

APPLICATION OF ARTICLE 7:97 BCC BY THE BOARD OF DIRECTORS OF TESSENDERLO GROUP

Tessenderlo Group (Euronext: TESB) discloses information required under article 15, §1 of the Law of May 2, 2007, regarding the disclosure of important shareholdings in listed companies. The board of directors of Tessenderlo Group nv (Euronext: TESB, the "Company") has requested the committee of independent directors of the Company (the "Committee") to issue an advice in application of Article 7:97 of the Belgian Code of Companies and Associations ("BCC") on the entering into of an 'Integration Protocol' between the Company, Picanol Group (Picanol nv), Verbrugge nv, Manuco International nv, Artela nv, Luc Tack and Symphony Mills nv (the "Integration Protocol").

The Integration Protocol determines, among other things, the conditions on which the Company will launch a voluntary public takeover bid on all shares in Picanol nv, in exchange for newly issued shares in the Company (the "Takeover Bid").

Mr Luc Tack, Manuco International nv, Picanol nv and other parties to the Integration Protocol qualify or potentially qualify as related parties of the Company within the meaning of the international standards for annual accounts approved pursuant to Regulation (EC) 1606/2002. Consequently, the board of directors of the Company has applied the procedure described in Article 7:97 BCC when deliberating and resolving on the Integration Protocol. The Committee has appointed Mr. Nico Goossens (Argo Law) as independent expert within the meaning of Article 7:97 BCC to assist with the legal assessment of the transaction and the redaction of the advice.

The Committee's advice relates in particular to decisions of the board of directors of the Company on the signing of the Integration Protocol, the exchange ratio to be used in the Takeover Bid as set out therein and the authorization of due diligence by Picanol nv under the conditions set out in the Integration Protocol (the "Decision"). When issuing its advice, the Committee has based itself on the valuation report dated July 7, 2022, on the valuation of the Company, Picanol nv and the exchange ratio, issued by KBC Securities nv, which is the financial advisor appointed by the Company. In its assessment of the advantages and disadvantages of the Decision, the Committee has considered, inter alia, the following:

- The scope and the terms of the due diligence by Picanol will be in line with market practice. The Company itself will also perform a due diligence on Picanol nv, so that the Takeover Bid will take place on the basis of correct data and assumptions.
- The combined group, which will result from the acquisition of Picanol nv by the Company, will have a greater market power. The increase of the Company's equity and the increased transparency would enable the Company to obtain financing on even more favorable terms, and should lead to an increased attractiveness of the Company on capital markets.
- As from the inclusion of Picanol Group as a business unit in the Machines & Technologies segment, the Company will consist of five business segments. This thorough diversification is in line with, and reinforces, the strategy of the Company. The various business units are subject to different economic cycles. The further diversification of the Company should therefore lead to more stable, combined cash flows, making it easier across different economic cycles to realize acquisitions and investments, but also to maintain a stable dividend policy.
- The Committee understands that the Takeover Bid will have no impact on the current employment.

- The issuance of new shares by the Company will lead to dilution for the existing shareholders of the Company. The degree of dilution will be determined by (i) the exchange ratio, and (ii) the number of Picanol nv shares tendered in the Takeover Bid. The exchange ratio was determined during negotiations between the Parties, who were assisted by several financial advisors. In addition, KBC Securities nv has performed an independent valuation exercise of both the Company and Picanol nv. The Committee observes that the proposed exchange ratio for the Takeover Bid is within the range proposed by KBC Securities nv.
- If the Takeover Bid is successful, the value of the asset in which the shareholders of the Company hold a participating interest will increase. The dilution which will result from the issuance of new shares, will be proportionate to, and offset by, the acquisition of the stake in Picanol nv and the resulting benefits.
- Based on the advice of its independent expert, the Committee considers that the provisions of the Integration Protocol are in line with market practice, and do not contain any exceptionally onerous provisions for the Company. The Integration Protocol also includes sufficient conditions precedent, in order to protect the Company against, inter alia, significantly altered market conditions, or elements that might come to light during the due diligence process.

In addition, the Committee will have the opportunity to provide its advice on the exchange ratio again at the time the Board of Directors takes the decision to submit the Takeover Bid to the FSMA, based on the information available at that time.

The decision of the Committee, in application of article 7:97 BCC, is included below: *“On the basis of the considerations set out above, after the assessment of the advantages and disadvantage of the Decision to the Company and its shareholders, and the assessment of the financial consequences thereof, the Committee concludes that the entry into of the Integration Protocol is not to cause any prejudice to the Company that would be manifestly unlawful in view of the Company's policy.”* Consequently, the Committee unanimously gives a positive advice to the board of directors of the Company to approve the Decision.

The decision of the report of the auditor is included below: *“Based on our review, nothing has come to our attention that causes us to believe that the financial and accounting information mentioned in the advice of the committee of independent directors of the Company dd. July 7, 2022 and in the minutes of the board of directors of the Company dd. July 7, 2022, which provides a motivation for the transaction, is not in all material respects, true and consistent compared to information we have at our disposal within the framework of our engagement.”*

After deliberating on the items on the agenda, and taking note of the opinion of the Committee, the board of directors of the Company has decided to approve the Integration Protocol, including the exchange ratio set out therein.

About Tessenderlo Group

Tessenderlo Group is a diversified industrial group that focuses on agriculture, valorizing bio-residuals, energy, and providing industrial solutions with a focus on water. The group employs more than 4,800 people, is a leader in most of its markets and recorded a consolidated revenue of 2.1 billion EUR in 2021. Tessenderlo Group is listed on Euronext Brussels and is part of Next 150 and BEL Mid indices. Financial News wires: Bloomberg: TESB BB – Reuters: TESB.BR – Datastream: B:Tes.



Tessenderlo Group
EVERY MOLECULE COUNTS

Media Relations

Frederic Dryhoel

☎ +32 2 639 19 85

frederic.dryhoel@tessenderlo.com

Investor Relations

Kurt Dejonckheere

☎ +32 2 639 18 41

kurt.dejonckheere@tessenderlo.com

This **press release** is available in **Dutch and English** on the corporate website www.tessenderlo.com.

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