

**PRESS RELEASE**

Regulated information<sup>1</sup> - inside information  
Announcement in application of Article 8 §1 of the Royal Decree on Takeover Bids  
July 8, 2022, 08:15 am CET

## **TESSENDERLO GROUP AND PICANOL GROUP ANNOUNCE THEIR INTENTION TO SIMPLIFY GROUP STRUCTURE AND COMBINE THEIR ACTIVITIES**

### **VOLUNTARY PUBLIC EXCHANGE OFFER FOR PICANOL GROUP SHARES**

- Tessenderlo Group (Tessenderlo Group nv, Euronext: TESB) and Picanol Group (Picanol nv, Euronext: PIC) today announced their intention to simplify and make more transparent the group structure of both companies, with a view to combining them into one industrial group with eventually one stock exchange listing and one Board of Directors.
- In the framework of the proposed transaction, the reference shareholders Luc Tack and Patrick Steverlynck will contribute the shares they hold in Picanol Group in kind in Tessenderlo Group in the context of a voluntary public exchange offer made by Tessenderlo Group. By making a voluntary public exchange offer, the remaining Picanol Group shareholders (free float: 10.66%) will also be offered the possibility to become direct shareholders of Tessenderlo Group at the same exchange ratio, whereby 1 Picanol Group share can be exchanged for 2.43 Tessenderlo Group shares.
- Both Picanol Group and Tessenderlo Group have evolved significantly over the past few years, with each segment being greatly strengthened by strategic investments and with a new segment that was created by Tessenderlo Group (T-Power). Each business unit today contributes significantly to the Adjusted EBITDA of the group and will also be able to develop further in the coming years with its own identity as part of an integrated group.
- By combining the cash flows of all business units, acquisitions and investments can be made more easily across the economic cycles. By combining both groups into one industrial group, the existing shareholders of Picanol Group and Tessenderlo Group will have the opportunity to participate directly in each new project and there will no longer be a question of which group will realize which new project.
- The goal is that after this transaction, Picanol Group will be an integral part of Tessenderlo Group and it will be included as a business unit in the Machines & Technologies segment. The integrated group will thus consist of the following five business segments: Agro, Bio-valorization, Industrial Solutions, Machines & Technologies, and T-Power.
- The new group will be active in more than 100 countries worldwide with a turnover of approximately 2.7 billion EUR and an Adjusted EBITDA of more than 430 million EUR (based on the 2021 figures). It remains the ambition to strengthen the leading market position in each segment and ensure sustainable profitability.
- The combined group will be able to count on more than 7,000 dedicated employees. The proposed transaction will have no impact on the current employment.
- Following the exchange offer, the Board of Directors will propose a dividend policy to the shareholders, taking into account the sustainable growth that is being pursued.
- The strong Belgian anchoring of both companies will benefit the creation of shareholder value through the implementation of a long-term and sustainable industrial strategy.

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<sup>1</sup> The information provided includes regulated information, as defined in the Royal Decree of November 14, 2007, regarding the duties of issuers of financial instruments permitted to trade on regulated markets.

- **The Boards of Directors of both Picanol Group and Tessenderlo Group support the exchange offer. The Board of Directors of Tessenderlo Group will submit the issuance of new shares of Tessenderlo Group in Q4 2022 for approval at an extraordinary general meeting of Tessenderlo Group to be convened. The independent directors of Picanol Group have, in accordance with the Royal Decree on Takeover Bids, appointed Degroof Petercam as an independent expert to prepare an expert report on the proposed exchange ratio in the exchange offer.**

### **The proposed transaction**

On December 16, 2015, Tessenderlo Group (then Tessenderlo Chemie nv) and Picanol Group already announced a proposal to combine the industrial activities of both companies into one larger industrial group. To this end, the industrial activities of Picanol Group would be contributed to Tessenderlo Group while maintaining a dual stock exchange listing. However, after thorough consideration, the Board of Directors of Picanol Group concluded at that particular time that there was insufficient support in the market to successfully conclude the transaction.

Today, Tessenderlo Group and Picanol Group announced their intention to combine the industrial activities of both companies into one large industrial group. Partly based on corporate opportunity considerations, it is considered by both companies advisable to be able to manage the group in the future as one integrated group with one stock exchange listing from one Board of Directors, which will also provide additional liquidity to the shareholders of Picanol Group. To this end, Tessenderlo Group shares would be offered to Picanol Group shareholders for their shares through an exchange offer. The Board of Directors of Tessenderlo Group will ask its shareholders at an extraordinary general meeting to approve the issuance of new Tessenderlo Group shares.

### **Exchange offer - Exchange ratio**

Luc Tack (who is the reference shareholder through the companies Symphony Mills nv and Artela nv) and Patrick Steverlynck (who is the co-shareholder in Artela nv) have committed, within the framework of the Integration Protocol concluded between the parties, to contribute the shares that they hold in Picanol Group in kind into Tessenderlo Group within the framework of the exchange offer at the proposed exchange ratio. Prior to this, the stake in Rieter Holding AG, which is held by Symphony Mills nv, will be contributed in kind to Picanol Group so that this participation is also taken into account in determining the exchange ratio of the exchange offer. To this end, an extraordinary general meeting of Picanol Group will be organized.

In order to ensure equal treatment of the shareholders of Picanol Group, Tessenderlo Group will make an offer to acquire the shares of Picanol Group in the form of a voluntary exchange offer to all shareholders of Picanol Group, on the same terms and conditions as the contribution in kind to which Luc Tack and Patrick Steverlynck have committed themselves in this context in the Integration Protocol.

Tessenderlo Group is valued for the purposes of the exchange offer at 1,656 million EUR in relative terms while Picanol Group (including its 15.2% shareholding in the Swiss publicly traded Rieter Holding AG – after the contribution in kind of the 3.8% shareholding in Rieter Holding AG by Symphony Mills – and excluding the shares it holds in Tessenderlo Group) is valued at 830.8 million EUR in relative terms. To the extent that Picanol Group owns 50.65% of Tessenderlo Group, the pro rata part of the valuation of Tessenderlo Group should then be added to that standalone valuation of Picanol Group in order to determine the exchange rate. As a result, it is the intention that each Picanol Group shareholder will be offered the possibility to acquire 2.43 Tessenderlo Group shares for 1 Picanol Group share<sup>2</sup>.

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<sup>2</sup> For the portion of the share package for which no Tessenderlo Group shares can be issued, a cash compensation will be provided to the Picanol Group shareholders concerned.

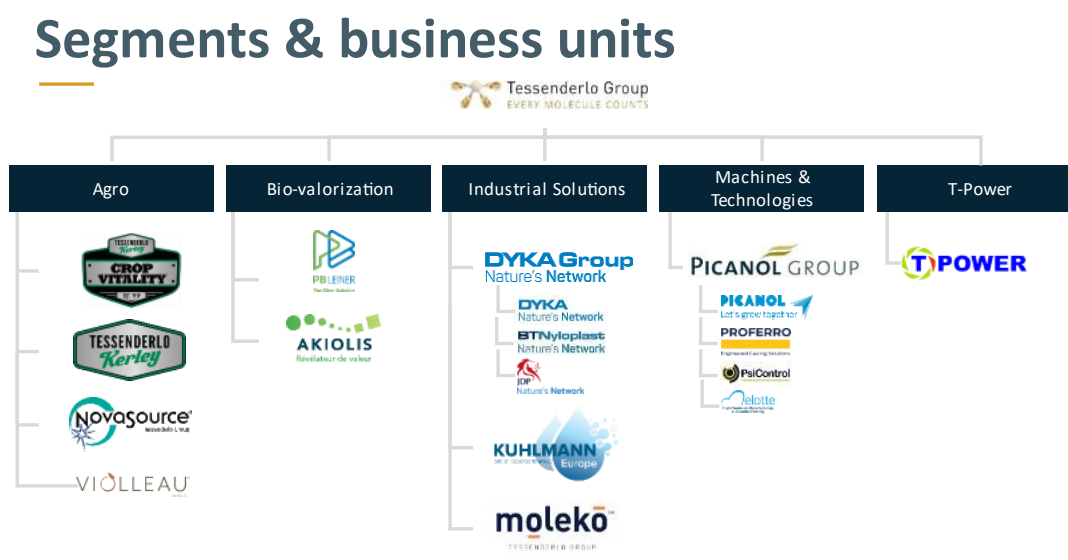
The reference shareholders (Luc Tack and Patrick Steverlynck) will hold 64% of the total number of shares in the new group after the contribution of their stakes in Picanol Group in the context of the exchange offer and taking into account the stakes that they already hold in Tessenderlo Group.

Additional information on the offer, including further explanations and justifications regarding the valuation methods used, as well as the expert report of Degroof Petercam, will be included in a prospectus to be filed with the FSMA. The Board of Directors of Picanol Group will also submit its memorandum of response in respect of the exchange offer to the FSMA and publish it upon approval.

### Organizational structure

Upon completion of the proposed transaction, all activities of Tessenderlo Group and Picanol Group will be combined within one listed company, Tessenderlo Group nv (Euronext: TESB).

The combined group will consist of five business segments, which will contain the following business units:



- Agro: the business units Crop Vitality, Tessenderlo Kerley International, NovaSource, and Violleau
- Bio-valorization: the business units PB Leiner and Akiolis
- Industrial Solutions: the business units DYKA Group, Kuhlmann Europe, and moleko
- Machines & Technologies: the business unit Picanol Group
- T-Power

The Tessenderlo Group headquarters will remain in Brussels (Belgium), while the headquarters of Picanol Group will remain in Ieper (Belgium).

### Delisting Picanol Group (Euronext: PIC)

After completion of the intended transaction, it will be the intention in due course to maintain only one stock exchange listing for Tessenderlo Group and to delist the Picanol Group share.

**Indication of the timing of the transaction**

Following this announcement, after the report of the independent expert has been made available, which will be prepared by Degroof Petercam in accordance with articles 20-23 of the Royal Decree on Takeover Bids, a draft prospectus relating to the exchange offer by Tessenderlo Group for the Picanol Group shares that are still held by the public will be submitted to the FSMA. The Board of Directors of Picanol Group will, after consulting the aforementioned expert report of Degroof Petercam, include its final position on the exchange offer in its memorandum of response relating to the exchange offer, submit it to the FSMA for approval and publish it after such approval has been obtained.

After approval of the prospectus and the memorandum of response by the FSMA, the exchange offer will be opened to the public.

It is the intention of both parties for the integration to become effective as of January 1, 2023.

**Advisors to the proposed transaction**

ING is acting as financial advisor to the companies controlled by Luc Tack and Patrick Steverlynck. Meanwhile, KBC Securities is acting as financial advisor to the Board of Directors of Tessenderlo Group and Stibbe is acting as legal advisor to the Board of Directors of Tessenderlo Group. The committee of independent directors is being assisted by Mr. Nico Goossens (Argo Law) for the purposes of article 7:97 BCAC.

Degroof Petercam was asked by the committee of independent directors within the Board of Directors of Picanol Group to act as an independent expert within the meaning of articles 20-23 of the Royal Decree on Takeover Bids. Freshfields Bruckhaus Deringer LLP is acting as legal advisor to the Board of Directors of Picanol Group.

**Corporate Governance – conflict of interest rules Tessenderlo Group and Picanol Group**

Several steps in the proposed integration transaction fall within the scope of article 7:97 BCAC. In particular for the transaction, an ad hoc committee consisting of the independent directors was set up within the board of directors of Picanol Group. Meanwhile, at Tessenderlo Group, an ad hoc committee of independent directors has been set up in accordance with article 7:97 of the Belgian Company Code as well and Mr. Nico Goossens (Argo Law) was appointed as independent expert. The publication of the decisions taken in application of article 7:97§4/1 will be done in parallel.

**Additional legal matters**

This is a press release issued by Tessenderlo Group and Picanol Group in accordance with article 8, paragraph 1 of the Royal Decree on Takeover Bids. This announcement is for information purposes only and does not constitute an offer, or a solicitation of an offer, to purchase or subscribe for securities. There is currently no takeover bid on the shares of Picanol Group.

The Integration Protocol in which it is provided that Tessenderlo Group will make a voluntary exchange offer is entered into on customary conditions, including that all required regulatory approvals are obtained, the obtaining of a tax ruling, the continued positive advice of the ad hoc committees in application of article 7:97 BCAC and the absence of material adverse changes, with a right on the part of either party to terminate the Integration Protocol if any of the conditions are (not) realized.

Any offer will only be made in accordance with and by means of a prospectus approved by the FSMA pursuant to the Royal Decree on Takeover Bids and subject to the conditions that will be set out therein.

Both Tessenderlo Group and Picanol Group reserve the right to further acquire shares in the other entity prior to the implementation of the integration.

This announcement cannot be released, published or distributed, in whole or in part, directly or indirectly, in or into any jurisdiction where such release, publication, or distribution would be unlawful.

#### **Additional information**

Tessenderlo Group and Picanol Group will hold a **joint press conference on this matter today at 12:30 pm at KBC Arteveldestoren, Kortrijksesteenweg 1100, 9051 Ghent (Belgium).**

#### **About Tessenderlo Group**

Tessenderlo Group is a diversified industrial group that focuses on agriculture, valorizing bio-residuals, energy, and providing industrial solutions. 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 sources: Bloomberg: TESB BB – Reuters: TESB.BR – Datastream: B:Tes.

#### **About Picanol Group**

Picanol Group is a diversified industrial group and it is active worldwide in the fields of mechanical engineering, agriculture, food, energy, water management, the efficient (re)use of natural resources and other industrial markets. The group's products are used in a variety of applications, industrial and consumer markets. Picanol Group realized a consolidated turnover of 2.7 billion EUR in 2021. Picanol Group has approximately 7,000 employees worldwide and it is listed on Euronext Brussels (PIC) via Picanol nv.

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This **press release** is available in **Dutch and English** on the corporate websites [www.picanolgroup.com](http://www.picanolgroup.com) and [www.tessenderlo.com](http://www.tessenderlo.com).

#### *Disclaimer*

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