

PARENT COMPANY INFORMATION

Annual report of the Board of Directors and financial statements of NV Bekaert SA

The report of the Board of Directors and the financial statements of the parent company, NV Bekaert SA (the 'Company'), are presented below in a condensed form.

The report of the Board of Directors ex Article 96 of the Belgian Companies Code is not included in full in the report ex Article 119.

Copies of the full directors' report and of the full financial statements of the Company are available free of charge upon request from:

NV Bekaert SA
Bekaertstraat 2
BE-8550 Zwevegem
Belgium
www.bekaert.com

The statutory auditor has issued an unqualified report on the financial statements of the Company.

The directors' report and financial statements of the Company, together with the statutory auditor's report, will be deposited with the National Bank of Belgium as provided by law.

Condensed income statement

in thousands of € - Year ended 31 December	2018	2019
Sales	375 395	319 403
Operating result before non-recurring items	42 298	-2 950
Non-recurring operational items	-736	386
Operating result after non-recurring items	41 562	-2 564
Financial result before non-recurring items	386 535	101 126
Non-recurring financial items	-116 236	-40 472
Financial result after non-recurring items	270 299	60 654
Profit before income taxes	311 236	58 089
Income taxes	3 372	3 237
Result for the period	314 608	61 327

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2018	2019
Fixed assets	2 155 481	2 167 320
Formation expenses, intangible fixed assets	79 648	76 887
Tangible fixed assets	46 571	40 577
Financial fixed assets	2 029 263	2 049 856
Current assets	391 227	322 614
Total assets	2 546 708	2 489 934
Shareholders' equity	1 059 361	1 081 112
Share capital	177 793	177 793
Share premium	37 751	37 751
Revaluation surplus	1 995	1 995
Statutory reserve	17 779	17 779
Unavailable reserve	82 177	102 636
Reserves available for distribution, retained earnings	741 865	743 158
Provisions and deferred taxes	36 102	56 887
Creditors	1 451 246	1 351 936
Amounts payable after one year	625 764	1 025 650
Amounts payable within one year	825 482	326 286
Total equity and liabilities	2 546 708	2 489 934

Valuation principles

Valuation and foreign currency translation principles applied in the parent company's financial statements are based on Belgian accounting legislation.

Summary of the annual report of the Board of Directors

The Belgium-based entity's sales amounted to € 319.4 million, a decrease of -15% compared to 2018. The operating loss before non-recurring items was € -3.0 million, compared with a gain of € 42.3 million last year. The decrease of the operating result was driven by lower sales volumes.

Non-recurring items included in the operating result amounted to € 0.4 million in 2019, compared to € -0.7 million last year.

The financial result before non-recurring items was € 101.1 million compared to € 386.5 million last year. The high dividend income in 2018 (€ 396 million) was the main element explaining this evolution.

The non-recurring financial items amounted to € -40.5 million in 2019, against € -116.2 million in the previous year, which was mainly driven by write-downs on portfolio.

The income taxes of € 3.2 million were positive due to tax credit receivable on intangible fixed assets, similar to last year.

This led to a result for the period of € 61.3 million compared with € 314.6 million in 2018.

Environmental programs

The provisions for environmental programs decreased to € 17.8 million (2018: € 18.5 million).

Information on research and development

Information on the company's research and development activities can be found in the 'Technology and Innovation' section in the 'Report of the Board of Directors'.

Interests in share capital

In connection with the entry into force of the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act), the Company has in its Articles of Association set the thresholds of 3% and 7.50% in addition to the legal thresholds of 5% and each multiple of 5%. In 2019, the Company did not receive any transparency notifications. On 31 December 2019, the total number of securities conferring voting rights was 60 408 441.

Detailed information can be found on: www.bekaert.com/other-regulated-information.

Proposed appropriation of NV Bekaert SA 2019 result

The after-tax result for the year was € 61 326 822, compared with € 314 608 988 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 13 May 2020 appropriate the above result as follows:

	in €
Result of the year to be appropriated	61 326 822
Transfer to other reserves	-21 752 066
Profit for distribution	39 574 756

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 0.70 per share (2018: € 0.70 per share).

The dividend will be payable in euros on 18 May 2020 by the following banks:

- » BNP Paribas Fortis, ING Belgium, Bank Degroof Petercam, KBC Bank, Belfius Bank in Belgium;
- » Société Générale in France;
- » ABN AMRO Bank in The Netherlands;
- » UBS in Switzerland.

Appointments pursuant to the Articles of Association

The term of office of the directors Celia Baxter, Christophe Jacobs van Merlen, Pamela Knapp, Emilie van de Walle de Ghelcke and Henri Jean Velge will expire at the Annual General Meeting of Shareholders of 13 May 2020. Celia Baxter and Pamela Knapp do not seek re-appointment.

Matthew Taylor will resign from his position as Director with effect as of 12 May 2020. Oswald Schmid was co-opted as Director by the Board of Directors, with effect as of 12 May 2020.

The Board of Directors has proposes that the General Meeting:

- » confirms the mandate of Oswald Schmid as Director for a term of two years, up to and including the Annual General Meeting to be held in 2022;
- » appoints Henrietta Fenger Ellekrog as independent Director for a term of one year, up to and including the Annual General Meeting to be held in 2021;
- » appoints Eriikka Söderström as independent Director for a term of one year, up to and including the Annual General Meeting to be held in 2021;
- » re-appoints Christophe Jacobs van Merlen as Director for a term of four years, up to and including the Annual General Meeting to be held in 2024;
- » re-appoints Emilie van de Walle de Ghelcke as Director for a term of four years, up to and including the Annual General Meeting to be held in 2024;
- » re-appoints Henri Jean Velge as Director for a term of four years, up to and including the Annual General Meeting to be held in 2024.