

Tessenderlo Group nv

General meeting

Brussels, May 14, 2019



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Business highlights 2018



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Business highlights



Within DYKA Group, which provides high quality, value-added solutions in plastic pipe systems for the utilities, agricultural, building and civil engineering markets, DYKA opened new branches in Tilburg and Amsterdam (the Netherlands) and JDP opened a new branch in Bolton (UK) in the second quarter of 2018.



Tessenderlo Group received an award in April 2018, in recognition of it being one of the best Belgian investors in France. Specifically, the award for the most innovative investment related to our new electrolysis plant in Loos. The award event was organized by the Chamber of Commerce and Industry (CCI) France Belgium.



In April 2018, the Tessenderlo Innovation Center celebrated its 30th anniversary. From a history that began in pharmaceutical and organic chemistry R&D activities, the Tessenderlo Innovation Center has successfully transformed itself into an innovation facility with a broad range of capabilities and competences.

Business highlights



Based on the growth of its activities, Tessengerlo Kerley, Inc. (TKI) purchased a new headquarters building in Phoenix (Arizona, US) in Q3 2018. TKI plans to move into its new headquarters in autumn 2019.



In September 2018, Tessengerlo Group held a ceremony to mark the inauguration of its new membrane electrolysis production facility at the site of PC Loos (Produits Chimiques de Loos, France). This marked a new milestone in the history of the group, as the new plant provides state-of-the-art technology to produce chlorine, sodium hydroxide (NaOH) and potassium hydroxide (KOH).



Within DYKA Group, BT, BTH and Nyloplast have changed their brand names to BT Nyloplast with effect from October 4, 2018, in order to further combine their knowledge and strengths. This name change will also enable us to realize its ambition of becoming an acknowledged specialized fittings supplier in the European market.

Business highlights



The business unit PB Gelatins/PB Leiner changed its brand name to PB Leiner with effect from mid-October 2018. The name was carefully chosen to reflect the combined 200 years of history.



In October 2018, Tessengerlo Group completed the acquisition of the remaining 80% of the shares of T-Power nv, which is a gas-fired 425 MW power plant in Tessengerlo. Tessengerlo Group has invested 313 million EUR in the acquisition of the remaining shares in T-Power nv, including 131 million EUR that was paid out to the selling shareholders and 182 million EUR of net financial debt that was taken over.

After the balance date

- Produits Chimiques de Loos has announced its intention to increase the production capacity for water treatment coagulants.



After the balance date

- DYKA opening new branches in Anderlecht (Belgium) and Třeboň (Czech Republic).



100 years

- 2019 marks the 100th anniversary of Tessenderlo Group. To commemorate this impressive milestone, we are proud to announce the launch of a new website, which highlights 100 remarkable facts relating to the history of Tessenderlo Group: www.100yearstessenderlo.com.



Agenda

1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2018, 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, 2018, 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
5. Reappointment of directors
6. Appointment of auditor

1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2018, of the annual reports of the board of directors and of the reports of the statutory auditor with respect to said annual accounts

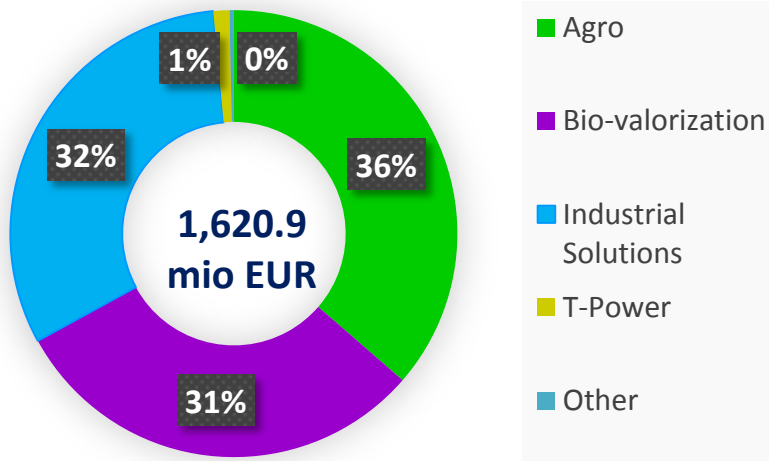


Operational key figures

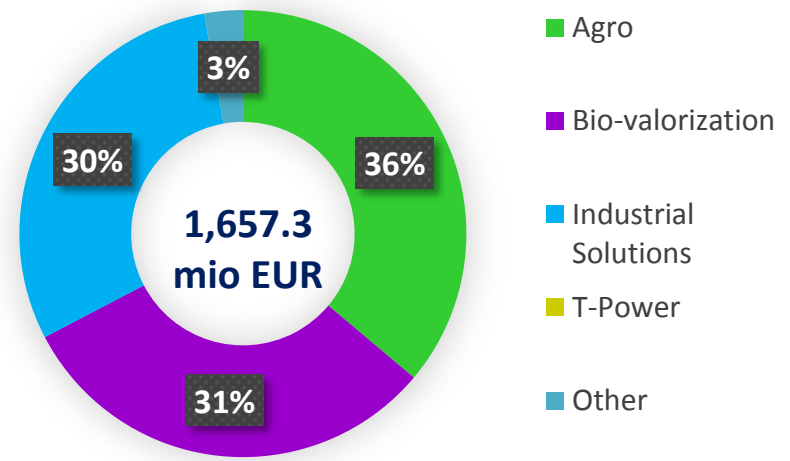
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	1,620.9	1,657.3	-0.5%	-2.2%
- T-Power revenue	-18.8	-		
- S8 Engineering revenue	-5.1	-46.0		
Revenue excluding T-Power and S8 Engineering	1,597.1	1,611.3	0.8%	-0.9%
Adjusted EBITDA	177.8	187.8	-2.3%	-5.3%
- T-Power Adjusted EBITDA	-13.5	-		
- S8 Engineering Adjusted EBITDA	5.5	-4.5		
Adjusted EBITDA excluding T-Power and S8 Engineering	169.7	183.3	-4.2%	-7.4%
Adjusted EBIT	98.5	116.3	-11.9%	-15.3%
- T-Power Adjusted EBIT	-4.3	-		
- S8 Engineering Adjusted EBIT	5.6	-4.3		
Adjusted EBIT excluding T-Power and S8 Engineering	99.8	112.0	-7.1%	-10.9%
Profit (+) / loss (-) for the period	92.1	25.8		256.5%
Total comprehensive income	97.5	31.1		213.4%
Capital expenditure	83.4	90.4		-7.7%
Cash flow from operating activities	107.6	184.2		-41.6%
Operational free cash flow	56.6	124.9		-54.6%

Group revenue per segment

2018 revenue
(% of total)

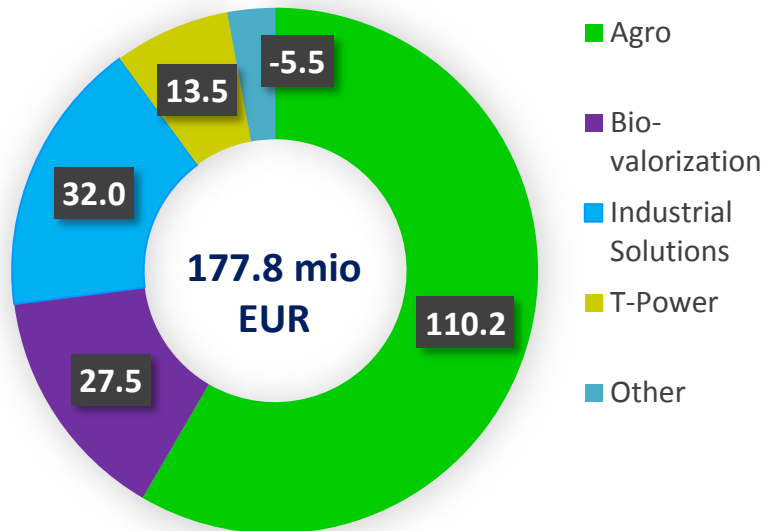


2017 revenue
(% of total)

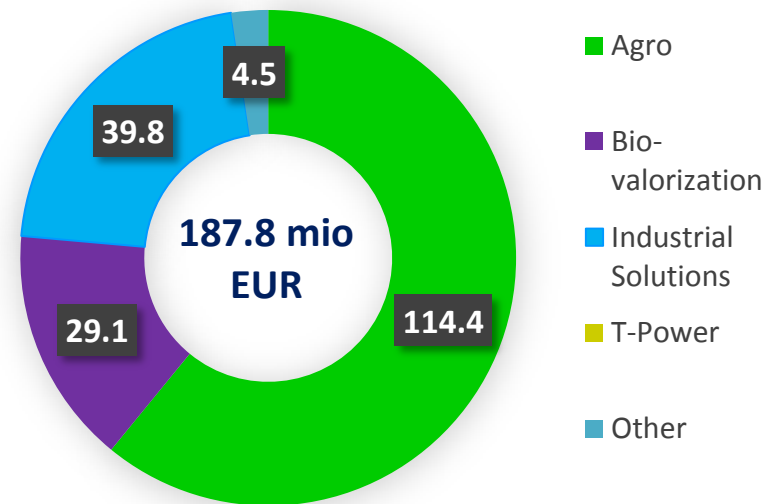


Group Adjusted EBITDA per segment

2018 Adjusted EBITDA (Million EUR)



2017 Adjusted EBITDA (Million EUR)



Agro segment

AGRO				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	589.8	598.9	1.1%	-1.5%
Adjusted EBITDA	110.2	114.4	0.3%	-3.7%
Adjusted EBITDA margin	18.7%	19.1%		
Adjusted EBIT	86.3	89.9	0.3%	-4.0%
Adjusted EBIT margin	14.6%	15.0%		

- 2018 revenue increased by +1.1%, when excluding the foreign exchange effect, as lower volumes within Tessenderlo Kerley International were compensated by the other Agro activities.
- The 2018 Adjusted EBITDA remained stable when excluding the foreign exchange effect.
- Slight improvement within Crop Vitality and NovaSource, however offset by a lower Tessenderlo Kerley International Adjusted EBITDA. Lower volumes and production issues in Ham (Belgium) and Rouen (France), which have been solved in the meantime, could not be compensated by the contribution of the new Thio-Sul[®] plant (production started in Rouen in 3Q17) and lower maintenance expenses.

Bio-valorization segment

BIO-VALORIZATION				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	496.9	517.0	-2.3%	-3.9%
Adjusted EBITDA	27.5	29.1	-3.4%	-5.3%
Adjusted EBITDA margin	5.5%	5.6%		
Adjusted EBIT	2.4	2.2	4.6%	7.4%
Adjusted EBIT margin	0.5%	0.4%		

- 2018 revenue decreased by -2.3%, when excluding the foreign exchange effect, because of lower volumes and decreased fat prices.
- The Adjusted EBITDA decreased by -3.4%, when excluding the foreign exchange effect.
- The 2018 impact of inventory write-offs is nihil, while in 2017 a reversal of inventory write-offs was recognized for +3.2 million EUR.
- Akiolis Adjusted EBITDA decreased due to lower fat prices in the downstream markets, which were not compensated by the upstream markets.
- PB Leiner Adjusted EBITDA increased compared to 2017, mainly thanks to increased collagen peptides volumes.

Industrial Solutions segment

INDUSTRIAL SOLUTIONS				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	510.4	495.3	3.7%	3.0%
Adjusted EBITDA	32.0	39.8	-17.8%	-19.6%
Adjusted EBITDA margin	6.3%	8.0%		
Adjusted EBIT	11.2	20.0	-41.8%	-43.9%
Adjusted EBIT margin	2.2%	4.0%		

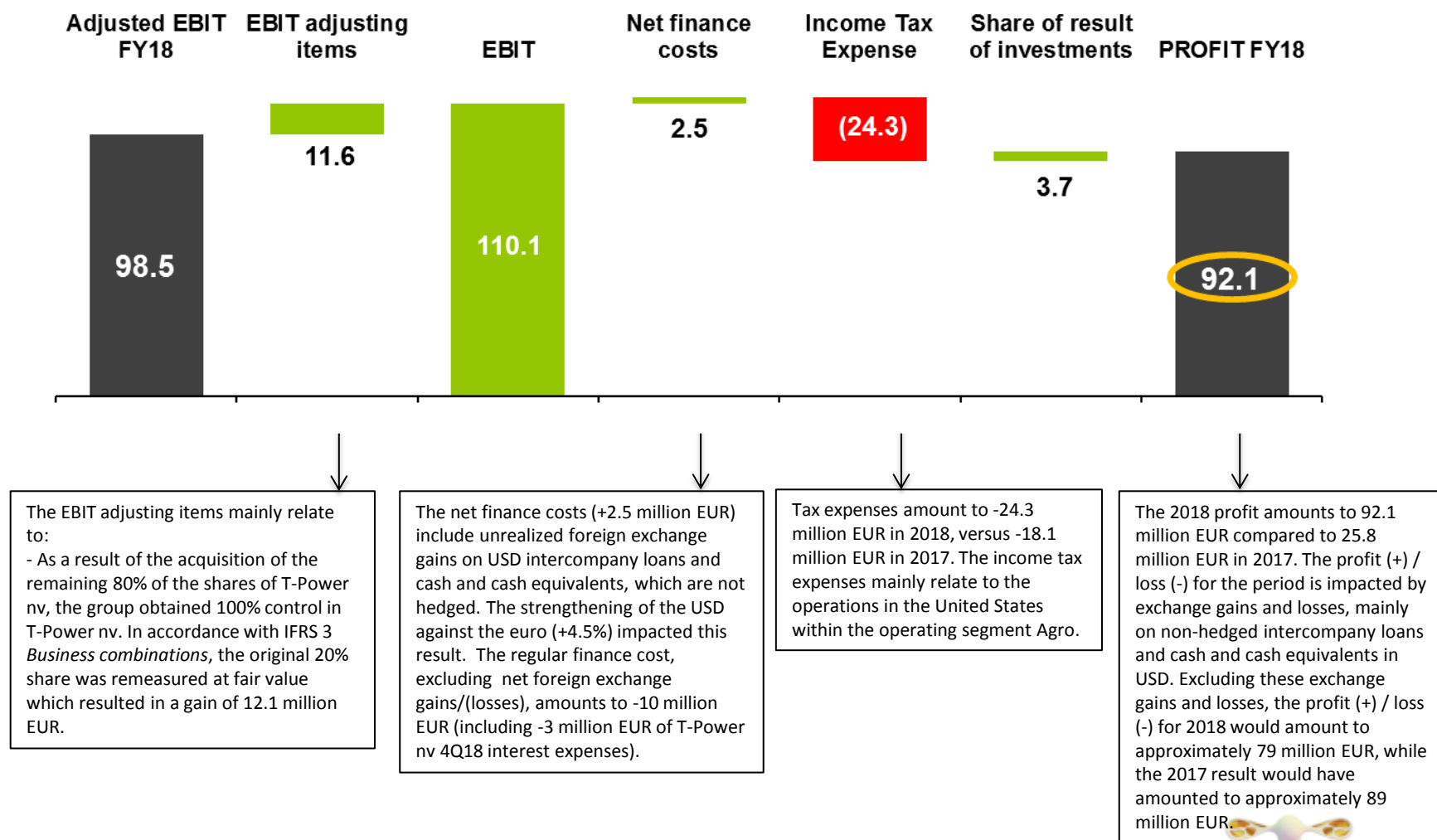
- 2018 revenue increased by +3.7%, when excluding the foreign exchange effect. A revenue increase could be noted in the different segment activities.
- The 2018 Adjusted EBITDA decreased by -17.8%, when excluding the foreign exchange effect, as the revenue increase did not result in a higher Adjusted EBITDA.
- DYKA Group remained stable as the revenue increase was offset by start-up costs for new branches.
- Further start-up expenses for the NaOH production as well as unforeseen technical issues at the production plant in Loos (France) negatively impacted Performance Chemicals.
- Mining & Industrial was negatively impacted by lower volumes.
- Furthermore, Environmentally Clean Systems was positively impacted in 2017 by the outcome following the expiration of a contract.

T-Power segment

T-POWER				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	18.8	-	nm	nm
Adjusted EBITDA	13.5	-	nm	nm
Adjusted EBITDA margin	72.2%	-		
Adjusted EBIT	4.3	-	nm	nm
Adjusted EBIT margin	22.9%	-		

- T-Power contributed in the fourth quarter of 2018 18.8 million EUR to the revenue and 13.5 million EUR to the Adjusted EBITDA of the Group.
- These results were in line with expectations, as T-Power fulfilled all tolling agreement requirements.
- The group has reviewed the T-Power financing structure, which will lead to a reduction of the future finance costs by about 2 million EUR per year.

FY18 Adjusted EBIT to profit details (Million EUR)



Outlook

- The following statements are forward looking and actual results may differ materially.
- In addition to the full-year contribution of T-Power, which is expected to amount to approximately 50 million EUR, and the implementation of IFRS 16 *Leases*, which will lead to an additional Adjusted EBITDA of around 20 million EUR, the group anticipates that the 2019 Adjusted EBITDA will be higher compared to 2018.
- The group would like to emphasize that it currently operates in a volatile political, economic and financial environment.

Statutory annual accounts

Tessenderlo Group nv recorded a net profit of 4,020,632 EUR in 2018 compared to a net loss of 13,585,706 EUR in 2017.

Proposal for appropriation of the result

The board proposes to appropriate:

- the profit of 2018, being 4,020,632 EUR
- increased by a transfer from untaxed reserve 222,472 EUR
- increased by the result brought forward from previous year 310,329,755 EUR

being a total of: 314,572,860 EUR

as follows:

- legal reserves 39,130 EUR
- profit to be carried forward 314,533,730 EUR

2. Approval of the statutory annual accounts for the financial year closed on December 31, 2018, and allocation of the result



Proposed resolution

- The shareholders' meeting approves the statutory annual accounts for the financial year closed on December 31, 2018, 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 2018.

3. Corporate governance – approval of the remuneration report

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.

Information remuneration report

Current Long Term Incentive

- This LTI plan covers a 3 year period (2016-2018), with a pay out in April 2019, based on pre-set performance metrics of the Tessenderlo Group.
 - 75% of the LTI is linked to Tessenderlo Group's EBIT
 - 25% of the LTI is linked to "Sustainable Performance Measures", determined for each individual business unit and measured on Safety, Innovation and Environment.

NEW 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.
 - 85% of the LTI is linked to Tessenderlo Group's Adjusted EBITDA, measured over the calendar years 2019, 2020 & 2021.
 - 15% of the LTI is linked to Business Unit Safety.

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 ExCom¹ in 2018 is detailed below:

Component	Amount CEO	Amount COO-CFO
Fixed compensation (excluding Director fees) ^{2/5}	615,600 EUR	615,600 EUR
Variable compensation Short Term ^{2/6}	380,743 EUR	406,382 EUR
Variable compensation Long Term ^{2/6/7}	410,627 EUR	365,002 EUR
Pension ³	71,547 EUR	0 EUR
Other benefits ⁴	44,912 EUR	26,103 EUR
TOTAL (cost to the company)	1,523,430 EUR	1,413,087 EUR

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 2018, 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 Exchange rate used: 1.00 EUR = 1.20 USD (for all conversions related to the US package).

6 Short term incentive realization as determined by Nomination and Remuneration Committee of March 12, 2019.

7 Long term incentive realization over the year 2016-2017-2018

Proposed resolution

- The shareholders' meeting approves the remuneration report of the Company regarding the financial year 2018.

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



Proposed resolution

- a) By separate vote and in accordance with article 554 of the Belgian Companies Code, 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, 2018.

- b) By separate vote and in accordance with article 554 of the Belgian Companies Code, the shareholders' meeting grants discharge to the statutory auditor for the execution of his mandate during the financial year ended on December 31, 2018.

5. Reappointment of directors

Reappointment of Mr. Luc Tack as executive director

- Proposed resolution:

The shareholders' meeting renews the mandate of Mr. Luc Tack as Executive Director for a period of four years. The mandate will end after the shareholders' meeting approving the annual accounts for the financial year closed on December 31, 2022.

Reappointment of Mr. Karel Vinck as non-executive director

- Proposed resolution:

The shareholders' meeting renews the mandate of Mr. Karel Vinck as Non-Executive Director for a period of four years. The mandate will end after the shareholders' meeting approving the annual accounts for the financial year closed on December 31, 2022.

Reappointment of Philiium BVBA with permanent representative Mr. Philippe Coens as independent non-executive director

- Proposed resolution:

The shareholders' meeting renews the mandate of Philiium BVBA, with permanent representative Mr. Philippe Coens as independent, Non-Executive Director for a period of four years. The mandate will end after the shareholders' meeting approving the annual accounts for the financial year closed on December 31, 2022.

Board of directors

- The composition of the board of directors is as follows:

<i>Function</i>	<i>Name</i>	<i>End of term</i>
Chairman	Stefaan Haspeslagh	May 2022
Executive Director	Luc Tack	May 2023
Non-executive Director	Karel Vinck	May 2023
Independent non-executive Directors	Philiium BVBA represented by its permanent representative Philippe Coens	May 2023
	Management Deprez BVBA, represented by its permanent representative Ms. Veerle Deprez	May 2021
	ANBA BVBA represented by its permanent representative Ms. Anne Marie Baeyaert	May 2021

6. Appointment of auditor



Proposed resolution

- The shareholders' meeting appoints KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL, with registered office at 1930 Zaventem, 1K, Brussels National Airport, as auditor for a period of three years. KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL has appointed Mr. Patrick De Schutter as its mandated representative who is entrusted with the execution of the mandate in the name and for the account of the CVBA/SCRL. The mandate relates to the audit of the statutory and consolidated accounts. The mandate will expire after the shareholders' meeting approving the financial statements as per 31 December, 2021.
- The annual remuneration for this mandate amounts to 177,000 EUR (VAT excluded) subject to annual adjustments according to changes in the consumer price index or as agreed upon between parties.

- All documents related to the general meeting of today are available on the group website
- Alle documenten inzake de algemene vergadering kunnen worden geraadpleegd op onze website
- Tous les documents relatifs à l'assemblée générale d'aujourd'hui sont disponibles sur notre site internet

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Tessenderlo Group nv Extraordinary general meeting

Brussels, May 14, 2019



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Agenda

1. Opt-in to the Belgian Code of Companies and Associations
dd. February 28, 2019
2. Amendment to the articles of association following the opt-in to the BCCA

1. Opt-in to the Belgian Code of Companies and Associations dd. 28 February 2019



Proposed resolution

- The general meeting decides to bring the Company within the scope of the BCCA at an earlier stage, as a result of which the BCCA will apply as from the day of publication of the amendments to the articles of association.

2. Amendment to the articles of association following the opt-in to the BCCA



Proposed resolution

- The general meeting of shareholders decides to amend the articles of association of the Company having effect as from the publication of the amendment to the articles of association in the Belgian Official Gazette as follows:

Article 1

The text of the second paragraph of article 1 is deleted.

Article 2

The first paragraph of article 2 is replaced by the following:

“The registered office is located in the Brussels-Capital Region, at Elsene (1050 Brussels), Troonstraat 130.”

Article 7

The reference to “article 612” in the fourth paragraph of article 7 is replaced by a reference to “article 7:208”.

The references to “article 607” in the sixth paragraph of article 7 are replaced by references to “article 7:202”.

Proposed resolution

Article 11

The reference to “article 545 of the Belgian Companies’ Code” in the second paragraph of article 11 is replaced by a reference to “article 25/1 of the Law on the disclosure of major shareholdings”.

The reference to “articles 514, 516, 534 and 545” in the third paragraph of article 11 is replaced by a reference to “article 7:131”.

Article 12

The text of the third paragraph of article 12 is amended as follows:

“By virtue of the resolution of the extraordinary general meeting of 6 June 2017, the board of directors was explicitly authorized to dispose the acquired listed securities on the stock exchange or in any other way without the prior consent or other decision of the general meeting, without prejudice to the fact that the possibilities of disposal of the board of directors are further compulsorily regulated by the new Belgian Code of Companies and Associations and that those provisions will therefore have to be respected in parallel by the company for the remaining duration of the authorization granted by the general meeting with respect to the acquisition of own securities.”

The reference to “article 627” in the last paragraph of article 12 is replaced by a reference to “articles 7:221 and 7:222”.

Proposed resolution

Article 13

The text of article 13 is deleted.

Article 16

The reference to “articles 523 and 524” in the sixth paragraph of article 16 is replaced by a reference to “articles 7:96 and 7:97”.

Article 19

In the second paragraph of article 19, the words “an executive committee and” are deleted.

Article 20

The text of point (iii) of the first paragraph of article 20 is deleted.

Article 21

The reference to “Article 520ter” in the last paragraph of article 21 is replaced by a reference to “article 7:91”.

Proposed resolution

Article 23

The text of the fifth paragraph of article 23 is amended as follows:

“It must be convened at the request of shareholders representing at least one tenth of the capital, with at least an indication of the items on the agenda which are proposed by the concerned shareholders.”

Article 26

The last paragraph of article 26 is amended as follows:

“The holders of shares without voting rights, non-voting profit-sharing certificates, convertible bonds, subscription rights or certificates issued with the cooperation of the company and the holders of bonds which, following the conditions of the issuance, have acquired the right to participate in the general meeting, must satisfy the same conditions as the shareholders in order to be admitted to the general meetings.”

Article 30

After the words “financial year” the following words are added in article 30 “which starts on 1 January and”.

Proposed resolution

Renumbering

As a result of the deletion of article 13, the articles with numbers 14 to 36 are renumbered in the articles with numbers 13 to 35.

General amendment

As a result of the changed name of the code, the reference in the articles of association to “Belgian Companies’ Code” will be amended to “Belgian Code of Companies and Associations”.

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