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TESSENDERLO GROUP NV
Limited Liability Company
Troonstraat 130
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Enterprise number 0412.101.728
RLE Brussels, Dutch-speaking division
(hereinafter the **Company**)

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SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:179, §1, FIRST PARAGRAPH *JUNCTO* ARTICLE 7:197, §1, FIRST PARAGRAPH OF THE COMPANIES AND ASSOCIATIONS CODE CONCERNING THE CAPITAL INCREASE BY CONTRIBUTION IN KIND OF SHARES IN THE COMPANY WITHIN THE FRAMEWORK OF THE EXCHANGE OFFER

The board of directors of the Company (the **Board of Directors**) hereby submits its special report, which has been prepared in accordance with articles 7:179, §1, first paragraph and 7:197, §1, first paragraph of the Belgian Companies and Associations Code (the **BCAC**) to the shareholders of the Company. The special report relates to the intended capital increase by contribution in kind of the shares of Picanol NV against the issuance of new shares in the Company within the framework of the exchange offer which the Company intends to make on the shares of Picanol NV.

In accordance with article 7:197, §1, first paragraph BCAC, the Board of Directors justifies in this report why the contribution is in the Company's interest, describes each contribution in kind, justifies the

valuation of each contribution in kind and indicates the consideration provided in return for the contribution. In accordance with article 7:179, §1, first paragraph of the BCAC, the Board of Directors shall also justify the issue price and describe the consequences of the transaction for the shareholders' patrimonial and membership rights.

In accordance with articles 7:179, §1, second paragraph and 7:197, §1, second paragraph BCAC, the Board of Directors submitted a draft of this report to the Company's statutory auditor, KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL, represented by Mr Joachim Hoebeek, statutory auditor (the **Statutory Auditor**), to assess in a report whether (i) the financial and accounting data included in this report are true and fair in all material respects and sufficient to inform the general shareholders' meeting that must vote on the proposal and (ii) the valuations to which the valuation methods applied by the Board of Directors in this report lead correspond at least to the amount and the fractional value and, if applicable, to the issue premium of the shares to be issued against the contribution (please refer to section 6 of this report "Statutory Auditor's Report"). The Statutory Auditor's report is attached to this report as Annex 1.

This special report should therefore be read in conjunction with the aforementioned report on the contribution in kind of the Statutory Auditor.

Both reports will be submitted to the extraordinary general shareholders' meeting of the Company to be held on or about 18 October 2022 which will decide, among other things, on the proposed capital increase by contribution in kind within the framework of the exchange offer by the Company for all shares issued by Picanol NV.

1 INTRODUCTION

Picanol NV is a limited liability company under Belgian law, with its registered office at Steverlyncklaan 15, 8900 Ieper, Belgium, and registered with the Crossroads Bank for Enterprises (RLE Gent, section Ieper) under number 0405.502.362 (**Picanol**).

The capital of Picanol at the date of this special report amounts to EUR 22,200,000 and is represented by 17,700,000 ordinary shares, without nominal value, which are fully paid up.

On or around 20 October 2022, Oostiep Group BV (a 100% holding company of Mr Luc Tack) will proceed with a contribution in kind of 175,215 shares of Rieter Holding AG in Picanol against the issuance of 231,766 new Picanol shares. As a result of this capital increase by means of a contribution in kind, the capital of Picanol will amount to EUR 22,490,689.56¹ (rounded), represented by 17,931,766 ordinary shares without nominal value, which will be fully paid up. Following this capital increase, the shares in Picanol will be held as follows:

Shareholder	Number of shares	Percentage (rounded)
Manuco International NV	2,655,068	14.81 %
Oostiep Group BV	13,389,078	74.67 %

¹ Following the capital increase by a contribution in kind of the shares in Rieter Holding AG with a total contribution value of EUR 22,203,244.80, EUR 290,689.56 will be allocated to the share capital and EUR 21,912,555.24 will be booked as issue premium.

Other registered shares	183,905	1.03 %
Free float (public)	1,703,715	9.50 %
Total	17,931,766	100 %

The Company intends to launch a voluntary and conditional public takeover bid by way of exchange for all shares to be issued by Picanol (the **Picanol Shares**) against the issue of new shares in the Company (the **Exchange Offer**). Accordingly, during the bid period, which is scheduled from 2 November 2022 to 14 December 2022, and which may/will be reopened voluntarily or compulsorily in certain cases, all shareholders of Picanol will be offered the opportunity to tender their Picanol Shares in light of a contribution in kind thereof in the Company in exchange for new shares to be issued by the Company.

The Board of Directors has drawn up this report, in application of articles 7:197, §1 and 7:179, §1 of the BCAC, with regard to the intended capital increase by contribution in kind of the Picanol Shares in exchange for new shares to be issued by the Company within the framework of the Exchange Offer.

2 DESCRIPTION OF THE PROPOSED TRANSACTION

The Board of Directors proposes to increase the capital of the Company by contribution in kind of all Picanol Shares offered by the shareholders of Picanol in the framework of the Exchange Offer against new shares issued by the Company.

The aspects of the proposed operation are explained in detail below.

2.1 Description of the current share capital and shareholder structure of the Company

On the date of this report, the Company has a share capital of EUR 216,231,862.15 represented by 43,154,979 ordinary shares without nominal value, which are fully paid up. The fractional value per share is therefore EUR 5.01 (rounded).

The Company's shareholder structure at the date of this report is as follows:

Shareholder	Number of shares	Percentage (rounded)
Verbrugge NV	21,860,003	50.65 %
Symphony Mills NV ²	2,607,200	6.04 %
Norges Bank	1,287,899	2.98 %
Carmignac Gestion SA	903,687	2.09 %
Dimensional Fund Advisors LP	891,022	2.06 %

² These shares will be transferred to Oostiep Group BV by means of a partial demerger on or about 20 October 2022.

Free float (Euronext Brussels) ³	15,573,665	36.09 %
Own shares	31,503	0.07 %
Total	43,154,979	100%

2.2 Description of the contribution

The intended contribution in kind consists of the Picanol Shares that will be offered to the Company by the shareholders of Picanol as part of the Exchange Offer (the **Contribution**).

On 7 July 2022 an *Integration Protocol* was concluded between Tessenderlo Group NV, Picanol NV, Verbrugge NV, Artela NV, Mr Luc Tack, Manuco International NV and Symphony Mills NV, to which Oostiep Group BV has entered into by means of the addendum of 6 September 2022 (the **Integration Protocol**). In the Integration Protocol, the reference shareholders (Mr Luc Tack, through his holding company Oostiep Group BV, and (the family) Patrick Steverlynck, through its holding company Manuco International NV) each entered into a *hard irrevocable* commitment, under the conditions and according to the modalities set out in the Integration Protocol, to contribute all Picanol Shares held by them within the framework of the Exchange Offer. Accordingly, the Company will acquire at least 89.47% (rounded) of the total number of outstanding Picanol Shares in the framework of the Exchange Offer. Whether the Company will acquire the remaining 10.53% (rounded) of the total number of outstanding Picanol Shares through the Exchange Offer will depend on the extent to which the other shareholders of Picanol will accept the Exchange Offer.

In total, within the framework of the Exchange Offer, a maximum of 17,931,766 Picanol Shares will be contributed to the Company by way of contribution in kind in exchange for a maximum of 42,318,967 new shares issued by the Company based on the Exchange Ratio (as defined below).

The aforementioned Contribution by Picanol's shareholders in light of the Exchange Offer will be submitted as a whole for approval to the extraordinary general shareholders' meeting of the Company to be held on or about 18 October 2022. The extraordinary general shareholders' meeting of the Company will grant a delegation to the Board of Directors to determine, following the conclusion of the acceptance period of the Exchange Offer, the number of Picanol Shares tendered by the shareholders of Picanol under the Exchange Offer and thus to determine and implement the capital increase by contribution in kind to the Company on that basis.

2.3 Valuation of the Contribution

The value per Picanol Share to be contributed by Picanol's shareholders in the context of the Exchange Offer has been determined on the basis of the intrinsic value per Picanol Share, which has been determined at EUR 95.80 (rounded) per share. The intrinsic value per Picanol Share was obtained by dividing the intrinsic value of Picanol by the total number of outstanding Picanol Shares after the capital increase by contribution in kind of the shares in Rieter Holding AG (as described in paragraph

³ These shares held by "other shareholders" (free float) include (i) 46,113 shares that were allocated to Mr. Luc Tack allocated in the framework of a bonus plan and (ii) 40,989 shares allocated to Mr. Stefaan Haspeslagh in the framework of a bonus plan, and which are considered by the Company to be part of the free float.

2.1). The intrinsic value of Picanol was determined on the basis of the following valuation methods: (i) the value of Picanol on a *stand alone basis* was determined using the DCF method (discounting of future free operating cash flows), (ii) the value of the Rieter Holding AG shares contributed to Picanol was determined on the basis of the 3-month weighted average stock market price from 1/4/22 to 30/6/22 of the Rieter Holding AG shares and (iii) the valuation of Tessenderlo Group NV (of which Picanol, via its 100% subsidiary Verbrugge NV, holds 50.65% of the shares) was determined as set out in paragraph 2.4 below. A detailed explanation of the method used for the determination of the intrinsic value of Picanol and the Picanol Share is attached as Annex 2 to this report.

The aforementioned intrinsic value of the Picanol Share has also been compared to the price evolution of the Picanol Share during a period of 12 months prior to the announcement of the Company's intention to launch the Exchange Offer on the Picanol Shares.

The table below shows the lowest and highest prices, as well as the average and volume weighted average share price ("VWAP") of the Picanol Shares during the last twelve months, the last six months, the last three months and the last month before the announcement on 8 July 2022.

Period	Volume	Share price Picanol Group (EUR)			Premium compared to EUR 95.80 per Share			Premium compared to 2.36 Tessenderlo Group Shares		
		Lowest	Highest	VWAP	Lowest	Highest	VWAP	Lowest	Highest	VWAP
Last month	1,021	59.00	65.00	62.62	62.4%	47.4%	53.0%	19.0%	8.0%	12.1%
Last 3 months	946	59.00	69.80	65.23	62.4%	37.2%	46.9%	19.0%	0.6%	7.6%
Last 6 months	1,367	59.00	71.40	66.49	62.4%	34.2%	44.1%	19.0%	-1.7%	5.6%
Last 12 months	1,423	59.00	78.80	67.70	62.4%	21.6%	41.5%	19.0%	-10.9%	3.7%

	Volume	Share price Picanol Group (EUR)	Premium compared to EUR 95.80 per Share	Premium compared to 2.36 Tessenderlo Group Shares	Share price Tessenderlo Group (EUR)
7/07/2022	182	61.80	55.0%	13.6%	29.75

Source: Refinitiv

The Board of Directors however concludes that due to the low liquidity of 0.1% in the Picanol Share, the price formation does not accurately reflect the underlying value of the Picanol Share. Furthermore, research by ISS commissioned by the European Commission⁴ suggests that fund managers apply an additional discount of 10% to 30% to the intrinsic value of shares of companies where double voting rights have been implemented. As Picanol has introduced double voting rights, in combination with the presence of reference shareholders, this is probably an additional explanation for the significant difference between the intrinsic value of the Picanol Shares based on the retained valuation method and the share price. As the price formation does not accurately reflect the underlying value of the Picanol Shares, this valuation method is consequently not retained.

On the basis of the foregoing, the method of valuation of the Picanol Share on the basis of the intrinsic value of Picanol is considered adequate for the intended contribution of the Picanol Shares in light of the Exchange Offer and is deemed to be an economically sound method.

The contribution value per Picanol Share thus amounts to EUR 95.80 (rounded) (the "**Contribution Value**"). Taking into account that the Exchange Offer covers 17,931,766 Picanol Shares, this means that the total Contributed Value will amount to a maximum of EUR 1,717,863,182.80.

⁴ European Commission External Study by ISS, Sherman & Sterling and ECGI, Report on the Proportionality Principle in the European Union, 2006.

2.4 Description of the consideration / compensation for the Contribution

The Company is offering 2.36 new shares issued by the Company (the **New Shares**) per Picanol Share contributed to the Exchange Offer (the **Exchange Ratio**).

Fractions of New Shares will not be issued by the Company. Any fractions of New Shares that should be issued on the basis of the aforementioned Exchange Ratio to a particular holder of Picanol Shares (i.e. thus on the basis of his total number of Picanol Shares contributed to the Exchange Offer), will be settled in cash. More specifically, the Picanol Shareholder will receive, for the fraction of the New Share that would have to be issued, a compensation that will be calculated as follows:

$$\text{Fraction of New Share} \times \text{EUR } 40.59 = \text{cash consideration}^*$$

** The result shall be rounded to two decimal places, the first decimal place being rounded up from 0.005 onwards and the second decimal place below 0.005 onwards.*

Figure example:

A shareholder holding 1 Picanol Share and accepting the Exchange Offer will, pursuant to the Exchange Ratio receive 2.36 New Shares. The fractional value of 0.36 New Shares will be paid out in cash as follows: $0.36 \times \text{EUR } 40.59 = \text{EUR } 14.61$ (rounded). Consequently, for 1 Picanol Share, the Picanol shareholder will receive 2 New Shares and EUR 14.61 in cash.

A shareholder holding 5 Picanol Shares and accepting the Exchange Offer will, pursuant to the Exchange Ratio, receive 11.80 New Shares. The fractional value of 0.80 New Shares will be paid out in cash as follows: $0.80 \times \text{EUR } 40.59 = \text{EUR } 32.47$ (rounded). Consequently, for 5 Picanol Shares, the Picanol shareholder will receive 11 New Shares and EUR 32.47 in cash.

The aforementioned Exchange Ratio was determined on the basis of the intrinsic value per Picanol Share (as explained in paragraph 2.3) and the intrinsic value per share of the Company, which was determined to be EUR 40.59 (rounded) per share.

The intrinsic value of the Company was determined using (i) the DCF method (discounting of future free operating cash flows) and (ii) *multiples* of comparable listed companies. For a detailed explanation of the methods used to determine the intrinsic value of the Company and the shares of the Company, please refer to the explanatory notes in [Annex 2](#) to this report.

Taking into account the total number of Picanol Shares subject to the Exchange Offer, according to the aforementioned Exchange Ratio, a maximum of 42,318,967 New Shares of the Company will be issued pursuant to the contribution in kind within the framework of the Exchange Offer.

2.5 Issuance of New Shares

(a) Description of the new shares to be issued by the Company within the framework of the capital increase by contribution in kind of Picanol Shares

As consideration for the contribution of Picanol Shares to its capital, the Company will issue New Shares at an Exchange Ratio of 2.36 New Shares per Picanol Share contributed.

The New Shares will be ordinary shares issued by the Company and will be created under Belgian law. They will have the same patrimonial and membership rights as the already existing shares of the Company. They will participate in the Company's results as of 1 January 2023 and will be issued with coupon no. 77 attached.

The New Shares to be issued to Picanol shareholders in exchange for their Contributions in light of the Exchange Offer will, at the option of the Picanol shareholder, be dematerialised or registered shares. The dematerialised New Shares will be represented by an entry on account, in the name of the owner or holder, with an authorised account holder or with a settlement institution. The registered New Shares will be registered by the Board of Directors in the Company's share register. The holder of New Shares will be able to, at any time and at its own cost, request the conversion of its New Shares into registered or dematerialised shares.

(b) Listing of New Shares

An application will be made to Euronext for the listing of the New Shares on the regulated market of Euronext Brussels. The New Shares are expected to be admitted to trading on that market at the earliest as of their issue date, i.e. on the payment date in light of the Exchange Offer.

(c) Information made available to shareholders

In principle, the offer of the New Shares to the Picanol shareholders and the admission of the New Shares to trading on a Belgian regulated market requires the publication of a prospectus, pursuant to Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the **Prospectus Regulation**).

However, there is an exception to this rule, pursuant to articles 1, paragraph 4, f) and 1, paragraph 5, e) of the Prospectus Regulation, for securities offered in connection with a takeover by means of a public exchange offer, provided that a document is made available to the public containing information describing the transaction and its impact on the issuing institution.

The Delegated Regulation (EU) 2021/528 from the Commission of 16 December 2020 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the minimum information to be included in the document to be published for a prospectus exemption in connection with a takeover by means of a public exchange offer, merger or division determines the further content of the exemption document.

In light of the legislation on public takeover bids⁵ in Belgium, the Board of Directors has prepared a prospectus in relation to the Exchange Offer. The prospectus will be filed with the FSMA for approval in accordance with article 5 of the Royal Decree on Takeover Bids on or about 7 September 2022.

The prospectus shall also contain the information required to be included in the abovementioned exemption document under articles 1, paragraph 4, f) and 1, paragraph 5, e) of the Prospectus Regulation. The exemption document required to be drawn up pursuant to articles 1, paragraph 4, f) and 1, paragraph 5, e) of the Prospectus Regulation, the information of which is included in the Prospectus, is not a prospectus within the meaning of the Prospectus Regulation. The exemption document is not subject to control and approval by the relevant competent authority pursuant to article 20 of the Prospectus Regulation.

2.6 Amount of the capital increase

Taking into account the Contribution Value per Picanol Share of EUR 95.80 (rounded), the total number of Picanol Shares subject to the Exchange Offer and the *hard irrevocable* commitment of the reference shareholders, as a result of the intended Contribution and the capital increase a minimum of 37.864,184 and a maximum of 42,318,967 New Shares will be issued and the share capital of the Company will be increased with a minimum of EUR 189,721,863.03⁶ (rounded) and a maximum of EUR 212,042,949.64⁷ (rounded). After the capital increase, the share capital of the Company will amount to a minimum of EUR 405,953,725.18 (rounded) and will be represented by a minimum of 81,019,163 shares, and a maximum of EUR 428,274,811.79 and will be represented by a maximum of 85,473,946 shares.

The amount by which the share capital of the Company is increased is therefore equal to the number of New Shares multiplied by the (exact) par value of the existing shares (i.e. rounded to EUR 5.01 per share), the result of this calculation then being rounded up to the nearest eurocent. The capital representation value of all shares of the Company (i.e. both the existing shares and the New Shares) will then be equalised.

The difference between the capital increase and the total Contribution Value will be booked as an issue premium in a separate account "Issue premiums", under equity on the liabilities side of the Company's balance sheet.

3 IMPORTANCE OF THE PROPOSED TRANSACTION

The interest for the Company of the proposed capital increase by contribution in kind of the Picanol Shares in the framework of the Exchange Offer is as follows.

The acquisition of the Picanol Shares by the Company will create one industrial group. The combined group will have greater impact. The increased equity and transparency should in principle also enable

⁵ The Act of 1 April 2007 on public takeover bids, Belgian State Gazette 26 April 2007, as amended from time to time (the Takeover Act) and the Royal Decree of 27 April 2007 on public takeover bids, Belgian State Gazette 23 May 2007, as amended from time to time (the Takeover Decree).

⁶ In which case an issue premium of EUR 1,347,323.77 (rounded) will be booked.

⁷ In which case an issue premium of EUR 1,505,820,233.16 (rounded) will be booked.

the Company to obtain financing at even more favourable conditions and should lead to an increased attractiveness of the Company on the capital markets.

By including the Picanol group as a business unit in the Machines & Technologies segment, the Company's group will now consist of five business segments. This far-reaching diversification is in line with and reinforces the Company's policy. After all, the various business segments are subject to different cyclicity. The further diversification of the Company should therefore lead to more stable cash flows. The combination of the Company's cash flows with the cash flow of the Picanol group will therefore make it easier to not only realise acquisitions and investments throughout the various economic cycles, but also to maintain a stable dividend policy, whereby this diversification benefits not only the Company but also the shareholders.

Also from *corporate opportunity* considerations, the integration of both companies into one industrial group would benefit both the Company and its shareholders. In time, the group will be able to operate with a single stock exchange listing and with a centralized management by the board of directors of the Company, which should lead to cost savings and more transparent decision-making. Furthermore, the consolidation of the group will mean that investors will be able to participate directly in any new project that Tessengerlo Group or Picanol wishes to start up, whereby there will no longer be a question of which of the two entities will realize the project.

4 CONSEQUENCES OF THE TRANSACTION FOR THE PATRIMONIAL AND MEMBERSHIP RIGHTS OF THE EXISTING SHAREHOLDERS

At the date of the opening of the acceptance period of the Exchange Offer (which is planned around 2 November 2022), the reference shareholders Mr Luc Tack (through his holding company Oostiep Group BV) will hold 13,389,078 Picanol Shares and (the family) Patrick Steverlynck (through its holding company Manuco International NV) will hold 2,655,068 Picanol Shares. Oostiep Group BV and Manuco International NV (as Reference Shareholders) have undertaken in the Integration Protocol to contribute all Picanol Shares held by them into the capital of the Company in the framework of the Exchange Offer. Consequently, at least 89.47% (rounded) of the Picanol Shares issued by Picanol will be tendered to the Exchange Offer.

The exact number of Picanol Shares that will be contributed (and thus the number of New Shares in the Company that will be issued in exchange) depends on the degree of acceptance of the Exchange Offer by the minority shareholders of Picanol (which will represent 10.53% (rounded) at the time of the opening of the acceptance period of the Exchange Offer). If none of the minority shareholders of Picanol would accept the Exchange Offer (and thus only 89.47% (rounded) of the Picanol Shares are contributed to the Exchange Offer by the Reference Shareholders), in total a maximum of 37,864,184 New Shares will be issued. If all minority shareholders of Picanol were to accept the Exchange Offer (and thus 100% of Picanol Shares are contributed to the Exchange Offer), in total a maximum of 42,318,967 New Shares will be issued.

The table below shows the dilution of the number of shares (and, related to this, the liquidation and dividend rights) based on a minimum scenario (contribution of 89.47% (rounded) Picanol Shares) and a maximum scenario (contribution of 100% Picanol Shares).

Shareholder	Existing shares before the contribution in kind (percentages rounded)	Additional New Shares following contribution in kind		Total number of shares after contribution in kind (percentages rounded)	
		Minimum	Maximum	Minimum	Maximum
Symphony Mills NV⁸	2,607,200 (6.04%)	0		0 (0%)	
Oostiep Group BV	0 (0%)	31,598,224 ⁹		34,205,424 ¹⁰	
				42.22%	40.02%
Verbrugge NV	21,860,003 (50.65%)	0		21,860,003	
				26.98%	25.58%
Manuco International NV	0 (0%)	6,265,960		6,265,960	
				7.73%	7.33%
Own Shares	31,503 (0.07%)	0		31,503	
				0.04%	0.04%
Other	18,656,273 ¹¹ (43.23%)	0	4,454,783	18,656,273	23,111,056
				23.03%	27.04%
Total:	43,154,979 (100%)	37,864,184	42,318,967	81,019,163 (100%)	85,473,946 (100%)

⁸ Symphony Mills NV will, prior to the opening of the Exchange Offer, and thus the contribution in kind within the framework of the Exchange Offer, transfer all shares it holds in the Company and all shares it holds in Picanol NV to Oostiep Group BV by means of a partial demerger, as a result of which Oostiep Group BV will become a shareholder of the Company and will also contribute all shares it will acquire in Picanol NV to the Exchange Offer in exchange for New Shares in the Company.

⁹ In exchange for the contribution of the 13,389,078 shares in Picanol NV acquired by Oostiep Group BV as a result of (i) the demerger of Artela NV, (ii) the partial demerger of Symphony Mills NV and (iii) the contribution of the shares of Rieter Holding AG.

¹⁰ Including the shares in the Company that Oostiep Group BV acquired from Symphony Mills NV as a result of the partial demerger.

¹¹ These shares held by "other shareholders" (free float) include (i) 46,113 shares that were allocated to Mr Luc Tack in the framework of a bonus plan and (ii) 40,989 shares that were allocated to Mr. Stefaan Haspeslagh in the framework of a bonus plan and that are considered part of the free float by the Company.

The articles of association of the Company provide for a loyalty voting right, which means that fully paid-up shares of the Company which have been registered in the name of the same shareholder in the register of registered shares for at least two years continuously shall be granted a double voting right. Each other share of the Company shall entitle the holder to one vote at the general meeting.

At the date of this special report, the shares held by the following shareholders have double voting rights:

- (i) 2,532,200 shares held by Oostiep Group BV;
- (ii) 19,007,762 shares held by Verbrugge NV.

Following the Exchange Offer, Verbrugge NV (which is a 100% subsidiary of Picanol) will have become an indirect subsidiary of the Company, as a result of which its participation in the Company will become a cross participation (i.e. shares held by an indirect subsidiary in the parent company). Pursuant to section 7:224 BCAC, the voting rights attached to this cross participation will be suspended.

The table below shows the voting rights associated with the shares in the Company based on a minimum scenario (contribution of 89.47% (rounded) Picanol Shares) and a maximum scenario (contribution of 100% Picanol Shares).

Shareholder	Number of voting rights before the contribution in kind	Additional voting rights attached to the New Shares following the contribution in kind		Total number of voting rights attached to the shares after contribution in kind	
		Minimum	Maximum	Minimum	Maximum
Symphony Mills NV¹²	5,139,400 (7.91%)	0		0 (0%)	
Oostiep Group BV	0 (0%)	31,598,224 ¹³		36,737,624 ¹⁴	
				59.27%	55.30%
Verbrugge NV	40,867,765	0		0 (0%)	

¹² Symphony Mills NV will, prior to the opening of the Exchange Offer, and thus the contribution in kind within the framework of the Exchange Offer, transfer all shares it holds in the Company and all shares it holds in Picanol NV to Oostiep Group BV by means of a partial demerger, as a result of which Oostiep Group BV will become a shareholder of the Company and will also contribute all shares it will acquire in Picanol NV to the Exchange Offer in exchange for New Shares in the Company.

¹³ In exchange for the contribution of the 13,389,078 shares of Picanol NV that Oostiep Group BV obtained as a result of (i) the demerger of Artela NV, (ii) the partial demerger of Symphony Mills NV and (iii) the contribution of the shares of Rieter Holding AG

¹⁴ Including the voting rights connected to the shares in the Company that Oostiep Group BV has obtained from Symphony Mills NV as a result of the partial demerger.

	(62.89%)			(suspended)	
Manuco International NV	0 (0%)	6,265,960		6,265,960	
				10.11%	9.43%
Own shares	0 (0%)	0		0 (0%)	
Other	18,978,379 ¹⁵ (29.20%)	0	4,454,783	18,978,379	23,433,162
				30.62%	35.27%
Total:	64,985,544 (100%)	37,864,184	42,318,967	61,982,963 (100%)	66,436,746 (100%)

5 REPORT OF THE STATUTORY AUDITOR

The Statutory Auditor was provided with a draft of this special report and asked to draw up a report on the contribution in kind in accordance with article 7:197, § 1, second paragraph *juncto* article 7:179, § 1, second paragraph of the BCAC.

The Board of Directors has taken note of the Statutory Auditor's report, a copy of which is attached to this report as Annex I.

The conclusion of the Statutory Auditor is as follows:

"In accordance with article 7:197/ 7:179 of the BCAC, we hereafter present our conclusion to the extraordinary general shareholders' meeting of the company Tessengerlo Group NV in the context of our assignment as statutory auditor, for which we were appointed by letter of 18 August 2022.

We have performed our assignment in accordance with the Standard on the assignment of the statutory auditor with regard to contributions in kind and quasi-contributions of the Institute of Statutory Auditors. Our responsibilities under this standard are further described in the section "Auditor's responsibilities concerning the contribution in kind and the issuance of shares".

Concerning the contribution in kind

¹⁵ These shares held by "other shareholders" (free float) include (i) 46,113 shares that were allocated to Mr Luc Tack in the framework of a bonus plan and (ii) 40,989 shares that were allocated to Mr. Stefaan Haspeslagh in the framework of a bonus plan and that are considered part of the free float by the Company.

In accordance with article 7:197 of the BCAC, we have examined the following aspects, as contained in the report of the managing body as at 6 September 2022, and have no materially significant findings to report regarding:

- the description of the components to be contributed;*
- the applied valuation; and*
- the methods of valuation used for this purpose.*

We also conclude that the valuation methods applied for the contribution in kind result in the values of the contributions corresponding at least to the number and nominal value or, in the absence of a nominal value, the fractional value of the shares to be issued against the contribution.

The actual consideration for the contribution in kind consists of up to 42,318,967 shares of the Company, with a fractional value of EUR 5.01 (rounded), each representing an equal part of the share capital.

These new shares:

- have the same rights and obligations as the existing shares of Tessenderlo Group NV;*
- will participate in the results of Tessenderlo Group NV as of 1 January 2023;*

On the issuance of shares

Based on our review of the accounting and financial information contained in the special report of the management body drawn up in compliance with article 7:179 §1 of the Belgian Companies and Associations Code, nothing has come to our attention that causes us to believe that such information, which includes the justification for the issue price and the impact on the shareholders' patrimonial and membership rights, is not, in all material respects, fair and sufficient to inform the general shareholders' meeting which is required to vote on the proposed transaction.

Since the prospective accounting and financial data and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the reported actual results will correspond to those included in the future financial information, and the differences may be of material importance.

No fairness opinion

Our task pursuant to articles 7:197 §1 and 7:179 §1 of the BCAC is not to rule on the suitability or opportunity of the transaction, nor on the valuation of the consideration given in return for the contribution, nor whether that transaction is lawful and fair ("no fairness opinion").

Responsibility of the administrative body regarding contribution in kind and issuance of shares

The managing body is responsible for:

- explaining why the contribution is important to the company;*
- the description and reasoned valuation of each contribution in kind; and*

— *reporting the compensation provided in return.*

The managing body is also responsible for:

— *the justification of the issue price; and*

— *the description of the impact of the transaction on the shareholders' patrimonial and membership rights.*

Responsibility of the statutory auditor concerning the contribution in kind and the issue of shares

The statutory auditor is responsible for:

— *examining the description given by the administrative body of each contribution in kind;*

— *examining the valuation applied and the valuation methods used for that purpose;*

— *to report or the values to which these methods lead correspond at least to the value of the contribution stated in the deed; and*

— *stating the actual remuneration in return for the contribution.*

The statutory auditor is also responsible for the assessment whether the financial and accounting information contained in the report of the managing body - included in the draft report of the managing body that includes the justification of the issue price - is true and fair in all material respects and sufficient to inform the general shareholders' meeting which is to vote on the proposal.

The scope of our review is substantially less than that of an audit performed in accordance with International Standards on Auditing (ISA). Accordingly, our review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accounting and financial information.

Restrictions on the use of this report

This report has only been prepared in accordance with articles 7:197 §1 and 7:179 §1 of the Companies and Associations Code within the framework of the capital increase of Tessengerlo Group NV by means of a contribution in kind and may not be used for other purposes.

The Board of Directors agrees with the findings as set out in the report of the Statutory Auditor and does not formulate any additional comments in this respect. The Board of Directors agrees with this and therefore does not deviate from the conclusion of the Statutory Auditor as contained in his report.

6 AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

If the proposed capital increase is realised by means of a contribution in kind of shares, the extraordinary general shareholders' meeting of the Company shall also resolve to amend article 5 of the Company's coordinated articles of association accordingly.

Considering the explanation, clarification and justification of the legal, business and financial considerations in this special report, the Board of Directors is of the opinion that the proposed capital increase by means of a contribution in kind of shares is in the interests of the Company.

For this reason, the Board of Directors wishes to request the Company's shareholders to approve the present proposal at the extraordinary general shareholders' meeting to be held on or around 18 October 2022, and therefore to vote in favour of the capital increase by means of a contribution in kind of shares.

[signature page follows immediately]

DISCLAIMER

The offer of securities in exchange for other securities is not being made in or into, and is not capable of acceptance in or from, the United States, Australia, Canada, Japan and the United Kingdom or any other jurisdiction where to do so would constitute a violation of the laws of such jurisdiction. This document does not constitute the extension of an offer to acquire, purchase, subscribe for, sell or exchange (or the solicitation of an offer to acquire, purchase, subscribe for, sell or exchange), any securities in or into the United States of America, Australia, Canada, Japan, the United Kingdom or any other jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and any such offer (or solicitation) may not be extended in any such jurisdiction. Any securities discussed in this document have not been and will not be registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from registration thereunder. There will be no public offering of securities in the United States.

Approved on September 6, 2022 in two copies, one of which is intended for the Company and the other for deposit with the registrar of companies at the competent enterprise court.

On behalf of the Board of Directors,

(signed)

(signed)

Name: Stefan Haspeslagh

Name: Luc Tack

Position: Chairman of the Board of
Directors - Director

Position: Managing Director - Director

(signed)

(signed)

Name: Karel Vinck

Name: Wouter De Geest

Function: Director

Function: Director

(signed)

(signed)

Name: Management Deprez BV,
permanently represented by Veerle
Deprez

Name: ANBA BV, permanently
represented by Anne-Marie Baeyaert

Function: Director

Function: Director

Annex 1

Report of the statutory auditor in accordance with article 7:197, § 1, second paragraph *juncto* article 7:179, § 1, second paragraph of the BCAC



Tessengerlo Group NV

Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, in terms of the contribution in kind) and 7:179 in terms of the issuance of shares within the framework of the aforementioned contributions in kind are concerned of the Belgian Companies' and Associations' Code (Contribution in kind)

**FREE TRANSLATION OF A CONTRIBUTION IN KIND
REPORT ORIGINALLY PREPARED IN DUTCH**

KPMG Bedrijfsrevisoren

6 September 2022

This report has 14 pages



Tessengerlo Group NV

Statutory auditor's report to the extraordinary general meeting of Tessengerlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

6 September 2022

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Tessenderlo Group NV

Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

6 September 2022

1 Engagement

In accordance with article 7:197 of the Belgian Companies' and Associations' Code (hereafter referred to as the "BCAC"), KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises BV/SRL, Luchthaven Brussel Nationaal 1K - 1930 Zaventem, represented by Joachim Hoebeeck, Bedrijfsrevisor / Réviseur d'Entreprises (registered auditor), in its capacity as statutory auditor, was appointed by the Board of Directors of Tessenderlo Group NV (referred to hereinafter as the "Company") by means of an engagement letter dated 18 August 2022 to report on the intended contribution in kind transaction.

Our engagement is not to express an opinion on the appropriateness or opportunity of the transaction, nor on the valuation of the consideration given in return for the contribution, nor on whether that transaction is lawful and fair (*"no fairness opinion"*).

We have performed our engagement in accordance with the applicable Standard in relation to the procedures to be performed by the registered auditor in the context of a contribution in kind and quasi-contribution of the "Instituut van de Bedrijfsrevisoren" (Belgian Institute of Registered Auditors).

Capital increase

Article 7:197 §1 of the Belgian Companies' and Associations' Code determines the following:

"If a capital increase includes a contribution in kind, the management body shall explain in the report referred to in Article 7:179, § 1, first subparagraph why the contribution is in the interest of the company. The report shall contain a description of each contribution in kind and a reasoned valuation thereof. It shall indicate the consideration paid in return for the contribution. The management body shall communicate this report in draft form to the statutory auditor or, if there is no statutory auditor, to an auditor appointed by the management body".

The statutory auditor or, if there is no statutory auditor, an auditor appointed by the management body shall examine in the report referred to in Article 7:179, § 1, second subparagraph, the valuation applied by the management body and the valuation methods used for this purpose. This report shall concern in particular the description of any contribution in kind and the applied valuation methods. The report must indicate whether the values resulting from these methods correspond at least to the number and nominal value or, where they have no nominal value, the accounting par value and, as the case may be, to the issue premium of the shares to be issued in consideration of such contribution. The report shall mention the actual consideration given in respect of the contribution.

**Tessenderlo Group NV**

Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

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In its report, to which is attached the report of the statutory auditor or the auditor, the management body shall, where applicable, state why it derogates from the findings of the latter report.

The reports referred to above shall be filed for deposit and published in accordance with Articles 2:8 and 2:14, 4°. They shall be mentioned in the agenda. A copy of these reports may be obtained in accordance with Article 7:132.

If the description and justification referred to in the first subparagraph by the management body, or if the valuation and statement by the statutory auditor or the auditor referred to in the second subparagraph is missing, the resolution of the general meeting shall be null and void."

This report is also issued in view of the creation of new shares through this transaction in accordance with article 7:179 of the Belgian Companies and Associations Code.

Article 7:179 §1 of the Belgian Companies and Associations Code reads as follows:

"The management body shall prepare a report in respect of the transaction, particularly justifying the issue price and describing the impact of the transaction on the property and membership rights of the shareholders.

The statutory auditor or, if there is no statutory auditor, an auditor or an external accountant appointed by the management body, shall assess in a report whether the financial and accounting information contained in the report of the management body is, in all material respects, fair and sufficient to inform the general meeting which must vote on the proposal.

These reports shall be filed for deposit and published in accordance with Articles 2:8 and 2:14, 4°. They shall be mentioned in the agenda. A copy of these reports may be obtained in accordance with Article 7:132.

If the report of the management body or the report of the statutory auditor, auditor or external accountant holding the assessment as referred to in the second subparagraph, is missing, the resolution of the general meeting shall be null and void."



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Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

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2 Identification of the transaction

2.1 Identification of the company benefitting from the contribution

The Company was incorporated as "P.B. Gelatines" on 14 March 1972 by notary deed executed before Notary Thierry Van Halteren, in Brussels, published in the Annexes to the Belgian Official Gazette of 8 April 1972 under number 746-3.

The Articles of Association were most recently amended on 10 May 2022 by deed executed before Notary Damien Hisette in Brussels, published in the Annexes to the Belgian Official Gazette of 17 May 2022 under number 22332805.

The registered office of the Company is established in the Brussels Capital region at Elsene (1050 Brussels), Troonstraat 130.

The Company is registered in the Central Database of Enterprises (KBO) with enterprise number 0412.101.728

The shareholders structure as stated in the Company's register of shareholders is as follows:

Shareholders	Number of shares
Verbrugge NV	21.860.003
Symphony Mills NV ¹	2.607.200
Norges Bank	1.287.899
Carmignac Gestion SA	903.687
Dimensional Fund Advisors LP	891.022
Free float (Euronext Brussels) ²	15.573.665
Treasury shares	31.503
TOTAL	43.154.979

¹ These shares will be transferred to Oostiep Group BV by means of a partial demerger on or about 20 October 2022.

² These shares held by "other shareholders" (free float) include (i) 46,113 shares that were allocated to Mr. Luc Tack allocated in the framework of a bonus plan and (ii) 40,989 shares allocated to Mr. Stefaan Haspeslagh in the framework of a bonus plan, and which are considered by the Company to be part of the free float.



Tessengerlo Group NV

Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

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2.2 Identification of the contributors

The Company intends to launch a voluntary and conditional public takeover bid by way of exchange for all shares to be issued by Picanol (the **Picanol Shares**) against the issuance of new shares in the Company (the **Exchange Offer**). Accordingly, during the bid period, which is scheduled from 2 November 2022 to 14 December 2022, and which may/will be reopened voluntarily or compulsorily in certain cases, all shareholders of Picanol will be offered the opportunity to offer their Picanol Shares for the purpose of contributing them in kind to the Company in exchange for new shares to be issued by the Company.

Picanol NV is a limited liability company under Belgian law, with its registered office at Steverlyncklaan 15, 8900 Ieper, Belgium, and registered with the Crossroads Bank for Enterprises (RPR Gent, section Ieper) under number 0405.502.362 (Picanol).

The capital of Picanol NV at the date of this special report amounts to EUR 22,200,000 and is represented by 17,700,000 ordinary shares, without nominal value, which are fully paid up.

On or around 20 October 2022, Oostiep Group BV (a 100% holding company of Mr Luc Tack) will proceed with a contribution in kind of 175,215 shares of Rieter Holding AG in Picanol against the issuance of 231,766 new Picanol shares. As a result of this capital increase by means of a contribution in kind, the capital of Picanol will amount to EUR 22,490,689.56 (rounded), represented by 17,931,766 ordinary shares without nominal value, which will be fully paid up. Following this capital increase, the shares in Picanol will be held as follows:

Shareholders	Number of shares
Manuco International NV	2,655,068
Oostiep Group BV	13,389,078
Other registered shares	183,905
Free float (public)	1,703,715
TOTAL	17,931,766



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Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

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2.3 Identification of the transaction

The intended contribution in kind consists of the Picanol Shares that will be offered to the Company by the shareholders of Picanol as part of the Exchange Offer (the **Contribution**).

On 7 July 2022 an *Integration Protocol* was concluded between Tessenderlo Group NV, Picanol NV, Verbrugge NV, Artela NV, Mr Luc Tack, Manuco International NV and Symphony Mills NV, to which Oostiep Group BV has entered into by means of the addendum of 6 September 2022 (the **Integration Protocol**). In the Integration Protocol, the reference shareholders (Mr Luc Tack, through his holding company Oostiep Group BV, and (the family) Patrick Steverlynck, through its holding company Manuco International NV) each entered into a *hard irrevocable* commitment to contribute, under the conditions and according to the modalities set out in the Integration Protocol, all Picanol Shares held by them within the framework of the Exchange Offer. Accordingly, the Company will acquire at least 89.47% (rounded) of the total number of outstanding Picanol Shares in the framework of the Exchange Offer. Whether the Company will acquire the remaining 10.53% (rounded) of the total number of outstanding Picanol Shares through the Exchange Offer will depend on the extent to which the other shareholders of Picanol will accept the Exchange Offer.

In total, within the framework of the Exchange Offer, a maximum of 17,931,766 Picanol Shares will be contributed to the Company by way of contribution in kind in exchange for a maximum of 42,318,967 new shares issued by the Company based on the Exchange Ratio (as defined below).

The aforementioned Contribution by the shareholders of Picanol pursuant to the Exchange Offer will be submitted as a whole for approval to the extraordinary general shareholders' meeting of the Company to be held on or about 18 October 2022. The extraordinary general shareholders' meeting of the Company will grant a delegation to the Board of Directors to determine, following the conclusion of the acceptance period of the Exchange Offer, the number of Picanol Shares tendered by the shareholders of Picanol under the Exchange Offer and thus to determine and implement the capital increase by contribution in kind to the Company on that basis.

The current capital amounts to EUR 216,231,862.15 on September 6, 2022 and is represented by 43,154,979 ordinary shares with a fractional value of EUR 5.01 (rounded) per share.

The board of directors of the beneficiary company is of the opinion that this contribution in kind is in the interest of the company, as is apparent from the draft report of the board of directors, in view of:

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“The interest for the Company of the proposed capital increase by contribution in kind of the Picanol Shares in the framework of the Exchange Offer is as follows.

The acquisition of the Picanol Shares by the Company will create one industrial group. The combined group will have greater impact. The increased equity and transparency should in principle also enable the Company to obtain financing at even more favourable conditions and should lead to an increased attractiveness of the Company on the capital markets.

By including the Picanol group as a business unit in the Machines & Technologies segment, the Company's group will now consist of five business segments. This far-reaching diversification is in line with and reinforces the Company's policy. After all, the various business segments are subject to different cyclicity. The further diversification of the Company should therefore lead to more stable cash flows. The combination of the Company's cash flows with the cash flow of the Picanol group will therefore make it easier to not only realise acquisitions and investments throughout the various economic cycles, but also to maintain a stable dividend policy, whereby this diversification benefits not only the Company but also the shareholders.

Also from corporate opportunity considerations, the integration of both companies into one industrial group would benefit both the Company and its shareholders. In time, the group will be able to operate with a single stock exchange listing and with a centralized management by the board of directors of the Company, which should lead to cost savings and more transparent decision-making. Furthermore, the consolidation of the group will mean that investors will be able to participate directly in any new project that Tessenderlo Group or Picanol wishes to start up, whereby there will no longer be a question of which of the two entities will realize the project.”



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3 Contribution in kind

3.1 Description and valuation of the contribution in kind

3.1.1 Description of the contribution

The contribution is described as follows in the draft report of the board of directors.

*“The intended contribution in kind consists of the Picanol Shares that will be offered to the Company by the shareholders of Picanol as part of the Exchange Offer (the **Contribution**).*

*On 7 July 2022 an Integration Protocol was concluded between Tessenderlo Group NV, Picanol NV, Verbrugge NV, Artela NV, Mr Luc Tack, Manuco International NV and Symphony Mills NV, to which Oostiep Group BV has entered into by means of the addendum of 6 September 2022 (the **Integration Protocol**). In the Integration Protocol, the reference shareholders (Mr Luc Tack, through his holding company Oostiep Group BV, and (the family) Patrick Steverlynck, through its holding company Manuco International NV) each entered into a hard irrevocable commitment, under the conditions and according to the modalities set out in the Integration Protocol, to contribute all Picanol Shares held by them within the framework of the Exchange Offer. Accordingly, the Company will acquire at least 89.47% (rounded) of the total number of outstanding Picanol Shares in the framework of the Exchange Offer. Whether the Company will acquire the remaining 10.53% (rounded) of the total number of outstanding Picanol Shares through the Exchange Offer will depend on the extent to which the other shareholders of Picanol will accept the Exchange Offer.*

In total, within the framework of the Exchange Offer, a maximum of 17,931,766 Picanol Shares will be contributed to the Company by way of contribution in kind in exchange for a maximum of 42,318,967 new shares issued by the Company based on the Exchange Ratio (as defined below).

The aforementioned Contribution by Picanol's shareholders in light of the Exchange Offer will be submitted as a whole for approval to the extraordinary general shareholders' meeting of the Company to be held on or about 18 October 2022. The extraordinary general shareholders' meeting of the Company will grant a delegation to the Board of Directors to determine, following the conclusion of the acceptance period of the Exchange Offer, the number of Picanol Shares tendered by the shareholders of Picanol under the Exchange Offer and thus to determine and implement the capital increase by contribution in kind to the Company on that basis.”

The description of the contribution in kind meets the normal criteria of accuracy and clarity.



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3.1.2 Valuation methods used

The contribution value of the goods have been determined by the board of directors at maximum EUR 1,717,863,182.80.

For the purposes of the determination of the value of the contribution, the board of directors relied on the valuation included in the draft special report of the board of directors dated 6 September 2022. The board of directors is responsible for the determination of the value of the contribution. The description of the valuation methods used is described in the board of directors report as follows:

The value per Picanol Share to be contributed by Picanol's shareholders in the context of the Exchange Offer has been determined on the basis of the net asset value per Picanol Share, which has been determined at EUR 95.80 (rounded) per share. The net asset value per Picanol Share was obtained by dividing the net asset value of Picanol by the total number of outstanding Picanol Shares after the capital increase by contribution in kind of the shares in Rieter Holding AG (as described in paragraph 2.1.,. The intrinsic value of Picanol was determined on the basis of the following valuation methods: (i) the value of Picanol on a stand alone basis was determined using the DCF method (actualization of future free operating cash flows), (ii) the value of the Rieter Holding AG shares contributed to Picanol was determined on the basis of the 3-month weighted average stock market price from 1/4/22 to 30/6/22 of the Rieter Holding AG shares and (iii) the valuation of Tessenderlo Group NV (of which Picanol, via its 100% subsidiary Verbrugge NV, holds 50.65% of the shares) was determined as set out in paragraph 2.4³ below. A detailed explanation of the method used for the determination of the net asset value of Picanol and the Picanol Share is attached as Annex 2 to this report.

The aforementioned intrinsic value of the Picanol Share has also been compared to the price evolution of the Picanol Share during a period of 12 months prior to the announcement of the Company's intention to launch the Exchange Offer on the Picanol Shares.

The table below shows the lowest and highest prices, as well as the average and volume weighted average share price ("VWAP") of the Picanol Shares during the last twelve months, the last six months, the last three months and the last month before the announcement on 8 July 2022.

³ The intrinsic value of the Company was determined using (i) the DCF method (actualization of future free operating cash flows) and (ii) multiples of comparable listed companies. For a detailed explanation of the methods used to determine the intrinsic value of the Company and the shares of the Company, please refer to the explanatory notes in Annex 2 to this report.



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Periode	Volume	Share price (EUR)			Premium to EUR 95.80 per Share			Premium to 2.36 Tessenderlo Group Shares		
		Lowest	Highest	VWAP	Lowest	Highest	VWAP	Lowest	Highest	VWAP
Last month	1,021	59.00	65.00	62.62	62.4%	47.4%	53.0%	19.0%	8.0%	12.1%
Last 3 months	946	59.00	69.80	65.23	62.4%	37.2%	46.9%	19.0%	0.6%	7.6%
Last 6 months	1,367	59.00	71.40	66.49	62.4%	34.2%	44.1%	19.0%	-1.7%	5.6%
Last 12 months	1,423	59.00	78.80	67.70	62.4%	21.6%	41.5%	19.0%	-10.9%	3.7%

	Volume	Share price (EUR)		Premium to EUR 95.80 per Share	Premium to 2.36 Tessenderlo Group Shares
7/07/2022	182	61.80		55.0%	13.6%

Source: Refinitiv

The Board of Directors however concludes that due to the low liquidity of 0.1% in the Picanol Share, the price formation does not accurately reflect the underlying value of the Picanol Share. Furthermore, research by ISS commissioned by the European Commission⁴ suggests that fund managers apply an additional discount of 10% to 30% to the intrinsic value of shares of companies where double voting rights have been implemented. As Picanol has introduced double voting rights, in combination with the presence of reference shareholders, this is probably an additional explanation for the significant difference between the intrinsic value of the Picanol Shares based on the retained valuation method and the share price. As the price formation does not accurately reflect the underlying value of the Picanol Shares, this valuation method is consequently not retained.

On the basis of the foregoing, the method of valuation of the Picanol Share on the basis of the intrinsic value of Picanol is considered adequate for the intended contribution of the Picanol Shares in light of the Exchange Offer and is deemed to be an economically sound method.

The contribution value per Picanol Share thus amounts to EUR 95.80 (rounded) (the "Contribution Value"). Taking into account that the Exchange Offer covers 17,931,766 Picanol Shares, this means that the total Contributed Value will amount to a maximum of EUR 1,717,863,182.80 (rounded)."

Based on the above analysis, the valuation method used by parties is economically justifiable so that the contribution in kind is not overstated.

⁴ European Commission External Study by ISS, Sherman & Sterling and ECGI, Report on the Proportionality Principle in the European Union, 2006.

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Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

6 September 2022

3.2 The actual consideration given in return

The board of directors propose in the draft special report to compensate the contribution in kind as follows:

As consideration for the contribution of Picanol Shares to its capital, the Company will issue New Shares, in accordance with the Exchange Ratio of 2.36 (rounded) New Shares per Picanol Share contributed.

These new shares:

- have the same rights and obligations as the existing shares in Tessenderlo Group NV;
- shall participate in the results of Tessenderlo Group NV as of 1 January 2023;

Taking into account the Contribution Value per Picanol Share of EUR 95.80 (rounded), the total number of Picanol Shares subject to the Exchange Offer and the *hard irrevocable* commitment of the reference shareholders, as a result of the intended Contribution and the capital increase a minimum of 37.864,184 and a maximum of 42,318,967 New Shares will be issued and the share capital of the Company will be increased with a minimum of EUR 189,721,863.03⁵ (rounded) and a maximum of EUR 212,042,949.64⁶ (rounded). After the capital increase, the share capital of the Company will amount to a minimum of EUR 405,953,725.18 (rounded) and will be represented by a minimum of 81,019,163 shares, and a maximum of EUR 428,274,811.79 and will be represented by a maximum of 85,473,946 shares.

⁵ In which case an issue premium of EUR 1,347,323.77 (rounded) will be booked.

⁶ In which case an issue premium of EUR 1,505,820,233.16 (rounded) will be booked.

**Tessengerlo Group NV**

Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

6 September 2022

4 Conclusions of the statutory auditor to the extraordinary general meeting of the Company Tessenderlo Group NV

In accordance with Article 7:7197 / 7:179 BCAC, please find below our conclusion to the extraordinary general meeting of the Company Tessenderlo Group NV in the context of our engagement as statutory auditor for which we appointed by means of the engagement letter dated 18 August 2022.

We have performed our engagement in accordance with the applicable Standard in relation to procedures to be performed in the context of a contribution in kind and quasi-contribution as issued by the "Instituut van de Bedrijfsrevisoren / Institut des Réviseurs d'Entreprises". Our responsibilities further to these standards are described in the "Statutory auditor's responsibilities of the contribution in kind and the issuance of shares" section of our report.

Concerning the contribution in kind

In accordance with Article 7:197 of the BCAC we have examined the aspects described below, as included in the reports of the board of directors as of 6 September 2022 and have no findings to report regarding:

- the description of the components to be contributed;
- the valuation applied, and
- the applied valuation methods for this purpose.

Furthermore we conclude that the valuation methods used for the contribution in kind lead to the values of the contributions and that these at least correspond to the number and nominal value or, when they have no nominal value, to the accounting par value of the shares to be issued in consideration for the contribution.

The actual consideration given in return for the contribution in kind comprises out of max 42,317,967 shares of the Company, with a accounting par value of EUR 5.01 (rounded), each of which represents an equal part of the capital.

These new shares:

- have the same rights and obligations as the existing shares in Tessenderlo Group NV;
- will share in the results of Tessenderlo Group NV as of 1 January 2023.

**Tessenderlo Group NV**

Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

6 September 2022

Concerning the issuance of shares

Further to our assessment of the accounting and financial information contained in the special report of the board of directors pursuant to Articles 7:179 §1 of the Belgian Code of Companies and Associations, nothing came to our attention that causes us to believe that this information, which include the justification of the issue price and describing the impact on the shareholders' property and membership rights, are not in all material respects fair and sufficient to inform the general meeting which must vote on the proposed transaction.

As the prospective accounting and financial information and assumptions on which they are based relate to the future and therefore may be affected by unexpected events, we express no opinion as whether the reported actual results will correspond to those included in the future financial information even though the differences may be of material significance.

No fairness opinion

In accordance with Articles 7:197 §1 and 7:179 §1 of the BCAC our engagement does not include expressing an opinion on the appropriateness or opportunity of the transaction, nor on the valuation of the consideration given in return for the contribution, nor about on whether the transaction is lawful and fair ("*no fairness opinion*").

The board of directors' responsibilities for the contribution in kind and the issuance of shares

The board of directors is responsible for:

- explaining why the contribution is in the interest of the company;
- the description and reasoned valuation of each contribution in kind; and
- indicating the consideration paid in return for the contribution.

The board of directors is also responsible for:

- justifying the issue price; and
- describing the impact of the transaction on the property and membership rights of the shareholders.

Statutory auditor's' responsibilities for the contribution in kind and the issuance of shares

The statutory auditor is responsible for:

- examining the description given by the board of directors of each contribution in kind;

**Tessengerlo Group NV**

Statutory auditor's report to the extraordinary general meeting of Tessenderlo Group NV in the context of Articles 7:197 (Additional contribution in kind upon increase by means of contribution in kind within or outside the capital, as far as the contribution in kind is concerned) and 7:179 as far as the issue of shares within the framework of the aforementioned contributions in kind are concerned of the Companies' and Associations' Code (Contribution in kind)

6 September 2022

- the examination of the valuation applied and the valuation methods used for this purpose;
- the indication whether the values resulting from these methods correspond at least to the value of the contribution mentioned in the notarial deed; and
- indicating the actual consideration given in return for the contribution.

The statutory auditor is also responsible for the assessment whether the financial and accounting information contained in the report of the board of directors - which is included in the draft report of the board of directors that includes the justification of the issue price and the impact on the shareholders' property and membership rights – is fair and sufficient, in all material respects, to inform the general meeting which must vote on the proposal.

The scope of our work is substantially less than an audit conducted in accordance with the International Standards on Auditing (ISA's). Consequently, our work does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accounting and financial information.

Restriction on the use of this report

This report has only been prepared in accordance with Articles 7:197 §1 and 7:179 §1 of the Belgian Companies' and Associations' Code in the framework of the capital increase of Tessenderlo Group NV by contribution in kind and may not be used for any other purposes.

Gent, 6 September 2022

KPMG Bedrijfsrevisoren
Statutory Auditor
represented by

(signed)

Joachim Hoebeeck
Bedrijfsrevisor / Réviseur d'Entreprises (registered auditor)

Annex 2

Note on determination of the intrinsic values of Picanol and the Company and applied valuation methods

1.1.1 Justification of the Exchange ratio

For the purposes of the Exchange Offer, Tessenderlo Group NV is valued at EUR 1,752 million and Picanol (including the 15.2% shareholding in Swiss listed Rieter Holding AG - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV - and excluding the Tessenderlo Group NV shares) is valued relatively at EUR 830.6 million. To the extent Picanol holds 50.65% of Tessenderlo Group NV shares, the *pro rata* part of the valuation of Tessenderlo Group NV should then be added to the standalone valuation of Picanol for the purpose of determining the exchange ratio. Accordingly, it is the intention that each shareholder of Picanol ("**Picanol Shareholder**") will be offered the opportunity to acquire 2.36 New Shares in Tessenderlo Group NV in exchange for 1 Picanol Share.¹

The following valuation methods were used to determine the intrinsic value of Tessenderlo Group NV:

- discounting of future free operating cash flows;
- *multiples* of comparable listed companies.

The following valuation method was used to determine the intrinsic value of Picanol (including 15.2% in the Swiss listed company Rieter Holding AG - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV - and excluding Tessenderlo Group NV shares):

- discounting of future free operating cash flows.

The following valuation methods provide additional context but have not been retained for the determination of intrinsic values:

- *multiples* of comparable transactions for Tessenderlo Group NV and Picanol
- *multiples* of comparable listed companies for the valuation of Picanol (excluding Tessenderlo Group NV shares)
- historical price evolution of the prices of the Tessenderlo Group NV shares and the Picanol shares;
- recent price targets for Tessenderlo Group NV shares and Picanol shares as published by financial analysts;

(I) Valuation methods used

To the extent that the valuation methods require forward-looking information in order to be applicable to Tessenderlo Group NV and Picanol, Tessenderlo Group NV and the financial advisor of Tessenderlo Group NV have applied these generally accepted valuation methods to the long-term business plans of respectively Tessenderlo Group NV (BJ2022E-BJ2026E) and Picanol (excluding Tessenderlo Group NV shares) (BJ2022E-BJ2027E) as drawn up by the members of the management of each of the

¹ For the fraction of a share package for which no New Shares can be issued in Tessenderlo Group, a cash compensation will be provided for the Picanol shareholders involved.

aforementioned companies ("**Business Plan**"). The cash flow estimates and basic assumptions in the Business Plans of Tessengerlo Group NV and Picanol have been updated based on the most recent company-specific and market information, as communicated in the semi-annual reports for the first half of FY2022 of both companies. In what follows, the different valuation methodologies used to provide context to the relative valuations of Tessengerlo Group NV and Picanol and the conclusions drawn from them are explained.

(A) Tessengerlo Group NV

The most generally accepted valuation methods start with an estimate of the company's enterprise value ("**EV**"). This enterprise value does not yet take into account the cash and financial debts. Therefore, to arrive at the equity value of the company, the net debt position (defined as gross interest-bearing debt minus available cash and cash equivalents) must be deducted from the enterprise value. Other cash-like and debt-like items are also taken into account.

The table below shows the calculation of the net debt bridge of Tessengerlo Group NV based on the half year report of 30 June 2022.

Net debt bridge ('000 euro)	
Net financial debt	1,055
Cash and cash equivalents	337,430
Short term investments	-
Long term investments	1,164
Interest-bearing financial liabilities (excluding IFRS 16 lease liabilities)	(337,539)
Provisions	(141,774)
Environmental provisions	(108,773)
Net pension(provisions)/ assets	(12,781)
Other provisions	(20,220)
Net tax liabilities	(2,428)
Discounted deferred tax liabilities	(76,658)
Discounted deferred tax assets	74,231
Other investment and guarantees	35,374
Net financial derivatives	(17,742)
Non-controlling interests	(1,455)
Total enterprise value adjustments	(126,969)

Source: half-year report 2022 Tessengerlo Group

The discounted deferred tax assets include EUR 40.7 million of discounted deferred tax assets on unrecognised forward carried forward losses as at 31 December 2021.

The activities of the Tessengerlo group are divided into four segments, each active in a different sector, i.e. Agro, Bio-valorization, Industrial Solutions, and T-Power (as also mentioned in the annual report). Because of this business profile, Tessengerlo Group NV has opted to value Tessengerlo Group NV on the basis of the sum of the parts of the company values per division ("**Sum-of-the-Parts valuation**"). Financial figures that are not directly attributable to one of the four segments have been allocated to Out Of Division ("**OOD**"), which is also considered a reportable segment in view of the Sum-of-the-parts valuation. In what follows, the various valuation methods, the analyses and reference points that provide context for the relative valuation of Tessengerlo Group NV are explained, as well as the conclusions that result.

(i) Discounting of future free operating cash flows

The DCF valuation method aims to determine the enterprise value of the company by discounting the future free operating cash flows. The cash flows that are discounted to determine the enterprise value are the free operating cash flows. The estimated free operating cash flows of Tessengerlo Group NV are based on the Business Plan as prepared by the management of this company and approved by the board of directors thereof. The free operating cash flows are discounted to their present value using a valuation date of 30 June 2022. The discounting is done using a *weighted* average cost of capital (**WACC**).

The Business Plan was drawn up by the management of Tessengerlo Group NV on the basis of their long-term strategic vision per segment.

The Business Plan includes the following assumptions:

- For the *Agro, Bio-Valorization and Industrial Solutions* segments, as well as for the *OOD*, an explicit 4-year horizon has been taken for the estimation of the financial figures, the investment budget and the working capital (FY2022E-BY2026E), which are explicitly forecast on an annual basis. For the *T-Power* segment, an explicit 6-year horizon has been taken for the estimation of the financial figures, the investment budget and the working capital (FY2022E-BY2028E), which are explicitly forecast on an annual basis. In order to be able to base a valuation for each segment on a 10-year horizon, Tessengerlo Group NV has prepared extrapolations per segment for the years following the explicit estimation period and this on the basis of long-term expectations.
- The management of Tessengerlo Group NV expects that the turnover of FY2022E will increase with 24.8% compared to FY2021A, as a result of more favourable sales prices in the different segments. This predicted growth takes into account the elevated business expectations for FY2022E, as communicated at the publication of the first half year report of FY2022. Given an expectation that sales prices, in line with an expected decrease of raw material prices, will fall back to historical levels, the management of Tessengerlo Group NV expects a decrease in turnover of 11.3% in FY2023E, after which a year-on-year growth of 4.0% is expected for the period FY2024E-BY2026E and a year-on-year growth of 1.5% is expected for the period FY2027E-BY2031E. The *Compounded Annual Growth Rate* ("**CAGR**") over the explicit planning period (FY2023E-BY2026E) is -0.1% (compared to a CAGR of 4.5% including FY2022E). The growth rates compare to a CAGR² of 5.5% in the period FY2017A-BY2021A. The average analyst expectation of revenue CAGR over the period FY2022E-BY2024E is 2.2% (compared to an expected CAGR of 5.1% over the same period in the Business Plan). The difference between the expectation of the analysts and the management of Tessengerlo Group NV may be explained by a more detailed estimation of the growth figures, based on the most recent company-specific information and dynamics in the different markets where the Tessengerlo group is active and where the management of Tessengerlo Group NV has a more in-depth view on. Underlying the revenue projections for Tessengerlo Group NV are the following estimates

² Source: Published annual report Tessengerlo Group (net turnover FY2016: EUR 1,504.4 million; net turnover FY2021A: EUR 2,063.4 million).

per segment:

- *Agro*: The management of Tessenderlo Group NV expects sales in FY2022E to increase with 27.6% compared to FY2021A as a result of more favourable sales prices and positive exchange rate effects. Given an expectation that sales prices will fall back to historical levels, the management of Tessenderlo Group NV expects a decrease in turnover of 9,2% in FY2023E, after which a year-on-year growth of 4,4% is expected for the period FY2024E-BY2026E and a year-on-year growth of 1,9% is expected for the period FY2027E-BY2031E. The CAGR over the explicit planning period (FY2023E-BY2026E) is 0.8% (compared to a CAGR of 5.7% including FY2022E). The growth rates compare to a CAGR of 8.4% in the period FY2019A-BY2021A.
- *Bio-valorization*: The management of Tessenderlo Group NV expects sales in FY2022E to increase by 30.9% compared to FY2021A, as a result of more favourable prices for the products sold. As a result of an expectation that the prices of products sold will fall back to historical levels, the management of Tessenderlo Group NV expects a decrease in turnover of 17.4% in FY2023E, after which a year-on-year growth of 1.1% is expected for the period FY2024E-BY2026E and a year-on-year growth of 0.3% is expected for the period FY2027E-BY2031E. The CAGR over the explicit planning period (FY2023E-BY2026E) is -3.9% (compared to a CAGR of 2.3% including FY2022E). The growth rates compare to a CAGR of 8.9% in the period FY2019A-BY2021A.
- *Industrial Solutions*: The management of Tessenderlo Group NV expects sales in FY2022E to increase with 16.7% compared to FY2021A due to more favourable prices and increased production capacity within Dyka's operations for the products sold. Given an expectation that the sales prices of raw materials will fall back to historical levels, the management of Tessenderlo Group NV expects a decrease in turnover of 7.4% in FY2023E, after which a year-on-year growth of 4.0% is expected for the period FY2024E-BY2026E and a year-on-year growth of 1.9% is expected for the period FY2027E-BY2031E. The CAGR over the explicit planning period (FY2023E-BY2026E) is 1.0% (compared to a CAGR of 4.0% including FY2022E). The growth rates compare to a CAGR of 6.2% in the period FY2019A-BY2021A.
- *T-Power*: The management of Tessenderlo Group NV expects revenue in FY2022E to increase by 9.5% compared to FY2021, based on the terms of the gas-to-electricity tolling agreement with RWE Group AG ("**RWE Group**") and more favourable energy prices. With energy prices expected to fall back to historical levels, Tessenderlo Group NV's management expects a 7.8% decrease in revenue in FY2023E. In the subsequent period of FY2024E-BY2025E, the management of Tessenderlo Group NV expects a year-on-year revenue growth of 0.4%. In July 2026 the tolling agreement with RWE Group expires. Given the high uncertainty regarding the extension of this contract, management assumes that RWE Group will not exercise its option to extend the tolling agreement for another 5-years. As from July 2026, Tessenderlo Group NV itself will have to take care of the sale of the produced electricity, it is expected that the revenue in FY2026E will increase by 78.8% compared to FY2025E. Subsequently, a year-on-year growth of 2.8% is anticipated over the period FY2027E-BY2031E. The CAGR over the explicit planning period (FY2023E-BY2028E) is 11.0% (compared to a CAGR of 10.8%

including FY2022E). The growth rates compare to a CAGR of 0.1% in the period FY2020A-BY2021A (FY2019A was the first financial year in which T-Power financial figures were consolidated for a full financial year).

- *OOD*: No turnover is anticipated in the OOD segment, as was the case previously as no turnover has been recorded in this segment in the past.
- Management expects the REBITDA margin in FY2022E to decrease slightly to 16.4% vs. 17.0% in FY2021A³, mainly due to the fact that the higher margins in absolute value are offset by the strong increase in turnover following the price increases. Because of the expectation of less positive market conditions, the management of Tessengerlo Group NV expects a decrease of the REBITDA margin in FY2023E to 14.4%. In FY2024E, the management of Tessengerlo Group NV expects an increase of the REBITDA margin to 15.4%, after which the REBITDA margin will decrease steadily to a level of 14.5% in FY2026E. From FY2027E onwards, management expects the REBITDA margin to normalise around 13.1%, followed by a stable margin of 13.0% in the years over the period FY2028E-2031E. This compares to a reported REBITDA margin of 15.4% in FY2019A, 18.1% in FY2020A and 17.0% in FY2021A. The average analyst expectation⁴ of the EBITDA margin over the period 2022-2024 is 16.9% (compared to an expected average EBITDA margin of 15.4% over the same period in the Business Plan). The following estimates per segment are underlying the revenue projections for Tessengerlo Group NV:
 - *Agro*: The management of Tessengerlo Group NV expects that the REBITDA margin will decrease to 19.4% in FY2022E vs 20.7% in FY2021A. Because of the expected less favourable market conditions, the management of Tessengerlo Group NV expects that the REBITDA margin will decrease to 16,1% in FY2023E. For FY2024E, management expects an increase in the REBITDA margin to 17.1%, after which the REBITDA margin will experience a gradual growth to 18.0% in FY2026E. From FY2027E onwards, management expects the REBITDA margin to stabilise around the level of 17.2%. Resulting in a stable margin of 17.2% in the years over the period FY2027E-2031E. This compares to a reported EBITDA margin of 21.0% in FY2019A, 22.5% in FY2020A and 20.7% in FY2021A.
 - *Bio-valorization*: The management of Tessengerlo Group NV expects that the REBITDA margin will increase to 13.6% in FY2022E from 13.0% in FY2021A due to the favourable market conditions in the different end markets. Because of the expectation that the market conditions will be less favourable in 2023, the management of Tessengerlo Group NV expects that the REBITDA margin will decrease slightly to 13.4% in FY2023E. For FY2024E, management expects an increase in REBITDA margin to 14.5%, after which the REBITDA margin will steadily decrease to a stable level of 12.9% in FY 2026E. The management of Tessengerlo Group NV expects that the REBITDA margin will remain stable around 12.9% over the period FY 2026E-2031E. This compares to a

³ Figure based on the annual report FY2021A;

⁴ Source: Bloomberg - based on analysts' forecasts published for 7 July 2022 (Bank Degroof Petercam, ING Bank, KBC Securities, Kempen & Co, Kepler Cheuvreux); for KBC Securities, only the estimates for the period 2020-2021 have been included as no estimates for 2022 were provided.

reported EBITDA margin of 11.2% in FY2019A, 15.2% in FY2020A and 13.0% in FY2021A.

- *Industrials Solutions*: The management of Tessengerlo Group NV expects that the REBITDA margin will decrease to 11.9% in FY2022E vs 13.4% in FY2021A, due to higher sales prices. Because of the expectation of less positive market conditions in 2023, the management of Tessengerlo Group NV expects the REBITDA margin to decrease to 10.0% in FY2023E. For FY2024E, management expects an increase in REBITDA margin to 11.0%, after which the REBITDA margin will experience a steady increase to 11.5% in FY2026E. From FY2027E onwards, management expects REBITDA margin to decrease to a normalized level of 10.9%. The management of Tessengerlo Group NV expects that the REBITDA margin over the period FY2026E-2031E will remain constant around the level of 10.9%. This compares to a reported REBITDA margin of 9.0% in FY2019A, 11.5% in FY2020A and 13.4% in FY2021A.
 - *T-Power*: The management of Tessengerlo Group NV expects that the FY2022E REBITDA margin will experience an increase to 76.5% compared to 74.4% in FY2021, based on the agreements included in the gas-to-electricity tolling agreement with RWE Group. In the subsequent period of FY2023E-BY2025E, the management of Tessengerlo Group NV expects that the REBITDA margin will steadily decrease to 73.8%. For FY2026E, the management of Tessengerlo Group NV expects that the REBITDA margin will decrease further to 30.5%. From July 2026 the tolling agreement with RWE Group expires and management assumes that RWE Group will not exercise its option to extend the tolling agreement for another 5-years. This translates into a decrease of the REBITDA margin in FY2027E to 12.3%. The management of Tessengerlo Group NV expects the REBITDA margin over the period FY2028E-2031E to remain constant around the level of 11.5%. This compares to a reported EBITDA margin of 73.1% in FY2019A, 78.8% in FY2020A and 74.4% in FY2021A.
 - *OOD*: No turnover is expected in the OOD segment, consequently no REBITDA margins are expected. Management of Tessengerlo Group NV expects that the FY2022E negative REBITDA will increase to EUR -21.7 million vs EUR -20.9 million in FY2021A. For FY2023E, management expects the negative REBITDA to decrease to EUR -21.4 million after which it will increase steadily over the period FY2023E-BY2031E to EUR -25.1 million.
- The management of Tessengerlo Group NV expects annual capital expenditures (“**CAPEX**”) of EUR 130 million, EUR 191 million and EUR 149 million in respectively FY2022E, FY2023E and FY2024E. The higher CAPEX are for investment in a new production facility in the Agro segment, as well as for planned investments in the existing infrastructure. In FY2025E and FY2026E, management expects significantly lower CAPEX of EUR 83.5 million and EUR 84.4 million, respectively. In FY2027E-BY2031E, management anticipates a gradual increase in the CAPEX in line with revenue growth, with the investment budget gradually increasing from EUR 99.7 million in FY2027E to EUR 104.7 million in FY2031E. This compares with investments of EUR 104 million in FY2019A, EUR 100 million in FY2020A and EUR 96 million in FY2021A. The average analyst expectation of the CAPEX over the period 2022-2024 is EUR 129 million (compared to an average expected investment budget of EUR 157 million over the same period)

in the Business Plan).

- The forward-looking assumptions for working capital are mainly driven by the evolution of turnover. The management of Tessengerlo Group NV expects the working capital in FY2022E to be 22.6% of the turnover, which represents a decrease of 0.4%-point compared to FY2021A. In comparison, in FY2019A and FY2020A, working capital⁵ was 23.4% and 22.8% of sales, respectively. In FY2023E, working capital is expected to increase to 23.5% of sales. In subsequent years FY2024E-2025E, management expects working capital to increase to 23.9% of sales in both years. In the period FY2026E-2031E, working capital evolves steadily as a percentage of sales by segment, so that working capital as a percentage of sales at the group level evolves from 23.4% in FY2026E to 23.3% in the period FY2027E-BY2028E and is 23.4% over the period FY2029E-BY2031E.
- As the valuation date is 30 June 2022, Tessengerlo Group NV only includes and discounts the free operating cash flow from H2 FY2022E. This is calculated by deducting the actual free operating cash flow⁶ of H1 FY2022A from the estimated free operating cash flow for FY2022E. Based on this calculation, the management of Tessengerlo Group NV estimates a free operating cash flow of EUR 84.1 million in H2 FY2022E, being 73.9% of the free operating cash flow for the full financial year.
- The discount rate or WACC used to discount the future free operating cash flows and the terminal value ("**Terminal Value**") lies at the heart of the DCF valuation and has been determined on the basis of the CAPM (*Capital Asset Pricing Model*) method. Tessengerlo Group NV has calculated a WACC for each business segment of the Tessengerlo group, which in turn is used to discount the future free operating cash flows and Terminal Value of the related business segment. An explanation of how the various WACCs have been determined is given below, based on a description of the various parameters used for this purpose:
 - A risk-free interest rate⁷ of 1.36%, based on the long-term average interest rate on 10-year German government bonds since 28 June 2012;
 - A market risk premium⁸ of 5.50%;
 - A company-specific⁹ premium of 1.8%, for size and liquidity;
 - A country-risk premium of 0.6%¹⁰, for the listing of the share in Belgium;

⁵ Source: Published annual report Tessengerlo Group; Inventories + trade receivables - trade and other payables

⁶ Calculated as operational result (EBIT) after tax (20.2%), plus depreciation and amortisation, minus investments in (in)tangible assets and the change in net working capital for the first financial half year.

⁷ Source: Bloomberg (period from 28 June 2012 to 28 June 2022).

⁸ Source: KPMG - based on the risk premium for mature markets.

⁹ Source: Duff & Phelps international Guide to Cost of Capital (2018).

¹⁰ Source: Damodaran (2022)

- The applied normalised tax rate for the determination of the WACC as well as the calculation of the annual corporate income tax¹¹ in the Business Plan is 20.2%;
- A *target* equity ratio of 90.0%, in line with the financing structure that the management of Tessenderlo Group NV is proposing for the future;
- A *debt free* beta, also called *unlevered* beta, is determined per segment. The *debt free* beta and subsequent *levered*¹² betas per segment are determined on:
 - *Agro*: a *debt-free* beta of 0.96, based on the unlevered beta of the *diversified chemicals* industry according to Damodaran (January 2022). This gives a *levered beta* of 1.04;
 - *Bio-valorisation*: a *debt-free* beta of 0.91, based on the weighted unlevered beta of the *diversified chemicals* industry and of the *environmental & waste services* industry according to Damodaran (January 2022). This gives a *levered beta* of 0.98;
 - *Industrial Solutions*: a *debt-free* beta of 0.92, based on the weighted unlevered beta of the *diversified chemicals* industry and of the *construction supplies* industry according to Damodaran (January 2022). This gives a *levered beta* of 0.99;
 - *T-Power*: a *debt-free* beta of 0.55, based on the unlevered beta of the *power* industry according to Damodaran (January 2022). This gives a *levered beta* of 0.59.
- The cost of borrowed capital before tax is determined at 4.16%¹³. Taking into account an annual corporation tax of 20.2%, this results in a cost of outside capital after tax of 3.32%.
- The Terminal Value per segment is calculated by applying the Gordon-Shapiro methodology to the normalised free operating cash flow in FY2031E, based on the following assumptions:
 - *Agro*:
 - A terminal growth rate of 1.26%, which corresponds to the average CAGR of real GDP of the Eurozone countries over a period from 2022 to 2032¹⁴.

¹¹ Source: This tax rate is in line with the tax rate of previous years.

¹² *Levered* beta: *unlevered* beta $\times (1 + (1 - \text{normalised tax rate}) \times \text{gearing})$, where both the normalised tax rate and the *gearing* for each segment of Tessenderlo Group are equal to 20.2% and 10.0% respectively.

¹³ The cost of debt before tax: risk-free interest rate + difference (*spread*) between i) the implicit yield to maturity on the outstanding bond of Tessenderlo Group NV at maturity date 15/07/2025 and ii) the risk-free interest rate on the same period of German government bonds. The *spread* was 2.80% on 30 June 2022.

¹⁴ Source: OECD (2022), Real GDP long-term forecast (indicator).

However, Tessenderlo Group NV does not expect the fertiliser sector to grow significantly faster than the GDP of the Eurozone;

- The above assumptions regarding margins, capital expenditures, working capital and taxes;
 - The adjusted¹⁵ free operating cash flow in FY2031E of EUR 113.9 million;
 - The Terminal Value as a percentage of the enterprise value is 54.8%.
- *Bio-valorization:*
- A terminal growth rate of 0.75%, which corresponds to a growth rate that is approximately 0.5 percentage points lower than the average CAGR of the real GDP of the Eurozone countries over a period from 2022 to 2032. This is because Tessenderlo Group NV expects that the Bio-valorization will experience a slowdown in growth compared to GDP growth of the Eurozone;
 - The above assumptions regarding margins, capital expenditures, working capital and taxes;
 - The adjusted free operating cash flow in FY2031E of EUR 37.4 million;
 - The Terminal Value as a percentage of the enterprise value is 51.2%.
- *Industrial Solutions:*
- A terminal growth rate of 1.26%, which corresponds to the average CAGR of real GDP of the Eurozone countries over a period from 2022 to 2032. However, Tessenderlo Group NV does not expect the building materials sector to grow significantly faster than the GDP of the Eurozone;
 - The above assumptions regarding margins, capital expenditures, working capital and taxes;
 - The adjusted free operating cash flow in FY2031E of EUR 40.2 million;
 - The Terminal Value as a percentage of the enterprise value is 51.8%.
- *T-Power:*
- Tessenderlo Group NV assesses that, given recent developments in the European energy market, in particular due to the advance of renewable energy production, the Terminal Value of the T-Power segment is highly

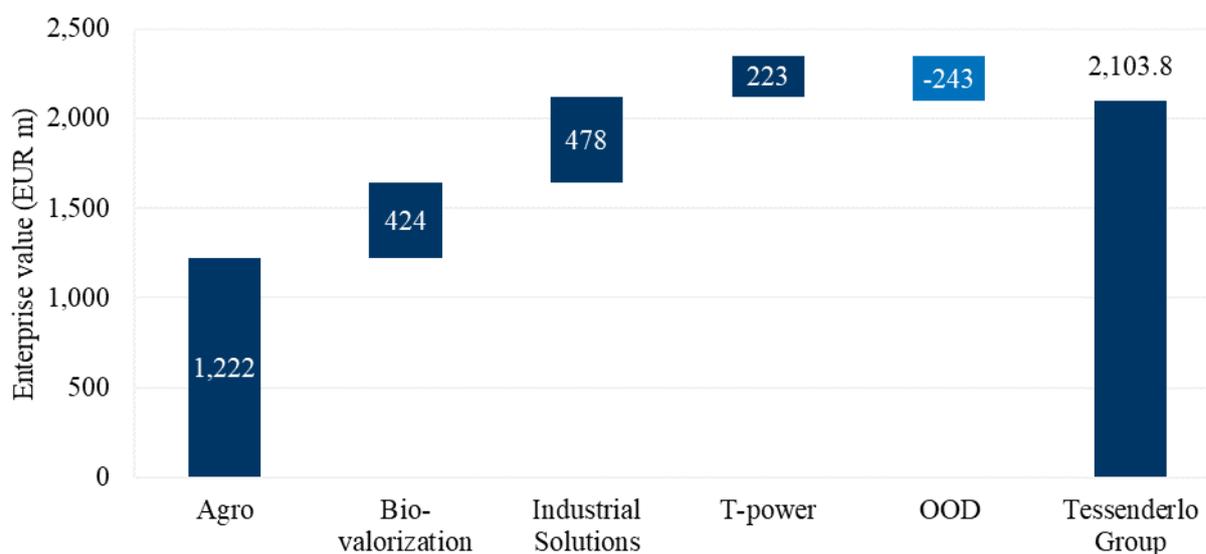
¹⁵ The free operating cash flow in FY2030E was adjusted so that the investment budget is equal to the depreciation and amortisation for the calculation of the Terminal Value. This leads to an increase in the free operating cash flow of EUR 2.2 million.

uncertain. In addition, as announced in its press release of November 3, 2021, Tessenderlo Group NV has not obtained a permit from the Flemish Minister of Justice and Enforcement, Environment, Energy and Tourism for the construction of a new gas plant in Tessenderlo (T-Power II). The combination of both factors leads to the fact that for Tessenderlo Group NV no terminal value is allocated to the T-Power segment.

- *OOD*:
 - A terminal growth rate of 1.00%. This is because Tessenderlo Group NV does not expect OOD to grow at the rate of Eurozone GDP;
 - The above assumptions regarding margins, capital expenditures, working capital and taxes;
 - The adjusted free operating cash flow in FY2031E of EUR -22.2 million;
 - The Terminal Value as a percentage of the enterprise value is 55.2%.

Based on these assumptions, the DCF valuation results in an enterprise value of Tessenderlo Group NV of EUR 2,103.8 million. Since Tessenderlo Group NV applied a *sum-of-the-parts* methodology for the DCF method, the enterprise value of Tessenderlo Group NV is determined as the sum of the enterprise values of all segments. The following graph shows the enterprise value for all segments of the Tessenderlo group, of which the sum represents the total Enterprise Value of Tessenderlo Group NV based on the DCF method.

Enterprise value based on the sum-of-the-parts DCF analysis:



After deducting the net debt position as at 30 June 2022 of EUR 127.0 million (see table "net debt bridge"), this results in an equity value of EUR 1,976.8 million. Based on a total number of shares of

43,154,979, including the company's own¹⁶ shares, this leads to an intrinsic value of EUR 45.81 per Share.

The table below shows the sensitivity of the enterprise value, and thus the value per share of Tessengerlo Group NV by varying the WACC by 0.50% and the terminal growth rate by 0.25%:

Sensitivity analysis of equity value (WACC; terminal growth rate):

		Δ terminal growth rate (%)				
		-0.50%	-0.25%	0%	0.25%	0.50%
Δ WACC	-1.00%	2,189.8	2,234.6	2,282.8	2,334.8	2,390.9
	-0.50%	2,042.4	2,079.5	2,119.3	2,161.9	2,207.7
	0.00%	1,912.7	1,943.7	1,976.8	2,012.1	2,049.9
	0.50%	1,797.6	1,823.8	1,851.6	1,881.1	1,912.6
	1.00%	1,694.9	1,717.1	1,740.6	1,765.5	1,791.9

Sensitivity analysis value per Tessengerlo Group NV share (WACC; terminal growth rate):

		Δ terminal growth rate (%)				
		-0.50%	-0.25%	0%	0.25%	0.50%
Δ WACC	-1.00%	50.74	51.78	52.90	54.10	55.40
	-0.50%	47.33	48.19	49.11	50.10	51.16
	0.00%	44.32	45.04	45.81	46.63	47.50
	0.50%	41.66	42.26	42.91	43.59	44.32
	1.00%	39.28	39.79	40.33	40.91	41.52

The sensitivity analysis based on a variation of the WACC between -1% and +1% compared to the WACC used per segment and a steady growth rate per segment which is either 0.50% lower or 0.50% higher, results in an equity value for Tessengerlo Group NV ranging from EUR 1,694.9 million to EUR 2,390.9 million. This corresponds to a valuation range for the Tessengerlo Group NV share of 39.28 EUR to 55.40 EUR.

The table below shows the sensitivity of the value per Tessengerlo Group NV share by varying the EBITDA margin by 0.50% and the revenue growth rate by 0.25% over the planning period:

¹⁶ Tessengerlo Group NV holds 31,503 own shares.

Equity value sensitivity analysis (REBITDA%; Revenue Growth%):

		Δ REBITDA %				
		-1.00%	-0.50%	0%	0.50%	1.00%
Δ Revenue growth	-0.50%	1,700.4	1,822.9	1,945.4	2,067.9	2,190.3
	-0.25%	1,711.9	1,836.6	1,961.3	2,085.9	2,210.6
	0.00%	1,723.0	1,849.9	1,976.8	2,103.7	2,230.6
	0.25%	1,733.8	1,862.9	1,992.1	2,121.2	2,250.4
	0.50%	1,744.1	1,875.5	2,007.0	2,138.5	2,269.9

Sensitivity analysis value per Tessenderlo Group NV share (REBITDA%; Revenue growth%):

		Δ REBITDA %				
		-1.00%	-0.50%	0%	0.50%	1.00%
Δ Revenue growth	-0.50%	39.40	42.24	45.08	47.92	50.76
	-0.25%	39.67	42.56	45.45	48.34	51.22
	0.00%	39.93	42.87	45.81	48.75	51.69
	0.25%	40.18	43.17	46.16	49.15	52.15
	0.50%	40.41	43.46	46.51	49.55	52.60

The sensitivity analysis based on a delta in the REBITDA margin (from -1.00% to +1.00%) and a delta in the growth rate (from -0.50% to + 0.5%) results in an equity value for Tessenderlo Group NV of EUR 1,700.4 million to EUR 2,269.9 million, and a corresponding range for the Tessenderlo Group NV share of 39.40 EUR to 52.60 EUR.

(ii) Multiples of comparable listed companies

The analysis and application of *multiples* of comparable listed companies (the **Reference Group**) is a method of relative valuation that can be used as an alternative to justify the Exchange Ratio.

Multiples of comparable listed companies are determined based on historical financial data, consensus financial projections¹⁷ as prepared by equity analysts and the share prices of the comparable listed companies. The *multiples* are calculated based on the financial data in the local currency to avoid any exchange rate effects.

For the valuation of the Tessenderlo group's *Agro* and *Industrial Solutions* segments, Tessenderlo Group NV has taken into account the *multiples* of selected Reference Groups which consist of companies active in respectively the *fertilizer* industry for the *Agro* segment, and *basic chemicals* and *building materials* industries for the *Industrial Solutions* segment. The companies in the Reference Groups carry out business activities that are comparable to the business activities of the Tessenderlo group's *Agro* and *Industrial Solutions* segments. Tessenderlo Group NV does not use the valuation method of *multiples* of comparable listed companies for the Tessenderlo group's *Bio-valorization* and *T-Power* segments.

¹⁷ The consensus financial projections are based on source data from Refinitiv. These consensus projections might show differences depending on the database used.

Not withholding the *multiples* of comparable listed companies for the *Bio-valorization* and *T-Power* segments is motivated by the following considerations:

- the Reference Group of the *Bio-valorization* segment consists of only two companies with activities in *processing animal by-products*. In addition, these companies operate in different geographies and have a different financial profile in terms of revenue growth and profitability in comparison to the *Bio-valorization* segment of the Tessengerlo group;
- Tessengerlo Group NV is of the opinion that the application of Reference Group *multiples* for the valuation of the Tessengerlo group's *T-Power* segment is limited because, as described above, the financial results of Tessengerlo group's *T-Power* segment after the expiry of the existing power purchase agreements are highly uncertain. The Reference Group for Tessengerlo group's *T-Power* segment consists of European companies active in the *energy production industry*.

However, the following important considerations must be taken into account when applying this method:

- When composing a reference group of comparable listed companies, it should be noted that companies are never perfectly comparable with regard to activities, size, profitability, growth potential and geographical presence. Moreover, composing a reference group of comparable listed companies is a trade-off between obtaining a sufficiently broad reference group and the comparability of each individual company in that reference group with the company to be valued. Moreover, comparable companies may currently be affected in a different way by market conditions, such as movements in raw material prices or geopolitical impact on operations;
- The *multiples* of comparable companies apply to independent companies that are listed and traded on stock exchanges. They therefore do not include any strategic or control premium that may be paid by another company when acquiring these companies; and
- the liquidity in the shares of the Reference Group is significantly higher compared to the liquidity in the shares of Tessengerlo.

Below is a brief description¹⁸ of the selected companies in the Reference Groups. These companies were divided into four categories according to the business segments of the Tessengerlo group, being *Agro*, *Industrials Solutions*, *Bio-valorization* and *T-Power*.

Agro

- Compass Minerals International, Inc. (CMI) is a supplier of essential minerals, including salt (80% of sales) for winter road safety and other consumer and industrial applications and specialty chemicals for water treatment and other industrial processes (19% of sales). The

¹⁸ Descriptions are based on public information available on the website and in the annual reports

company operates 16 production and packaging facilities in the United States, Canada, Brazil and the United Kingdom. The company is headquartered in the United States.

- K&S AG is a salt producer and potash supplier. The company operates in three segments: salt (~50% of turnover), potash and magnesium (~50% of turnover) and complementary activities. The ancillary business segment bundles recycling activities, waste disposal and reuse in potash and rock salt mines and CATSAN and THOMAS granulation, as well as logistics services through K+S Transport GmbH and trading in various basic chemicals through Chemische Fabrik Kalk GmbH. The company is headquartered in Germany.
- American Vanguard Corporation (AVD) is a holding company. The company is primarily a specialty chemicals manufacturer that develops and markets products for agricultural use (86% of sales), commercial use and consumer use (14% of sales). The company produces and formulates chemicals for the protection of crops, people and animals. The company is headquartered in the United States.
- Nutrien Ltd is a company that provides crop inputs and services. The company operates in four segments: Retail Ag Solutions (Retail) (64% of sales), Potash (16% of sales), Nitrogen (19% of sales) and Phosphate (8% of sales) (partly intra-group). The retail segment distributes crop nutrients, crop protection products, seeds and commodities and provides services directly to growers through a network of agricultural centres in North America, South America and Australia. The company also operates about 16 nitrogen plants in Canada, Trinidad and the United States. The company is headquartered in Canada.
- CF Industries Holdings, Inc. is a manufacturer of hydrogen and nitrogen products for clean energy, fertiliser, emission reduction and other industrial applications. The company operates nitrogen production complexes in the United States, Canada and the United Kingdom. Its segments include ammonia (27% of sales), granular urea (29% of sales), urea ammonium nitrate (27% of sales), ammonium nitrate (7.8% of sales) and others (8.8% of sales). The company is headquartered in the United States.
- Bayer AG is a life science company. The company's segments are Pharmaceuticals (37% of sales), Consumer Health (13% of sales) and Crop Protection (49% of sales). The company is headquartered in Germany.
- Yara International ASA is an international company engaged in the production, distribution and sale of mineral nitrogen fertilizers and related industrial products. The company operates through six segments: Europe (29% of sales), Americas (43% of sales), Africa & Asia (19% of sales), Global Plants & Operational Excellence (17% of sales) (including intra-group sales). The company is headquartered in Norway.
- The Mosaic Company is a manufacturer and marketer of concentrated phosphate and potassium crop nutrients. Its segments include Phosphates (40% of sales), Potash (21% of sales) and Mosaic Fertilizantes (41% of sales). The company is headquartered in the United States.

- Sesoda Corporation is a company primarily engaged in the manufacture and sale of chemical products (63% of turnover). It manufactures, inter alia, potassium sulphate, hydrochloric acid and liquid calcium chloride. Other activities of the company include trading of chemical products (36% of turnover), manufacture and sale of optical coating films, maritime transport and catering business. The company is active in the domestic and overseas markets. The company is headquartered in Taiwan.
- Sociedad Quimica y Minera de Chile S.A. (SQM), is a producer of potassium nitrate and iodine. The company produces specialty plant nutrients, iodine derivatives, lithium and its derivatives, potassium chloride, potassium sulphate and certain industrial chemicals. Its segments include specialty plant nutrients, industrial chemicals, iodine and its derivatives, lithium and its derivatives, potassium, and other products and services. The company is headquartered in Chile.
- OCI NV is a producer and distributor of natural gas-based fertilisers and industrial chemicals. Its portfolio of nitrogen fertilisers and industrial chemicals includes liquid and gaseous ammonia, granulated urea, urea ammonium nitrate, calcium ammonium nitrate, methanol and melamine. It also distributes crystalline and granular ammonium sulphate. The company's distribution network spans North and South America, Europe, Asia, Africa and Australia. The company's headquarters are in the Netherlands.
- ICL Group Ltd, formerly known as Israel Chemicals Ltd, is a company active in the fertiliser and specialty chemicals sectors. The company operates in three segments: fertilisers, industrial products, and performance products. The fertiliser segment (63% of revenue) is engaged in the production of standard, granular, fine red and white potash from various sources. The industrial products segment (23% of revenue) produces flame retardants, such as brominates and organic phosphorus, elemental bromine, and other chemicals. The performance products segment (18% of sales) produces specialty phosphates, as well as alumina and other chemicals. The company is headquartered in Israel.

Industrial Solutions

- Orbia Advance Corporation SAB de CV, formerly Mexichem SAB de CV, is a company active in the industrial sector. The company's activities are divided into five business groups: Precision Agriculture (37% of sales), Construction & Infrastructure, Fluor (8.5% of sales), Data Communications and Polymer Solutions (39% of sales). The Precision Agriculture division includes the Netafim brand, which develops irrigation systems and related services, and offers technology for the digitalisation of agriculture. The company is headquartered in Mexico.
- Uponor Oyj is a supplier of plumbing and heating systems. The company's offering consists of three segments: Building Solutions Europe, Building Solutions North America (together 79% of sales) and Infrastructure Solutions (22% of sales). The Building Solutions segments primarily offer indoor climate and sanitary solutions for residential and commercial buildings. The Building Solutions customers are mainly heating, ventilation and air conditioning (HVAC) installers and construction companies. Infrastructure Solutions' activities are located in the Nordic and Baltic countries. The company's head office is in Finland.

- Kemira Oyj is a company that provides sustainable chemical solutions for water-intensive industries. The company's focus is on pulp & paper (58% of sales), water treatment and oil & gas (42% of sales). Kemira's operations are organised into two customer-focused segments: Pulp & Paper and Industry & Water. The company has more than 60 production sites worldwide. The company's head office is located in Finland.
- Georg Fischer AG is a company engaged in the development of systems for industrial applications. The company operates through three business segments: GF Piping Systems (53% of sales), GF Casting Solutions (24% of sales), and GF Machining Solutions (23% of sales). The company is headquartered in Switzerland.
- Geberit AG is a supplier of sanitary products and systems for the residential, commercial, new build and renovation markets. The company sells products under the Geberit brand name and operates in three segments: sanitary systems (38% of revenue), pipe systems (30% of revenue) and ceramics (31% of revenue). The company has around 40 production sites and operates through subsidiaries in more than 40 countries. The company's headquarters are in Switzerland.
- Genuit Group PLC is a company engaged in providing sustainable water and climate management solutions for the built environment. The company provides pipe systems for the residential (64% of revenue), commercial, civil and infrastructure sectors (39% of revenue). The company also designs and manufactures energy solutions in water-based heating systems in the UK. The company focuses primarily on the building and construction market in the UK and Europe, with a presence in Italy, the Netherlands, Ireland and the Middle East. The company is headquartered in the United Kingdom.
- Wienerberger AG is an international building materials company. The Company is the parent company of a building materials group whose business activities are divided into six segments: North America (13% of sales), Wienerberger building solutions (58% of sales), Wienerberger pipe solutions (29% of sales). The Clay Building Materials Europe division includes activities in the areas of clay bricks, facing bricks and roof tiles. The Holding & Others division comprises the brick and miscellaneous business. The company is headquartered in Austria.
- BASF SE is a chemical company. It operates through six segments, namely Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. The company is headquartered in Germany.
- Arkema SA is a chemical producer, supplying specialty chemicals and advanced materials. The company manufactures a range of products for industries. The company operates through three business segments: High Performance Materials (32% of sales), Adhesive solutions (24% of sales), Coating solutions (29% of sales) and Intermediates (14% of sales). The company has production centres in Europe, North America and Asia. It operates through a network of subsidiaries, such as XL Brands. The company's headquarters are in France.

Bio-valorisation

- Darling Ingredients Inc. is a developer and producer of sustainable natural ingredients of edible (27% of sales) and non-edible bio-nutrients, creating ingredients and customised specialty solutions for customers in the food, feed (64% of sales), fuel, bioenergy and fertiliser industries (9% of sales). The company is headquartered in the United States.
- Nitta Gelatin Inc is a company primarily engaged in the collagen business. The collagen business segment (79% of revenue) and formula solutions (26% of revenue) has three sales categories. The company provides products and services in Japan, India, Asia, the US, Canada and other countries. The company is headquartered in Japan.

T-Power

- Electricite de France SA (EDF SA) is an electricity producer, seller and distributor. It generates energy using nuclear technology as well as thermal, hydroelectric and other renewable sources. It is engaged in the generation of energy and the sale of energy to industries, local authorities and individuals. The group is present in France, Belgium, the United States, Poland, Italy, China, Vietnam and other countries worldwide. The company's headquarters are in France.
- Engie SA is a global energy and services group. It operates through four business segments: Client Solutions, Renewables, Thermal and Networks. The company is headquartered in France.
- Enel SpA is a multinational energy company and an integrated player in the global electricity, gas and renewable energy markets. The company operates in Europe and is present in more than 30 countries, where it produces energy with over 86 gigawatts (GW) of installed capacity. The company's headquarters are in Italy.
- Italgas SpA is a company active in the distribution of natural gas. It operates a national distribution network of approximately 70,000 kilometres serving more than 7.5 million customers. Its services include network monitoring, maintenance and digitalisation and consumption measurement. The company operates locally. The company's headquarters are in Italy.

Tessengerlo Group NV considers EV/EBITDA and EV/EBIT to be the most relevant valuation measures for public valuation purposes because they are generally accepted valuation measures in financial markets.

In the analysis, Tessenderlo Group NV shows the multiples for 2022 and 2023 and applies the multiples to the EBITDA and EBIT figures per division in the Business Plan of Tessenderlo Group, respectively for the years 2022 and 2023. The year 2021 has not been retained as these figures do not incorporate the impact of recent market developments such as changes in raw material prices, but these are reflected in the share prices.

Tessengerlo Group NV has defined the EV for the companies in the Reference Group as market capitalisation plus net debt. Net debt includes financial debts (including lease obligations), cash, the value of minority and preference shares, the value of provisions, pension obligations, net tax debts,

derivatives and shareholdings in associated companies. Enterprise value is calculated for each company based on the latest available financial data as at 30 June 2022.

Trading multiples EV/EBITDA of the Reference Groups and calculation of intrinsic values

Company	Country	Year-end	Market capitalisation (local currency in million)	Enterprise value (local currency in million)	CAGR revenue	Revenue (local currency in million)			EBITDA margin (%)			EV/EBITDA		
						21 - '23	2021	2022	2023	2021	2022	2023	2021	2022
Withheld														
Agro														
Compass Minerals International Inc	United States	30 September	1,250	2,127	22.7%	837	1,213	1,260	21.0%	15.2%	20.6%	12.1x	11.5x	8.2x
K&S AG	Germany	31 December	4,785	5,164	22.8%	3,213	5,231	4,842	30.2%	45.0%	37.7%	5.3x	2.2x	2.8x
American Vanguard Corp	United States	31 December	674	754	10.1%	557	626	675	9.5%	12.0%	12.5%	14.2x	10.1x	9.0x
Nutrien Ltd	Canada	31 December	43,904	59,152	15.2%	26,861	39,699	35,623	26.5%	38.0%	34.3%	8.3x	3.9x	4.8x
CF Industries Holdings Inc	United States	31 December	18,926	22,522	19.1%	6,538	11,823	9,270	42.0%	53.8%	46.3%	8.2x	3.5x	5.2x
Bayer AG	Germany	31 December	60,085	95,492	5.4%	44,081	47,660	48,985	25.4%	26.4%	27.2%	8.5x	7.6x	7.2x
Yara International ASA	Norway	31 December	10,653	14,090	8.3%	16,617	23,036	19,489	17.4%	18.6%	16.9%	5.2x	3.5x	4.6x
Mosaic Co	United States	31 December	18,672	22,400	20.3%	12,357	21,890	17,872	29.0%	35.9%	33.3%	6.2x	2.8x	3.8x
Sesoda Corp	Taiwan	31 December	11,952	14,957	n.a.	4,795	n.a.	n.a.	26.8%	n.a.	n.a.	11.6x	n.a.	n.a.
Sociedad Quimica y Minera de Chile SA	Chile	31 December	25,145	24,236	n.a.	2,862	n.a.	n.a.	41.6%	n.a.	n.a.	20.4x	n.a.	n.a.
OCI NV	The Netherlands	31 December	7,310	10,582	6.4%	6,319	9,067	7,148	40.0%	42.7%	36.2%	4.2x	2.7x	4.1x
ICL Group Ltd	Israel	31 December	12,779	15,411	18.8%	6,955	10,538	9,811	23.6%	37.0%	30.7%	9.4x	4.0x	5.1x
Agro		Average	18,011	23,907	14.9%	10,999	17,078	15,498	27.7%	32.5%	29.6%	9.5x	5.2x	5.5x
		Median	12,366	15,184	17.0%	6,428	11,181	9,541	26.7%	36.5%	32.0%	8.4x	3.7x	5.0x
Industrial Solutions														
Orbia Advance Corporation SAB de CV	Mexico	31 December	4,683	9,030	(1.0%)	8,783	8,645	8,616	23.3%	20.2%	19.0%	4.4x	5.2x	5.5x
Uponor Oyj	Finland	31 December	966	1,118	3.9%	1,313	1,416	1,418	15.5%	15.3%	15.2%	5.5x	5.2x	5.2x
Kemira Oyj	Finland	31 December	1,791	2,706	6.6%	2,674	3,048	3,039	15.9%	14.4%	14.5%	6.4x	6.1x	6.1x
Georg Fischer AG	Switzerland	31 December	3,886	3,965	4.2%	3,722	3,868	4,041	11.1%	12.0%	12.7%	9.6x	8.5x	7.7x
Geberit AG	Switzerland	31 December	16,337	16,610	3.9%	3,461	3,636	3,734	30.9%	28.7%	29.3%	15.5x	15.9x	15.2x
Genuit Group PLC	United Kingdom	31 December	947	1,113	6.1%	594	642	669	19.9%	21.0%	21.4%	9.4x	8.2x	7.8x
Wienerberger AG	Austria	31 December	2,311	3,563	8.6%	3,971	4,638	4,686	17.5%	17.0%	16.9%	5.1x	4.5x	4.5x
BASF SE	Germany	31 December	38,346	55,871	2.3%	78,598	83,880	82,234	14.4%	12.7%	12.8%	4.9x	5.2x	5.3x
Arkema SA	France	31 December	6,368	8,385	4.4%	9,519	10,475	10,384	18.1%	17.3%	16.4%	4.9x	4.6x	4.9x
Industrial Solutions		Average	8,404	11,373	4.3%	12,515	13,361	13,202	18.5%	17.6%	17.6%	7.3x	7.1x	6.9x
		Median	3,886	3,965	4.2%	3,722	3,868	4,041	17.5%	17.0%	16.4%	5.5x	5.2x	5.5x
Not withheld														
Bio-valorization														
Darling Ingredients Inc	United States	01 January	11,102	12,787	13.6%	4,741	5,772	6,120	17.9%	27.2%	31.2%	15.0x	8.1x	6.7x
Nitta Gelatin Inc	Japan	31 March	11,263	19,019	10.1%	31,783	36,200	38,500	9.4%	9.5%	10.1%	6.4x	5.5x	4.9x
Bio-valorization		Average	11,183	15,903	11.8%	18,262	20,986	22,310	13.7%	18.4%	20.7%	10.7x	6.8x	5.8x
		Median	11,183	15,903	11.8%	18,262	20,986	22,310	13.7%	18.4%	20.7%	10.7x	6.8x	5.8x
T-power														
Electricité de France SA	France	31 December	31,010	69,001	(0.5%)	84,461	80,231	83,643	21.3%	17.0%	23.4%	3.8x	5.1x	3.5x
Engie SA	France	31 December	27,913	57,734	3.0%	57,866	61,744	61,431	18.3%	18.6%	18.7%	5.5x	5.0x	5.0x
Enel SpA	Italy	31 December	55,561	96,319	2.3%	84,104	90,366	88,001	22.8%	21.3%	23.1%	5.0x	5.0x	4.7x
Italgas SpA	Italy	31 December	4,327	9,558	7.2%	1,371	1,426	1,577	73.6%	72.4%	72.5%	9.5x	9.3x	8.4x
T-power		Average	29,703	58,153	3.0%	56,950	58,442	58,663	34.0%	32.3%	34.4%	5.9x	6.1x	5.4x
		Median	29,461	63,367	2.7%	70,985	70,987	72,537	22.1%	20.0%	23.3%	5.2x	5.0x	4.9x

Tessengerlo Group	Financial projections - Business Plan									
	2022B					2023B				
	<i>Agro</i>	<i>Industrial Solutions</i>	<i>Bio-valorization</i>	<i>T-power</i>	<i>OOD</i>	<i>Agro</i>	<i>Industrial Solutions</i>	<i>Bio-valorization</i>	<i>T-power</i>	<i>OOD</i>
EUR million										
EBITDA	188.5	86.1	112.9	59.7	-21.7	141.8	67.1	91.6	53.4	-21.4
x EV/EBITDA multiple	3.7x	5.2x	6.8x	5.0x	4.7x	5.0x	5.5x	5.8x	4.9x	5.3x
Enterprise value by segment	703.0	450.2	770.8	300.7	-101.5	705.4	369.2	529.4	260.5	-113.1
- Net debt bridge						-181.0				
Intrinsic value Messengerlo Group			1,942.2					1,570.4		
/Outstanding shares (#m)						43.2				
Implied share price (EUR)			45.00					36.39		
Relative valuation % premium			-9.8%					11.5%		

Trading multiples EV/EBIT of the Reference Groups and calculation of intrinsic values:

Company	Country	Year-end	Market capitalisation (local currency in million)	Enterprise value (local currency in million)	CAGR revenue	Revenue (local currency in million)			EBIT margin (%)			EV/EBIT		
						21 - '23	2021	2022	2023	2021	2022	2023	2021	2022
Withheld														
Agro														
Compass Minerals International Inc	United States	30 September	1,250	2,127	22.7%	837	1,213	1,260	9.4%	6.2%	11.6%	26.9x	28.2x	14.6x
K&S AG	Germany	31 December	4,785	5,164	22.8%	3,213	5,231	4,842	75.3%	38.6%	36.3%	2.1x	2.6x	2.9x
American Vanguard Corp	United States	31 December	674	754	10.1%	557	626	675	5.5%	7.8%	8.5%	24.5x	15.4x	13.1x
Nutrien Ltd	Canada	31 December	43,904	59,152	15.2%	26,861	39,699	35,623	19.3%	32.4%	28.2%	11.4x	4.6x	5.9x
CF Industries Holdings Inc	United States	31 December	18,926	22,522	19.1%	6,538	11,823	9,270	26.4%	50.2%	39.6%	13.0x	3.8x	6.1x
Bayer AG	Germany	31 December	60,085	95,492	5.4%	44,081	47,660	48,985	16.5%	17.9%	19.5%	13.1x	11.2x	10.0x
Yara International ASA	Norway	31 December	10,653	14,090	8.3%	16,617	23,036	19,489	11.5%	14.1%	10.4%	7.9x	4.6x	7.4x
Mosaic Co	United States	31 December	18,672	22,400	20.3%	12,357	21,890	17,872	22.4%	31.9%	27.6%	8.1x	3.2x	4.5x
Sesoda Corp	Taiwan	31 December	11,952	14,957	n.a.	4,795	n.a.	n.a.	17.0%	n.a.	n.a.	18.4x	n.a.	n.a.
Sociedad Quimica y Minera de Chile SA	Chile	31 December	25,145	24,236	n.a.	2,862	n.a.	n.a.	32.4%	n.a.	n.a.	26.1x	n.a.	n.a.
OCI NV	The Netherlands	31 December	7,310	10,582	6.4%	6,319	9,067	7,148	25.9%	37.1%	27.0%	6.5x	3.1x	5.5x
ICL Group Ltd	Israel	31 December	12,779	15,411	18.8%	6,955	10,538	9,811	17.2%	32.3%	25.6%	12.9x	4.5x	6.1x
Agro		Average	18,011	23,907	14.9%	10,999	17,078	15,498	23.2%	26.9%	23.4%	14.3x	8.1x	7.6x
		Median	12,366	15,184	17.0%	6,428	11,181	9,541	18.2%	32.1%	26.3%	13.0x	4.6x	6.1x
Industrial Solutions														
Orbia Advance Corporation SAB de CV	Mexico	31 December	4,683	9,030	(1.0%)	8,783	8,645	8,616	16.5%	14.1%	12.8%	6.2x	7.4x	8.2x
Uponor Oyj	Finland	31 December	966	1,118	3.9%	1,313	1,416	1,418	11.7%	11.5%	11.4%	7.3x	6.9x	6.9x
Kemira Oyj	Finland	31 December	1,791	2,706	6.6%	2,674	3,048	3,039	8.4%	7.8%	7.8%	12.0x	11.4x	11.4x
Georg Fischer AG	Switzerland	31 December	3,886	3,965	4.2%	3,722	3,868	4,041	7.5%	8.5%	9.4%	14.3x	12.1x	10.5x
Geberit AG	Switzerland	31 December	16,337	16,610	3.9%	3,461	3,636	3,734	26.1%	24.2%	24.8%	18.4x	18.9x	17.9x
Genuit Group PLC	United Kingdom	31 December	947	1,113	6.1%	594	642	669	16.0%	16.2%	16.7%	11.7x	10.7x	9.9x
Wienerberger AG	Austria	31 December	2,311	3,563	8.6%	3,971	4,638	4,686	10.9%	10.7%	10.5%	8.3x	7.2x	7.2x
BASF SE	Germany	31 December	38,346	55,871	2.3%	78,598	83,880	82,234	9.9%	8.1%	8.0%	7.2x	8.2x	8.5x
Arkema SA	France	31 December	6,368	8,385	4.4%	9,519	10,475	10,384	12.4%	11.5%	10.5%	7.1x	7.0x	7.7x
Industrial Solutions		Average	8,404	11,373	4.3%	12,515	13,361	13,202	13.3%	12.5%	12.4%	10.3x	10.0x	9.8x
		Median	3,886	3,965	4.2%	3,722	3,868	4,041	11.7%	11.5%	10.5%	8.3x	8.2x	8.5x
Not withheld														
Bio-valorization														
Darling Ingredients Inc	United States	01 January	11,102	12,787	13.6%	4,741	5,772	6,120	11.3%	18.2%	22.3%	23.9x	12.2x	9.4x
Nitta Gelatin Inc	Japan	31 March	11,263	19,019	10.1%	31,783	36,200	38,500	4.7%	4.7%	4.9%	12.7x	11.2x	10.0x
Bio-valorization		Average	11,183	15,903	11.8%	18,262	20,986	22,310	8.0%	11.5%	13.6%	18.3x	11.7x	9.7x
		Median	11,183	15,903	11.8%	18,262	20,986	22,310	8.0%	11.5%	13.6%	18.3x	11.7x	9.7x
T-power														
Electricité de France SA	France	31 December	31,010	69,001	(0.5%)	84,461	80,231	83,643	6.2%	7.9%	9.4%	13.2x	10.8x	8.8x
Engie SA	France	31 December	27,913	57,734	3.0%	57,866	61,744	61,431	11.3%	11.2%	10.9%	8.9x	8.3x	8.6x
Enel SpA	Italy	31 December	55,561	96,319	2.3%	84,104	90,366	88,001	7.6%	13.3%	14.6%	15.1x	8.0x	7.5x
Italgas SpA	Italy	31 December	4,327	9,558	7.2%	1,371	1,426	1,577	42.5%	40.6%	41.4%	16.4x	16.5x	14.7x
T-power		Average	29,703	58,153	3.0%	56,950	58,442	58,663	16.9%	18.3%	19.1%	13.4x	10.9x	9.9x
		Median	29,461	63,367	2.7%	70,985	70,987	72,537	9.4%	12.3%	12.8%	14.2x	9.6x	8.7x

Tessenderlo Group	Financial projections - Business Plan									
	2022B					2023B				
EUR million	<i>Agro</i>	<i>Industrial Solutions</i>	<i>Bio-valorization</i>	<i>T-power</i>	<i>OOD</i>	<i>Agro</i>	<i>Industrial Solutions</i>	<i>Bio-valorization</i>	<i>T-power</i>	<i>OOD</i>
EBITDA	155.6	58.7	78.5	21.8	-23.8	108.1	37.5	55.6	14.6	-23.3
x EV/EBITDA multiple	4.6x	8.2x	11.7x	9.6x	6.9x	6.1x	8.5x	9.7x	8.7x	7.7x
Enterprise value by segment	710.7	481.4	916.1	208.7	-164.9	663.6	319.7	538.6	126.9	-178.2
- Net debt bridge						-181.0				
Intrinsic value Tessenderlo Group			1,971.0					1,289.6		
/Outstanding shares (#m)						43.2				
Implied share price (EUR)			45.67					29.88		
Relative valuation % premium			-11.1%					35.8%		

The above tables show the EV/EBITDA and EV/EBIT *multiples* of the Reference Groups based on the estimated figures for FY2022E and FY2023E. The *multiples* are calculated based on the financial data in local currency to avoid any currency exchange rate impact¹⁹.

The median EV/EBITDA and EV/EBIT *multiples* were calculated for the businesses within the *Agro, Bio-valorization, Industrial Solutions* and *T-Power* segments for 2022 and 2023 and subsequently applied to the projected EBITDA and EBIT figures (based on the Business Plan) of the corresponding segments of the Tessenderlo group for respectively FY2022E and FY2023E. For the calculation of the implied share price based on the *multiples*, the part of the EBITDA and EBIT figures not attributable to a division was multiplied by the weighted average in terms of sales FY2021A of the respective EBITDA and EBIT *multiples* of all companies in the Reference Groups.

Withheld:

- In 2022 this analysis results in median EV/EBITDA multiples of 3.7x for the Agro segment and 5.2x for the Industrial solutions segment. When applied to the expected EBITDA figures of Tessenderlo Group NV for Agro (EUR 188.5 million) and Industrial solutions (EUR 86.1 million), one obtains an enterprise value for the Agro segment and the Industrial solutions segment of respectively EUR 703.0 million and EUR 450.2 million. The application of a sensitivity analysis on the median EV/EBITDA multiples (from -1.0x to +1.0x) results in an enterprise value range from EUR 514.5 million to EUR 891.5 million for the Agro segment and from EUR 364.1 million to EUR 536.3 million for the Industrial Solutions segment;
- In 2023 this analysis results in median EV/EBITDA multiples of 5.0x for the Agro segment and 5.5x for the Industrial solutions segment. When applied to the expected EBITDA figures of Tessenderlo Group NV for Agro (EUR 141.8 million) and Industrial solutions (EUR 67.1 million), one obtains an enterprise value for the Agro segment and the Industrial solutions segment of respectively EUR 705.4 million and EUR 369.2 million. The application of a sensitivity analysis on the median EV/EBITDA multiples (from -1.0x to +1.0x) results in an enterprise value range from EUR 563.6 million to EUR 847.1 million for the Agro segment and from EUR 302.2 million to EUR 436.3 million for the Industrial Solutions segment;
- In 2022 this analysis results in median EV/EBIT multiples of 4.6x for the Agro segment and 8.2x for the Industrial Solutions segment. When applied to the expected EBIT figures of Tessenderlo Group NV for Agro (EUR 155.6 million) and Industrial Solutions (EUR 58.7 million), one obtains an enterprise value for the Agro segment and the Industrial Solutions segment of respectively EUR 710.7 million and EUR 481.4 million. The application of a sensitivity analysis on the median EV/EBIT multiples (from -1.0x to +1.0x) results in a range for the enterprise value of EUR 555.1 million to EUR 855.3 million for the Agro segment and of EUR 422.7 million to EUR 540.1 million for the Industrial Solutions segment;
- In 2023, this analysis results in median EV/EBIT multiples of 6.1x for the Agro segment and 8.5x for the Industrial Solutions segment. When applied to the expected EBIT figures of Tessenderlo Group NV for Agro (EUR 108.1 million) and Industrial Solutions (EUR 37.5 million), one obtains an enterprise value for the Agro segment and the Industrial Solutions segment of respectively

¹⁹ The financial data in the table are presented in euro to increase comparability between companies. The *multiples* were calculated in the local currency to avoid exchange rate effects due to a changing historical exchange rate.

EUR 663.6 million and EUR 319.7 million. The application of a sensitivity analysis on the median EV/EBITDA multiples (from -1.0x to +1.0x) results in a range for the enterprise value of EUR 555.5 million to EUR 771.7 million for the Agro segment and of EUR 282.2 million to EUR 357.2 million for the Industrial Solutions segment;

- As indicated earlier, when applying this valuation method, one must take into account that, although the companies in the listed reference groups perform business activities that are comparable to those of Tessengerlo Group NV, there are also differences in, among other things, profitability, growth potential and end markets. Furthermore, the selected comparable companies may be affected differently by current market conditions. Although this valuation method has its limitations (in view of the remarks made above about mutual comparability) and the results should be interpreted with caution, Tessengerlo Group NV believes that this valuation method is a relevant method for valuing the Tessengerlo group's Agro and Industrial Solutions segments, as it is a market-based method and this method is also used by analysts and investors.

Not withheld:

- In 2022, this analysis results in median EV/EBITDA multiples of 6.8x for the Bio-valorization segment, 5.0x for the T-Power segment and 4.7x for the OOD segment. When applied to the forecasted EBITDA figures of Tessengerlo Group NV for, Bio-valorization (EUR 112.9 million), T-Power (EUR 59.7 million) and OOD (EUR -21.7 million), one obtains an enterprise value for the Bio-valorization segment, the T-Power segment and OOD of respectively EUR 770.8 million, EUR 300.7 million and EUR -101.5 million. The application of a sensitivity analysis on the median EV/EBITDA multiples (from -1.0x to +1.0x) results in an enterprise value range from EUR 657.9 million to EUR 883.7 million for Bio-valorization segment, from EUR 241.0 million to EUR 360.4 million for T-Power and from EUR -79.8 million to EUR -123.2 million for OOD;
- In 2023, this analysis results in median EV/EBITDA multiples of, 5.8x for the Bio-valorization segment, 4.9x for the T-Power segment and 5.3x for the OOD segment. When applied to the expected EBITDA figures of Tessengerlo Group NV for, Bio-valorization (EUR 91.6 million), T-Power (EUR 53.4 million) and OOD (EUR -21.4 million), one obtains an enterprise value for the Bio-valorization segment, the T-Power segment and OOD of respectively EUR 529.4 million, EUR 260.5 and EUR -113.1 million. The application of a sensitivity analysis on the median EV/EBITDA multiples (from -1.0x to +1.0x) results in an enterprise value range from EUR 437.8 million to EUR 621.0 million for Bio-valorization segment, from EUR 207.1 million to EUR 313.9 million for T-Power and from EUR -91.7 million to EUR -134.4 million for OOD;
- In 2022, this analysis results in median EV/EBIT multiples of, 11.7x for the Bio-valorization segment, 9.6x for the T-Power segment and 6.9x for the OOD segment. When applied to the expected EBIT figures of Tessengerlo Group NV for Bio-valorization (EUR 78.5 million), T-Power (EUR 21.8 million) and OOD (EUR -23.8 million), one obtains an enterprise value for the Bio-valorization segment, the T-Power segment and OOD of respectively EUR 916.1 million, EUR 208.7 and EUR -164.9 million. The application of a sensitivity analysis on the median EV/EBIT multiples (from -1.0x to +1.0x) results in an enterprise value range from EUR 837.6 million to EUR 994.6 million for Bio-valorization segment, from EUR 186.9 million to EUR 230.5 million for T-Power and from EUR -141.1 million to EUR -188.7 million for OOD;

- In 2023, this analysis results in median EV/EBIT multiples of 9.7x for the Bio-valorization segment, 8.7x for the T-Power segment and 7.7x for the OOD segment. When applied to the forecasted EBIT figures of Tessengerlo Group NV for, Bio-valorization (EUR 55.6 million), T-Power (EU 14.6 million) and OOD (EUR -23.3 million), one obtains an enterprise value for the Bio-valorization segment, the T-Power segment and OOD of respectively EUR 538.6 million, EUR 126.9 and EUR -178.2 million. The application of a sensitivity analysis on the median EV/EBIT multiples (from -1.0x to +1.0x) results in an enterprise value range from EUR 483.0 million to EUR 594.2 million for Bio-valorization segment, from EUR 112.3 million to EUR 141.5 million for T-Power and from EUR -154.9 million to EUR -201.5 million for OOD.

If the above analysis would have been applied to each segment, the analysis based on median 2022 EV/EBITDA multiples and 2023 EV/EBITDA multiples results in an enterprise value of EUR 2,123.2 million and EUR 1,751.4 million respectively. After deducting the net debt position (including IFRS16 debt) on 30 June 2022 of EUR 181.0 million (see table "net debt bridge"), this results in an equity value of EUR 1,942.2 million based on 2022 EV/EBITDA multiples and EUR 1,570.4 million based on 2023 EV/EBITDA multiples. Based on a total number of shares of 43,154,979, this leads to an intrinsic value of EUR 45.00 per share based on 2022 EV/EBITDA multiples and EUR 36.39 per share based on 2023 EV/EBITDA multiples. The application of a sensitivity analysis on the median 2022 EV/EBITDA multiples of (-1.0x and +1.0x) results in a range for the intrinsic value per share of EUR 35.15 to EUR 54.86. The application of a sensitivity analysis on the median 2023 EV/EBITDA multiples of (-1.0x and +1.0x) results in a range for the intrinsic value per share of EUR 28.69 to EUR 44.09.

If the above analysis would have been applied to each segment, the analysis based on median 2022 EV/EBIT multiples and 2023 EV/EBIT multiples results in an enterprise value of EUR 2,152.0 million and EUR 1470.6 million respectively. After deducting the net debt position (including IFRS16 debt) on 30 June 2022 of EUR 181.0 million (see table "net debt bridge"), this results in an equity value of EUR 1,971.0 million based on 2022 EV/EBIT multiples and EUR 1,289.6 million based on 2023 EV/EBIT multiples. Based on a total number of shares of 43,154,979, this leads to an intrinsic value of EUR 45.67 per share based on 2022 EV/EBIT multiples and EUR 29.88 per share based on 2023 EV/EBIT multiples. The application of a sensitivity analysis on the median 2022 EV/EBIT multiples of (-1.0x and +1.0x) results in a range for the intrinsic value per share of EUR 38.93 to EUR 52.41. The application of a sensitivity analysis on the median 2023 EV/EBIT multiples of (-1.0x and +1.0x) results in a range for the intrinsic value per share of EUR 25.42 to EUR 34.34.

(B) PICANOL (EXCLUDING TESSENDERLO GROUP NV SHARES)

Most generally accepted valuation methods start with an estimate of the enterprise value of the company. This enterprise value does not yet take into account the cash and financial debts. Therefore, to arrive at the equity value of the company, the net debt position (defined as gross interest-bearing debt minus available cash and cash equivalents) must be deducted from the enterprise value. Other *cash-like* and *debt-like* items are also taken into account.

The table below shows the calculation of the net debt bridge of Picanol, excluding the consolidated figures of Tessengerlo Group NV, based on Picanol's semi-annual report 2022.

Calculation of net debt bridge for Picanol (excluding Tessenderlo Group NV):

Net debt bridge ('000 euro)	
Net financial cash / (debt)	35,377
Cash and cash equivalents	39,425
Long term interest-bearing financial liabilities	(866)
Short term interest-bearing financial liabilities	(3,182)
Provisions	(8,232)
Current provisions	(3,984)
Pension & other social provisions	(4,248)
Net tax liabilities	2,102
Deferred tax liabilities	(6,032)
Deferred tax assets	8,134
Corrections and reclassifications	13,000
Bank notes in other receivables	11,000
Corrections for IFRS16	2,000
Assets held for sale	217
Shares Rieter Holding AG (15,2%)	89,751
Total enterprise value adjustments	132,215

Source: half-year report 2022 Picanol Group

For the calculation of the net debt bridge for Picanol, the value of the Rieter Holding AG shares (15.2% of the outstanding shares in Rieter Holding AG) is determined as the volume weighted average share price (VWAP) of Rieter Holding AG shares, expressed in Swiss francs (CHF), over the 3 months preceding and including 30 June 2022. The value obtained in Swiss francs is converted into euros using the exchange rate of 1.00 EUR/CHF on 30 June 2022. Consequently, Tessenderlo Group NV retains a value of 89.8 million EUR for 15.2% of the outstanding shares in Rieter Holding AG.

The corrections and reclassifications relate to the following:

- Short-term banknotes that are included in the published balance sheet under *trade and other receivables*, but are regarded as cash equivalents for the purpose of the valuation exercise;
- IFRS16 debt provisions included in the published balance sheet under *financial liabilities*. Considering the IFRS16 costs are included in the cash flow calculations in the DCF valuation method, the only valuation method retained for Picanol (excluding Tessenderlo Group NV), these IFRS16 debt provisions stemming from the net financial cash / (debt) should be corrected to avoid double counting.

In what follows, the retained valuation method for Picanol and the conclusions that stem therefrom are explained.

- (i) Discounting of future free operating cash flows

The DCF valuation method aims to determine the enterprise value of the company by discounting the future free cash flows. The cash flows that are discounted to determine the enterprise value are the free operating cash flows. The estimated free operating cash flows of Picanol, excluding the consolidated figures of Tessenderlo Group NV, are based on the Business Plan as prepared by the

management of Picanol. The shares held in Rieter Holding AG are valued as described above and are therefore included in the net debt bridge. As a result the operational cash flows of Rieter Holding AG are not included in the operational cash flows of Picanol. The free operating cash flows of Picanol are discounted with a valuation date of 30 June 2022. The discounting is done using a *weighted* average cost of capital.

Picanol's Business Plan was prepared by the Picanol management based on their long-term strategic vision and includes the following assumptions:

- An explicit 6-year horizon has been considered for the estimates of the financial figures, the investment budget and the working capital (FY2022E-BY2027E), which are explicitly forecast on an annual basis. In order to base the valuation of Picanol on a 10-year horizon, Tessenderlo Group NV has extrapolated the Business Plan for the years following the explicit estimation period (FY2028E-BY2031E), based on long-term expectations;
- Picanol's management expects the FY2022E sales to increase by 9.7% compared to FY2021A as a result of increased raw material prices, which also increased the price for products sold. Assuming that the activity level and raw material prices will decrease again during FY2023E, Picanol management expects a sales decrease of 11.6% in FY2023E, after which a year-on-year growth of 5.3% is expected for the period FY2024E-BY2027E, mainly driven by the launch of new machine types that will allow Picanol's customers to realize increased production efficiency. For the period FY2028E-BY2031E, a year-on-year growth rate of 2.2% is anticipated, in line with management's long-term outlook for the sector. The CAGR over the explicit planning period (FY2023E-BY2027E) is 1.7%. The growth rates compare to a CAGR of 0.6% in the period FY2017A-BY2021A. KBC Securities is the only brokerage house to follow the Picanol stock [to date]. In the twelve months prior to 8 July 2022, besides the usual 1-page reports reporting on results of the company in question (Morning notes), no reports have been issued containing analyst predictions for Picanol activities, excluding Tessenderlo Group NV results;
- Management expects the EBITDA margin to decline from 11.5% in FY2021A to 5.4% in FY2022E, primarily as a result of Picanol not being able to pass on increased raw material costs in the prices of its finished products as fast as these increased raw material prices are reflected in operating costs. Given the expectation that raw material prices will decrease to historical levels, combined with expected new machine launches that should boost average profitability, Picanol's management expects a gradual increase in EBITDA margin in FY2023E to 9.7% and to 12.1% in FY2024E. Thereafter, management anticipates a steady increase in EBITDA margin to a level of 13.4% in FY2027E. The margin improvement is expected to come from the improvement in gross margin (due to better control of material costs and reduction in fixed production costs) and further measures to increase operational efficiency. From FY2027E onwards, management expects the EBITDA margin to gradually normalise to a level of 12.8% in FY2031E. This compares to a reported EBITDA margin of 9.3% in FY2019A, 10.4% in FY2020A and 11.5% in FY2021A²⁰. The CAGR of EBITDA over the explicit planning period (FY2023E-BY2027E) is 22.0% (compared to a CAGR of 5.6% including FY2022E);

²⁰ Picanol annual reports 2019-2021

- Management expects annual CAPEX of EUR 25 million, EUR 30 million and EUR 25 million in FY2022E, FY2023E and FY2024E respectively. These budgets take into account investments for the new headquarters in Ypres, which will be fully delivered in 2024, according to communicated planning. In FY2025E, management expects a lower CAPEX of EUR 11 million, in line with historical investment budgets for maintenance and renewal of existing tangible fixed assets. Management expects to maintain this level over the period from FY2026E to FY2027E, after which the CAPEX will gradually increase to EUR 12 million in FY2031E. This compares to CAPEX of EUR 16 million in FY2019A, EUR 13 million in FY2020A and EUR 16 million in FY2021A.
- The forward-looking assumptions for working capital are built from the separate expectations for trade receivables, trading balances and inventories. Trade receivables are mainly driven by the evolution of turnover, with a level of 13.7% of turnover, or 50 days *sales outstanding*, estimated for FY2022E, as well as for the period FY2023E-FY2031E. This compares to 13.6% in FY2021A and an average percentage over the period FY2019A-FY2021A of 15.5%. The evolution in trading balances is driven by gross expenses, and is assumed to be 31.5% of gross expenses, or 115 days *payable outstanding*, as well as for the period FY2024E-FY2031E. This compares to 30.7% in FY2021A and an average rate over the period FY2019A-FY2021A of 31.7%. Finally, inventories are also estimated as a percentage of gross costs, with a level of 17.5% of gross costs for FY2023E, or 64 days *inventory outstanding*, as well as for the period FY2023E-FY2031E. This compares to 19.2% in FY2021A and an average percentage over the period FY2019A-FY2021A of 18.6%.
- As the valuation date is 30 June 2022, Tessengerlo Group NV only includes and discounts the free operating cash flow from H2 FY2022E. This is calculated by deducting the actual free operating cash flow of H1 FY2022A from the estimated free operating cash flow for FY2022E. Based on this calculation, a free operating cash flow of EUR 4.4 million in H2 FY2022E is obtained, which is 40.4% of the free operating cash flow over the full financial year.
- The discount rate or WACC used to discount the future free operating cash flows and the Terminal Value lies at the basis of the DCF valuation and was determined on the basis of the CAPM method. An explanation of how the WACC (9.99%) was determined is given below, based on a description of the various parameters used for this purpose:
 - a risk-free interest rate²¹ of 1.36%, based on the long-term average interest rate on German 10-year government bonds since 28 June 2012;
 - a market risk premium²² of 5.50%;
 - a company-specific²³ premium of 1.86%, for size and liquidity;

²¹ Source: Bloomberg (period from 28 June 2012 to 28 June 2022).

²² Source: KPMG - based on the risk premium for mature markets.

²³ Source: Duff & Phelps international Guide to Cost of Capital (2018)

- a country-risk premium of 0.6%²⁴ for the listing of the share in Belgium;
 - The applied normalised tax rate for the determination of the WACC as well as the calculation of the annual corporate income tax²⁵ in the Business Plan is 21.9%;
 - A *target* equity ratio of 100.0%, in line with the company's financing structure in FY2021A and also the target ratio set by Picanol's management for the future. As a result, the WACC used for the valuation of Picanol consists solely of the *cost of equity*;
 - A *debt-free* beta, also called *unlevered* beta, of 1.13²⁶
- The Terminal Value is calculated by applying the Gordon-Shapiro methodology to the normalised free cash flow in FY2031E, based on the following assumptions:
- a sustained growth rate of 1.26%, which is in line with the average CAGR of real GDP of the Eurozone countries over a period from 2022 to 2032. However, Tessenderlo Group NV does not expect the mechanical engineering sector to grow significantly faster than the GDP of the Eurozone;
 - the above assumptions regarding margins, capital expenditure and working capital and taxes;
 - The adjusted free operating cash flow in FY2031E of EUR 76.2 million.

The Terminal Value as a percentage of the enterprise value is 55.6%.

Based on these assumptions, the DCF valuation results in an enterprise value of Picanol (excl. 15.2% in the Swiss listed Rieter Holding AG - before contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV - and excluding Tessenderlo Group NV shares) of EUR 698.3 million. After adding the net cash position (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV) on 30 June 2022 of EUR 132.2 million (see table "net debt bridge") this results in an equity value of EUR 830.6 million. Based on a total number of shares (after creation of 231,766 new Picanol Shares for the contribution in kind of 3.8% Rieter Holding AG shares by Oostiep Group BV) of 17,931,766, this leads to an intrinsic value of EUR 46.32 per Picanol Share (incl. 15.2% Rieter Holding AG shares and excluding Tessenderlo Group NV shares). Including the 21,860,003 Tessenderlo Group NV shares held by Picanol, and applying the intrinsic value per Tessenderlo Group NV share as determined in the Exchange Offer (EUR 40.59), this leads to an intrinsic value per Picanol Share of EUR 95.80.

²⁴ Source: Damodaran (2022)

²⁵ Source: This tax rate is in line with the average tax rate of the past financial years.

²⁶ Source: Debt-free beta in *machinery* industry according to Damodaran (January 2022)

The table below shows the sensitivity of the equity value, and thus the value per Picanol Share (incl. 15.2% Rieter Holding AG shares and excluding Tessenderlo Group NV shares), by varying the WACC by 0.50% and the terminal growth rate by 0.25%.

Sensitivity analysis equity value Picanol (incl. 15.2% Rieter Holding AG shares and excluding Tessenderlo Group NV shares) (WACC; terminal growth rate)

		Δ terminal growth rate (%)				
		-0.50%	-0.25%	0%	0.25%	0.50%
Δ WACC	-1.00%	902.1	916.1	930.9	946.8	963.7
	-0.50%	853.1	865.0	877.7	891.1	905.4
	0.00%	809.5	819.7	830.6	842.0	854.2
	0.50%	770.4	779.3	788.6	798.4	808.9
	1.00%	735.2	742.9	751.0	759.5	768.5

Sensitivity analysis value per Picanol Share (incl. 15.2% Rieter Holding AG shares and excluding Tessenderlo Group NV shares) (WACC; terminal growth rate)

		Δ terminal growth rate (%)				
		-0.50%	-0.25%	0%	0.25%	0.50%
Δ WACC	-1.00%	50.33	51.12	51.95	52.84	53.79
	-0.50%	47.58	48.25	48.96	49.71	50.52
	0.00%	45.14	45.71	46.32	46.96	47.64
	0.50%	42.94	43.44	43.96	44.52	45.10
	1.00%	40.97	41.40	41.86	42.33	42.84

The sensitivity analysis based on a variation in WACC between -1% and +1% with respect to the WACC used and a steady growth rate that is either 0.50% lower or 0.50% higher, results in an equity value for Picanol (incl. 15.2% Rieter Holding AG shares and excluding Tessenderlo Group NV shares) ranging from EUR 735.2 million to EUR 963.7 million. This corresponds to a valuation range for the Picanol Share (incl. 15.2% Rieter Holding AG shares and excluding Tessenderlo Group NV shares) from 40.97 EUR to 53.79 EUR.

The table below shows the sensitivity of the value per Picanol Share (incl. 15.2% Rieter Holding AG shares and excluding Tessenderlo Group NV shares) by varying the EBITDA margin by 1.00% and the revenue growth rate by 0.50% over the planning period:

Equity value sensitivity analysis *Picanol* (incl. 15.2% Rieter Holding AG shares and excluding Tessengerlo Group NV shares) (REBITDA%; Revenue growth%)

		Δ REBITDA %				
		-1.00%	-0.50%	0%	0.50%	1.00%
Δ Revenue growth	-0.50%	743.7	775.8	808.0	840.2	872.4
	-0.25%	754.0	786.6	819.2	851.8	884.4
	0.00%	764.4	797.5	830.6	863.6	896.7
	0.25%	775.1	808.6	842.1	875.6	909.1
	0.50%	785.9	819.8	853.8	887.7	921.7

Sensitivity analysis value per *Picanol* Share (incl. 15.2% Rieter Holding AG shares and excluding Tessengerlo Group NV shares) (REBITDA%; Revenue growth%)

		Δ REBITDA %				
		-1.00%	-0.50%	0%	0.50%	1.00%
Δ Revenue growth	-0.50%	41.44	43.25	45.05	46.86	48.67
	-0.25%	42.02	43.85	45.68	47.51	49.34
	0.00%	42.61	44.46	46.32	48.17	50.03
	0.25%	43.20	45.08	46.96	48.84	50.72
	0.50%	43.81	45.71	47.62	49.53	51.43

The sensitivity analysis based on a delta in the REBITDA margin (from -1.00% to +1.00%) and a delta in the growth rate (from -0.50% to + 0.5%) results in an equity value of EUR 743.7 million to EUR 921.7 million and a corresponding price range per share of EUR 41.44 to EUR 51.43.

- (II) *Not withheld valuation methods and analysis that provide context to the exchange ratio*
- (A) *Multiples* established on the basis of selected comparable transactions
- (i) Tessengerlo Group NV

The intrinsic value of Tessengerlo Group NV may also be evaluated by using *multiples* of comparable transactions (mergers and acquisitions) as a reference.

This relative valuation method assumes that the valuation multiples used in similar transactions are usually relatively similar. In addition, transaction multiples often include a strategic premium, as it is usually the intention of the acquirer to gain control of the target through the transaction.

The applicability and reliability of this method is influenced by the fact that:

- Each transaction involves company-specific circumstances and general market conditions that have an impact on the valuation of the target;
- the financial data of the acquisition target is usually limited and, if available, *multiples* are usually based on historical financial data;
- The acquisition price may also be influenced by certain transaction dynamics (e.g. strategic rationale, synergies, structure of the transaction, representations and warranties, etc.);
- low or negative financial results (revenue, EBITDA, net profit) of the target may limit the number of relevant *multiples*.

For these reasons, these *multiples* should be interpreted with caution. Nevertheless, transaction multiples can provide a useful indication as they are based on actual transactions that have taken place.

Tessengerlo Group NV has considered some available relevant transactions over the last 10 years (in the period between 2012 and 2022) that took place in each of the markets in which the Tessengerlo group is active with its different segments, being *Agro*, *Bio-valorization*, *Industrial Solutions* and *T-Power*. The selection includes transactions in Europe and the United States.

Multiples of similar transactions:

Announcement date	Target company	Bidder company	Transaction value (EUR million)	EV/ revenue	EV/ EBITDA	EV/ EBIT
Not withheld						
Agro						
20/12/2021	Fertilizantes Heringer	EuroChem Group	300	1.1x	13.4x	15.8x
8/07/2021	Sustainable Agro Solutions	Stirling Square Capital Partners	150	n.a.	10.0x	n.a.
6/12/2018	Uralkali PJSC	Sberbank OAO	329	3.2x	6.7x	8.1x
19/11/2018	Chrysal International BV	OAT Agrio Co., Ltd.	87	1.8x	9.0x	21.9x
26/04/2018	Bayer AG	BASF SE	1,700	2.3x	n.a.	n.a.
12/12/2017	Macrofertil Australia Pty Ltd	Landmark Operations Ltd.	57	0.6x	n.a.	n.a.
7/11/2016	Rovensa Group	Bridgepoint Group Plc	456	2.0x	13.0x	n.a.
10/08/2016	Tata Chemicals Ltd	Yara Fertilisers India Private Limited	359	1.1x	11.4x	n.a.
8/07/2016	Uralkali PJSC	Dmitry Lobyak	1,492	4.3x	6.9x	7.8x
1/04/2016	COMPO GmbH & Co.KG	Kingenta Ecological Engineering Group Co., Ltd.	116	0.5x	8.2x	n.a.
5/08/2015	Holland Novochem B.V.	Hubei Forbon Technology Co., Ltd.	17	1.2x	6.3x	6.3x
1/07/2015	GrowHow UK Limited	CF Industries Holdings, Inc.	519	1.7x	7.8x	11.7x
5/08/2014	Galvani Industria, Comercio e Servicos S/A	Yara International ASA	238	1.3x	9.8x	n.a.
2/12/2013	Uralkali PJSC	Uralchem OJSC	2,180	4.4x	7.6x	9.4x
26/11/2013	OFD Holding Inc	Yara International ASA	278	0.5x	10.8x	n.a.
18/11/2013	Uralkali PJSC	The ONEXIM Group	2,623	4.8x	8.2x	10.3x
18/01/2013	Orascom Construction Industries SAE	OCI N.V.	1,660	2.1x	9.9x	14.8x
6/02/2012	PJ-SC Ukragro NPK	OSTCHEM Holding AG	26	0.3x	6.8x	7.5x
Average	Agro		699	1.9x	9.1x	11.4x
Median			314	1.7x	8.6x	9.8x
Industrial Solutions						
10/02/2021	ADEY Innovation Ltd	Genuit Group Plc	240	4.7x	13.3x	n.a.
13/07/2020	Neles Corporation	Alfa Laval Corporate AB	1,727	2.6x	14.6x	18.6x
18/02/2019	Water Treatment Products Limited	Sdipitech AB	18	1.7x	n.a.	6.4x
25/10/2018	Manthorpe Building Products Limited	Polypipe Group Plc	50	1.8x	7.1x	9.5x
31/08/2018	Infra Pipe Solutions Ltd.	Wynnchurch Capital, LLC	41	0.5x	n.a.	n.a.
28/08/2018	Suez Water Conditioning Services Limited	Marlowe plc	5	0.4x	n.a.	n.a.
28/06/2018	Italmatch Chemicals S.p.A.	Bain Capital, LP.	700	1.8x	11.1x	n.a.
29/03/2018	Polypipe France SAS	Elydan	17	0.2x	n.a.	11.0x
5/08/2014	VESTOLIT GmbH	Orbia	219	0.5x	5.5x	n.a.
26/06/2014	Italmatch Chemicals S.p.A.	Ardian	220	1.0x	7.2x	15.2x
20/02/2013	Ashirvad Pipes Pvt. Ltd.	Aliaxis Group S.A. / N.V.	126	2.1x	n.a.	n.a.
15/02/2012	Pipelife International GmbH	Wienerberger AG	188	0.4x	5.3x	8.9x
8/02/2012	Wavin NV	Orbia Advance Corp SAB de CV	750	0.8x	10.3x	28.4x
Average	Industrial Solutions		331	1.4x	9.3x	14.0x
Median			188	1.0x	8.8x	11.0x
Not withheld						
Bio-valorization						
10/11/2020	SunOpta, Inc.	Amsterdam Commodities N.V.	330	0.8x	n.a.	n.a.
19/12/2019	Nitta Casings, Inc.	Viscofan S.A.	13	0.4x	n.a.	n.a.
10/07/2015	PV Industries B.V.	Devro Plc	13	2.0x	9.6x	n.a.
7/10/2013	VION Ingredients Nederland (Holding) B.V.	Darling Ingredients Inc.	1,600	1.4x	10.9x	n.a.
Average	Bio-valorization		396	1.1x	10.2x	n.a.
Median			25	1.1x	10.2x	n.a.
T-power						
15/03/2021	Enel Americas SA	Enel S.p.A.	1,234	1.6x	6.0x	9.2x
5/03/2020	EVN AG	Wiener Stadtwerke GmbH	801	1.6x	5.5x	9.1x
14/12/2019	ACWA Power CF Karad PV Park EAD	Energy Development GmbH	100	6.5x	8.2x	13.3x
26/04/2018	T-Power N.V.	Tessenderlo Chemie NV	313	5.0x	6.6x	n.a.
19/05/2017	PGE Gornictwo i Energetyka Konwencjonalna	PGE Polska Grupa Energetyczna S.A.	1,015	1.2x	7.0x	11.7x
28/09/2016	Marcinelle Energie S.A.	Total Direct Energie SA	38	0.5x	8.1x	24.3x
13/09/2016	Endesa Americas S.A	Enel Chile S.A.	1,316	2.1x	4.1x	4.9x
29/03/2016	Energia Group NI Holdings limited	ISQ Global Infrastructure Fund I	1,000	0.5x	5.9x	7.0x
19/12/2015	Enel Chile S.A.	Enel S.p.A. (Shareholders)	4,918	1.6x	6.3x	8.5x
18/12/2015	Slovenske Elektrarne, A.S.	Energeticky a prumyslovny holding, a.s.	375	1.2x	5.1x	9.1x
2/10/2015	3CB SAS	Total Direct Energie SA	45	2.6x	n.a.	4.0x
10/12/2013	Severn Power Limited	A Consortium led by Macquarie Infrastructure and Real Assets	418	4.1x	5.2x	8.8x
21/11/2013	Marchwood Power Limited	MEAG MUNICH ERGO Asset Management GmbH	373	5.9x	n.a.	10.0x
Average	T-power		919	2.6x	6.2x	10.0x
Median			418	1.6x	6.0x	9.1x

As transaction multiples are applied to historical figures, Tessengerlo Group NV applied the transaction multiples to the FY2021A figures of the corresponding divisions of Tessengerlo Group NV. The part of the EBITDA figures not attributable to a division were multiplied by the weighted average in terms of revenue FY2021A of the respective EV/EBITDA *multiples* of all transactions in the peer group. Only EV/EBITDA *multiples* were applied, as the applicability of the EV/Sales and EV/EBIT *multiples* is limited by the profit margin differences between the different targets per business segment.

Share price calculation based on selected transactions:

Tessengerlo Group	Financial projections - Business Plan				
	2021A				
EUR million	<i>Agro</i>	<i>Industrial Solutions</i>	<i>Bio-valorization</i>	<i>T-power</i>	<i>OOD</i>
EBITDA	157.7	82.6	82.0	53.0	-20.9
x EV/EBITDA multiple	8.6x	8.8x	10.2x	6.0x	9.1x
Enterprise value by segment	1,361.0	723.6	839.6	318.4	-189.8
Non-controlling discount			20.0%		
Enterprise value after non-controlling discount			2,442.3		
- Net debt bridge			-181.0		
Intrinsic value Tessengerlo Group			2,261.3		
/Outstanding shares (#m)			43.2		
Implied share price (EUR)			52.40		
Relative valuation % premium			-22.5%		

This analysis results in median EV/EBITDA multiples of 8.6x for the *Agro* segment, 8.8x for the *Industrial Solutions* segment, 10.2x for the *Bio-valorization* segment, 6.0x for the *T-Power* segment and 9.1x for the *OOD* segment. When applied to the EBITDA figures of Tessengerlo Group NV for *Agro* (EUR 157.7 million), *Bio-valorization* (EUR 82.0 million), *Industrial Solutions* (EUR 82.6 million), *T-Power* (EUR 53.0 million) and *OOD* (EUR -20.9) million), one obtains an enterprise value of EUR 3,052.8 million before deduction of the non-controlling discount. A non-controlling discount of 20% is applied to correct for the control premium in transactions where a majority is acquired. After deducting the non-controlling discount of 20%, the enterprise value amounts to EUR 2,442.3 million. After deducting the net debt position (incl. IFRS16 debt) on 30 June 2022 of EUR 181.0 million (see table "net debt bridge"), this results in an equity value of EUR 2,261.3 million. Based on a total number of shares of 43,154,979, this results in an intrinsic value of EUR 52.40 per Tessengerlo Group NV share, or a premium of 22.5% compared to the retained intrinsic value for the exchange ratio (EUR 40.59 per Tessengerlo Group NV share).

The application of a sensitivity analysis on the EV/EBITDA *multiples* (from -1.0x to +1.x) results in a range for the intrinsic value per Tessengerlo Group NV share from 45.83 EUR to 58.97 EUR.

(ii) Picanol

For the same reasons as above in the analysis of *multiples* of comparable transactions for Tessengerlo Group NV, these *multiples* should be interpreted with caution. Nevertheless, transaction multiples can provide a useful indication, as they are based on actual transactions that have taken place.

Tessengerlo Group NV has considered some available relevant transactions that took place in the textile machinery and weaving markets over the last 5 years (in the period between 2017 and 2022). The selection includes transactions in Europe. The targets in the comparable transactions are mainly

active in the technical textile industry. To determine the enterprise value, a non-controlling discount is taken into account to correct for the control premium in comparable transactions where a majority is acquired.

This analysis yields median EV/EBITDA multiples of 10.1x. When applied to the EBITDA figures of Picanol (excl. Tessenderlo Group NV) (EUR 76.1 million), one obtains an enterprise value of EUR 770.4 million before deduction of the non-controlling discount. After deduction of the non-controlling discount of 20%, the enterprise value amounts to EUR 616.4 million. After deducting the net debt position (incl. IFRS16 debt) on 30 June 2022 of EUR 130.2 million (see table "Net debt bridge"), this results in an equity value (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV) of EUR 746.6 million. Based on a total number of shares of 17,931,766, excluding the company's own shares, this leads to an intrinsic value of EUR 41.63 per Picanol Share (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV, excl. Tessenderlo Group NV shares), or a discount of 11.3% compared to the retained intrinsic value for the exchange ratio (EUR 46.32 per Picanol Share).

The application of a sensitivity analysis on the EV/EBITDA multiples (from -1.0x to +1.x) results in a range for the intrinsic value per Picanol Share from EUR 37.39 to EUR 45.88.

Multiples of similar transactions :

Announcement date	Target company	Bidder company	Transaction value (EUR million)	EV/Revenue	EV/EBITDA	EV/EBIT
Not withheld						
13/08/2021	Saurer Technologies GmbH, Accotex & Tecmo	Rieter Holding AG	n.a.	2.1x	n.a.	n.a.
4/01/2021	Savio Macchine Tessili S.p.A.	Vandewiele NV	n.a.	1.0x	12.4x	n.a.
3/07/2017	SSM Textile Machinery AG	Rieter Holding AG	124	1.2x	7.9x	8.4x
Average			124	1.4x	10.1x	8.4x
Median			124	1.2x	10.1x	8.4x

Picanol Group	Financial projections - Business Plan
	<u>2021A</u>
EUR miljoen	
EBITDA	76.1
x EV/EBITDA multiple	10.1x
Enterprise value	770.4
Non-controlling discount	20.0%
Enterprise value after non-controlling discount	616.4
+ Net cash (debt)	130.2
Intrinsic value Picanol Group (excl. Tessenderlo Group)	746.6
/Outstanding shares (#m)	17.9
Implied share price (EUR)	41.63
Relative valuation % premium	11.3%

(B) Multiples of similar listed companies as Picanol (excluding Tessenderlo Group NV activities)

The analysis and application of Reference Group *multiples* is a method of relative valuation that can be used as an alternative to accounting for the Exchange Ratio.

Multiples of comparable listed companies are determined on the basis of historical financial data, consensus financial projections²⁷ as prepared by equity analysts and the share prices of the comparable listed companies. The *multiples* are calculated based on the financial data in the local currency to avoid any exchange rate effects.

For the valuation of the Picanol activities (excluding the Tessenderlo Group's activities), Tessenderlo Group NV has taken into account the *multiples* of selected companies active in the industry of *machine construction for the textile industry*, and therefore performing similar business activities as Picanol (excluding the Tessenderlo groups). Tessenderlo Group NV does not withhold the valuation method of *multiples* of comparable listed companies for the following considerations:

- the Reference Group consists of only two companies whose operating results and corresponding *multiples* are not characterised by significant deviations (so-called *outliers*), namely Oerlikon and Rieter Holding. Moreover, these companies operate in different geographies and show a different financial profile in terms of sales growth and profitability than Picanol;
- For the companies in the Reference Group, an EBITDA increase is expected in 2022E, whereas for Picanol NV a significant decrease in EBITDA is expected for the same year. Given the difference in the expected evolution of operating results between Picanol and the Reference Group, Tessenderlo Group NV is of the opinion that the Reference Group *multiples* are not applicable for Picanol.
- The liquidity in the shares of the Reference Group is significantly higher compared to the liquidity in the shares of Picanol.

Below is a brief description²⁸ of the selected companies in the Reference Group:

- OC Oerlikon Corporation AG is a supplier of production systems, components and services for high-tech products in the area of surface solutions and synthetic fibres. The company operates through two segments: Surface Solutions and Manmade Fibers. The company is headquartered in Switzerland.
- Lakshmi Machine Works Limited is a manufacturer of textile machinery. The company is engaged in manufacturing and selling textile spinning machines, computer controlled machine tools, heavy castings and parts and components for the aerospace industry. The company is headquartered in India.

²⁷ The consensus financial projections are based on source data from Refintiv. These consensus projections might show differences depending on the database used.

²⁸ Descriptions are based on public information available on the website and in the annual reports

- Rieter Holding AG is a holding company based in Switzerland and a supplier to the textile industry. The company comprises two business segments: Spun Yarn Systems (61% of sales) and Premium Textile Components (33% of sales). Since 13 May 2011, the former Rieter Automotive Systems Division has been listed separately as Autoneum on the SIX Swiss Exchange. The company is headquartered in Switzerland.
- Shima sheiki mfg ltd. is a company that mainly focuses on the manufacture and sale of flat-knitting equipment (67% of turnover), design systems (9.3% of turnover), gloves and sock knitting equipment (7.9% of turnover). The company is headquartered in Japan.
- Juki corporation is an enterprise engaged primarily in the manufacture and sale of sewing machines and industrial equipment. The company has two business segments, one sewing machines and systems which is active in manufacture and sale of industrial sewing machines (37% of turnover), and one active in household sewing machines and related parts (63% of turnover). The company is also engaged in property management activities. The company is headquartered in Japan.

For FY2022 this analysis gives median EV/EBITDA *multiples* of 5.9x. When applied to the EBITDA figures of Picanol (excl. Tessenderlo Group NV) (EUR 40.0 million), one obtains an enterprise value of EUR 235.9 million before adding up the net financial cash. After adding the net financial cash position (Incl. IFRS16 debt) on 30 June 2022 of EUR 130.2 million (see table "net debt bridge") this results in an equity value (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV) of EUR 366.2 million. Based on a total number of shares of 17,931,766, excluding the company's own shares, this leads to an intrinsic value of EUR 20.42 per Picanol Share (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV, excl. Tessenderlo Group NV shares).

The application of a sensitivity analysis on the EV/EBITDA *multiples* (from -1.0x to +1.x) results in a range for the intrinsic value per Picanol Share from EUR 18.19 to EUR 22.65.

For FY2023 this analysis gives median EV/EBITDA *multiples* of 5.4x. When applied to the EBITDA figures of Picanol (excl. Tessenderlo Group NV) (EUR 63.2 million), one obtains an enterprise value of EUR 340.2 million before adding the net financial cash position. After adding the net financial cash position (Incl. IFRS16 debt) on 30 June 2022 of EUR 130.2 million (see table "net debt bridge") this results in an equity value (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV) of EUR 470.4 million. Based on a total number of shares of 17,931,766, excluding the company's own shares, this leads to an intrinsic value of EUR 26.23 per Picanol Share (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV, excl. Tessenderlo Group NV shares).

The application of a sensitivity analysis on the EV/EBITDA *multiples* (from -1.0x to +1.x) results in a range for the intrinsic value per Picanol Share from EUR 22.71 to EUR 29.76.

For FY2022 this analysis gives median EV/EBIT *multiples* of 10.0x. When applied to the EBIT figures of Picanol (excl. Tessenderlo Group NV) (EUR 22.2 million), one obtains an enterprise value of EUR 222.6 million before adding up the net financial cash position. After adding the net financial cash position (Incl. IFRS16 debt) on 30 June 2022 of EUR 130.2 million (see table "net debt bridge") this results in an

equity value (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV) of EUR 352.8 million. Based on a total number of shares of 17,931,766 this leads to an intrinsic value of EUR 19.67 per Picanol Share.

The application of a sensitivity analysis on the EV/EBIT multiples (from -1.0x to +1.x) results in a range for the intrinsic value per Picanol Share from EUR 18.43 to EUR 20.91.

For FY2023 this analysis gives median EV/EBIT *multiples* of 8.8x. When applied to the EBIT figures of Picanol (excl. Tessenderlo Group NV) (EUR 49.4 million), one obtains an enterprise value of EUR 435.4 million before adding the net financial cash position. After adding the net financial cash position (Incl. IFRS16 debt) on 30 June 2022 of EUR 130.2 million (see table "net debt bridge") this results in an equity value (incl. 15.2% Rieter Holding AG shares - after contribution of the 3.8% in Rieter Holding AG by Oostiep Group BV) of EUR 565.6 million. Based on a total number of shares of 17,931,766 this leads to an intrinsic value of EUR 31.54 per Picanol Share.

The application of a sensitivity analysis on the EV/EBIT *multiples* (from -1.0x to +1.x) results in a range for the intrinsic value per Picanol Share from 28.79 EUR to 34.30 EUR.

Trading multiples EV/EBITDA of the Reference Group and calculation of implied price of a Picanol Share²⁹ :

Company	Country	Year-end	Market capitalisation (local currency in millions)	Enterprise value (local currency in million)	CAGR revenue	Revenue (local currency in million)			EBITDA margin (%)			EV/EBITDA		
						21 - '23	2021	2022	2023	2021	2022	2023	2021	2022
Not withheld														
Machine building for the textile industry														
Oerlikon	Switzerland	31 December	2,257	2,896	5.6%	2,649	2,843	2,952	16.7%	16.8%	17.1%	6.5x	6.0x	5.7x
Lakshmi	India	31 March	95,990	87,985	20.8%	28,101	35,269	41,025	7.2%	10.0%	12.1%	43.3x	24.9x	17.7x
Rieter	Switzerland	31 December	512	797	21.4%	969	1,446	1,429	7.7%	9.7%	11.2%	10.8x	5.7x	5.0x
Shima Seiki	Japan	31 March	72,960	53,207	11.9%	29,371	32,500	36,750	(11.8%)	(6.8%)	1.6%	n.a.	n.a.	106.6x
Juki	Japan	31 December	20,763	94,574	n.a.	101,292	n.a.	n.a.	6.7%	n.a.	n.a.	16.4x	n.a.	n.a.
		Average	38,496	47,892	14.9%	32,476	18,014	20,539	5.3%	7.4%	10.5%	19.2x	12.2x	33.8x
		Median	20,763	53,207	16.3%	28,101	17,671	19,851	7.2%	9.9%	11.6%	13.6x	6.0x	11.7x
Without outliers		Average	7,844	32,755	13.5%	34,970	2,145	2,190	10.4%	13.2%	14.1%	11.2x	5.9x	5.4x
		Median	2,257	2,896	13.5%	2,649	2,145	2,190	7.7%	13.2%	14.1%	10.8x	5.9x	5.4x

Picanol Group	Financial projections - Business Plan	
	2022B	2023B
EUR million		
EBITDA	40.0	63.2
x EV/EBITDA multiple	5.9x	5.4x
Enterprise value	235.9	340.2
+ Net cash (debt)	130.2	
Intrinsic value Picanol Group (excl. Tessenderlo Group)	366.2	470.4
/Outstanding shares (#m)	17.9	
Implied share price (EUR)	20.42	26.23
Relative valuation % premium	126.8%	76.6%

²⁹ Because of the very different values obtained for Lakshmi, the multiples of this company are considered outliers and are therefore not included in the calculation of the average and median multiples of the Reference group

Trading multiples EV/EBIT of the Reference Groups and calculation of implied price of a Picanol Share³⁰ :

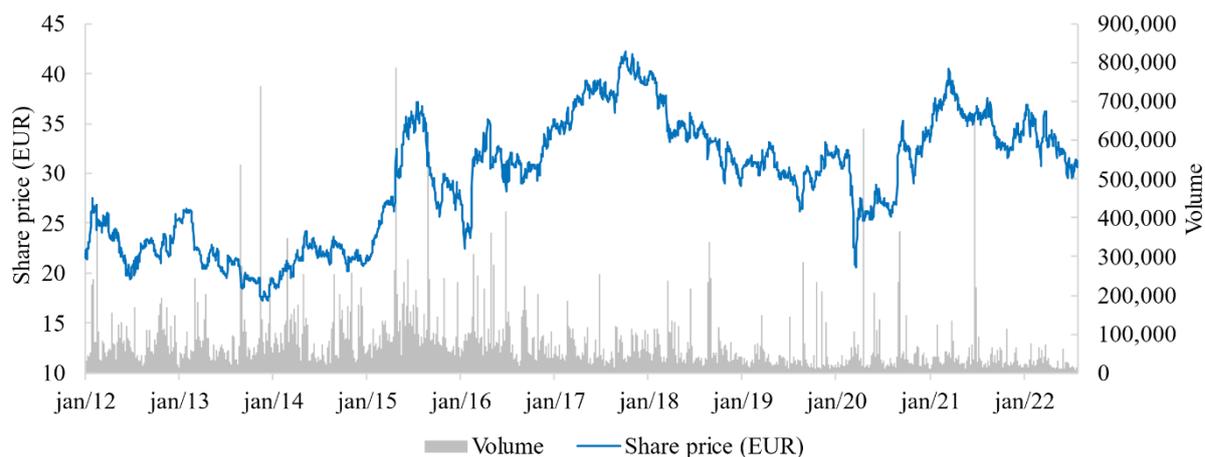
Company	Country	Year-end	Market capitalisation (local currency in millions)	Enterprise value (local currency in million)	CAGR revenue	Revenue (local currency in million)			EBIT margin (%)			EV/EBIT		
						21 - '23	2021	2022	2023	2021	2022	2023	2021	2022
Not withheld														
Machine building for the textile industry														
Oerlikon	Switzerland	31 December	2,257	2,896	5.6%	2,649	2,843	2,952	8.6%	9.4%	9.9%	12.7x	10.7x	9.8x
Lakshmi	India	31 March	95,990	87,985	20.8%	28,101	35,269	41,025	6.1%	8.3%	10.5%	51.4x	30.2x	20.4x
Rieter	Switzerland	31 December	512	797	21.4%	969	1,446	1,429	3.9%	6.0%	7.2%	22.0x	9.3x	7.8x
Shima Seiki	Japan	31 March	72,960	53,207	11.9%	29,371	32,500	36,750	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Juki	Japan	31 December	20,763	94,574	n.a.	101,292	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Average	38,496	47,892	14.9%	32,476	18,014	20,539	6.2%	7.9%	9.2%	28.7x	16.7x	12.7x
		Median	20,763	53,207	16.3%	28,101	17,671	19,851	6.1%	8.3%	9.9%	22.0x	10.7x	9.8x
		Average	24,123	37,868	13.0%	33,570	12,263	13,710	6.2%	7.7%	8.6%	17.3x	10.0x	8.8x
		Median	11,510	28,052	11.9%	16,010	2,843	2,952	6.2%	7.7%	8.6%	17.3x	10.0x	8.8x

Picanol Group	Financial projections - Business Plan	
	2022B	2023B
EUR million		
EBIT	22.2	49.4
x EV/EBIT multiple	10.0x	8.8x
Enterprise value	222.6	435.4
+ Net cash (debt)		130.2
Intrinsic value Picanol Group (excl. Tessenderlo Group)	352.8	565.6
/Outstanding shares (#m)		17.9
Implied share price (EUR)	19.67	31.54
Relative valuation % premium	135.4%	46.9%

³⁰ Because of the very different values obtained for Lakshmi, the multiples of this company are considered *outliers and are* therefore not included in the calculation of the average and median multiples of the Reference group

(C) Historical price evolution of the prices of Tessenderlo Group NV and Picanol Shares

The graphs below show the price evolution (expressed in EUR/share) and the daily traded volume in the share of Tessenderlo Group NV shares and Picanol shares since 1 January 2012, as well as of the main events over the same period.

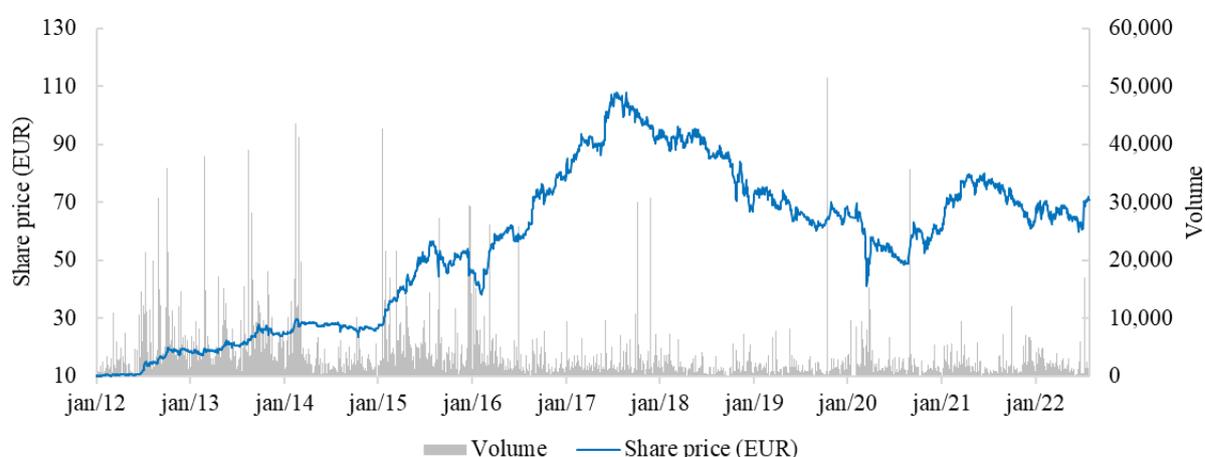
Historical price evolution of the Tessenderlo Group NV share since January 1, 2012:

The main movements in the Tessenderlo Group NV share price since 1 January 2012 are detailed below.

- 14 November 2013: Tessenderlo Group NV (then Tessenderlo Chemie) warns for expected profit over 2013 due to strong competition in animal waste business unit.
- 16 December 2015: Tessenderlo Group NV (then Tessenderlo Chemie) announces its intention to acquire Picanol and its subsidiaries ("**Picanol Group**") through the issuance of 25,765,286 new shares of Tessenderlo Group NV at EUR 31.5, to remunerate Picanol for the intended transaction, based on a valuation of the Picanol business at EUR 811.6 million.
- 26 April 2018: Tessenderlo Group NV, one of the founders of T-Power NV, announces that it acquires the remaining 80% of the shares of T-Power NV. Tessenderlo Group NV will thus hold 100% of the shares in this company. T-Power was until this agreement a joint venture between four shareholders: Siemens Project Ventures GmbH (20%), TG Europower bv (Tokyo Gas, 26.66%), Power Kestrel Limited (Itochu Corporation, 33.33%) and Tessenderlo Group NV (20%).
- 14 June 2019: Tessenderlo Group NV announces that it is acquiring the company NAES Belgium bvba in full from the US group NAES Corporation, a subsidiary of Itochu Corporation. Since 2012, NAES Belgium has been ensuring the operational operation of the T-Power 425 MW CCGT (Combined Cycle Gas Turbine) power plant on the Tessenderlo Group NV site in the Belgian municipality of Tessenderlo.
- 10 July 2019: Introduction of a loyalty voting right in accordance with Section 7:53 BCAC.

- 19 December 2019: Tessenderlo Group NV announced that it has reached an agreement with the German REHAU Group to acquire REHAU Tube's production plant in La Chapelle-Saint-Ursin (Cher). The plant specialises in the production of sewage, soil and waste, storm water management and telecom pipes and fittings.
- 21 June 2021: Publication of transparency notification that Verbrugge NV holds more than 60% of the voting rights in Tessenderlo Group NV.
- 26 August 2021: Tessenderlo Group NV publishes half year results showing growth in Revenue and Adjusted EBITDA of 9.2% and 1.5% respectively.
- 15 October 2021: Tessenderlo Group NV has taken note of the decision of the Flemish Minister of Justice and Enforcement, Environment, Energy and Tourism not to grant a permit for the construction of a second 900 MW gas plant in Tessenderlo (Belgium).
- 22 November 2021: Upward revision of forecast results for FY2021. Adjusted EBITDA of FY2021 is expected to be 10% higher than adjusted EBITDA FY2020 (EUR 314.6 million)
- 21 December 2021: Tessenderlo Group NV announced that its subsidiary Tessenderlo Kerley, Inc. (TKI), will build a new plant in Defiance, Ohio (USA) to serve the Eastern Great Lakes region. In addition, Tessenderlo Group NV also announced that it has reached an agreement to acquire the assets of B.V. Fleuren Tankopslag, a tank storage and transshipment company for liquid products in the port of Cuijk (The Netherlands).
- 22 June 2022: Tessenderlo Group NV increases its forecasted EBITDA for FY2022 with 10%, whereas it was initially expected to realise a similar result as in FY2021 for FY2022.
- 25 August 2022: Publication of the semi-annual report with an upward revision of Adjusted EBITDA for FY2022. Adjusted EBITDA for FY2022 is expected to be 15% to 20% higher compared to FY2021 (EUR 354.2 million).

Historical price evolution of the Picanol Share since 1 January 2012:



The main evolutions of the Picanol Share price since 1 January 2012 are detailed below.

- 26 July 2013: Picanol announces to take an interest in Tessenderlo Chemie NV.
- 6 November 2013: Picanol acquires a 27.6% stake in Tessenderlo Chemie NV from Société Nationale des Poudres et Explosives.
- 11 March 2015: Amid decline in sales, full-year net profit falls from EUR 73.1 million in 2013 to EUR 52.4 million in 2014.
- 16 December 2015: Tessenderlo Group NV (then Tessenderlo Chemie) announces its intention to acquire Picanol Group through the issuance of 25,765,286 new shares of Tessenderlo Group NV at EUR 31.5, to remunerate Picanol for the intended transaction, based on a valuation of the Picanol business at EUR 811.6 million.
- 7 March 2016: Tessenderlo Group NV and Picanol suspend merger plans.
- 24 August 2016: Picanol profits break record after strong H1 results (EUR 60.4 million)
- 27 October 2016: Picanol acquires a block of 1 million shares in Tessenderlo Chemie.
- 22 August 2018: Picanol expects slight sales decline for fiscal year 2018 compared to 2017.
- 14 March 2019: Approval of an investment plan worth EUR 25 million for the Ypres plant.
- 26 August 2019: Consolidation of the Tessenderlo group in the financial figures of Picanol Group with 1 January 2019.
- 1 September 2019: Picanol announces closure of French subsidiary Burckle SAS.
- 16 March 2021: Picanol acquires a 10% stake in Swiss competitor Rieter Holding AG.
- 22 November 2021: Picanol Group: upward revision of forecasts for 2021 due to impact of Agro segment Tessenderlo Group.
- 24 March 2022: Publication of FY2021 results, with higher revenues in the Machines & Technologies segment, but declining EBITDA margins due to raw material prices.
- 22 June 2022: Picanol Group: upward revision of expectations for 2022 due to the impact of Tessenderlo group.
- 25 August 2022: Publication of semi-annual report with downward revision of Adjusted EBITDA for the Machines & Technologies segment for FY2022 due to rising component prices. During the first half of 2022 the Adjusted EBITDA in the Machines & Technologies segment declined by 64% as compared to the first half of the year in FY2021 due to the negative impact of rising raw material prices, transportation costs and backorder costs, which could not be translated into higher selling prices.

In the case of both Picanol and Tessenderlo Group NV, it should be noted that the Picanol Shares and Tessenderlo Group NV shares have low liquidity. During the twelve months ending 7 July 2022, an average of 1,423 Picanol Shares and 20,422 Tessenderlo Group NV shares were traded on a daily basis. For both Picanol and Tessenderlo Group NV, this corresponds to 0.1% of the free float of the respective shares of both companies (based on 1,703,715 free float of Picanol Shares and 17,399,877 free float of Tessenderlo Group NV shares). Shares with limited liquidity are more sensitive to the evolution of buy and sell orders. Even in relatively small volumes, price movements may be the result of actions by only a limited number of market participants and thus may not reflect the consensus of a broad investor base.

The table below shows the lowest and highest prices, as well as the average and volume weighted average share price ("VWAP") of the Tessenderlo Group NV shares and the Picanol Shares during the last twelve months, the last six months, the last three months and the last month before the announcement date on 8 July 2022 on which the intention to launch the Exchange Offer was announced (the "Intention Announcement").

Volume weighted average price (VWAP) of Tessenderlo Group NV shares:

Period	Volume	Share price (EUR)			Premium to EUR 40.59 per Share		
		Lowest	Highest	VWAP	Lowest	Highest	VWAP
Last month	14,684	29.00	32.00	30.18	40.0%	26.8%	34.5%
Last 3 months	13,590	29.00	34.45	31.46	40.0%	17.8%	29.0%
Last 6 months	19,211	29.00	37.45	32.90	40.0%	8.4%	23.4%
Last 12 months	20,422	29.00	37.45	33.30	40.0%	8.4%	21.9%
7/07/2022	11,349	29.75			36.4%		

Source: Refinitiv

Volume weighted average price (VWAP) of Picanol Shares:

Period	Volume	Share price Picanol Group (EUR)			Premium compared to EUR 95.80 per Share			Premium compared to 2.36 Tessenderlo Group Shares			
		Lowest	Highest	VWAP	Lowest	Highest	VWAP	Lowest	Highest	VWAP	
Last month	1,021	59.00	65.00	62.62	62.4%	47.4%	53.0%	19.0%	8.0%	12.1%	
Last 3 months	946	59.00	69.80	65.23	62.4%	37.2%	46.9%	19.0%	0.6%	7.6%	
Last 6 months	1,367	59.00	71.40	66.49	62.4%	34.2%	44.1%	19.0%	-1.7%	5.6%	
Last 12 months	1,423	59.00	78.80	67.70	62.4%	21.6%	41.5%	19.0%	-10.9%	3.7%	
7/07/2022	182	61.80			55.0%			13.6%			29.75

Source: Refinitiv

As presented in the table above, the exchange ratio of 2.36 Tessenderlo Group NV shares per Picanol Share held represents a premium of 13.6% to the share prices of Picanol and Tessenderlo Group NV on 7 July 2022, the last trading day before the Intention Announcement. The intrinsic value per Picanol Share of 95.80 EUR, as used in the determination of the exchange ratio, represents

- a premium of 12.1% compared to VWAP for the month until 7 July 2022;
- a premium of 7.6% compared to VWAP for the 3 months until 7 July 2022;
- a premium of 5.6% compared to VWAP for the 6 months until 7 July 2022;

- a premium of 3.7% compared to VWAP for the 12 months until 7 July 2022;

Tessengerlo Group NV concludes that due to the low liquidity of respectively 0.1% in Tessenderlo Group NV share and 0.1% in Picanol share, the price formation does not accurately reflect the underlying value of each of the shares. Furthermore, research by ISS commissioned by the European Commission³¹ suggests that fund managers apply an additional discount of 10 to 30% to the intrinsic value of shares of companies where double voting rights are in place. As this is present in both Tessenderlo Group NV and Picanol, combined with the presence of a (identical) reference shareholder, this is probably an additional explanation for the significant difference between the intrinsic values of Tessenderlo Group NV shares and Picanol shares based on the valuation methods used and the respective share prices. As the price formation does not accurately reflect the underlying value of each of the shares, this method has not been retained.

- (D) Recent price targets for Tessenderlo Group NV shares and Picanol shares as published by financial analysts

In the six months preceding the date of the Intention Announcement, five financial analysts (Bank Degroof Petercam, ING Bank, KBC Securities, Kempen & Co and Kepler Cheuvreux) covered Tessenderlo Group NV and published a note or a report, including a target price for the shares. Their most recent publications before the date of the Intention Announcement date from 22 June 2022, 24 March 2022, 22 June 2022 and 29 June 2022 respectively.

As shown in the table below, the average target price amounts to €41.0 per Tessenderlo Group NV share as at 7 July 2022, the day preceding the date of the Intention Announcement. The relative valuation of €40.59 per Tessenderlo Group NV share used to determine the exchange ratio represents a discount of 1.0% to this average target price, a discount of 15.4% to the maximum target price and a premium of 26.8% to the minimum target price.

Overview target prices for the Tessenderlo share according to analysts

Broker	Last update before 08/07/2022	Recommendation	Target price (EUR)
Bank Degroof Petercam	24/03/2022	Hold	38.00
ING Bank	24/03/2022	Buy	44.00
KBC Securities	22/06/2022	Accumulate	43.00
Kempen & Co	22/06/2022	Buy	48.00
Kepler Cheuvreux	29/06/2022	Hold	32.00
Average			41.00
Bid price premium/(discount) to average target price			-1.0%
Bid price premium/(discount) to maximum target price			-15.4%
Bid price premium/(discount) to minimum target price			26.8%

Source: Bloomberg (08/07/2022), Research reports

In the six months prior to the date of the Intention Announcement, only one financial analyst (KBC Securities) covered Picanol and published a note or report, including a target price for the shares. His most recent report before the date of the Intention Announcement was dated 27 June 2022 and gave

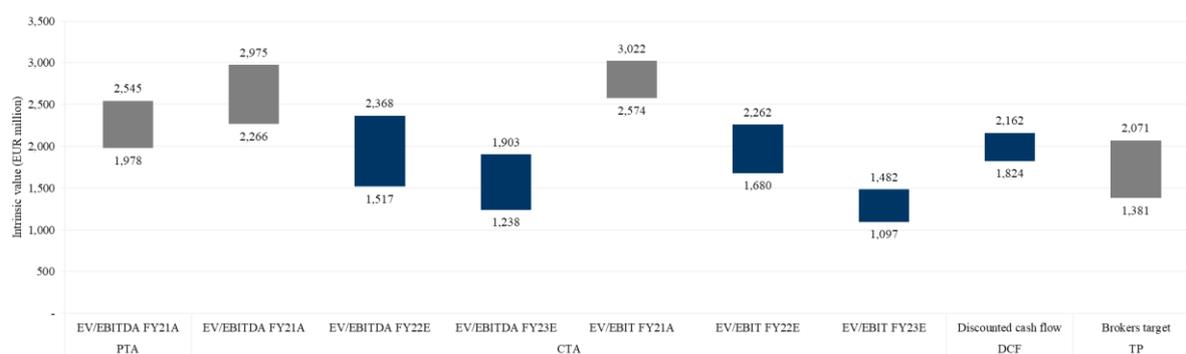
³¹ European Commission External Study by ISS, Sherman & Sterling and ECGI, Report on the Proportionality Principle in the European Union, 2006

a "Accumulate" recommendation and a target price of €83.0. The relative valuation of €95.80 per Picanol Share, as used for the determination of the exchange ratio, represents a premium of 15.4% over KBC Securities' target price.

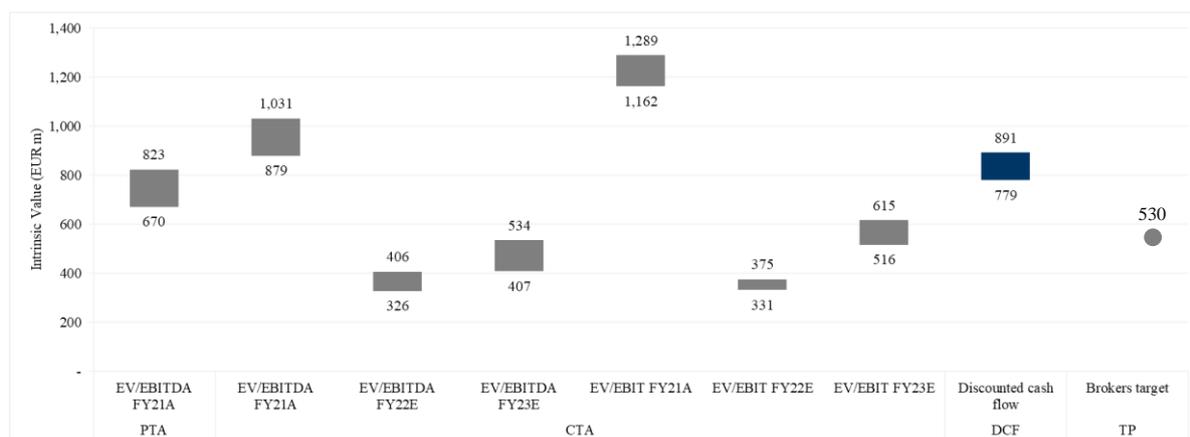
(iii) Conclusion

For the sake of clarity, the following football field charts of respectively Tessenlerlo Group NV and Picanol (including 15.2% Rieter Holding AG shares and excluding Tessenlerlo Group NV shares) summarise the presented valuation analyses and reference points for each of the two companies mentioned. Both diagrams show how the intrinsic values of both Tessenlerlo Group NV and Picanol were determined. The blue bars represent the valuation ranges based on the withheld valuation methods, while the grey graphs represent the values based on non-withheld methods.

Football field chart Tessenlerlo Group NV³² :



Picanol football field chart (including 15.2% Rieter Holding AG shares and excluding Tessenlerlo Group NV shares)³³ :



³² CTA is the abbreviation for Comparable Trading Analysis which is the analysis of trading multiples; PTA stands for Preceding Transactions Analysis which is the analysis of the multiples of the comparable transactions.

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For the determination of the exchange ratio, the intrinsic values per share of respectively Tessenderlo Group NV and Picanol have been determined. The intrinsic value per Picanol Share of 46.32 EUR (including 15.2% Rieter Holding AG - excluding Tessenderlo Group NV shares) has been determined based on the valuation from the DCF analysis. The table below gives an overview of the determination of the intrinsic value per Tessenderlo Group NV share based on the valuation methods used. If several valuation methods are used for a segment, the valuation used is the average valuation of the considered valuations. This results in a value per Tessenderlo Group NV share of 40.59 EUR.

Determination of the intrinsic value per Tessenderlo Group NV share:

Tessenderlo Group (EUR miljoen)					
Segment	Withheld valuation methods	Determination of the retained values in the valuation range	Valuations considered by segment	Withheld valuation	
Agro	CTA analysis	<ul style="list-style-type: none"> • EV/EBITDA 22E + 0.5x • EV/EBIT 22E + 0.5x • EV/EBITDA 23E + 0.5x • EV/EBIT 23E + 0.5x 	891 <i>Average</i> 847 866 772	844	1,033
	DCF	Mid point of the sensitivity analysis		1222	
Bio-valorization	DCF	Mid point of the sensitivity analysis		424	424
Industrial Solutions	CTA analysis	<ul style="list-style-type: none"> • EV/EBITDA 22E • EV/EBIT 22E • EV/EBITDA 23E • EV/EBIT 23E 	450 <i>Average</i> 369 481 320	405	441
	DCF	Mid point of the sensitivity analysis		478	
T-Power	DCF	Mid point of the sensitivity analysis		223	223
OOD	DCF	Mid point of the sensitivity analysis		-243	-243
Enterprise value Tessenderlo Group					1,878
- Net debt bridge					-127
Intrinsic value Tessenderlo Group					1,752
/Outstanding shares (#m)					43.2
Intrinsic Value per share (EUR)					40.59

The intrinsic value per Picanol Share of 95.80 EUR has been determined based on the value per Picanol Share (excluding Tessenderlo Group NV shares) of 46.32 EUR and the intrinsic value per Tessenderlo Group NV share of 40.59 EUR. The table below shows the sensitivity analysis for the intrinsic value per Picanol Share for changes in the values per Tessenderlo Group NV share and Picanol Share (including 15.2% Rieter Holding AG and excluding Tessenderlo Group NV shares).

Sensitivity analysis of the intrinsic value per Picanol Share (including 15.2% Rieter Holding AG and including Tessenderlo Group NV shares) to change in intrinsic value per Tessenderlo Group NV share:

				Intrinsic value Picanol (excl. Tessenderlo) incl. 15.2% Rieter Holding AG											
				706	731	756	781	806	831	856	881	906	931	956	
				Intrinsic value per Picanol Share (excl. Tessenderlo) incl. 15.2% Rieter stake											
Intrinsic value Tessenderlo Group	Intrinsic value per Tessenderlo Group Share	1,502	34.79	81.58	82.99	84.40	85.82	87.23	88.64	90.05	91.47	92.88	94.29	95.70	
		1,552	35.95	83.01	84.42	85.83	87.25	88.66	90.07	91.48	92.90	94.31	95.72	97.13	
		1,602	37.11	84.44	85.85	87.27	88.68	90.09	91.50	92.91	94.33	95.74	97.15	98.56	
		1,652	38.27	85.87	87.28	88.70	90.11	91.52	92.93	94.35	95.76	97.17	98.58	100.00	
		1,702	39.43	87.30	88.71	90.13	91.54	92.95	94.36	95.78	97.19	98.60	100.01	101.43	
		1,752	40.59	88.73	90.15	91.56	92.97	94.38	95.80	97.21	98.62	100.03	101.44	102.86	
		1,802	41.75	90.16	91.58	92.99	94.40	95.81	97.23	98.64	100.05	101.46	102.88	104.29	
		1,852	42.90	91.59	93.01	94.42	95.83	97.24	98.66	100.07	101.48	102.89	104.31	105.72	
		1,902	44.06	93.03	94.44	95.85	97.26	98.68	100.09	101.50	102.91	104.33	105.74	107.15	
		1,952	45.22	94.46	95.87	97.28	98.69	100.11	101.52	102.93	104.34	105.76	107.17	108.58	
		2,002	46.38	95.89	97.30	98.71	100.13	101.54	102.95	104.36	105.77	107.19	108.60	110.01	

Based on the intrinsic values per Picanol Share and per Tessenderlo Group NV share of respectively 95.80 EUR and 40.59 EUR, an Exchange Ratio of 2.36 Tessenderlo Group NV shares per offered Picanol

Share has been determined. The table below provides a sensitivity analysis of the exchange ratio for changes in the intrinsic values per Picanol Share and Tessenderlo Group NV share.

Sensitivity analysis of the exchange ratio for changes in the intrinsic values of Picanol Shares and Tessenderlo Group NV shares:

Exchange ratio			Intrinsic value Picanol (excl. Tessenderlo) incl. 15.2% Rieter Holding AG											
			706	731	756	781	806	831	856	881	906	931	956	
			Intrinsic value per Picanol Share (excl. Tessenderlo) incl. 15.2% Rieter stake											
			39.35	40.74	42.13	43.53	44.92	46.32	47.71	49.11	50.50	51.89	53.29	
Intrinsic value Tessenderlo Group	Intrinsic value per Tessenderlo Group Share	1,502	34.79	2.34	2.39	2.43	2.47	2.51	2.55	2.59	2.63	2.67	2.71	2.75
		1,552	35.95	2.31	2.35	2.39	2.43	2.47	2.51	2.54	2.58	2.62	2.66	2.70
		1,602	37.11	2.28	2.31	2.35	2.39	2.43	2.47	2.50	2.54	2.58	2.62	2.66
		1,652	38.27	2.24	2.28	2.32	2.35	2.39	2.43	2.47	2.50	2.54	2.58	2.61
		1,702	39.43	2.21	2.25	2.29	2.32	2.36	2.39	2.43	2.46	2.50	2.54	2.57
		1,752	40.59	2.19	2.22	2.26	2.29	2.33	2.36	2.40	2.43	2.46	2.50	2.53
		1,802	41.75	2.16	2.19	2.23	2.26	2.30	2.33	2.36	2.40	2.43	2.46	2.50
		1,852	42.90	2.13	2.17	2.20	2.23	2.27	2.30	2.33	2.37	2.40	2.43	2.46
		1,902	44.06	2.11	2.14	2.18	2.21	2.24	2.27	2.30	2.34	2.37	2.40	2.43
		1,952	45.22	2.09	2.12	2.15	2.18	2.21	2.24	2.28	2.31	2.34	2.37	2.40
2,002	46.38	2.07	2.10	2.13	2.16	2.19	2.22	2.25	2.28	2.31	2.34	2.37		

Explanation of the change in Exchange Ratio

On 25 August 2022, Picanol and Tessenderlo Group NV published the half-yearly reports for the first 6 months of 2022, as well as a revision of the expectations for the full year 2022. Tessenderlo Group NV has reviewed the intrinsic values of Picanol and Tessenderlo Group NV in light of the published semi-annual reports and a long term outlook analysis based on the most recent market developments. Compared to the intrinsic values of EUR 830.8 million and EUR 1,655.9 million for Picanol and Tessenderlo Group NV respectively, as communicated in the press releases of 8 July 2022, the revision leads to a decrease in intrinsic values of EUR 0.2 million for Picanol (excluding shares held in Tessenderlo Group NV) and an increase of EUR 95.6 million for Tessenderlo Group NV. This results in an intrinsic value of EUR 830.6 million and EUR 1,751.5 million for Picanol and Tessenderlo Group NV respectively. Of this change in intrinsic value, a decrease of EUR 10.5 million and an increase of EUR 21.6 million respectively are attributable to the adjusted net debt bridge for Picanol and Tessenderlo Group NV. Other adjustments, including taking into account the most recent outlook, resulted in an increase in intrinsic value by respectively EUR 10.3 million for Picanol (excluding shares held in Tessenderlo Group NV) and EUR 73.9 million for Tessenderlo Group NV.

The intrinsic values correspond to a value per Tessenderlo Group NV share of EUR 40.59 and a value per Picanol share (including Tessenderlo Group NV shares) of EUR 95.80. Accordingly, it is the intention that each Picanol Shareholder is offered the opportunity to acquire 2.36 Tessenderlo Group NV shares for 1 Picanol share.