

Regulated information



JENSEN-GROUP

HALF-YEAR RESULTS 2021

The Dutch language text of the Condensed Financial Statements 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.

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Consolidated, Non-Audited Key Figures

Income Statement

Consolidated, non-audited key figures

	June 30, 2021	June 30, 2020	Change
(million euro)	6M	6M	
Revenue	124.3	130.1	-4.5%
Operating result (EBIT)	10.2	2.4	327.5%
Cash flow from operations (EBITDA) ¹	14.1	9.0	57.0%
Financial result	-1.0	-1.8	-43.9%
Share in result of associates and joint ventures accounted for using the equity method	0.2	0.8	-68.4%
Profit before taxes	9.4	1.3	624.7%
Income tax expense	-2.6	-0.1	4423.3%
Profit for the period from the continuing operations	6.8	1.2	450.4%
Result from assets held for sale	-0.1	-0.1	
Result attributable to Non Controlling Interest	-0.2	-0.3	-40.4%
Consolidated result attributable to equity holders (Group share in the profit)	6.9	1.5	369.7%
Net cash flow ²	10.8	8.1	34.4%

Balance sheet

Consolidated, non-audited key figures

	June 30, 2021	Dec 31, 2020	Change
(million euro)	6M	12M	
Equity	144.1	136.0	5.9%
Net financial debt (+)/Net cash (-) ³	-25.9	-28.3	-8.5%
Assets held for sale	0.4	0.4	3.4%
Total assets	293.2	278.4	5.3%

Consolidated, non-audited key figures per share

	June 30, 2021	June 30, 2020	Change
(euro)	6M	6M	
Cash flow from operations (EBITDA) ¹	1.8	1.2	56.5%
Profit before taxes	1.2	0.2	605.9%
Consolidated result attributable to equity holders (EPS)	0.9	0.2	368.4%
Net cash flow ²	1.4	1.0	35.0%
Equity (June 30, 2021; December 31, 2020)	18.4	17.4	5.9%
Number of shares (end of period)	7,818,999	7,818,999	
Number of shares (average)	7,818,999	7,818,999	

Definitions

1. 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
2. Net cash flow = Consolidated result attributable to the equity holders + depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions
3. 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

Financial Review and Highlights Half-Year Results 2021

- Due to the prolonged impact of Covid-19 in markets world-wide, revenue decreased from 130.1 million euro in H01 2020 to 124.3 million euro in H01 2021, a decrease of 4.5%.
- Operating profit (EBIT) for the first six months of 2021 amounts to 10.2 million euro compared to 2.4 million euro in the same time period in 2020:
 - The EBIT is positively affected by government support received in several countries in the total amount of 1.8 million euro.
 - The Group took measures to decrease the cost base in swift reaction to drastic changes in market conditions in 2020.
- Cash flow from operations (EBITDA) for the first half-year of 2021 amounts to 14.1 million euro, a 57.0% increase over the previous year.
- In 2021, net income attributable to shareholders amounts to 6.9 million euro (Earnings per Share of 0.9 euro) compared to 1.5 million euro last year (Earnings per Share of 0.2 euro).
- The Group reports a 2021 net financial cash position of 25.9 million euro (including 8.0 million euro leasing debt) compared to 28.3 million euro at year-end 2020.
- On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec ApS from 30% to 70%.

Report of the Board of Directors

Update of Impact Covid-19 on the JENSEN-GROUP Activities and Other Important Developments

JENSEN-GROUP's revenues for the first half-year of 2021 amount to 124.3 million euro compared to 130.1 million euro in the first six months of the previous year. A 1.7 million euro margin related to cancelled projects remains unrecognized. The 4.5% decrease in revenues reflects the unprecedented and tumultuous market conditions that began at the onset of the Covid-19 epidemic in the second quarter of 2020. The stand-still in travel and tourism affected the company's entire hospitality industry customer base with several customers having to temporarily close down their operations. These turbulent market conditions lasted well into 2021 as lock downs and changing government directives around the use and access to the hospitality industry continued.

Occasionally, JENSEN-GROUP grants buy-back guarantees to individual customers. A few extensions of buy-back guarantees of up to 12 months were granted in light of the closing of several laundries. One particular case, in an area where the hospitality sector was directed to close down entirely, led to additional provisions of 0.4 MEUR.

The Group took significant and swift measures to decrease the cost base and to adjust the capacity in several plants in response to the changing markets. Thanks to the resourcefulness of our employees, the EBIT amounts to 10.2 million euro in the first half of 2021 as opposed to 2.4 million euro in the first half of 2020. The EBIT includes 0.7 million euro one-off costs (versus 2.5 million euro in the same period in 2020) from the restructuring necessitated by the reduction of the workforce.

JENSEN USA received a Promissory Note from the state of Florida amounting to 1.9 million USD in May 2020. On March 17, 2021, forgiveness was granted, and the amount is recorded as other income.

Other income also includes support from the authorities, mostly related to payroll compensation in several countries (0.2 million euro in the first six months of 2021 compared to 0.7 million euro during the first half-year of 2020).

In July 2020, JENSEN GmbH was granted an amortizing KfW (Kreditanstalt für Wiederaufbau) loan amounting to 10 million euro for a period of six years. The conditions of the loan give the company the right to repay the loan before the final end date. The company drew the full amount of 10 million euro.

The German entities also applied for government subsidies to cover fixed costs. In July, they received a 50% down-payment amounting to 0.4 million euro. As the Group was not virtually certain at half-year closing, the income is not included in the half-year result and will be accounted for in the second half.

On the balance sheet, the Group reports a net financial cash position of 25.9 million euro, including 8.0 million euro leasing debt, compared to 28.3 million euro at year-end 2020. 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 June 30, 2021, 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 A.S., Turkey performed according to our expectations.

Based on the above, 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.

On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec from 30% to 70%. Inwatec ApS is a Danish company, part of Europe's robotic hub Odense Robotics, manufacturing modern high-end solutions for industrial laundries. The core competence of Inwatec is in the field of software and mechanical development for laundry automation and robotics. Inwatec ApS announced a net income of 2.7 MEUR in 2020. The JENSEN-GROUP does not expect a significant impact on the Group's consolidated revenues as most of the sales are already included in the JENSEN Sales and Services Centers. The purchase price (14.9 million euro) allocation is disclosed in the notes of these condensed financial statements.

Net financial charges decreased from 1.8 million euro to 1.0 million euro because of currency gain.

Taxes increased from 0.1 million euro to 2.6 million euro as profit before taxes increased.

The result from companies accounted for by the equity method (participations in TOLON) decreased from 0.8 million euro to 0.2 million euro. As the Group increased its shareholding in Inwatec up to 70%, the participation in Inwatec is consolidated under the full consolidation method and no longer under the equity method.

The above-mentioned factors together resulted in an increase in net Group share profit from 1.5 million euro to 6.9 million euro.

Outlook 2021

The JENSEN-GROUP received 140.2 million euro in orders during the first six months of 2021, a 25.3% increase over last year's order intake of 111.9 million euro in the same period.

Considering the continuing uncertainty around the recurrence of lock downs in countries around the world, we expect the investment climate in our markets to remain unpredictable well into 2021. We remain confident, however, in our ability to weather the storm thanks to the restructuring measures we implemented last year and that succeeded in creating a significant financial headroom. We are prudent in our outlook for 2021 but optimistic in the anticipation of a return to previous levels of order intake in the course of 2022 as the hospitality market begins to recover.

Risk Factors

The Group expects that the increase in raw material and component prices as well as the potential for disruption in component supply chains may impact production costs and delivery schedules in the second half of 2021.

Other risk factors include the duration and effect of the pandemic, rapid declines in demand, the availability of financing to our customer base, fluctuating raw material, energy, and transportation prices, exchange rate volatility, an uncertain political climate, and competitive pressures.

Important Transactions with Related Parties

There were no important transactions with related parties.

Significant Post-Balance Sheet Events

The German entities applied for government subsidies to cover fixed costs. In July, they received a 50% down-payment amounting to 0.4 million euro. As the Group was not virtually certain at half-year closing, the income is not included in the half-year result and will be accounted for in the second half.

Ghent, August 10, 2021

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Represented by Mr. R. Provoost

Chairman

SWID AG

Represented by Mr. J. Jensen

Director

Statement of Responsible Persons

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the six months period ended June 30, 2021 which has been prepared in accordance with the IAS 34 "Interim Financial Reporting" as adopted by the European Union, gives 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 as a whole, and that the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and of the major transactions with the related parties, and their impact on the condensed consolidated financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Ghent, August 10, 2021

Jesper M. Jensen
Chief Executive Officer

Markus Schalch
Chief Financial Officer

Condensed Consolidated Statement of Financial Position – Assets

(in thousands of euro)	Notes	June 30 2021	December 31 2020
Total Non-Current Assets		97,308	72,923
Goodwill	11	19,927	6,879
Intangible assets		5,972	46
Property, plant and equipment		31,018	34,265
Companies accounted for under equity method	10	5,195	8,184
Financial Assets at amortized cost	9	5,898	6,095
Financial Assets at fair value through OCI	9	19,577	8,986
Trade and other long-term receivables	9	4,960	3,998
Deferred taxes		4,762	4,471
Total Current Assets		195,936	205,466
Inventory		42,549	43,750
Advance payments		971	616
Trade receivables	9	49,381	52,336
Other amounts receivable		5,226	4,373
Contract assets	4	41,711	33,159
Derivative Financial Instruments	9	51	50
Trade and other receivables		96,369	89,917
Cash and cash equivalents	7	55,625	70,775
Assets held for sale		421	407
TOTAL ASSETS		293,244	278,389

The notes on pages 18-25 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position – Liabilities

(in thousands of euro)	Notes	June 30, 2021	December 31, 2020
Equity		144,105	136,044
Share Capital		30,710	30,710
Share premium		5,814	5,814
Other reserves		-9,270	-10,222
Retained earnings		116,122	111,095
Non-Controlling Interest		729	-1,354
Non-Current Liabilities		67,317	65,947
Government grants	5		1,539
Borrowings	9	48,648	46,682
Deferred income tax liabilities		2,310	973
Provisions for employee benefit obligations		16,255	16,654
Derivative financial instruments	9	103	99
Current Liabilities		81,822	76,398
Borrowings	9	6,519	9,295
Provisions for other liabilities and charges		11,077	10,267
Trade payables	9	22,157	17,031
Contract liabilities	4	10,392	10,896
Remuneration and social security		13,872	13,321
Other amounts payable		2,146	883
Accrued expenses		10,549	8,142
Derivative financial instruments	9	56	172
Trade and other payables		59,172	50,445
Current income tax liabilities		5,053	6,391
TOTAL EQUITY AND LIABILITIES		293,244	278,389

The notes on pages 18-25 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

(in thousands of euro)	Notes	June 30, 2021	June 30, 2020
Revenue	3	124,255	130,098
Total expenses		-115,567	-128,374
Other Income / (Expense)	6	1,508	662
Operating profit before tax and finance (cost)/ income		10,196	2,385
Financial income		1,005	1,274
Financial charges		-2,037	-3,114
Share in result of associates and companies accounted for using the equity method		238	752
Profit before tax		9,402	1,297
Income tax expense		-2,575	-57
Profit for the period from continuing operations		6,828	1,241
Result from assets held for sale		-60	-60
Consolidated profit for the year		6,768	1,181
Result attributable to Non-Controlling Interest		-178	-298
Consolidated result attributable to equity holders		6,945	1,479

The notes on pages 18-25 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income – Other Comprehensive Income

(in thousands of euro)	Notes	June 30, 2021	June 30, 2020
Other comprehensive income (OCI):			
<u>Items that may be subsequently reclassified to Profit and Loss</u>			
Financial instruments		3	21
Currency translation differences		1,283	-222
Currency translation differences related to associates and companies accounted for using the equity method		-223	-290
<u>Items that will not be reclassified to Profit and Loss</u>			
Actual gains/(losses) on Defined Benefit Plans		1	-44
Tax on OCI		-1	6
Other comprehensive income for the year		1,063	-530
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OCI attributable to Non-Controlling Interest		74	0
OCI attributable to the equity holders		989	-530
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Total comprehensive income for the year		7,831	651
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<u>Profit attributable to:</u>			
Non-Controlling Interest		-178	-298
Equity holders of the company		6,945	1,479
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<u>Total comprehensive income attributable to:</u>			
Non-Controlling Interest		-104	-298
Equity holders of the company		7,934	949
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Basic and diluted earnings per share (in euro)		0.89	0.19
Weighted average number of shares		7,818,999	7,818,999

The notes on pages 18-25 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity – Prior Year

In thousands of euro	Capital	Share premium	Total Share Capital	Translation differences	Hedging Reserves	Actuarial gains and losses on Defined	Total other Reserves	Retained earnings	Total	Non-Controlling Interest	Total Equity
December 31, 2019	30,710	5,814	36,524	1,362	-2	-8,135	-6,776	103,501	133,250	-874	132,376
Result of the period	0	0	0	0	0	0	0	1,479	1,479	-298	1,181
Other comprehensive income											
Currency Translation Difference	0	1	1	-503	0	0	-503	-10	-512	0	-512
Financial instruments	0	0	0	0	21	0	21	0	21	0	21
Defined Benefit Plans	0	0	0	0	0	-44	-44	0	-44	0	-44
Tax on OCI	0	0	0	0	-5	11	6	0	6	0	6
income/(loss) for the year,	0	1	1	-503	16	-33	-520	-10	-529	0	-529
Dividend paid out	0	0	0	0	0	0	0	0	0	0	0
June 30, 2020	30,710	5,815	36,525	859	14	-8,168	-7,296	104,970	134,198	-1,173	133,025

The notes on pages 18-25 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity – Current Year

In thousands of euro	Capital	Share premium	Total Share Capital	Translation differences	Hedging Reserves	Actuarial gains and losses on FI	Actuarial gains and losses on Defined	Total other reserves	Retained earnings	Total	Non-Controlling Interest	Total Equity
December 31, 2020	30,710	5,814	36,524	-1,569	-96		-8,557	-10,222	111,095	137,397	-1,354	136,044
Result of the period	0	0	0	0	0	0	0	0	6,945	6,945	-178	6,768
Capital increase											240	240
Acquisitions											1,946	1,946
Other comprehensive income												
Currency Translation Difference	0	0	0	949	0	0	0	949	37	986	74	1,060
Financial Instruments	0	0	0	0	136	-133	0	3	0	3	0	3
Defined Benefit Plans	0	0	0	0	0	1	0	1	0	1	0	1
Tax on OCI	0	0	0	0	-34	33	0	-1	0	-1	0	-1
Income(loss) for the year, net of tax	0	0	0	949	102	-99	0	952	37	989	74	1,063
Dividend paid out	0	0	0	0	0	0	0	0	-1,955	-1,955	0	-1,955
June 30, 2021	30,710	5,814	36,524	-620	6	-99	-8,557	-9,270	116,123	143,377	728	144,106

The notes on pages 18-25 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Cash Flow Statement

(in thousands of euro)	Notes	June 30, 2021	June 30, 2020
Cash flow from operating activities			
Consolidated result attributable to equity holders		6,945	1,479
Result attributable to non-controlling interest		-178	-298
Adjusted for			
- Current and deferred tax		2,575	-1,429
- Interest and other financial income and expenses		1,032	1,840
- Depreciation, amortization and impairments		3,461	3,475
- Write downs of trade receivables		-224	736
- Write downs of inventory		374	2,051
- Write downs on contract assets			
- Changes in provisions		390	-193
- Companies accounted for using equity method		-238	-425
- Gain (-) / loss (+) on sale of tangible fixed as		-10	
- Income from government grants		-1,555	
Interest received		232	410
Changes in working capital Increase (-), decrease (+)		-371	587
Corporate income tax paid		-2,331	272
Net cash generated from operating activities - continuing operations		10,103	8,505
assets held for sale			-2
Net cash generated from operating activities - total		10,103	8,503
Net cash used in investing activities		-12,973	-1,649
Net cash used in financing activities		-10,765	834
Net Change in cash and cash equivalents		-13,635	7,689
Cash, cash equivalent and bank overdrafts at the beginning of the year		66,429	37,499
Exchange gains/(losses) on cash and bank overdrafts		544	-513
Cash, cash equivalent and bank overdrafts at the end of the year	7	53,338	44,675

The notes on pages 82-136 are an integral part of these condensed consolidated Interim financial information.

Notes to the Condensed 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. As per June 30, 2021, the JENSEN-GROUP employs worldwide 1,253 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 condensed financial statements for issue on August 10, 2021.

This condensed consolidated interim financial information is for the first half-year ended June 30, 2021. These interim financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the EU. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2020.

This condensed consolidated interim financial information should be read in conjunction with the 2020 annual IFRS consolidated financial statements.

This condensed consolidated interim financial information has not been reviewed by the external auditor.

The policies have been consistently applied to all the periods presented.

Taxation is determined annually and, accordingly, the tax charge for the interim period involves making an estimate of the likely effective tax rate for the year. The calculation of the effective tax rate is based on an estimate of the tax charge or credit for the year expressed as a percentage of the expected accounting profit or loss. This percentage is then applied to the interim result, and the tax is recognized ratably over the year as a whole.

The preparation of the condensed interim financial information 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. 7 and 8, 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.

This condensed consolidated interim financial information has been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at 30 June 2021 which have been adopted by the European Union, as follows:

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2021 and have been endorsed by the European Union:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 01/01/2021).
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 01/01/2021).
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 01/06/2020, with early application permitted).

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2021 and have not been endorsed by the European Union:

- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 01/01/2023).
- 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 1 January 2022);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023).
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions (effective 1 April 2021).
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023).

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.

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. There are no changes in the estimates used compared to the December 31, 2020 financial statements.

Change in Valuation Rules and other Changes and their Impact on Equity

There are no changes in the accounting policies compared with the accounting policies used in the preparation of the financial statements as per December 31, 2020.

We add following valuation rule regarding revenue recognition of spare parts:

Revenue Recognition – Spare Parts

The revenue from spare parts is recognized at a point in time. The income is recognized when it is probable that the economic benefits associated with the transaction can be sufficiently measured and will flow to the Group.

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 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec ApS from 30% to 70%. As the JENSEN-GROUP holds 70% participation, the participation is consolidated under the full consolidation method as from March 26, 2021 onwards. Before that date, the participation was 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:

	Europe + CIS		America		Middle East, Far East and Australia		TOTAL		Attributable to Belgium	
(in thousands of euro)	June30, 2021	June 30, 2020	June30, 2021	June 30, 2020	June30, 2021	June 30, 2020	June30, 2021	June 30, 2020	June30, 2021	June 30, 2020
Revenue from external customers	75,728	84,174	23,038	30,312	25,489	15,612	124,255	130,098	8,772	4,740
Other segment information										
Non-current assets	80,922	44,070	3,837	3,920	7,787	8,481	92,546	56,471	97,843	96,900

The difference between non-current assets in the table above (92.5 million euro) and the non-current assets as per the consolidated statement of financial position (97.3 million euro) relates to the deferred tax assets (4.8 million euro).

Note 4: Contract Assets and Contract Liabilities

(in thousands of euro)	June 30, 2021	December 31, 2020
Contract revenue (June 21 - June 20)	124,255	130,098
Contract assets	41,711	33,159
Contract liabilities	10,392	10,896

The above contract assets represent the Group's right to consideration in exchange for goods or services that it has transferred to a customer. Amounts could however not already be invoiced as the right to consideration is not yet unconditional because additional obligations remain to be delivered to the customer.

Construction contracts are valued based on the percentage of completion method. At June 30, 2021 contract assets included 10.1 million euro of accrued profit (6.3 million euro at December 31, 2020).

Note 5: Government Grant

(in thousands of euro)	June 30, 2021	December 31, 2020
Government grants	0	1,539

JENSEN USA received a Promissory Note from the state of Florida amounting to 1.9 million USD in May 2020. On March 17, 2021, forgiveness was granted, and the amount is recorded as other income.

Note 6: Other Operating Result

(in thousands of euro)	June 30, 2021	June 30, 2020
Other Income / (Expense)	1,508	662

The other operating result mainly includes:

- JENSEN USA received a Promissory Note from the state of Florida amounting to 1.9 million USD in May 2020. On March 17, 2021, forgiveness was granted, and the amount is recorded as other income.
- Other support from the authorities, mostly related to the payroll compensation in several countries (0.2 million euro compared to 0.7 million euro during the first half-year 2020).
- One off restructuring costs of 0.7 million euro (1.7 million euro prior year) especially related to the reduction of workforce.
- Last year, the other income also included 1.1 million euro related to Hurricane Michael: On October 10, 2018, JENSEN USA was hit by Hurricane Michael. During first half 2020, 1.1 million euro of the claim was certain and accounted for in P&L.

Note 7: Statement of Cash Flows

Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

(in thousands of euro)	June 30, 2021	December 31, 2020
Cash and cash equivalent	55,625	70,775
Overdraft	-2,287	-4,345
Net cash and cash equivalents	53,339	66,430

The lower cash and cash equivalent is mostly related to capex as the Group increased its shareholding in Inwatec ApS with 40%.

Note 8: Commitments and Contingencies

There are no major changes compared to December 31, 2020.

Note 9: Financial Instruments – Market and Other Risks

The table below gives an overview of the Group's financial instruments. The carrying amounts are assumed to be close to the fair value.

(in thousands of euro)	June 30, 2021		December 31, 2020	
	Carrying amount	Fair value amount	Carrying amount	Fair value amount
Financial assets				
Financial Assets at amortized cost	5,898	5,764	6,095	6,126
Financial Assets at fair value through OCI	19,577	19,577	8,986	8,986
Trade receivables	53,565	53,565	55,577	55,577
Derivative Financial Instruments - FX contracts	51	51	50	50
Cash and cash equivalent	55,625	55,625	70,775	70,775
Total	134,717	134,583	141,483	141,514
Financial Liabilities				
Government grant	0	0	1,539	1,539
Financial debts	43,398	43,452	40,863	40,875
Financial debts - factoring	3,814	3,814	4,879	4,879
Trade Payables	22,157	22,157	17,031	17,031
Derivative Financial Instruments - FX contracts	59	59	171	171
Derivative Financial Instruments -IRS	100	100	100	100
Total	69,529	69,583	64,583	64,595

The Group has a net cash position. In order to reduce the risk and cost on cash, an additional 10.6 million euro was invested in financial assets at fair value through OCI.

Note 10: Related Party Transactions

The [shareholders](#) of the Company as per June 30, 2021 are:

JENSEN INVEST A/S:	54.4%
Lazard Frères Gestion SAS:	5.2%
Free float:	40.4%

There are no significant changes in [compensation of key management](#).

On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec from 30% to 70%. As the JENSEN-GROUP holds 70% participation, the participation is consolidated under the full consolidation method as from March 26, 2021 onwards. Before that date, the participation was consolidated under the [equity method](#).

Note 11: Acquisitions

During the first half-year, goodwill increased with 13 million euro: On March 26, 2021, the JENSEN-GROUP increased its shareholding in Inwatec from 30% to 70%. Inwatec ApS is a Danish company, part of Europe's robotic hub Odense Robotics, manufacturing modern high-end solutions for industrial laundries. The core competence of Inwatec is in the field of software and mechanical development for laundry automation and robotics. Inwatec ApS announced a net income of 2.7 MEUR in 2020. The JENSEN-GROUP does not expect a significant impact on the Group's consolidated revenues as most of the sales are already included in the JENSEN Sales and Services Centers.

The table below gives an overview of the acquisition-date fair value of the total consideration transferred and the remaining amount of goodwill recognized for the acquisition:

	June 30, 2021
	(in thousands of EUR)
Order backlog	351
Brand name	1,231
Research & Development	1,869
Distribution channels	654
Other non-current assets	2,046
Current assets	4,748
Non current liabilities	-1,522
Current liabilities	-2,827
Net assets acquired	6,550
Previously held interest	2,780
Non-controlling interest	1,946
Goodwill	13,040
Purchase price	14,864
Net cash out for acquisitions of subsidiaries	14,864

The remaining goodwill represents the market value of securing large, high-tech projects in partnership with Inwatec. Our joint effort extends our market offering and supports our strategy on innovation in applying robotics and AI (Artificial Intelligence) to laundry automation processes. As this market value does not meet the criteria for recognition as an intangible asset, it is accounted for as goodwill.

None of the goodwill is expected to be deductible for tax purposes.

The fair value of the previously held interest is in line with the carrying value of the participation.

The non-controlling interest is valued at proportionate share.

The fair value of the assets and liabilities acquired in the above transaction is determined on a provisional basis. Any adjustment to the provisional amounts will be recorded within twelve months of acquisition date.

Note 12: Events After the Balance Sheet Date

The German entities applied for government subsidies to cover fixed costs. In July, they received a 50% down-payment amounting to 0.4 million euro. As the Group was not virtually certain at half-year closing, the income is not included in the half-year result and will be accounted for in the second half.

www.jensen-group.com

JENSEN-GROUP N.V. | Bijenstraat 6 | 9051 Sint-Denijs-Westrem (Gent) - Belgium
T +32 (0)9 333 83 30 | www.jensen-group.com

