

Press release¹

2021 RESULTS:

- Sales : MEUR 233.8 (MEUR 202.6 in 2020)
 - Operating profit before depreciation and amortization (EBITDA) : MEUR -4.9 (MEUR 1.1 in 2020)
 - Operating result (EBIT): MEUR -36.7 (MEUR -21.2 in 2020)
 - Net loss for the period : MEUR -36.9 (MEUR -25.6 in 2020)
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(Unaudited) Year-end results

The key challenges the Rosier group had to face during 2021 are the following:

- The application of health requirements at our sites following the COVID-19 pandemic in order to guarantee the health of our employees, the safety of our processes and the maintenance of our activities;
- During the first half of the year, prices for most basic raw materials increased, sometimes increasing up to more than 50%;
- NASC supply difficulties during the 1st and 3rd quarter, forced the Rosier group to change its production schedules and use alternative raw materials to NASC in order to continue producing. The Rosier group was forced to delay deliveries, impacting negatively its margins;
- During the second half of the year, the main raw materials for Rosier have seen unprecedented price hikes, especially the ones produced from natural gas (NASC, Ammonia, Ammonium sulphate,...), but also for phosphates and potassium. This had again a negative impact on Rosier's margins during this period;
- These increases, primarily driven by the exceptionally steep price increases of natural gas, have caused ammonia producers to reduce production output to limit their losses. This also created a shortage on the market for ammonia, NASC and ammonium sulphate;
- Sales volumes decreased by 6% compared with 2020, and the margins decreased with 29%.

Given the way forward shared in the outlook section of this press release, management has excluded Rosier Nederland B.V. from the Rosier SA CGU and assessed the fair value of Rosier Nederland B.V. separately on a single asset level. This assumption leads to performing a separate impairment test on the property plant and equipment of Rosier SA resulting in an impairment of MEUR 3.8.

The outlook of Rosier Nederland B.V. leads to use the 'fair value less cost to sell' method to test the fixed assets. The result is a full write-off of the fixed assets in an amount of MEUR 14.8.

¹ Also available on the website www.rosier.eu under the heading "Financial information"

The Rosier group's estimated results can be summarised as follows:

- The operating result before amortization and depreciation (EBITDA) is estimated at MEUR - 4.9;
- The fixed assets will be impaired by MEUR 18.6 in 2021;
- After deduction of operating costs, including amortization and depreciation, the operating result (EBIT) ends in a loss of MEUR 36.7 compared to a loss of MEUR 21.2 in 2020;
- The deficit financial result over the period of MEUR 0.8 is mainly composed of borrowing costs;
- After financial charges and taxes, the result for the period shows a deficit of MEUR 36.9, against a loss of MEUR 25.6 for the year 2020.

The key figures are as follows:

In thousand in EUR	2021	2020
Operating revenues	234.993	203.773
Sales	233.800	202.556
Other operating revenues	1.193	1.218
Operating charges	- 271.742	- 224.946
Supplies and raw materials	- 181.952	- 152.598
General expenses	- 39.972	- 31.471
Personnel expenses	- 17.431	- 17.828
Depreciation and amortisation	B - 27.625	- 22.289
Provisions	C - 4.211	-
Other operating charges	- 551	- 760
Operating profit/loss	A - 36.749	- 21.173
Financial revenues	378	25
Financial charges	- 1.180	- 1.256
Profit/(loss) before tax	- 37.551	- 22.404
Income tax	622	- 3.190
Net profit for the period	- 36.930	- 25.594
Results per share		
Net earnings per share	- 144,82	- 100,37
EBITDA => (A-B-C)/255	- 19,27	4,38
EBIT => A/255	- 144,12	- 83,03

The consolidated results, as summarised above, were approved by the board of directors of Rosier on 8 February 2022.

Outlook

At the back of high price levels for all our strategic raw materials, prices for fertilizer products are expected to remain high at least until summertime. Demand has been low at the beginning of the year but is expected to pick-up in the coming weeks as anticipated price decreases for our products will not realize.

It is Rosier SA's intention to assess strategic options for Rosier Nederland B.V. (Dutch 100% subsidiary of Rosier SA with its operations in Sas van Gent) in the near future, including the option of a divestment of Rosier Nederland B.V. from the Rosier Group.

The anticipated Capital Increase combined with the New Committed Facility (both terms as defined below) to be provided by Borealis AG, is a rescue package that will ensure financial stability for Rosier SA, allowing the company to continue its strategy to supply its customers with top quality, high performing products.

Going concern

The Board of Directors has assessed the going concern of the Rosier group considering (i) the proposal to the Extraordinary General Meeting regarding the approval of the Capital Increase and (ii) the entering into of the New Committed Facility (all terms as defined below).

The New Committed Facility is expected to cover Rosier SA's needs up to 14 March 2023 based on the cash flow forecast provided by management with the business plan 2022-2026 approved by the Board of Directors on 8 February 2022 (the Business Plan).

Furthermore, the proposal to increase the company's capital will reinforce the solvency of the company and would allow Rosier SA to find alternative sources of financing. The Board of Directors will undertake its best efforts to find alternative sources of financing prior to 14 March 2023.

Given that the New Committed Facility is expected to cover Rosier SA's needs only up to 14 March 2023, there is a material uncertainty which may cast doubt on the company's ability to continue as a going concern after 14 March 2023. However, the directors have reasonable expectations that Rosier SA will have adequate resources to continue in operational existence for the foreseeable future and at least until 14 March 2023.

For this reason, the company continues to adopt the going concern basis in preparing the financial information.

Alarm bell procedure

On the basis of the 2021 results, the Board of Directors has established that the net-assets of Rosier SA have fallen below one fourth of its share capital, which triggers the obligation to apply the "alarm bell" procedure pursuant to article 7:228 of the Belgian Code of Companies and Associations (the **BCCA**). Given that the net-assets of Rosier SA have fallen below EUR 61,500, article 7:229 of the BCCA is applicable to the Company.

Accordingly, an extraordinary general shareholders' meeting has been convened to be held on the 14th of March 2022, which will deliberate and resolve on the continuation of Rosier SA's operations and the recovery measures proposed by the Board of Directors to ensure Rosier SA's continuity (the Extraordinary General Meeting).

In this context, the Extraordinary General Meeting will resolve on the proposed capital increase through contribution in kind by Borealis AG of (i) all its receivables in principal under the existing shareholder loans and (ii) certain receivables resulting from an internal current account in Rosier SA's capital, for an aggregate amount of EUR 55 million (the so-called "debt-equity swap") (the Capital Increase).

The Capital Increase will improve the equity and solvency position of Rosier SA. It will restore the net-assets of Rosier SA to above half of Rosier SA's share capital.

In addition, Borealis AG has agreed to provide to Rosier SA a committed (unsecured) intra-group financing facility of up to EUR 15 million which will, amongst others be used to refinance the remaining outstanding current account receivables between Rosier SA and Borealis Financial Services NV of approximately EUR 5 million in principal following the Capital Increase (the New Committed Facility). This New Committed Facility has been entered into with the intention to safeguard Rosier SA's liquidity position and ensure its ability to continue as a going concern.

In general, the Board of Directors is looking into improving operational results, and is in the framework thereof also assessing strategic options for Rosier Nederland B.V. (Dutch 100% subsidiary of the Company with its operations in Sas van Gent) in the near future, including the option of a divestment of Rosier Nederland B.V.

For further detail, reference is made to below and the convening materials for the Extraordinary General Meeting, including the related special board reports and the associated auditor report, as made available on Rosier SA's website (www.rosier.eu).

Related party transactions

General

The Board of Directors decided on 8 February 2022 to a.o. (i) propose to the Extraordinary General Meeting the approval of the Capital Increase (as defined above) and (ii) enter into the New Committed Facility (as defined above).

Borealis AG, as controlling shareholder of Rosier SA (with a participation of approx. 77.47% in Rosier SA), is a "related party" of Rosier SA within the meaning of IAS 24. Borealis Financial Services NV, as a wholly owned subsidiary of Borealis AG, is also a "related party" of Rosier SA within the meaning of IAS 24.

Therefore, the procedure provided for in article 7:97 of the BCCA was applied before any Board of Directors' decision was made in the context of the proposed Capital Increase or in relation to the envisaged New Committed Facility (together with the proposed Capital Increase referred to below, the Transaction).

In accordance with article 7:97 §3 of the BCCA, the envisaged Transaction was submitted beforehand to the Committee of Independent Directors (composed of Rosier SA's three independent directors) (the Committee). This Committee issued a written advice to the Board of Directors in respect of such Transaction. The Committee has appointed KBC Securities as independent financial expert to provide the Committee with a valuation report relating to Rosier SA (the Valuation Report) ahead of the anticipated Capital Increase. KBC Securities has presented the conclusions of the Valuation Report to the Committee on 8 February 2022.

Capital Increase

As indicated above, the Capital Increase will consist of a contribution in kind by Borealis AG of part of its receivables vis-à-vis Rosier SA (under the existing shareholder loans and internal current account) in Rosier SA's capital, each at their nominal value and for an aggregate amount of EUR 55 million. In exchange for this contribution in kind, the Board proposes the issuance of 2,750,000 new ordinary shares (the New Shares), at an issuance price of EUR 20 per New Share to Borealis AG.

The New Shares will be fully subscribed to by Borealis AG. As a result of the Capital Increase, Rosier SA's share capital will be increased with an aggregate amount of EUR 27.5 million (with EUR 27.5 million being booked as issue premium), resulting in a total share capital of EUR 30,050,000 (represented by a total of 3,005,000 shares).

As a result of completion of the Capital Increase, Borealis AG's stake in Rosier SA will increase from approx. 77.47% (197,550 shares) to approx. 98% (2,947,550 shares). Completion of the Capital Increase is envisaged to take place on the 14th of March 2022. The Board of Directors will prepare a listing prospectus in respect of the listing of the New Shares on Euronext Brussels.

The Capital Increase, together with the New Committed Facility, is being proposed as a major recovery measure to ensure the continuity of Rosier SA, given the financial difficulties it is facing, the aforementioned alarm bell situation (see above) and in view of improving Rosier SA's current debt level situation, which is untenable.

As a result of the Capital Increase, the Company's debt position would be reduced significantly, which would be expected to also have a positive impact on the financing costs related to these debts, i.e. such financing costs would be expected to decrease as a result of the decrease in debts.

Rosier SA is currently not in a position to raise funds by way of a rights issue with the publication of a prospectus, as this would involve a lengthy, cumbersome and costly procedure and without guarantee of success as its results would be subject to market risks. Contrary to a rights issue, the Capital Increase offers a more short-term solution for Rosier SA's current situation with a certain result. Given the current financial difficulties Rosier SA is facing, the very high level of debt and the alarm bell procedure, short-term redress measures are required by Rosier SA.

The EUR 20 per New Share represents a discount of 67.74% to the market price of EUR 62 per share on 18 January 2022 (ie the last trading day before the trading in the Rosier shares were suspended). However, especially given the financial difficulties Rosier SA is currently facing, the market price is not representative of the actual value of Rosier SA. This is further the case because of the limited liquidity of the Rosier share. The discount vis-à-vis the current market price reflects this and has to be considered as a necessary recovery measure in order to ensure the continuity of Rosier SA. The disconnect between the issue price and the market price of the Rosier SA share is further to be considered in the context that the new BCCA has generally relaxed requirements in this respect to allow for this type of financial rescue operations.

Valuation conclusions of KBC Securities

KBC Securities has presented the Valuation Report to the Committee on 8 February 2022. KBC Securities has assessed the equity value of Rosier SA to be negative.

KBC Securities has come to its valuation conclusions based on three valuation methodologies, i) a Discounted Cash Flows Analysis on the cash flows forecast as per the final draft of the Business Plan ii) a Comparable Trading Analysis using a peer group of listed peers on 2021 actual and 2022 expected EBITDA adjusted for one-offs and, lastly, iii) a Previous Transaction Analysis on 2021 actual EBITDA adjusted for one-offs.

New Committed Facility

The New Committed Facility between Borealis AG (as lender) and Rosier SA (as borrower) will be effective as of the date of the Capital Increase (on 14 March 2022) for a maximum amount of EUR 15 million is part of the rescue package that is proposed by Borealis AG.

The New Committed Facility will provide a Euribor rate of 3m (with a floor of 0) and a spread of 230 bps. No security package needs to be provided by Rosier SA to secure the repayment of its obligations under the New Committed Facility. Rosier SA will have the option to voluntarily prepay all or part of the New Committed Facility without any break costs due to Borealis AG.

The maturity date of the New Committed Facility will be the earliest of (i) 14 March 2023 or (ii) the date of any refinancing agreement between Rosier SA and a third party creditor/investor. The New Committed

Facility is being proposed to safeguard Rosier SA's liquidity position and ensure Rosier SA's ability to continue as a going concern until such maturity date, including for the purposes of article 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 the date of the Capital Increase). Approximately EUR 5 million under the New Committed Facility will be used by Rosier SA to repay to Borealis Financial Services NV, on the date of the Capital Increase, any amounts outstanding on that date under the internal current account between the parties. As a condition precedent to the New Committed Facility, the Board of Directors has confirmed that Rosier SA shall undertake its best efforts to secure external financing by 14 March 2023 at the latest. The New Committed Facility is also subject to the resolution of the general meeting of shareholders of Rosier SA approving the contribution in kind relating to the Capital Increase and to an amendment agreement between Borealis Financial Services NV and Rosier SA whereby the maximum limit under the current account existing between the parties is set at zero.

Conclusions of the Committee

The conclusions of the written advice of the Committee are as follows:

"Taking into account the various elements of the rescue package by Borealis AG (being the Capital Increase and the New Committed Facility), the Valuation Report, the current financial situation of Rosier SA 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 Rosier SA set out in the Valuation Report, the Committee has assessed the envisaged Transaction in the light of the criteria included in article 7:97 of the BCCA and concluded that 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 Rosier SA in particular, considering the current solvency and liquidity needs and the alarm bell situation of Rosier SA. The Transaction is in line with the Company's strategic policy and is not manifestly unreasonable.

Therefore, the Committee provides a positive advice in relation to the Transaction. "

The Board of Directors followed the advice of the Committee.

Assessment of the Statutory Auditor

The Statutory Auditor's assessment of the Committee's advice and the minutes of the Board of Directors of 8 February 2022 is as follows:

"In conclusion, we declare that our procedures did not reveal any elements that could have a significant influence on the accuracy of the accounting and the financial data mentioned in the advice of the Committee of February 8, 2022 and in the minutes of the Board of Directors held on February 8, 2022.

This report has been prepared solely in view of what is provided in article 7:97 BCCA in relation to related party transactions and is not to be used for any other purpose. It is intended to be appended to the minutes of the Board of Directors called to deliberate on the Transaction and to be included in the management report."

Shareholders' agenda

Publication of annual results 2021: 9 February 2022

Release of annual report 2021: 29 April 2022

Extraordinary General Meeting: 14 March 2022

Annual General Meeting 2022: 16 June 2022, 10.30am (Belgian time)

On behalf of the Board of Directors.

Willy Raymaekers
Chairman and CEO of Rosier Group

