



**ROSIER**  
Company limited by shares  
Route de Grandmetz 11a  
7911 Frasnes-Lez-Anvaing (Moustier)  
Numéro d'entreprise : 0401.256.237 (RPM Hainaut, division Tournai)

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**ADDITIONAL INFORMATION IN VIEW OF THE EXTRAORDINARY SHAREHOLDERS'  
MEETING OF 14 MARCH 2022**

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On 9 February 2022, an extraordinary shareholders' meeting was convened to be held on 14 March 2022 at 10:00 (Belgian time, GMT +1) at the registered office of Rosier SA, before Me Emmanuelle Robberechts notary public in Leuze (hereinafter, the **General Meeting**).

The General Meeting will resolve on the agenda points set out in the convocation, amongst which a capital increase through contribution in kind by Borealis AG (**Borealis**), Rosier SA's controlling shareholder, of (i) its receivables under the following shareholder loans that Borealis (as lender) entered into with the Company (as borrower): (A) the EUR 25 million intercompany loan agreement dated 16 July 2020, effective as from 22 July 2020, amended for the last time in February 2021 and expiring on 30 June 2022 and (B) the EUR 25 million intercompany loan agreement dated 16 July 2020, effective as from 28 August 2020, amended for the last time in February 2021 and expiring on 30 June 2022 (together, the **Borealis' Loans**) and (ii) a portion of the receivables under the current account (the **Current Account**) between Borealis Financial Services NV and Rosier SA (receivables assigned by Borealis Financial Services NV to Borealis). The receivables under the Borealis' Loans and the Current Account would each be contributed at nominal value in the Company's capital, for an aggregate amount of EUR 55 million and against the issuance of 2,750,000 new ordinary shares (the **Capital Increase**).

In view of the General Meeting and in accordance with the FAQ of the FSMA ('FAQ about contributions in kind, mergers, divisions and equivalent transactions'), Rosier SA hereby provides additional information regarding:

1. the independence of KBC Securities (the **Expert**), which was appointed as independent expert ahead of the Capital Increase by the committee of independent directors of Rosier SA in accordance with article 7:97 §3 of the BCCA to provide a valuation report regarding Rosier SA (the **Valuation Report**); and
2. the most important hypotheses on which the valuation of Rosier SA was based in the framework of the Capital Increase, as well as any parameters that affect the principal valuation hypotheses.

## **1. Independence of the Expert**

Rosier SA has carefully considered the independence, expertise, resources and professional reputation of the Expert in view of its engagement to provide the Valuation Report.

The Expert has accepted its engagement after due and careful analysis of its position in accordance with its internal procedures, and has provided the Valuation Report in all independence from Rosier SA and its controlling shareholder Borealis.

Consistent with general past experience, Rosier SA has agreed to pay the Expert fees and to indemnify the Expert against certain liabilities arising out of the provision of the Valuation Report. Such fees and indemnification are due regardless of the outcome of the valuation work in the framework of the Valuation Report.

The Expert has reviewed the criteria applicable to the independence of directors (e.g. art. 7:87 of the BCCA io. the 2020 Belgian Corporate Governance Code) and has, *mutatis mutandis*, applied those with respect to its appointment as Expert (as well as to its employees involved in this respect) in relation to Rosier SA, Borealis and/or any of the members of the senior management or directors of Rosier SA.

The Expert does not have a legal or capitalistic link with or is indebted towards Rosier SA or its affiliates and does not have a financial interest in the Capital Increase or the Valuation Report, other than the aforesaid fee. Furthermore, the Expert has not performed any other assignments for Rosier SA or its affiliates, Borealis or Borealis' shareholder OMV over at least the last 3 years.

The Expert may have actively traded and may actively trade securities of Rosier SA for its own account and for account of its customers and may at any time hold or have held long and short positions in such securities. However, the Expert has confirmed that none of these trading activities have affected its independence with regard to the work performed in the framework of the Valuation Report.

The Expert is a subsidiary of KBC Group, which directly or through its affiliates (other than the Expert) is involved in a wide range of commercial banking, investment management and other activities. It therefore may be that certain affiliates of the KBC Group hold shares in Rosier SA or are involved in any lending or other activity towards Rosier SA or its affiliates. However, the Expert confirmed that it is managed independently from any such KBC affiliates and within KBC Group (and the Expert) practices and procedures, including those commonly known as 'Chinese walls', are in place to manage conflicts of interest and restrict the flow of information. The Expert's Corporate Finance Department (being responsible for the conduct of the file in view of the Valuation Report) is neither influenced by any managers or employees of such other KBC affiliates, nor is aware of the nature or the importance of any relationships or interests any such other KBC affiliates might have with or in Rosier SA or its affiliates. Being part of the KBC Group hence does not affect the independence of the Expert with regard to the work performed for the Valuation Report.

## **2. Principal valuation hypotheses**

In its Valuation Report, the Expert has assessed the equity value of Rosier SA to be negative, between MEUR -61.0 and MEUR -32.5.

### **Enterprise value of Rosier SA**

In its Valuation Report, the Expert has first determined the consolidated enterprise value of Rosier SA, being the sum of the stand-alone enterprise values of (i) the activities in Belgium (**Rosier Belgium**) and (ii) the activities in The Netherlands under Rosier Nederland B.V. (**Rosier Nederland**), a wholly owned subsidiary of Rosier SA. The valuation assumes that (i) the activities of Rosier Belgium are on a going concern basis

while (ii) the activities of Rosier Nederland will be divested in June 2022, considering the strategic review performed by the board of directors.

**a) Enterprise value of Rosier Belgium**

The Expert has come to a stand-alone enterprise value of Rosier Belgium based on three valuation methodologies, i) a Discounted Cash Flows (DCF) analysis, ii) a Comparable Trading Analysis (CTA) and iii) a Previous Transaction Analysis (PTA).

The DCF analysis of Rosier Belgium is based on the cash flows forecast as per the final draft of the business plan. The DCF analysis has been drawn up on an explicit 5-years period (2022-2026) using a bottom-up approach on sales margins, volumes and operational costs. The enterprise value of Rosier Belgium as per the DCF analysis ranges between MEUR -28.7 and MEUR 8.5.

Amongst others, the following parameters have been used as key assumptions in the business plan for the DCF valuation of Rosier Belgium:

- Sales volume close to historical levels both for granular and specialties products;
- Sales margin to slightly increase until 2023 to 17.3% and to subsequently remain flat afterwards;
- As a result of the sales evolution and overhead cost assumptions, EBITDA margin to decrease from 3.5% in 2022 to 2.5% in 2026;
- Capex to remain in the MEUR 2.4-2.5 range over the forecasted period;
- Working capital variations estimated as per the sum of the variations of the account receivable, account payable and inventories;
- WACC estimated at 8.7%, on the back of a cost of equity of 12.6% and a pre-tax cost of debt of 2.0%; and
- As the business plan only runs until 2026, a terminal value has also been included and is calculated according to the Gordon-Shapiro methodology with a terminal growth rate of 1%.

As for the Comparable Trading Analysis (CTA), the Expert has used EV/EBITDA multiples of respectively 6.0x and 6.0x applied to the 2021 actual and 2022 expected EBITDA of Rosier Belgium, both adjusted for one-offs. The EV/EBITDA multiples used in the valuation have been obtained as the median of the multiples of a peer group of 5 listed peers. The enterprise value of Rosier Belgium as per the CTA ranges between MEUR 7.9 and MEUR 9.4 and between MEUR 20.7 and MEUR 24.4, using respectively the 2021 and 2022 multiples.

As for the Precedent Transaction Analysis (PTA), the Expert has used an EV/EBITDA multiple of 11.1x applied to the 2021 actual EBITDA of Rosier Belgium, adjusted for one-offs. The EV/EBITDA multiple used in the valuation has been obtained as the median of the multiples paid in 13 comparable precedent transactions realized over the 2021-2013 period. The enterprise value of Rosier Belgium as per the PTA ranges between MEUR 15.4 and MEUR 16.9.

**b) Enterprise value of Rosier Nederland**

As the activities of Rosier Nederland are in discontinuity, the Expert has assessed the stand-alone enterprise value based on a DCF analysis only, running over a period of 6 months as per the final draft of the business plan until the targeted date of the sale of Rosier Nederland, if any. The enterprise value of Rosier Nederland as per the DCF analysis ranges between MEUR 18.0 and MEUR 19.4.

Amongst others, the following parameters have been used as key assumptions for the DCF valuation of Rosier Nederland:

- Sales volume slightly above historical levels for granular products;
- Sales margin to slightly increase to 12.6% over the first 6 months of 2022;
- As a result of the sales evolution and overhead cost and provision assumptions, EBITDA margin to turn positive in the first 6 months of 2022;
- No capex included for the first 6 months of 2022;
- Working capital to include a working capital release as anticipated by management; and
- WACC as per Rosier Belgium estimates.

### **Equity value of Rosier SA**

To arrive at an equity value of Rosier SA, the Expert estimated net debt at MEUR 71.2, including the committed facility provided by Borealis AG of MEUR 60.3 and other debt like items such as Rosier Nederland site rehabilitation provision, pension liabilities or other provisions. Finally, the Expert has also included the management estimate of the estimated price to be achieved for the possible sale of Rosier Nederland in June 2022.

### **Disclaimer**

The information included in this document may include statements, including the company's financial and operational medium term objectives that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "targets", "may", "aims", "likely", "would", "could", "will" or "should", or, in each case, their negative or other variations or comparable terminology, or by discussion of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Past performance of the company cannot be relied on as a guide to future performance. Any forward-looking statements reflect the company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the company's business, results of operations, financial position, liquidity, prospects, growth or strategies, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the company's records (and those of its affiliates) and other data available from third parties.

Although the company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual results of operations, financial conditions and liquidity of the company and its affiliates or the industry to differ materially from those results expressed or implied in the information by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. Undue influence should not be placed on any forward-looking statement.

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