

# TESSENDERLO GROUP GENERAL MEETING

Brussels, May 14, 2024



Tessenderlo Group  
EVERY MOLECULE COUNTS



# KEY EVENTS

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## Investment in ferric chloride production capacity



In March 2024, Kuhlmann Europe (Industrial Solutions segment) disclosed a strategic move by unveiling an investment of approximately 35 million EUR to expand its current ferric chloride production capacity for iron-based coagulants at its Loos site in France. This investment aims at fortifying Kuhlmann Europe's standing as a prominent coagulant manufacturer in Europe, solidifying the position of the Loos facility as the continent's largest ferric chloride production plant. The construction of the innovative chlorination installation is scheduled to commence by the end of 2024, with delivery anticipated in early 2026.



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## Construction works for the new plants are on schedule

Construction works on the new plant in Defiance (Ohio, US) remain on schedule. The Defiance plant will produce the leading liquid and sulfur-based fertilizers Thio-Sul<sup>®</sup>, KTS<sup>®</sup>, K-Row 23<sup>®</sup>, and sulfite chemicals for industrial markets (Agro and Industrial Solutions segments).

The Defiance plant is scheduled to start operations by the end of 2024.



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## Construction works for the new plants are on schedule



Construction works on the new plant in Geleen (The Netherlands) remain on schedule.

The Thio-Sul® plant in Geleen (Agro segment) is expected to be operational by mid-2024.

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## Construction works for new Picanol Group HQ are on track

Construction works on the new Picanol Group headquarters (Machines & Technologies segment) in Ieper (Belgium) remain on track.

The opening of the new headquarters is planned for the end of 2024.



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## Share repurchase program

- In March 2023, a share repurchase program was started for an amount not exceeding 40 million EUR. As the share price was quoted below its book value, as well as taking into account the liquidity position of the group, the Board of Directors of Tessengerlo Group was of the opinion that it was opportune to proceed with the repurchase of its own shares. By the end of 2023, Tessengerlo Group had acquired 1,149,000 of its own shares at an average price of 28.21 EUR per share, for a total amount of 32.4 million EUR.
- Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessengerlo Group nv decided to cancel in December 2023 1,083,003 treasury shares purchased under the share repurchase program launched in March 2023.
- On March 6, 2024, a new share repurchase program was approved for a maximum amount of 63 million EUR or 2.3 million shares.





# AGENDA ITEMS



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# Agenda

1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2023, of the annual reports of the Board of Directors and of the reports of the statutory auditor with respect to said annual accounts.
2. Approval of the statutory annual accounts for the financial year closed on December 31, 2023, and allocation of the result.
3. Approval of the remuneration report for the financial year closed on December 31, 2023.
4. Approval of the remuneration policy.
5. Remuneration of the directors.
6. Discharge to the members of the Board of Directors and the statutory auditor.
7. Appointment of the statutory auditor charged with "assurance" of the sustainability report.

**1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2023, of the annual reports of the Board of Directors and of the reports of the statutory auditor with respect to said annual accounts.**

# Operational key figures

Million EUR	2023	2022	% Change as reported	2022 Pro Forma <sup>4</sup>	% Change compared to Pro Forma figures
Revenue	2,928.3	2,587.5	13.2%	3,321.7	-11.8%
Adjusted EBITDA <sup>1</sup>	318.7	434.8	-26.7%	467.0	-31.8%
Adjusted EBIT <sup>2</sup>	120.1	300.1	-60.0%	271.3	-55.7%
Profit (+) / loss (-) for the period	114.4	226.8	-49.6%	161.5	-29.2%
Total comprehensive income	87.4	268.4	-67.4%	202.4	-56.8%
Capital expenditure	178.5	113.4	57.5%	134.0	33.2%
Cash flow from operating activities	219.2	199.8	9.7%	219.3	-0.1%
(Net financial debt) / Net cash position <sup>3</sup>	10.1	-59.5	nm		

The net cash position of 10.1 M EUR includes lease liabilities (-59.1 M EUR). The net cash position would have amounted to 69.3 M EUR, when excluding these lease liabilities.

Adjusted EBITDA 2022	: 434.8 M EUR
FX effect	: -6.0 M EUR
Change in consolidation scope	: +50.4 M EUR
Internal growth	: <b>-160.5 M EUR</b>
= Adjusted EBITDA 2023	= 318.7 M EUR

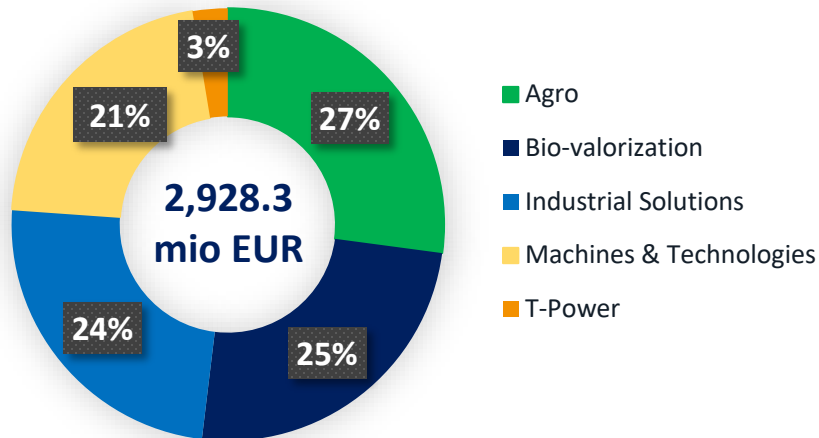
#### Remarks:

- Adjusted EBITDA equals adjusted EBIT plus depreciation and amortization.
- Adjusted EBIT is considered by the group to be a relevant performance measure in order to compare results over the period 2022-2023 as it excludes adjusting items from the EBIT (Earnings Before Interests and Taxes). EBIT adjusting items principally relate to restructuring, impairment losses, provisions, gains or losses on significant disposals of assets or subsidiaries and the effect of the electricity purchase and sale agreement.
- (Net financial debt) / Net cash position equals cash and cash equivalents and long-term investments minus non-current and current loans and borrowings and bank overdrafts.
- The 2022 Pro Forma figures correspond to those reported in note 31 - Subsequent events in the published consolidated financial statements of Tessenderlo Group for the year ended December 31, 2022, after including a -9.7 million EUR adjustment related to the goodwill that Picanol Group allocated to the operating segment T-Power. In 2022, Tessenderlo Group recognized an impairment loss for an amount of -37.6 million EUR on the assets of the cash-generating unit T-Power and consequently any related goodwill should be impaired as well.

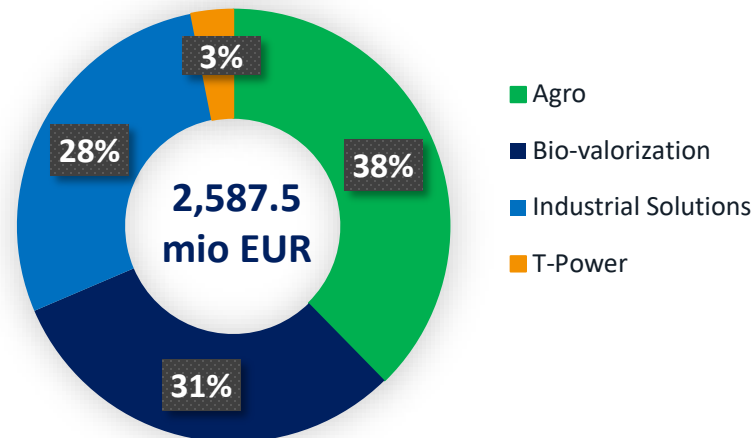


# Group Revenue per segment

2023 Revenue  
(% of total)

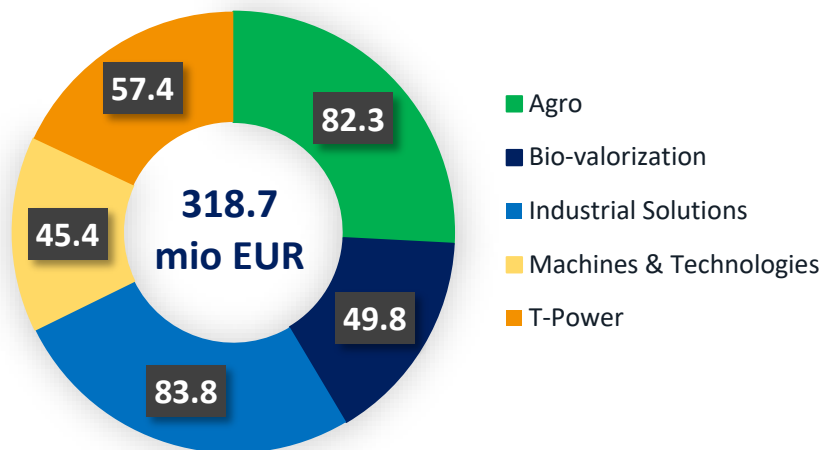


2022 Revenue  
(% of total)

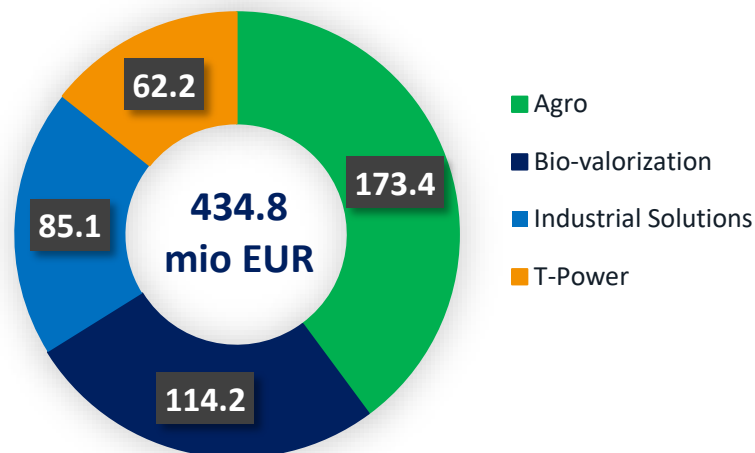


# Group Adjusted EBITDA per segment

2023 Adjusted EBITDA  
(Million EUR)



2022 Adjusted EBITDA  
(Million EUR)



## Agro segment

Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	793.9	974.5	-18.5%	974.5	-18.5%
Adjusted EBITDA	82.3	173.4	-52.5%	173.4	-52.5%
Adjusted EBITDA margin	10.4%	17.8%		17.8%	
Adjusted EBIT	9.4	138.7	-93.2%	101.6	-90.7%
Adjusted EBIT margin	1.2%	14.2%		10.4%	

- 2023 Agro revenue decreased by -18.5%. While the revenue of the first half of 2023 was negatively impacted by both volumes and selling prices, 2H23 was mainly impacted by lower selling prices.
- The 2023 Adjusted EBITDA decreased by -52.5% to 82.3 million EUR (2022: 173.4 million EUR), because of lower volumes and margin pressure due to decreasing selling prices in combination with high valued inventory.
- The Adjusted EBITDA of NovaSource increased in 2023, helped by the contribution of the in 2H22 acquired Lannate® product line.



## Bio-valorization segment

Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	726.4	799.9	-9.2%	799.9	-9.2%
Adjusted EBITDA	49.8	114.2	-56.4%	114.2	-56.4%
Adjusted EBITDA margin	6.9%	14.3%		14.3%	
Adjusted EBIT	10.8	79.2	-86.4%	77.3	-86.0%
Adjusted EBIT margin	1.5%	9.9%		9.7%	

- 2023 Bio-valorization revenue decreased by -9.2% to 726.4 million EUR, mainly because of a lower revenue in the second half of 2023 as sales volumes and sales prices decreased (for both PB Leiner and Akiolis).
- The 2023 Adjusted EBITDA of Bio-valorization decreased by -56.4% to 49.8 million EUR compared to prior year. Lower sales volumes, less favorable market circumstances for fats, gelatin and collagen (resulting in inventory write-offs for -15.3 million EUR in 2023 compared to -0.5 million EUR in 2022) as well as start-up expenses for the newly acquired operations by Akiolis Iberia (Spain) negatively impacted the 2023 result.
- In November 2022, the group announced that PB Leiner reached an agreement in Brazil with D&D Participações Societárias, which is one of the country's leading tannery groups. Under the terms of this agreement, which was closed in January 2023, D&D Participações Societárias acquired a 40% minority stake in the shares of PB Brasil Industria e Comercio de Gelatinas Ltda.

# Industrial Solutions segment

Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	708.9	732.5	-3.2%	732.5	-3.2%
Adjusted EBITDA	83.8	85.1	-1.5%	85.1	-1.5%
Adjusted EBITDA margin	11.8%	11.6%		11.6%	
Adjusted EBIT	47.4	57.9	-18.2%	49.8	-4.9%
Adjusted EBIT margin	6.7%	7.9%		6.8%	

- Industrial Solutions revenue decreased by -3.2% in 2023. While 1H23 revenue remained stable, revenue in 2H23 decreased by -7.9% as lower DYKA Group sales volumes, following challenging market circumstances, could no longer be fully offset by an improved product mix and the full year contribution of the production plant in Gaillon (France) which was only acquired in 4Q22. The revenue of moleko decreased in 2023, impacted by the expiration of the customer agreement with Barrick Gold at year-end 2022, while the 2023 revenue of Kuhlmann Europe increased thanks to favorable market circumstances.
- The 2023 Adjusted EBITDA remained stable and amounted to 83.8 million EUR (-1.5%). The increase of the Kuhlmann Europe results, thanks to favorable market circumstances, was able to offset the lower DYKA Group results, which were impacted by a lower construction market demand. In 2023, moleko was able to offset the negative impact of the expiration of the customer agreement with Barrick Gold by an improved performance of its other products.

# Machines & Technologies segment

Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	622.4	-	nm	734.2	-15.2%
Adjusted EBITDA	45.4	-	nm	32.2	41.2%
Adjusted EBITDA margin	7.3%	-		4.4%	
Adjusted EBIT	30.3	-	nm	18.3	65.1%
Adjusted EBIT margin	4.9%	-		2.5%	

- The 2023 revenue of Machines & Technologies amounted to 622.4 million EUR or -15.2% compared to the 2022 Pro Forma revenue of 734.2 million EUR. The revenue of Picanol (weaving machines) decreased as a lower volume could not be offset by an increase of sales prices. Proferro (foundry and mechanical finishing) revenue remained stable in 2023, while the revenue of Psicontrol (development and production of electronics) increased, although both were impacted by more challenging market circumstances in the second half of 2023.
- The 2023 Adjusted EBITDA increased to 45.4 million EUR (compared to a 2022 Pro Forma Adjusted EBITDA of 32.2 million EUR). The Picanol Adjusted EBITDA increased in 2023, however improved margins could only offset the lower sales volume in the first half of 2023. The 2023 Adjusted EBITDA of Proferro and Psicontrol remained stable compared to the 2022 Pro Forma Adjusted EBITDA, although both were impacted by the lower Picanol activity.



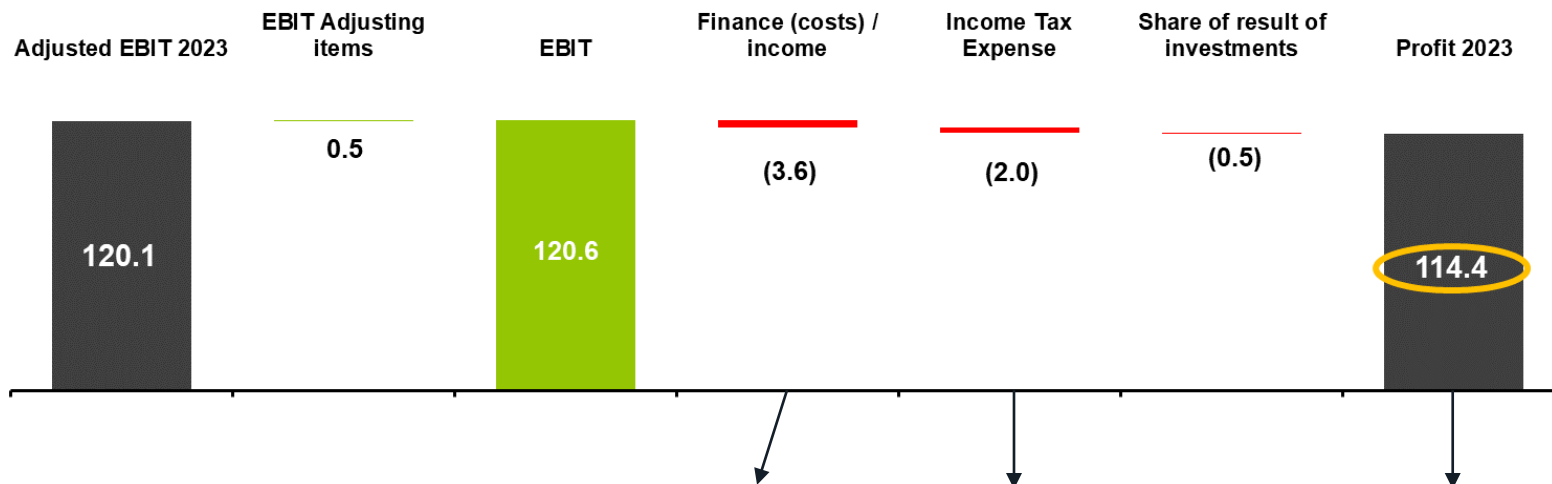
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## T-Power segment

Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	76.7	80.6	-4.7%	80.6	-4.7%
Adjusted EBITDA	57.4	62.2	-7.7%	62.2	-7.7%
Adjusted EBITDA margin	74.8%	77.2%		77.2%	
Adjusted EBIT	22.2	24.2	-8.4%	24.2	-8.4%
Adjusted EBIT margin	28.9%	30.0%		30.0%	

- The 2023 revenue of T-Power decreased to 76.7 million EUR, while the Adjusted EBITDA decreased to 57.4 million EUR because of contractual impacts. The 2022 results were positively impacted by higher efficiency payments linked to gas prices. However, the 2023 results were in line with expectations, as T-Power fulfilled all tolling agreement requirements. The group was informed that the 5-year extension option for the tolling agreement, starting July 2026, will not be exercised. The group is assessing various options for the long-term utilization of the T-Power plant as a safe and reliable partner in the current energy mix.

# 2023 Adjusted EBIT to profit details (Million EUR)



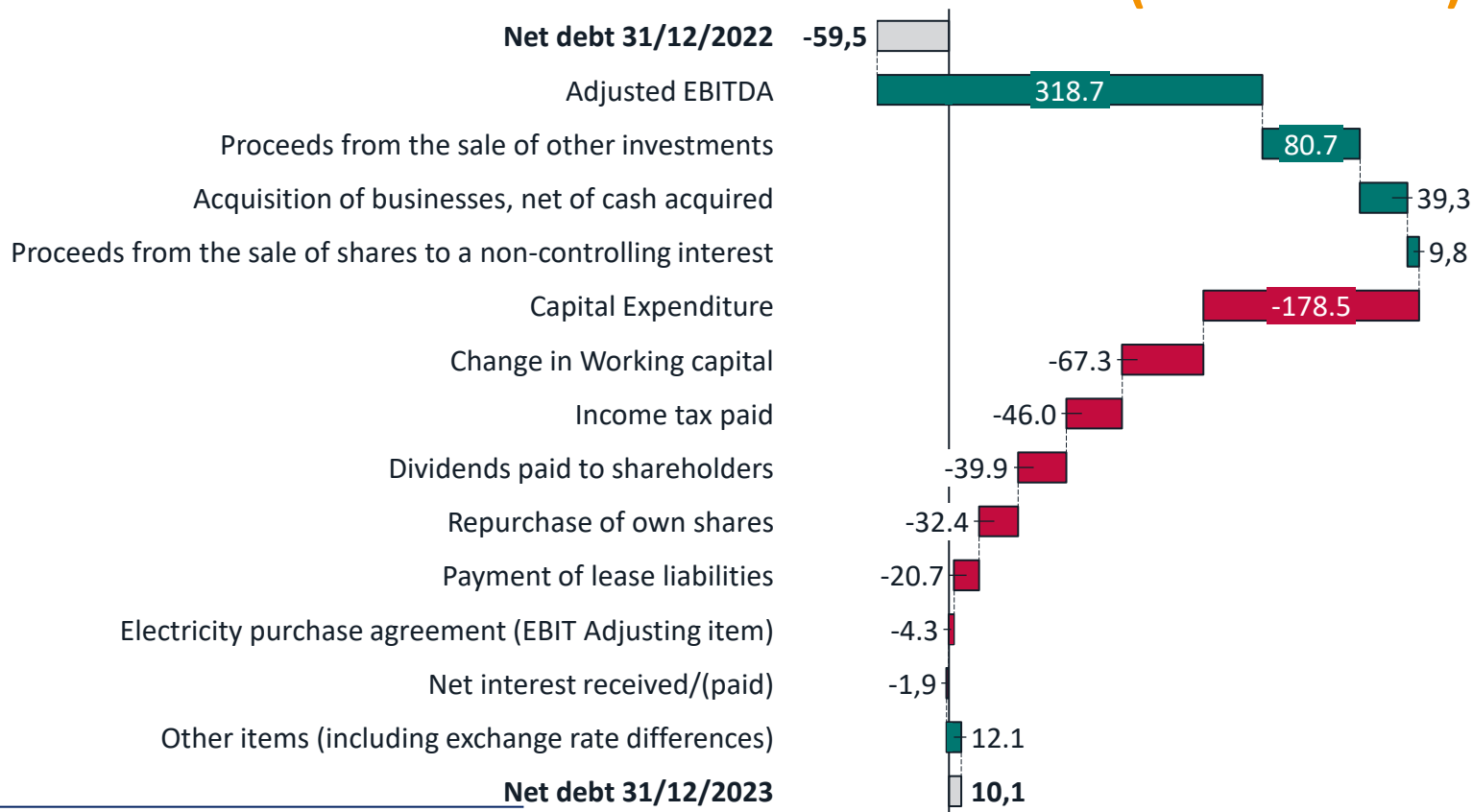
Net finance costs (-3.6 million EUR) mainly include:

- Interest expenses for -6.6 million EUR.
- Interest income for 9.8 million EUR.
- Expense for the unwinding of discounted provisions (-2.8 million EUR).
- Net foreign exchange gains and losses for -14.8 million EUR, mainly explained by unrealized foreign exchange losses on intercompany loans and cash and cash equivalents (mainly in USD), which are not hedged.
- The realized gain on the sale of 654,000 Rieter Holding Ag shares. These shares were sold for an amount of 80.7 million EUR, leading to a gain of +11.3 million EUR. The remaining investment in Rieter Holding Ag consists of 54,262 shares.

Income tax expense amounts to -2.0 million EUR in 2023 impacted by lower current tax expenses following the lower operational results as well as by the recognition of additional deferred tax assets on tax losses carried forward.

The 2023 profit amounts to 114.4 million EUR (of which 109.5 million EUR attributable to equity holders of the company) compared to 226.8 million EUR in 2022 (of which 226.9 million EUR attributable to equity holders of the company).

## 2022 - 2023 Net financial debt reconciliation (Million EUR)



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# Outlook

- The following statements are forward-looking and actual results may differ materially.
- The group anticipates a continued high level of economic uncertainty in 2024. Based on currently available information, the group expects that the 2024 Adjusted EBITDA will be in line with the 2023 Adjusted EBITDA of 318.7 million EUR.
- The group wishes to emphasize that it currently operates in a volatile geopolitical, economic, and financial environment.

## **2. Approval of the statutory annual accounts for the financial year closed on December 31, 2023, and allocation of the result.**

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# Statutory Annual Accounts

## Proposal for appropriation of the result

The board proposes to appropriate:

- Profit of 2023, being	238,687,199 EUR
- Increased by a transfer from untaxed reserves	1,373,390 EUR
- Increased by the result brought forward from previous year	774,432,783 EUR

## Being a total of

**1,014,493,372 EUR**


as follows:

- Other reserves	589,066,116 EUR
- Profit to be carried forward	362,134,937 EUR
- Dividend distribution (gross dividend of 0.75 EUR/share)	63,292,319 EUR



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## Proposed resolution



The General Meeting approves the statutory annual accounts for the financial year closed on December 31, 2023, as well as the allocation of the result, as proposed by the Board of Directors, including the payment of a gross dividend of 0.75 EUR per share, payable on June 7, 2024.

### **3. Approval of the remuneration report for the financial year closed on December 31, 2023.**

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# Information remuneration report

## Remuneration Executive Committee (ExCom)

The ExCom was composed of the following individuals in 2023:

- CEO: Mr. Luc Tack;
- COO & CFO (combined position): Mr. Stefaan Haspeslagh/Findar BVBA, represented by Mr. Stefaan Haspeslagh.

The ExCom remuneration package consists of the following items:

- Fixed compensation;
- Variable compensation;
- Other compensation items.

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# Information remuneration report

## Remuneration Executive Committee (ExCom)

The compensation of the COO-CFO is reviewed on an annual basis by the Nomination and Remuneration Committee on the recommendation of the CEO, while compensation of the CEO is reviewed by the Nomination and Remuneration Committee on the recommendation of the Chairman of the Board of Directors.

The reviews result from objective third party market studies, to ensure the competitiveness of the compensation packages and to stay in line with market movements.

## Application of the Remuneration Policy 2023 – remuneration outcome

All decisions relating to remuneration for the year 2023 were taken in accordance with the approved remuneration policy. The recommendation of the Nomination and Remuneration Committee to the Board of Directors regarding the payment of the ExCom's short-term incentives is in line with the group's overall performance in 2023.

# Information remuneration report

The remuneration earned by the ExCom team in 2023:

Remuneration component		CEO	COO & CFO
Fixed remuneration	Base salary	814,385 EUR	794,385 EUR
	Pension <sup>1</sup>	58,346 EUR	30,553 EUR
Variable remuneration	Short-term Incentive One year variable <sup>2</sup>	247,268 EUR	232,581 EUR
	Long-term Incentive Multiple year variable <sup>3</sup>	305,394 EUR	0 EUR
	Final settlement Variable compensation Long-Term <sup>4</sup>		474,843 EUR
Other benefits <sup>5</sup>		69,542 EUR	40,329 EUR
<b>Total remuneration (at the expense of the company)<sup>6</sup></b>		<b>1,494,935 EUR</b>	<b>1,097,848 EUR</b>
Proportion of fixed & variable remuneration		63% - 37%	78% - 22%
Settlement agreement			1,636,921 EUR

*All amounts are excluding employer social contributions and VAT*

1. *Company pension scheme*
2. *Realization of the short-term incentive*
3. *For the long-term incentive plan for the years 2022-2024 of the CEO, an advance payment of 25% of the target amount will be paid in April 2024, related to 2023.*
4. *For the long-term incentive plan 2022-2024 and 2023-2025 of the COO/CFO, a remaining one-time payment of EUR 474,843 will be paid in 2024 as per the severance agreement.*
5. *Other benefits*
6. *Excluding settlement agreement*

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# Information remuneration report

## Share based remuneration - Provision 7.9 of the Corporate Governance Code 2020

The group does not grant a minimum threshold of remuneration in shares to the ExCom for the year 2023. This decision was taken because the group believes that a payment in shares does not have a positive impact on decision-making of the ExCom, which is aimed at supporting the long-term vision of the group. This position is reinforced by the presence of a reference shareholder who seeks sustainable value creation within the group.



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# Information remuneration report

## Settlement agreement

Mr. Stefaan Haspeslagh left the group on December 31, 2023. For this, Stefaan Haspeslagh/Findar bv, represented by Mr. Stefaan Haspeslagh, will receive a settlement agreement payment totaling 1,636,920.63 EUR, excluding the 2023 short term variable compensation and the long term variable compensation (see table Remuneration of the ExCom in 2023).

## Claw-back provision

Claw back provisions with respect to yearly variable compensation were included in the management agreements of the executive directors. These claw back mechanisms did not have to be used for the year 2023.

# Information remuneration report

## Evolution of ExCom Remuneration and Company Performance

The table is a summary of the evolution of the total remuneration of the ExCom and the average compensation evolution of employees, set against the company's performance over the last five years. Performance is represented by year-on-year growth in revenues and Adjusted EBITDA.

	2023	2022	2021	2020	2019
<b>ExCom</b>					
Total remuneration ExCom*	2,287,389 EUR	3,460,364 EUR	2,702,631 EUR	2,517,218 EUR	2,057,190 EUR
Change year to year	-33.9%	+28.0%	+7.4%	+22.4%	-4.8%
<b>Company performance</b>					
Revenue (change year to year)	+13.2%	+24.4%	+19.8%	-0.3%	+7.5%
Adjusted EBITDA (change year to year)	-26.7%	+22.8%	+12.6%	+17.5%	+50.6%
Average FTE salary increase**	+2.8%	+10.1%	+4.9%	+1.5%	+3.6%

\* Excluding LTI as only one payment every 3 year

\*\* Only Tessenderlo Group nv employees considered (listed company in Belgium)

## 2023 CEO Compensation versus the Employee with the Lowest Salary

1/19

The ratio illustrates the comparison of the remuneration for 2023 between the CEO and the lowest-paid full-time employee of Tessenderlo Group nv. The remuneration includes only the base salary. Variable compensation, employee benefits, and employer social security contributions are not included.

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## Proposed resolution

The General Meeting approves the remuneration report of the Company as included in the annual report on the financial year closed on December 31, 2023.

## **4. Approval of the remuneration policy.**

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## Proposed resolution

The General Meeting approves the remuneration policy of the Company.

## **5. Remuneration of the directors.**



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## Proposed resolution

On the advice of the Nomination and Remuneration Committee, the meeting decides that each director will receive an annual fixed remuneration of 45,000 EUR, it being understood that this remuneration will cover activities as a member of the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee. In addition, the following additional fees will be granted :

- a) an attendance fee of 2,000 EUR per day meeting;
- b) an additional annual fee of 45,000 EUR for the Chairman of the Board of Directors;
- c) an additional annual fee of 5,000 EUR for the Chairman of the Audit Committee.

Fees are paid in the year in which the meetings are held.

The 2,000 EUR attendance fee is also granted to all director invitees present at the meeting.

These rules apply to fees granted from May 14, 2024.

## **6. Discharge to the members of the Board of Directors and the statutory auditor.**

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## Proposed resolution

- By separate vote and in accordance with article 7:149 of the Belgian Code of Companies and Associations, the General Meeting grants discharge to the members of the Board of Directors for the execution of their mandate during the financial year ended on December 31, 2023.
- By separate vote and in accordance with article 7:149 of the Belgian Code of Companies and Associations, the General Meeting grants discharge to the statutory auditor for the execution of its mandate during the financial year ended on December 31, 2023.

## **7. Appointment of the statutory auditor charged with "assurance" of the sustainability report.**

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## Proposed resolution

In accordance with the nomination by the Board of Directors and after recommendation of the Audit Committee, the General Meeting approves the appointment of KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Mr. Joachim Hoebeeck, charged with the "assurance" of the CSRD's sustainability report for a period of one year.

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All documents related to the general meetings are available on the group website  
[www.tessengerlo.com](http://www.tessengerlo.com).

Alle documenten inzake de algemene vergaderingen kunnen worden geraadpleegd  
op onze website [www.tessengerlo.com](http://www.tessengerlo.com).

Tous les documents relatifs aux assemblées générales sont disponibles sur notre  
site internet [www.tessengerlo.com](http://www.tessengerlo.com).







**THANK YOU**