
Europe	2.9%	10.3%			
US	20.5%	18.9%			
Consolidated Adjusted EBITDA Margin	**12.8%**	**14.8%**			

5 Other financial items review

5.1 Integration and Restructuring Expenses

Integration and restructuring expenses over the first six months of 2025 are equal to €2.0m and mainly relate to the implementation of a new ERP for the European activities.

5.2 Changes in inventories

Changes of inventories of Work-In-Progress and Finished Goods for the first six months of 2025 are equal to (€0.4m), as compared to €2.1m in the same period last year. The decrease was primarily driven by the exchange rate effect of the inventories at Bentley Mills. Mainly due to the lower trading, lower inventories were maintained in Europe, resulting in a decrease. The positive number for H1 2024 was mainly driven by the increase in inventory levels in Europe.

5.3 Employee benefit expense

Employee benefit expense for the first six months of 2025 are equal to €37.8m, as compared to €39.8m in the same period last year. This decrease is mainly driven by lower volumes produced in Europe and a transitional phase in ongoing talent acquisition.

5.4 Other expense

Other expense for the first six months of 2025 are equal to €29.1m, as compared to €27.8m in the same period last year. This increase is mainly driven by the higher energy and temporary staff spending.

5.5 Net financing income

Net finance income for the first six months of 2025 is equal to (€3.2m), as compared to €0.8m in the same period last year. The amount reported on H1 2025 corresponds mainly with the interests accounted for the Term Facility and leases, which includes €7.6m unrealized FX gain on the USD tranche of the Term Facility. The positive outcome for H1 2024 reflects mainly the aggregated effect of the settlement in February 2024 of the Senior Secured Notes maturing end of 2024 at a €13.4m discount and the cost on Belysse's financial debt and leases, which includes €2.3m fair value of the derivative financial instrument (see note 7.5.6) as well as €1.1m unrealized FX losses on the USD tranche of the new Term Facility.

5.6 Taxation

There is an income tax expense of €2.4m for the six months ended 30 June 2025, as compared to an income tax expense of €2.3m in the same period last year. The H1 2025 net expense results mainly from taxing the results of our US division. The difference in tax expense year over year is mainly linked to the US division where H1 2025 results were higher compared to H1 2024 results. The normalized effective tax rate of the group is around 25% if all DTA's would have been recognized.

5.7 Earnings per share

The net earnings per share for the first six months of 2025 were a loss of €0.00, compared to a gain of €0.29 for the same period last year.

5.8 Cashflow and net debt

H1 Net Debt was €126.8m (including €21.8m of IFRS 16 lease liabilities), being €8.2m lower than reported at the end of 2024. Net leverage excluding IFRS16 impact but including sale and leasebacks, increased to 3.5x (3.1x end of 2024). Total available liquidity (including headroom under the RCF) was €48.7m at the end of H1 2025.

6 Risk Factors

There are no material changes related to the risks and uncertainties for the Group as explained in the section "Summary of main risks" of the 2024 annual report.

7 Consolidated Interim Financial Statements

7.1 Consolidated Statement of Comprehensive Income

(€ thousands)	H1 2025	H1 2024
I. CONSOLIDATED INCOME STATEMENT		
Revenue	134,627	144,719
Raw material expenses	(50,461)	(58,345)
Changes in inventories	(410)	2,130
Employee benefit expenses	(37,816)	(39,838)
Other income	445	607
Other expenses	(29,134)	(27,820)
Depreciation/ amortization	(9,717)	(9,727)
Adjusted Operating Profit (1)	**7,534**	**11,726**
Integration and restructuring expenses	(1,995)	365
Operating profit / (loss) (1)	**5,539**	**12,092**
Finance income	8,022	13,915
Finance expenses	(11,240)	(13,120)
Net finance expenses	**(3,217)**	**795**
Profit / (loss) before income taxes	**2,321**	**12,887**
Income tax benefit / (expense)	(2,401)	(2,338)
Profit / (loss) for the period	**(79)**	**10,549**
Attributable to:		
Equity holders	(79)	10,549
Non-controlling interest	-	-
II. CONSOLIDATED OTHER COMPREHENSIVE INCOME		
Items in other comprehensive income that may be subsequently reclassified to P&L		
Exchange differences on translating foreign operations	(13,535)	3,651
Items in other comprehensive income that will not be reclassified to P&L		
Changes in deferred taxes	5	(1)
Changes in employee defined benefit obligations	(19)	5
Other comprehensive income for the period, net of tax	**(13,549)**	**3,656**
Total comprehensive income for the period	**(13,628)**	**14,205**
Basic and diluted earnings per share attributable to the ordinary equity holders of the company	**(0.00)**	**0.29**

(1) Adjusted Operating Profit / Operating profit/(loss) are non-GAAP measures.

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

7.2 Consolidated Statement of Financial Position

(€ thousands)	30 Jun 2025	31 Dec 2024
Property, plant and equipment	92,284	99,615
Of which IFRS 16 related right-of-use assets (excluding sale-and-leaseback)	*18,117*	*22,557*
Land and buildings	38,134	42,170
Plant and machinery	49,078	51,825
Other fixtures and fittings, tools and equipment	5,072	5,620
Goodwill	98,893	107,668
Other intangible assets	4,009	4,698
Deferred income tax assets	907	1,372
Trade and other receivables	569	624
Total non-current assets	**196,662**	**213,978**
Inventory	46,840	49,608
Trade and other receivables	21,368	17,503
Current income tax assets	163	585
Cash and cash equivalents	36,446	38,605
Total current assets	**104,818**	**106,301**
Total assets	**301,480**	**320,279**
Share capital	252,950	252,950
Share premium	65,660	65,660
Other comprehensive income	(5,064)	8,485
Retained earnings	(191,819)	(191,717)
Other reserves	(39,876)	(39,876)
Total equity	**81,851**	**95,502**
Senior Secured Notes	1,839	1,839
Term Facility	120,796	124,319
Bank and Other Borrowings	24,645	30,353
Of which IFRS 16 related lease liabilities (excluding sale-and-leaseback)	*14,058*	*18,888*
Deferred income tax liabilities	3,620	3,842
Provisions for other liabilities and charges	2,322	2,689
Employee benefit obligations	642	631
Derivative Financial Instruments	1,482	1,547
Total non-current liabilities	**155,347**	**165,220**
Senior Secured Notes	17	17
Term Facility	506	503
Bank and Other Borrowings	9,503	9,439
Of which IFRS 16 related lease liabilities (excluding sale-and-leaseback)	*7,733*	*7,685*
Other payroll and social related payables	11,833	14,415
Trade and other payables	40,829	35,087
Income tax liabilities	1,595	97
Total current liabilities	**64,282**	**59,557**
Total liabilities	**219,629**	**224,778**
Total equity and liabilities	**301,480**	**320,279**

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

7.3 Consolidated Statement of Cash Flows

(€ thousands)	H1 2025	H1 2024
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) from the period	**(79)**	**10,549**
Adjustments for:		
Income tax expense/(income)	2,401	2,338
Finance income	(8,022)	(13,915)
Financial expense	11,240	13,120
Depreciation, amortisation	9,717	9,727
(Gain)/loss on disposal of non-current assets	(81)	(104)
Movement in provisions and deferred revenue	(857)	(428)
Expense recognised in respect of equity-settled share-based payments	(22)	4
Cash generated before changes in working capital	**14,295**	**21,292**
Changes in working capital:		
Inventories	476	(4,055)
Trade receivables	(4,454)	(1)
Trade payables	7,434	(1,983)
Other working capital	(3,357)	(887)
Cash generated after changes in working capital	**14,393**	**14,366**
Net income tax (paid)	(198)	(915)
Net cash generated / (used) by operating activities	**14,195**	**13,450**
II. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,427)	(4,716)
Acquisition of intangibles	(437)	(514)
Proceeds from non-current assets	81	104
Net cash used by investing activities	**(4,783)**	**(5,126)**
IIII. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and other finance charges paid, net	(5,055)	(12,292)
Proceeds from borrowings with third parties	-	120,000
Repayments of Senior Secured Notes	-	(118,624)
Repayments of borrowings with third parties	(4,570)	(4,223)
Net cash generated / (used) by financing activities	**(9,626)**	**(15,139)**
NET INCREASE/ (DECREASE) IN CASH AND BANK	**(214)**	**(6,815)**
Cash, cash equivalents and bank overdrafts at the beginning of the period	**38,605**	**35,812**
Exchange rate fluctuations on cash balance in foreign currencies	(1,945)	-
Cash, cash equivalents and bank overdrafts at the end of the period	**36,446**	**28,998**

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

7.4 Consolidated Statement of Changes in Equity

(€ thousands)	Share capital	Share premium	Other comprehensive income	Retained earnings	Other reserves[1]	Total equity
Balance at 31 December 2023	**252,950**	**65,660**	**1,283**	**(202,298)**	**(39,876)**	**77,720**
Profit / (loss) for the period	-	-	-	10,573	-	10,573
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	7,556	-	-	7,556
Cumulative changes in deferred taxes	-	-	123	-	-	123
Cumulative changes in employee defined benefit obligations	-	-	(478)	-	-	(478)
Total other comprehensive income for the period	-	-	7,201	-	-	7,201
Total comprehensive income for the period	**-**	**-**	**7,201**	**10,573**	**-**	**17,774**
Equity-settled share-based payment plans	-	-	-	8	-	8
Balance at 31 December 2024	**252,950**	**65,660**	**8,485**	**(191,717)**	**(39,876)**	**95,502**
Profit / (loss) for the period	-	-	-	(79)	-	(79)
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	(13,535)	-	-	(13,535)
Cumulative changes in deferred taxes	-	-	5	-	-	5
Cumulative changes in employee defined benefit obligations	-	-	(19)	-	-	(19)
Total other comprehensive income for the period	-	-	(13,549)	-	-	(13,549)
Total comprehensive income for the period	**-**	**-**	**(13,549)**	**(79)**	**-**	**(13,628)**
Equity-settled share-based payment plans	-	-	-	(22)	-	(22)
Balance at 30 June 2025	**252,950**	**65,660**	**(5,064)**	**(191,819)**	**(39,876)**	**81,851**

[1] Other reserves were created as a result of certain pre IPO transactions. Refer to the 2017 annual report for more information

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

7.5 Selected Explanatory Notes to the Condensed Consolidated Interim Financial Statements

7.5.1 Significant Accounting Policies

These consolidated condensed interim financial statements for the six months ended June 30, 2025 have been prepared in accordance with IAS 34 *Interim financial reporting*. They do not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended December 31, 2024 and any public announcements made by the Belysse Group during the interim reporting period.

The amounts in this document are presented in thousands of euro, unless otherwise stated. Rounding adjustments have been made in calculating some of the financial information included in these consolidated condensed interim financial statements.

The accounting policies are consistent with those of the previous financial year and corresponding interim period. There are no IFRS standards issued but not yet effective which are expected to have an material impact on Belysse's financials.

7.5.2 Segment Reporting

Segment information is presented in respect of the Company's business segments. The performances of the segments is reviewed by the chief operating decision maker, which is the Management Committee.

(€ thousands)	H1 2025	Previous reported figures (1)
Revenue by segment	**134,627**	**144,719**
Europe	58,725	68,807
US	75,902	75,912
Revenue by geography	**134,627**	**144,719**
Europe	50,537	59,680
North America	76,990	77,345
Rest of World	7,100	7,694
Adjusted EBITDA by segment	**17,250**	**21,454**
Europe	1,698	7,082
US	15,552	14,372
Net Capital expenditure by segment	**4,783**	**5,126**
Europe	3,202	3,352
US	1,581	1,774
Net inventory by segment	**46,840**	**49,608**
Europe	27,925	29,403
US	18,916	20,205
Trade receivables by segment	**19,564**	**16,507**
Europe	5,483	4,474
US	14,081	12,033

[1] For Revenue, Adjusted EBITDA and Capital Expenditure, the previous reporting period refers to June 30, 2024. The previous period for Net inventory and Trade Receivables refers to December 31, 2024.

7.5.3 Integration and Restructuring Expenses

The following table sets forth integration and restructuring expenses for the period ended June 30, 2025 and 2024. This comprises various items which are considered by management as non-recurring or unusual by nature.

(€ thousands)	H1 2025	H1 2024
Integration and restructuring expenses	**(1,995)**	**365**
Strategic integration projects	(1,852)	-
Corporate restructuring	(143)	365

Integration and restructuring expenses over the first six months of 2025 mainly relate to the implementation of a new ERP for the European activities.

7.5.4 Goodwill

The goodwill decreased by €8.8m from €107.7m as of December, 2024 to €98.9m as of June 30, 2025. The decrease in goodwill reflects the changes in foreign exchange rate from the US dollar to euro from the date of acquisition of Bentley. The related foreign exchange fluctuations are presented in other comprehensive income.

7.5.5 Net Debt Reconciliation

The following table reconciles the net cash flow to movements in net debt:

	Liabilities from financing activities								*Cash and Cash equivalents*	
(€ thousands)	**Term Facility due after 1 year**	**Term Facility due within 1 year**	**Senior Secured Notes due after 1 year**	**Senior Secured Notes due within 1 year**	**Lease liabilities due after 1 year**	**Lease liabilities due within 1 year**	**Super Senior RCF**	**Total gross financial debt**	**Cash and Cash equivalents**	**Total net financial debt**
Net debt as at 31 December 2024	**(128,174)**	**(2,337)**	**(1,839)**	**(17)**	**(31,375)**	**(9,842)**	**(37)**	**(173,620)**	**38,605**	**(135,015)**
Cashflows	-	-	-	-	-	-	-	**-**	(2,159)	**(2,159)**
Proceeds of borrowings with third parties	-	-	-	-	-	-	-	**-**	-	**-**
Repayments of borrowings with third parties	-	-	-		-	4,570	-	**4,570**	-	**4,570**
Non- cash movements (including FX)	4,457	8	-	-	5,933	(4,649)	14	**5,764**	-	**5,764**
Net debt as at 30 June 2025	**(123,717)**	**(2,328)**	**(1,839)**	**(17)**	**(25,442)**	**(9,920)**	**(23)**	**(163,286)**	**36,446**	**(126,840)**

The table above does not include the movements in capitalized financing fees, or the interest paid.

Net Debt was €126.8m (including €21.8m of IFRS 16 lease liabilities), being €8.2m lower than reported at the end of 2024.

7.5.6 Derivative Financial Instruments

On 7 December 2023, the Group entered into a new term facility agreement. Related to this agreement, Contingent Value Rights ('CVR') were granted to the lender. Under IFRS9, the CVR's are considered as an embedded derivative which needs to be valued at fair value through the income statement. The fair value is based on a Black & Scholes model.

This derivative is presented as a non-current financial liability since it is not expected to be realized within the next coming 12 months.

7.5.7 Related Party Transactions

The related party transactions with shareholders and parties related to the shareholders have not substantially changed in nature and impact compared to the year ended December 31, 2024 and hence no updated information is included in this interim report.

The remuneration of key management is determined on an annual basis, for which reason no further details are included in this interim report.

7.5.8 Commitments

There is no significant evolution to report in terms of commitments. Please refer to Note 36 'Commitments' in the IFRS Financial Statements of the 2024 annual report.

7.5.9 Events After the Statement of Financial Position Date

No subsequent events occurred which could have a significant impact on the interim condensed financial statements of the Group per June 30, 2025.

8 Glossary: Alternative Performance Measures

The following alternative performance measures (non-IFRS) have been used as management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The alternative performance measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results, our performance or our liquidity under IFRS.

Organic Growth is defined as growth excluding (i) FX impact, which comprise the translation of key foreign entities and (ii) M&A impacts.

Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) the impact of the purchase price allocation mainly on change in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses, (iv) depreciation / amortization and (v) impairment and write-offs.

Adjusted EBITDA margin is defined as the Adjusted EBITDA as a percentage of revenue.

Adjusted Operating Profit/Loss is defined as operating profit/(loss) adjusted for (i) the impact of the purchase price allocation mainly on changes in inventory, (ii) gains on assets disposals, (iii) integration and restructuring expenses and (iv) impairment and write-off.

Gross Debt is defined as (i) Term Facility adjusted for the financing fees included in the carrying amount,(ii) Notes maturing in 2030 and (iii) Bank and other borrowings adjusted for capitalized financing fees.

Net Debt is defined consistent versus previous reporting as (i) Term Loan, (ii) Notes maturing in 2030, (iii) Bank and other borrowings (and where noted IFRS 16 liabilities) less (iv) cash and cash equivalents.

Net-investment or net-CAPEX is defined as of the sum of all investments in tangible and intangible fixed assets adjusted for proceeds from sales of fixed assets.

Leverage is defined as the ratio of Net Debt to Adjusted EBITDA (both excluding IFRS16 impacts as per previous reporting, except for sale and leaseback transactions).