

26 September 2022

Regulated information – Inside information



ROSIER SA

Press release¹

Announcement in accordance with article 7:97 of the Belgian Code of Companies and Associations (related party transaction)

Reference is made to the agreement dated 21 October 2020 between, on the one hand, Rosier SA (the Company) and Rosier Nederland B.V., and on the other hand, Borealis L.A.T GmbH, a wholly owned subsidiary of Borealis AG (the Company's controlling shareholder), for the supply of hot ammonium nitrate solution (NASC) by Borealis to the Company (the Supply Agreement).

The Company's board of directors (the Board) has decided on 22 September 2022 to enter into a side letter to the Supply Agreement to amend and clarify certain terms of the Supply Agreement (the Side Letter).

Borealis AG, as controlling shareholder of the Company (with a participation of approximately 98.09% in the Company (i.e. 2,947,550 shares)), is a "related party" of the Company within the meaning of IAS 24. Borealis L.A.T GmbH, as a wholly owned subsidiary of Borealis AG, is also a "related party" of the Company within the meaning of IAS 24.

Therefore, the related party transaction procedure provided for in article 7:97 of the Belgian Code of Companies and Associations (the BCCA) was applied before any Board decision was made in the context of the proposed Side Letter.

In accordance with article 7:97 §3 of the BCCA, the envisaged Side Letter 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 in respect of thereof. Considering that the Side Letter generally improves the terms of the Supply Agreement for the Company and most of the amendments are based on the recommendations of the expert appointed at the time of the evaluation of the initial Supply Agreement, the Committee decided not to appoint an independent expert for the evaluation of the Side Letter.

The Side Letter will make the following main amendments to the Supply Agreement:

- *Mutual monthly supply commitment:* The Supply Agreement currently does not include any commitment on the part of Borealis to supply a minimum monthly amount of NASC. It only includes an annual commitment. The Side Letter provides for a commitment by Borealis, as of January 2022, to deliver to the Company a monthly minimum quantity of NASC corresponding to 30% of the respective

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

volume allocation of the annual quantity to the relevant calendar month and site, except in cases of force majeure or hardship. This monthly supply commitment aims to improve the plannability and reliability of NASC supply by Borealis, as such plannability and reliability are essential to enable the Company to plan and pursue its business in an effective and prosperous manner. [As a result of the reciprocity in volume commitments under the Supply Agreement, the Company will also be subject to a monthly purchase commitment, corresponding to 30% of the annual volume allocation to the relevant month.]

- *Change of control:* The Side Letter provides for a mutual waiver of each party's rights to terminate the Supply Agreement in the event of a change of control over Borealis Nitro or over the Company and/or Rosier Nederland B.V. respectively. This amendment was introduced, a.o., in view to the envisaged sale by Borealis AG of all its shares in the Company to the YILDIRIM Group (reference is made to the Company's separate press release in this respect: <https://www.borealisgroup.com/news/borealis-and-yildirim-signed-a-binding-agreement-for-yildirim-to-acquire-borealis-shareholding-in-rosier-sa>). This amendment will allow the Supply Agreement to be maintained (and NASC supply to be ensured) notwithstanding a potential change of control.
- *Other:* The Side Letter extends the notice period to terminate the Supply Agreement for convenience from 12 to 18 months. In addition, it provides in a *pro rata* reduction of the agreed annual and monthly volume commitments, instead of a termination right on behalf of Borealis (as initially foreseen under the Supply Agreement), in the event of a definitive and irrevocable decision to reduce for a period of 12 months or longer the production of NASC by 20% or more. (Under the Side Letter, Borealis will only have a termination right in such event if the production of NASC is ceased entirely.)

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

"The Committee has assessed the envisaged Side Letter in the light of the criteria included in article 7:97 of the BCCA and concluded that the expected advantages of the Side Letter exceed the expected disadvantages thereof, which leads to the conclusion that the Side Letter is to the advantage and in the interest of the Company.

The Side Letter is in line with the Company's strategic policy and is not manifestly unreasonable and the Committee affirms its positive advice in relation to the Side Letter."

The Board followed the advice of the Committee.

The statutory auditor's (PwC – Réviseurs d'entreprises SCRL, represented by Peter D'hondt) assessment of the Committee's advice and the minutes of the Board of 22 September 2022 is as follows:

"In conclusion, we declare that the financial and accounting data appearing in the minutes of the Board of Directors and in the opinion of the Committee of Independent Directors (the C.I.D.) of September 22, 2022 do not contain any significant inconsistencies with the information we have in the context of this mission. Nevertheless, we draw attention to the fact that the reports of the C.I.D. and of the Board of Directors mentioned above do not contain any accounting or financial data.

Our report may only be used within the scope of article 7:97 of the Companies and Associations Code and may not be used for any other purpose. It is intended to be appended to the minutes of the Board of Directors convened to deliberate on the operation and to be included in the management report."

On behalf of the Board of Directors.

Willy Raymaekers
Chairman and CEO of Rosier Group