

# Tessengerlo Group nv

# General meeting

Brussels, May 12, 2020



Tessengerlo Group  
EVERY MOLECULE COUNTS

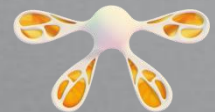
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# Agenda

1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2019, 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, 2019, and allocation of the result.
3. Corporate governance – approval of the remuneration report.
4. Discharge to the members of the board of directors and the statutory auditor.



1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2019, of the annual reports of the board of directors and of the reports of the statutory auditor with respect to said annual accounts.



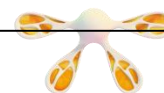
# Operational key figures

Million EUR	2019	2018	% Change excluding fx effect and impact IFRS 16	% Change as reported
Revenue	1,742.9	1,620.9	5.6%	7.5%
- T-Power revenue	-71.1	-18.8		
<b>Revenue excluding T-Power</b>	<b>1,671.9</b>	<b>1,602.2</b>	<b>2.4%</b>	<b>4.3%</b>
Adjusted EBITDA	267.7	177.8	31.8%	50.6%
- T-Power Adjusted EBITDA	-51.2	-13.5		
<b>Adjusted EBITDA excluding T-Power</b>	<b>216.5</b>	<b>164.3</b>	<b>11.5%</b>	<b>31.8%</b>
<b>Profit (+) / loss (-) for the period</b>	<b>97.6</b>	<b>92.1</b>		<b>6.0%</b>
<b>Capital expenditure</b>	<b>104.3</b>	<b>83.4</b>		<b>25.1%</b>
<b>Operational free cash flow</b>	<b>145.7</b>	<b>56.6</b>		<b>157.2%</b>

<b>2018 Adj. EBITDA:</b>	<b>177.8 M EUR</b>
T-Power contribution:	+37.7 M EUR
IFRS16 impact:	+25.4 M EUR
FX impact:	+8.0 M EUR
Growth:	+18.8 M EUR
<b>2019 Adj. EBITDA:</b>	<b>267.7 M EUR</b>

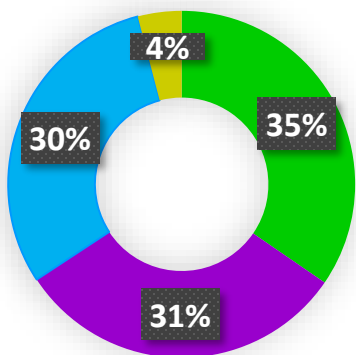
## Remarks:

- 1) On October 2, 2018, Tessenderlo Group closed the acquisition of the remaining 80% shares of T-Power nv, which is a gas-fired 425 MW power plant in Tessenderlo (Belgium). In order to improve the comparability with 2018 figures, T-Power results are presented separately.
- 2) 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 2018-2019 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 agreement.
- 3) The implementation of IFRS 16 *Leases*, as of January 1, 2019, impacted the Adjusted EBITDA. The IFRS 16 impact on the Adjusted EBITDA is as follows: Agro (+7.1 million EUR), Bio-valorization (+9.1 million EUR), Industrial Solutions (+9.3 million EUR) and T-Power (+0.1 million EUR).
- 4) The operational free cash flow equals to Adjusted EBITDA minus capital expenditure minus change in trade working capital.

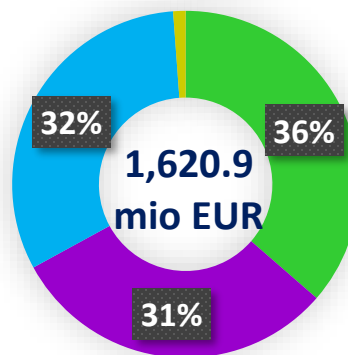


# Group revenue per segment

2019 revenue  
(% of total)

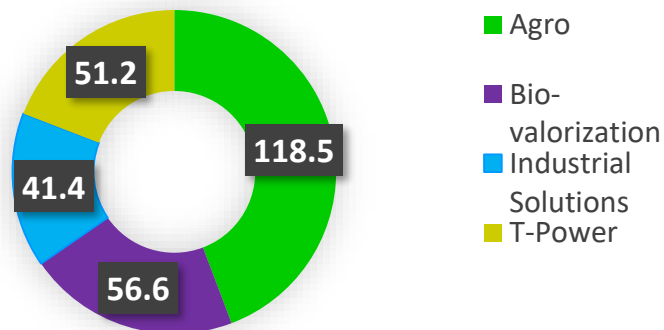


2018 revenue  
(% of total)

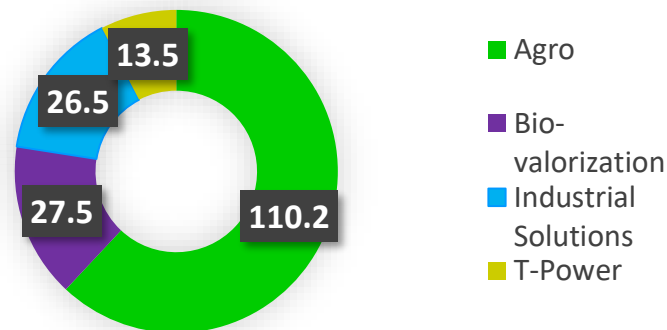


# Group Adjusted EBITDA per segment

2019 Adjusted EBITDA  
(mio EUR)



2018 Adjusted EBITDA  
(mio EUR)



# Agro segment

AGRO				
Million EUR	2019	2018	% Change excluding fx effect and impact IFRS 16	% Change as reported
Revenue	602.8	589.8	-1.0%	2.2%
Adjusted EBITDA	118.5	110.2	-3.9%	7.5%
Adjusted EBITDA margin	19.7%	18.7%		
Adjusted EBIT	88.4	86.3	-3.5%	2.5%
Adjusted EBIT margin	14.7%	14.6%		

## Crop Vitality:

- Slight increase of 2019 revenue as the extension of the Agro season in the United States positively impacted the 2H19 volumes.
- Adjusted EBITDA decreased in 2019, although continued margin pressure in 2H19 was offset by the higher volumes.

## NovaSource:

- Revenue remained stable in 2H19 and could not compensate the lower 1H19 revenue, which was due to weather conditions, resulting in a lower 2019 Adjusted EBITDA.

## Tessenderlo Kerley International:

- 2019 revenue decreased as, in contrast with 1H19, an increase of the SOP sales price was not able to offset the SOP volume decline in 2H19.
- Adjusted EBITDA of Tessenderlo Kerley International increased as the impact of lower SOP volumes could be offset by increased margins, while 2H18 was negatively impacted by significant production issues in Ham (Belgium) and Rouen (France).



# Bio-valorization segment

BIO-VALORIZATION				
Million EUR	2019	2018	% Change excluding fx effect and impact IFRS 16	% Change as reported
Revenue	543.1	496.9	7.5%	9.3%
Adjusted EBITDA	56.6	27.5	66.5%	105.7%
Adjusted EBITDA margin	10.4%	5.5%		
Adjusted EBIT	22.7	2.4	783.7%	864.7%
Adjusted EBIT margin	4.2%	0.5%		

## PB Leiner:

- Revenue increase in 2019 thanks to higher volumes.
- Increase of Adjusted EBITDA thanks to an increase of volumes, combined with a better product mix and lower raw material prices.

## Akiolis:

- Decrease of 2019 volumes, although this decline was more outspoken in 1H19 compared to 2H19, when volumes were positively impacted by a heat wave in France.
- Stable Adjusted EBITDA.





# Industrial Solutions segment

INDUSTRIAL SOLUTIONS				
Million EUR	2019	2018	% Change excluding fx effect and impact IFRS 16	% Change as reported
Revenue	526.0	515.5	1.2%	2.0%
Adjusted EBITDA	41.4	26.5	18.1%	56.0%
Adjusted EBITDA margin	7.9%	5.1%		
Adjusted EBIT	11.9	5.6	93.4%	111.8%
Adjusted EBIT margin	2.3%	1.1%		

## DYKA Group:

- Revenue benefited from favorable market circumstances.
- Increase of Adjusted EBITDA, mainly thanks to higher volumes and increased production efficiency as a result of investments previously made.

## Performance Chemicals:

- Lower revenue due to technical issues at the plant in Loos (France).
- Stable Adjusted EBITDA compared to 2018, as the 1H19 result improvement was offset by technical issues in Loos (France) in 2H19.

## Mining and Industrial:

- Stable results

## S8 Engineering:

- Improvement of Adjusted EBITDA compared to 2018, although remaining negative, following additional internal projects and a further reduction of costs.



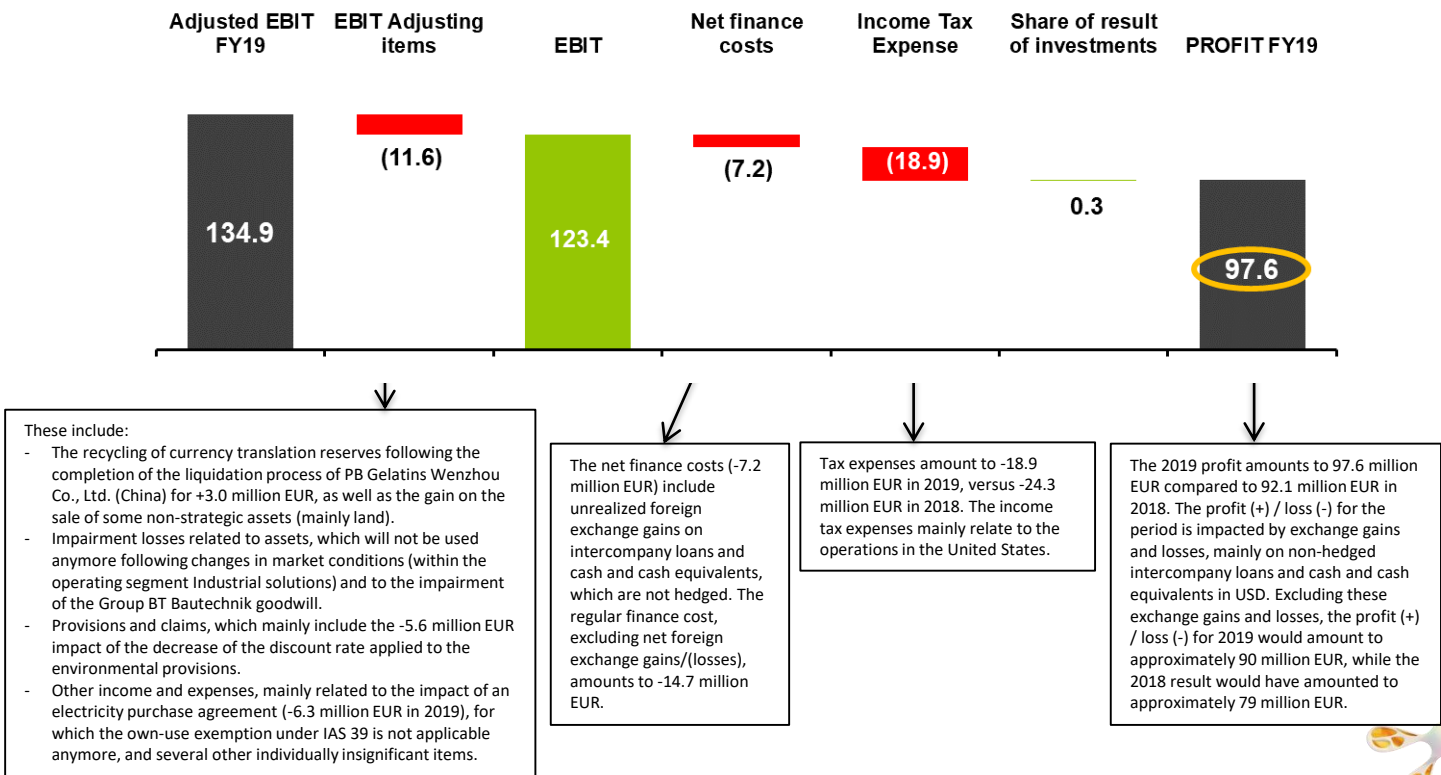
# T-Power segment

T-POWER				
Million EUR	2019	2018	% Change excluding fx effect and impact IFRS 16	% Change as reported
Revenue	71.1	18.8	278.9%	278.9%
Adjusted EBITDA	51.2	13.5	278.0%	278.5%
Adjusted EBITDA margin	72.1%	72.2%		
Adjusted EBIT	12.0	4.3	178.7%	178.7%
Adjusted EBIT margin	16.8%	22.9%		

- Results were in line with expectations, as T-Power nv fulfilled all tolling agreement requirements.
- During 2019 the group has reviewed the T-Power nv financing structure, as well as the ongoing long term maintenance program.
- Furthermore the group acquired NAES Belgium bvba in June 2019. Since 2012, NAES Belgium has been responsible for the operation of the T-Power 425 MW CCGT (Combined Cycle Gas Turbine) plant. Meanwhile, the name of the company was changed to T-Power Energy Services bv.



# 2019 Adjusted EBIT to profit details (Million EUR)



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# Outlook

- The following statements are forward looking and actual results may differ materially.
- The group anticipates that the 2020 Adjusted EBITDA will be higher compared to 2019. This guidance for 2020 does not include any potential impact from COVID-19 (Coronavirus). This disease is a new factor of uncertainty, which is expected to have a significant negative economic impact worldwide, and its effect on the 2020 Adjusted EBITDA is currently difficult to estimate. At this stage and given the evolving landscape, it is too early to determine the full impact of COVID-19 on the 2020 financial results.
- The group would like to emphasize further that it currently operates in a volatile political, economic, financial and health environment.



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# Statutory annual accounts

Tessengerlo Group nv recorded a net profit of 164,249,980 EUR in 2019 compared to a net profit of 4,020,632 EUR in 2018.

## **Proposal for appropriation of the result**

The board proposes to appropriate:

- the profit of 2019, being 164,249,980 EUR
- increased by a transfer from untaxed reserve 1,137,113 EUR
- decreased by a transfer to untaxed reserve 331,377 EUR
- increased by the result brought forward from previous year 314,533,730 EUR

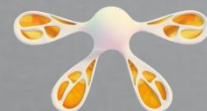
being a total of: 479,589,446 EUR

as follows:

- legal reserves: 4,009 EUR
- profit to be carried forward: 479,585,437 EUR



2. Approval of the statutory annual accounts for the financial year closed on December 31, 2019, and allocation of the result.



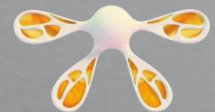
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# Proposed resolution

- The shareholders' meeting approves the statutory annual accounts for the financial year closed on December 31, 2019, as well as the allocation of the result, as proposed by the board of directors.
- The shareholders' meeting approves the proposal of the board of directors not to distribute any dividends over the year 2019.



### 3. Corporate governance – approval of the remuneration report.





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# Information remuneration report

## **Fixed Compensation**

The fixed part of the remuneration compensates individual members as per market reference and in line with their level of skill/experience and position within the group combined with the right behaviour and living according the group's guiding principles.

## **Variable Compensation**

### **Short Term incentive**

- Varies between a minimum of 0% and a maximum of 135% of the fixed remuneration for the CEO and between a minimum of 0% and a maximum of 120% of the fixed remuneration for the CFO/COO.
- The objectives are linked for 75% to the financial results of the group (EBIT) and for 25% to individual performance contributing to the long term sustainable growth of Tessengerlo Group.
- The personal modifier is linked to progress in strategy execution and business transformation within the group.



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# Information remuneration report

## Long Term Incentive

- A new long-term incentive plan for key personnel was approved by the Board of Directors on March 12, 2019. This LTI plan covers a 3 year period (2019-2021), with pay out in April 2022, based on pre-set performance metrics of the Tessenderlo Group.



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# Information remuneration report

## **Other compensation items:**

The benefits paid to the ExCom members include participation in the extra- legal pension plan from the defined contribution type, a hospitalization insurance, eco-cheques & representation allowance – all under the same conditions applicable to other members of senior management.

The ExCom members also benefit from certain other benefits such as a car allowance.

## **Agreements on severance pay:**

- The management agreement with the COO-CFO provides for a notice period of maximum 12 months.
- The management agreement with the CEO does not provide for a notice period. The CEO will therefore not be entitled to termination protection.



# Information remuneration report

Annual gross compensation earned by the ExCom<sup>1</sup> in 2019 is detailed below:

Component	Amount CEO	Amount COO-CFO
Fixed compensation (excluding Director fees) <sup>2</sup>	632,221 EUR	632,221 EUR
Variable compensation Short Term <sup>2/5</sup>	300,858 EUR	334,287 EUR
Variable compensation Long Term <sup>6</sup>	0 EUR	0 EUR
Pension <sup>3</sup>	87,029 EUR	0 EUR
Other benefits <sup>4</sup>	44,471 EUR	26,103 EUR
<b>TOTAL (cost to the company)</b>	<b>1,064,579 EUR</b>	<b>992,611 EUR</b>

1 The ExCom is composed of the CEO (Luc Tack) and one executive Director (the COO-CFO), Stefaan Haspeslagh/Findar BVBA, represented by Stefaan Haspeslagh.

2 Excluding social security contributions.

3 Pension Plan: annual service cost for 2019, as calculated by an actuary.

4 Other benefits include coverage for death, disability, work accident insurance, taxes (4.40%), meal vouchers, company car - all under the same conditions applicable to other members of senior management and the ruling approved by the Belgian tax authorities for representation allowance.

5 Short term incentive realization as proposed by the Nomination and Remuneration Committee of March 24, 2020.

6 No long term incentive pay-out in 2020.



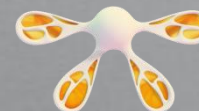
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# Proposed resolution

- The shareholders' meeting approves the remuneration report of the Company regarding the financial year 2019.



4. Discharge to the members of the board of directors and the statutory auditor.



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# Proposed resolution

- a) By separate vote and in accordance with article 7:149 of the Belgian Code of Companies and Associations, the shareholders' 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, 2019.
  
- b) By separate vote and in accordance with article 7:149 of the Belgian Code of Companies and Associations, the shareholders' meeting grants discharge to the statutory auditor for the execution of its mandate during the financial year ended on December 31, 2019.



# Tessengerlo Group nv

# Special General meeting

Brussels, May 12, 2020



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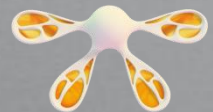
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# Agenda

1. Approval in accordance with article 7:151 of the Belgian Code of Companies and Associations of the change of control provisions in the facility agreements with KBC Bank, ING Bank, Belfius Bank and BNP Paribas Fortis.



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# Detail

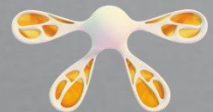
- In accordance with article 7:151 of the Belgian Code of Companies and Associations, the special general shareholders' meeting approves each clause of any of the bilateral facility agreements entered into between the Company as borrower and each of KBC Bank NV, ING Bank NV, Belfius Bank NV and BNP Paribas Fortis NV respectively as lender that could confer rights to those banks which can have an influence on the capital of the Company, or can create a debt or obligation for it, when the exercise of these rights is dependent on the launching of a public takeover bid on the shares of the Company or on a change of control over the Company, including but not limited to clause 'general undertakings' (*juncto* clause 7.3 of the general terms and conditions) of the bilateral facility agreement between the Company and KBC Bank NV, clause 'securities, engagements & covenants' of the bilateral facility agreement between the Company and ING Bank NV, and clause 'general undertakings' of the bilateral facility agreement between the Company and BNP Paribas Fortis.



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).



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