



PRESS RELEASE

Announcement in application of article 7:97, §4/1 of the Belgian Companies and Associations Code
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ANNOUNCEMENT IN ACCORDANCE WITH ARTICLE 7:97 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE (THE “BCAC”)

In the joint press release of July 8, 2022 at 08:15 am CET, Tessenderlo Group (Tessenderlo Group nv, Euronext: TESB) and Picanol Group (Picanol nv, Euronext: PIC) announced their intention to combine the group structure into one industrial group.

In the framework of the proposed transaction, Mr. Luc Tack and Mr. Patrick Steverlynck will contribute directly or indirectly the shares they hold in Picanol Group in the context of a voluntary public exchange offer made by Tessenderlo Group, whereby 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.

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. This report is in the process of being prepared by Degroof Petercam. The report will be included in the prospectus which Tessenderlo Group will file with the FSMA and which will be published upon approval.

In the framework of the proposed transaction, Picanol Group, Verbrugge nv, Tessenderlo Group, Artela nv, Mr. Luc Tack, Manuco International nv and Symphony Mills nv have determined their respective rights and obligations in respect of, and the terms and conditions of, the proposed transaction by signing an integration protocol (the “Integration Protocol”) on July 7, 2022, which was approved in advance by the Board of Directors of Picanol Group.

Mr. Luc Tack controls Artela nv and Symphony Mills nv, which currently hold respectively 68.47% and 25.84% of the shares in Picanol Group, and is also CEO of Picanol Group. Mr. Luc Tack thus exercises control over Picanol Group through the abovementioned companies and his position as CEO. Manuco International nv has a significant shareholding in Picanol Group. Tessenderlo Group and Verbrugge nv are part of Picanol Group. Each of the above companies and Mr. Luc Tack are parties to the Integration Protocol and on the basis of the foregoing (potentially) qualify as related parties within the meaning of the international accounting standards adopted in accordance with Regulation (EC) 1606/2002 and may not fall under any of the exceptions of article 7:97 BCAC. For this reason, the conflict of interest procedure of article 7:97 BCAC was applied, to the extent applicable, to (1) the entering into the Integration Protocol by Picanol Group with respect to the proposed transaction, and (2) the acceptance of a confirmatory due diligence on Picanol Group by Tessenderlo Group (“Confirmatory Due Diligence”) and setting up an electronic data room in this context as well as any other terms of the Integration Protocol which would create obligations for Picanol Group and fall within the scope of article 7:97 BCAC (the “Decisions”). To this end, the Board of Directors of Picanol Group established an ad hoc committee consisting of the four independent members of the Board of Directors of Picanol Group (the “Committee”) and requested it to provide an opinion in application of article 7:97 BCAC.

The Committee assessed the Decisions and issued its opinion thereon on July 6, 2022, to the Board of Directors of Picanol Group in accordance with article 7:97, §3 BCAC, to the extent applicable. The Board of Directors of Picanol Group then, on July 7, 2022, decided to approve the Decisions and presented these Decisions to the statutory auditor of Picanol Group in accordance with article 7:97, §3 BCAC.

On the advice of the Committee, the Board of Directors has considered that the Decisions were in the interest of Picanol Group for the following reasons:

- The Integration Protocol contains a fair framework in line with market practice for the respective rights and obligations of Picanol Group and Tessenderlo Group in the context of a transaction of the size and importance of the intended exchange offer, including (i) a description of the limited but customary obligations for Picanol Group to prepare certain documentation in connection with the exchange offer, (ii) the right to acquire the 3.8% of the shares of Rieter Holding from Mr. Luc Tack and Symphony Mills nv and the undertaking to convene a general meeting of Picanol Group for the purposes of this contribution, (iii) mutual rights and obligations to cooperate in obtaining a tax ruling as well as competition and other regulatory approvals, and (iv) the obligation for Picanol Group to allow Tessenderlo Group to conduct a confidential due diligence on Picanol Group in line with market practice, and the right to do the same for Tessenderlo Group.
- Both companies also provide guarantees to each other in the framework of the Integration Protocol which are on the one hand common practice and on the other hand limited in scope and aim at ensuring that there are no depreciating events that would affect the fairness of the exchange ratio.
- In addition, the Integration Protocol provides for sufficient contractual possibilities for Picanol Group and its Board of Directors to terminate the Integration Protocol and/or withdraw their support of the proposed transaction and the exchange offer on the basis of the Degroof Petercam opinion on the exchange offer as described above, or in the event of certain adverse developments which may have an impact on the proposed transaction. Tessenderlo Group holds similar rights.
- Entry into the Integration Protocol will entail a very limited cost which does not outweigh the benefits that a successful transaction would bring, such as the increased liquidity for Picanol Group shareholders and a clearer outlining, internally and externally, of Picanol Group's activities, all this without impact on employment. In addition, the costs of the Confirmatory Due Diligence would be limited to the organisation of the due diligence itself, the time that management will spend on the due diligence and the costs related to the assistance of external counsels and other advisors. The Committee estimates that the costs of such due diligence remain well below a total cost of 1% of consolidated net assets. In general, the terms and conditions as contained in the Integration Protocol are in line with market practice and common practice, do not create any (financial) imbalance between the parties and the Decisions carry little risk or cost for Picanol Group.
- The Decisions are in line with the general policies of Picanol Group and constitute a common step in the process of the proposed transaction which both the Committee and the Board of Directors of Picanol Group have analysed as being in the general corporate interest of Picanol Group itself.

The exchange ratio itself does not form part of the Decisions subject to the aforementioned article 7:97 BCAC as it is subject to the expert report of Degroof Petercam. The Committee will be able to express its opinion again on this matter at the time when the Board of Directors will take the decision to submit the exchange offer to the FSMA, based on the additional information available at that time regarding the valuation methods used. The contribution of the Rieter Holding AG shares will, at a later stage, once the expert report of Degroof Petercam is available, be subject to an opinion in

accordance with article 7:97 BCAC. It is the intention of both parties for the integration to become effective as of January 1, 2023.

The general conclusion of the Committee's advice in respect of the Decisions in application of article 7:97 BCAC, which is supported by the Board of Directors of Picanol Group, is set out below:

"Based on the considerations set out above, the Committee is of the opinion that the Proposed Decisions to enter into the Integration Protocol and to agree to the Confirmatory Due Diligence are not of such a nature that they would cause a disadvantage to the Company which, in light of its current policies, would be manifestly unlawful.

Furthermore, the Committee believes that the Proposed Decisions are in the general corporate interest of the Company, and it is unlikely that the Proposed Decisions would result in disadvantages to the Company that would not be outweighed by the benefits of the Proposed Decisions for the Company."

The conclusion of the statutory auditor of Picanol Group in application of article 7:97 BCAC is set out below:

"Based on our assessment, nothing has come to our attention that causes us to believe that the financial and accounting data included in the opinion of the Committee of independent directors of July 6, 2022, and in the minutes of the Board of Directors of July 7, 2022, justifying the proposed transaction are not, in all material respects, fair and consistent with the information available to us in the context of our task."

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.

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

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