Rosier SA
Société anonyme
Route de Grandmetz (MO) 11 box a
7911 Frasnes-lez-Anvaing
0401.256.237 (RLE Tournai)

(the **Company**)

ADVICE FROM THE COMMITTEE OF INDEPENDENT DIRECTORS TO THE BOARD OF THE COMPANY IN ACCORDANCE WITH ARTICLE 7:97 §3 OF THE BCCA

In accordance with article 7:97 §§1-2 of the Belgian Code of Companies and Associations (the **BCCA**), for any envisaged resolution of the board of directors or any transaction in execution of a board resolution in a listed company that relates to such listed company's related party within the meaning of IAS 24 (except if the related party is a subsidiary of that listed company), the procedure as set out in article 7:97 §§3-4/1 must be applied (the so-called "related party procedure"). This procedure must also be followed in the context of an envisaged board resolution to propose to the extraordinary general meeting to conduct a capital increase through a contribution in kind by such related party (see article 7:97 §2, 1° of the BCCA).

Pursuant to article 7:97 §3 of the BCCA, any envisaged resolution or transaction as referred to in article 7:97 §§1-2 of the BCCA must be submitted beforehand to a committee of three independent directors. This committee is required to issue a written advice to the board of directors in respect of such resolution or transaction. If the committee deems it necessary, it can appoint one or more independent experts to assist.

The written advice must contain at least the following information: (i) a description of the nature of the relevant resolution or transaction, (ii) a description and computation of the financial consequences and a description of any other consequences and (iii) a description of the advantages and disadvantages of the decision or transaction for the company, if applicable in the long term. Furthermore, the committee is required to (iv) describe how the proposed resolution or transaction fits within the company's policy and, in case this resolution or transaction causes disadvantages to the company, an indication whether the resolution or transaction compensates with other elements of the company's policy or whether it is manifestly illegitimate in view to the company's policy. Any comments from the expert(s) are also incorporated in or attached to the advice of the committee.

The present advice of the Company's committee of three independent directors (the **Committee**) has been prepared in accordance with this article 7:97 §3 of the BCCA. The Committee is composed of the following directors: (i) Anba BV, represented by Anne-Marie Baeyaert, (ii) Exploration BV, represented by Dina De Haeck and (iii) NADECE BV, represented by Nathalie De Ceulaer. The aforementioned directors are independent directors within the meaning of article 7:87 §1 of the BCCA.

1. NATURE OF THE ENVISAGED DECISIONS OR TRANSACTIONS AND APPLICATION OF ARTICLE 7:97 §3 OF THE BCCA

1.1 Proposed Transactions

On 8 February 2022, the Committee issued a written advice (the **Initial Advice**) to the board of directors of the Company (the **Board**) in accordance with article 7:97 §3 of the BCCA in relation to the following operations which were being considered by the Board:

(a) *Capital Increase by contribution in kind:* a recapitalisation of the Company consisting of a capital increase through contribution in kind by Borealis AG (**Borealis**), the Company'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), and (B) the EUR 25 million intercompany loan agreement dated 16 July 2020 (effective as from 28 August 2020), (together, the **Borealis' Loans**) and (ii) a portion of the receivables under the current account (the **Current Account**) between Borealis Financial Services NV and the Company (receivables assigned by Borealis Financial Services NV to Borealis). It was envisaged that 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**). Following the proposed Capital Increase, a debt would have been outstanding under the Current Account. This debt, together with any accrued interests on the Borealis' Loans up to the termination of the Borealis' Loans (see (b) below) and any accrued interests on the Current Account would have been repaid by the Company through the new intra-group financing facility as described in more detail below.

(b) *New Committed Facility:* the termination of the Borealis' Loans and the Current Account immediately after the Capital Increase and the entry into a new committed unsecured intra-group financing facility of up to EUR 15 million (which would, amongst other, be used to refinance the remaining outstanding debt balance under the Current Account to Borealis Financial Services NV) between Borealis (as lender) and the Company (as borrower) (the **New Committed Facility**; together with the Capital Increase, the **Transaction**).

The Committee concluded in favor of the Transaction in its Initial Advice.

On 8 February 2022, after acknowledgment of and on the basis of the preceding Initial Advice, the Board resolved, a.o., (i) to convene an extraordinary general shareholders' meeting, which was held on 14 March 2022, (ii) to propose to the extraordinary general shareholders' meeting to approve the Capital Increase and (iii) to enter into the New Committed Facility.

However, on 12 March 2022, following the outbreak of war in Ukraine and its negative impact on the Company's activities, the Company issued a press release to inform its shareholders and the market of the on-going assessments being made at that time to determine whether measures should be taken in addition to the Capital Increase and the New Committed Facility in order to ensure the short-term financing of the Company. In view thereof, the Board proposed to the shareholders to postpone at the extraordinary general shareholders' meeting of 14 March 2022 the deliberation and decisions relating to the Capital Increase to a future extraordinary general shareholders' meeting. The Board postponed the conclusion of the New Committed Facility for the same reasons.

On 14 March 2022, the extraordinary general shareholders' meeting resolved to follow the Board's proposal and, hence, to postpone the deliberation and decision-making relating to the Capital Increase to a future extraordinary general shareholders' meeting

As the assessments referred to above have been completed in the meantime, there is now a better view on the impact of the war in Ukraine on the Company's operations. Based on the Company's current financial situation and its more stable financial outlook, the Board considers to proceed with the Transaction on substantially the same terms and conditions as those presented in February 2022 and, accordingly, to propose to the shareholders of the Company to complete the Capital Increase and to conclude the New Committed Facility. It is being proposed for the Transaction to be implemented by 31 July 2022.

1.2 Application of article 7:97 of the BCCA

While the envisaged Transaction would be on substantially the same terms and conditions as those presented in February 2022 and as already covered by the Initial Advice, this advice is, insofar necessary, being issued as an update to the Committee's Initial Advice taking into account the recent developments and, current situation and outlook of the Company.

The Committee refers to section 1.2 of the Initial Advice in relation to the applicability of article 7:97 of the BCCA in respect of the Transaction.

The Committee has re-appointed KBC Securities to update the valuation report regarding the Company that KBC Securities, as independent expert (the **Expert**), had prepared in February 2022 in accordance with article 7:97 §3 of the BCCA (the **Updated Valuation Report**). Such Updated Valuation Report replaces the valuation report prepared in February 2022. The Committee has assessed the independence of the Expert within the meaning of the aforementioned article at the time of appointment of the Expert.

Prior to the preparation of this advice, the Committee was provided with the Updated Valuation Report, which the Expert has presented to the Committee. Following the receipt of the Updated Valuation Report, the Committee convened to discuss and evaluate the Capital Increase and the New Committed Facility on 11 May 2022, through a virtual "Teams" meeting.

2. FINANCIAL AND OTHER CONSEQUENCES OF THE TRANSACTION

2.1 Financial consequences

(a) Capital Increase

As indicated above, the receivables under the Borealis' Loans and the Current Account would each be contributed in kind at nominal principal value in the Company's capital (*i.e.*, respectively, (i) EUR 25 million, (ii) EUR 25 million and (iii) EUR 5 million). The total value of the contribution would be EUR 55 million. In exchange for the contribution, 2,750,000 new ordinary shares in the Company would be issued to Borealis, at an issue price equal to EUR 20 per share.

From an accounting perspective, the aggregate amount of the Capital Increase (with issue premium) resulting from the issue of the new ordinary shares would be allocated for amount of EUR 27,500,000 to the Company's share capital and EUR 27,500,000 as issue premium.

In the framework of the Updated Valuation Report, the Expert has commented that it has assessed the equity value of the Company to be negative. Reference is made to (the redacted version of) the Updated Valuation Report attached as Annex 1 to this advice for more information on the adopted valuation methodologies, the principal hypotheses on which the (updated) valuation of the Company was based in the framework of the Capital Increase, as well as any parameters that affect such principal valuation hypotheses.

Based on the Updated Valuation Report, the Committee acknowledges that the issue price of EUR 20 per share offered by Borealis in the framework of the Capital Increase is still significantly higher than the (negative) equity value of the Company set out in the Updated Valuation Report.

As noted in its Initial Advice, the Committee again observes that, as a result of the Capital Increase, Borealis would become the holder of more than 95% of the share capital of the Company (*i.e.* 98.09%). As a consequence, Borealis would have the right (but not the obligation) to launch a "naked" squeeze-out bid pursuant to applicable Belgian takeover regulations at any time following the Capital Increase, and to delist the Company from Euronext Brussels. No concrete steps have been taken in this respect.

(b) New Committed Facility

The New Committed Facility between Borealis (as lender) and the Company (as borrower) would be entered into at the date of the Capital Increase for a maximum amount of EUR 15 million. The final maturity date of the New Committed Facility would be the earliest of (i) 12 months following the effective date of the New

Committed Facility (as defined in the New Committed Facility), but not later than 31 July 2023, or (ii) the date of any refinancing agreement between the Company and a third party creditor/investor.

The other key terms and conditions of the New Committed Facility would (other than the maturity date and certain additional information undertakings for the Company) be the same as set out in the Initial Advice, ***i.e.*** as follows:

- Drawdown:
  - Minimum drawdown amount;
  - Maximum number of advances;
  - Consolidation of advances, each as to be defined in the facility agreement.
- Base rate would be 3m EURIBOR floored at 0.
- Interest payment would be defined in the facility agreement.
- Accrued interests on the Borealis Loans up to the termination and accrued interests on the Current Account would be repaid by the Company at the latest on the maturity date.
- Margin would be 230 bps.
- No security package would have to be provided by the Company to secure the repayment of its obligations.
- The Company would have the option to voluntary prepay all or part of the New Committed Facility without any break costs due to Borealis.

3. ADVANTAGES AND DISADVANTAGES OF THE TRANSACTION

The expected advantages and disadvantages of the Capital Increase and the New Committed Facility for the Company could be described as follows:

3.1 Advantages

(a) The Capital Increase

The Capital Increase aims at improving the Company's equity and solvency position.

On the basis of the (audited) annual results for the financial year ending 31 December 2021, the Board established that the net assets of the Company (i.e. amounting to EUR -32,909,449.95) fell below one quarter of its share capital (amounting to EUR 2,550,000), which triggered the application of the "alarm bell procedure" in accordance with article 7:228 of the BCCA.

In the context of the alarm bell procedure, the extraordinary general shareholders' meeting of 14 March 2022 decided, based on a special report dated 8 February 2022 drawn up by the Board in accordance with article 7:228 of the BCCA, to continue the Company's activities. The measures proposed by the Board, in its special report, to ensure the continuation of the Company included the Capital Increase and entry into the New Committed Facility.

In light of the developments immediately prior to the extraordinary general shareholders' meeting and pending the Board's assessment of potential additional measures (see section 1.1 above), the shareholders present or represented at this extraordinary general meeting resolved to postpone the decision on the continuity of the Company's activities and the deliberations and resolutions on the agenda items relating to the Capital Increase pending the outcome of whether any further measures were to be taken in addition to the Capital Increase.

After having carried out its assessment of potential additional measures, the Board concluded that the Transaction could be completed on substantially the same terms and conditions as those presented in February 2022 and, accordingly, is considering to propose to the shareholders of the Company to carry out the Capital Increase.

Given the financial difficulties the Company is still facing and in view of improving the Company's current debt level situation (see below), proceeding with the Capital Increase, together with the New Committed Facility, as presented in February 2022 is therefore being (re)proposed as a major recovery measure to ensure the continuity of the Company's activities.

The Capital Increase would restore the net assets of the Company to above EUR 61,500. As a result of the Capital Increase, the Company's share capital would amount to EUR 30,050,000 and, hence, the amount of the net assets would be higher than half of the Company's share capital.

Based on the audited 2021 annual results, the net equity value of the existing shares of the Company before the Capital Increase amounts to approximately EUR - 129 per share. After the Capital Increase, the net equity value of the then existing shares of the Company (including the New Shares) would amount to approximately EUR 7.35 per share.

The Committee notes that the Company's debt position has not improved compared to the situation at the time of its Initial Advice. The Committee notes that the Company's level of debt as at 31 December 2021 of approximately 183% of the net assets is indeed still untenable. As a result of the Capital Increase, the Company's debt position would be improved significantly as the Company's debt level would be reduced to approximately 14% of the net assets. Such reduction in the Company's debts would be expected to also have a positive impact on the financing costs related to these debts, *i.e.* such financing costs would expectedly decrease as a result of the decrease in debts.

As observed in the Initial Advice, an alternative to the Capital Increase, as a measure to enhance to Company's current equity and solvency situation, could consist of a rights issue by the Company. However, such rights issue would involve a lengthy, cumbersome and costly procedure and without guarantee of success as its results would be subject to market risks. Therefore, the Committee deems a rights issue still not to be a feasible alternative for the Company at present. Contrary to this alternative, the Capital Increase offers a more short-term solution for the Company's current situation with a certain result. Given the current financial difficulties the Company, the very high level of debt and the alarm bell procedure, short term redress measures are required by the Company.

(b) *New Committed Facility*

The Committee notes that the maturity date of the New Committed Facility would be the earliest of (i) 12 months following the effective date of the New Committed Facility (as defined in the New Committed Facility), but not later than 31 July 2023, or (ii) the date of any refinancing agreement between the Company and a third party creditor/investor. The New Committed Facility is being (re)proposed to safeguard the Company's liquidity position and ensure the Company's ability to continue as a going concern until such maturity date, including for the purposes of articles 3:69 and 7:228 of the BCCA, without relying on any other financial support from the Borealis group going forward (including under the existing support letter which will terminate on 30 June 2022).

It is intended that the New Committed Facility would be used by the Company to repay the outstanding debt under the Current Account to Borealis Financial Services NV, *i.e.* currently approximately at EUR 7 million, on the effective date of the New Committed Facility.

As a condition precedent to the New Committed Facility, the Company would undertake its best efforts to secure external financing within 12 months following the effective date of the New Committed Facility (as defined in the New Committed Facility). As was also the proposal at the time of the Initial Advice, the New Committed Facility is also subject to the resolution of the general meeting of shareholders of the Company approving the Capital Increase and to an amendment agreement between Borealis Financial Services NV and the Company whereby the maximum limit under the Current Account existing between the parties is set at zero.

The margin set out in the New Committed Facility is still deemed to not be unusual and in line with market rates and previous financing arrangements entered into with Borealis. The Company would not need to provide a security package to secure the repayment of its obligations. The fact that the Company is part of the Borealis group explains the need to comply with this group's financial policy, the provisions of which are not deemed unreasonable.

At the date of this advice, given the Company's difficult financial situation and time constraints, the Committee still believes that it is not feasible for the Company to obtain debt financing at reasonable market conditions with an external financing provider.

3.2 Disadvantages

(a) Capital Increase

The dilution of the existing shareholders as a result of the Capital Increase would be the same as set out in the Initial Advice: by issuing the new shares in the context of the Capital Increase, the economic and voting rights of the existing shareholders would be diluted with 91.51% (***i.e.*** as determined on the basis of the following formula: 1 – (255,000 shares prior to the Capital Increase divided by 3,005,000 shares after the Capital Increase)).

Given the financial difficulties the Company is currently still facing, the limited liquidity of the Company’s share and the recent suspension of the Company’s trading, the Company’s market price is not representative of the actual value, which is lower (negative), of the Company.

The Capital Increase requires the convocation of a new extraordinary general meeting and the preparation of all relevant corporate documentation required for the Capital Increase (including appropriate Board and auditor reports, and a notarial deed). This implies additional fees and other costs for the Company (e.g. legal, notary and audit fees, publication costs etc.).

(b) New Committed Facility

As indicated above, the maturity date of the New Committed Facility would be the earliest of (i) 12 months following the effective date of the New Committed Facility (as defined in the New Committed Facility), but not later than 31 July 2023, or (ii) the date of any refinancing agreement between the Company and a third party creditor/investor. The Committee takes note that a longer term for the New Committed Facility was not achievable for Borealis.

The Committee notes that, in line with the February 2022 proposal, as a condition precedent under the New Committed Facility, the Board is required to confirm that the Company shall undertake best efforts to secure external financing within 12 months following the effective date of the New Committed Facility (as defined in the New Committed Facility). While still no assurances can be made in respect to the obtaining of such third party refinancing, the Committee does deem this condition to not necessarily be to the detriment of the Company as the obtaining of such third party financing would diversify the Company’s debt portfolio (***i.e.*** as a result of which the Company would no longer be solely relying on Borealis’ support).

The entry into the New Committed Facility would result in an increase of the Company's debt level compared to its debt level immediately following the Capital Increase. However, this would not be to the same extent as the situation prior to the Capital Increase and, for the avoidance of doubt, would not trigger an alarm bell situation.

3.3 Other considerations

As described in section 2.1 above, as a consequence of the Capital Increase, Borealis would have the right (but not the obligation) to launch a "naked" squeeze-out bid pursuant to applicable Belgian takeover regulations and to delist the Company from Euronext Brussels. The Committee deems that it is not yet possible at this stage to make a detailed assessment as to whether such squeeze-out and subsequent delisting would be in the interest/to the advantage of the Company. Such assessment would depend on a number of factors, which are currently unknown (including the Company's position and market circumstances at the time of the pursuit of the transaction, terms of the transaction, etc.). It is currently unclear if such transaction would actually be pursued by Borealis and, if so, at which point in time.

3.4 Determination of whether the decision will result in a disadvantage for the Company which, in light of the strategy of the Company, is manifestly unreasonable.

On the basis of a thorough assessment of the proposed Capital Increase and the New Committed Facility (including the above-described consequences and (dis)advantages) and taking into account the Updated Valuation Report, the Committee is of the opinion that the expected advantages of the Transaction exceed the expected disadvantages thereof, in particular, considering the current solvency and liquidity needs and the alarm bell situation of the Company. The Transaction is in line with the Company's strategic policy and is not manifestly unreasonable.

4. CONCLUSION

Taking into account the various elements of the rescue package by Borealis (being the Capital Increase and the New Committed Facility), the Updated Valuation Report, the current financial situation of the Company and the fact that the issue price of EUR 20 per share offered in the framework of the Capital Increase is significantly higher than the (negative) equity value of the Company set out in the Updated Valuation Report, the Committee has re-assessed the envisaged Transaction in the light of the criteria included in article 7:97 of the BCCA and concluded that, in line with its Initial Advice, the expected advantages of the Transaction exceed the expected disadvantages thereof, which leads to the conclusion that the Transaction is to the advantage and in the interest of the Company, in particular, considering the current solvency and liquidity needs and the alarm bell situation of the Company. The Transaction is in line with the Company's strategic policy and is not manifestly unreasonable.

Therefore, the Committee reaffirms its positive advice in relation to the Transaction.

[Signature page follows]

Signed on 17 May 2022

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Anba BV, represented by Anne-Marie Baeyaert
Independent director

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Exploration BV, represented by Dina De Haeck
Independent director

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NADECE BV, represented by Nathalie De Ceulaer
Independent director

ANNEX 1

UPDATED VALUATION REPORT