



**TER BEKE**  
**limited company**  
**that has the form of a listed company**  
**Beke 1 - B-9950 Lievegem**  
**Company number 0421.364.139 Ghent, Division Ghent**

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*The Dutch version of this memorandum is regarded as the sole official version*

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**INFORMATION MEMORANDUM DATED JUNE 7, 2020 WITH REGARD TO THE OPTIONAL  
DIVIDEND - OPTION PERIOD FROM JUNE 15 TO JUNE 25, 2021**

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**1. INTRODUCTION**

On 27 May 2021, the Shareholders' meeting of Ter Beke SA (hereinafter the "Company") decided to pay out a gross dividend of EUR 4.00 per share (EUR 2.80 net, i.e. after deduction of 30% withholding tax) over the 2020 financial year). The Board of Directors of the Company subsequently decided on June 7th, 2021 to offer, as an optional dividend, the shareholders of the Company, in the context of the authorized capital, to contribute their claim arising from the profit distribution to the capital of the Company, against the issue of new shares (in addition to the option to receive the dividend in cash and the option to opt for a combination of both previous options).

This Information Memorandum is intended for the shareholders of the Company and provides information about the number and nature of the new shares and the reasons for and terms of this optional dividend. It has been prepared in application of Article 1.4 (h) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or traded or are admitted to a regulated market (the "Prospectus Directive"), which provides that the drawing up of a prospectus is not required for the offering of shares and the admission to trading of shares in the context of an optional dividend, provided that an information document with information about the number and nature of the shares and also about the reasons and modalities of the offer and admission are made available to the public. The current Information Memorandum is drawn up and published in accordance with the aforementioned article.

Neither the Financial Services And Markets Authority ("FSMA") nor any other authority has commented on this Information Memorandum. Neither the FSMA nor any other authority has assessed the appropriateness and quality of this transaction, nor the situation of the Company.

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The following information does not constitute an offer or request to subscribe to or purchase shares of the Company in the United States, nor does it constitute an offer or request to subscribe to or purchase shares of the Company in any form

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No funds, shares or other fees may be requested through the Company's website or the information it contains in any jurisdiction in which such offer or request is prohibited or if the offer or request is directed to any person who must not legally receive such an offer or request. Such shares, fees or cash sent in response to this Information Memorandum or the Company's website are not accepted. A shareholder must investigate himself whether he can accept the optional dividend. It is his responsibility to fully comply with the laws of the jurisdiction in which he is domiciled or resides, or of which he is a national (including obtaining any permits from a government, regulatory agency or other that may be required).

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## 3. OVERVIEW OF THE MAIN CHARACTERISTICS OF THE OPTIONAL DIVIDEND

### (1) Options for the shareholder

In the context of the optional dividend, the shareholder has the choice between:

- the contribution of the net dividend rights in the capital of the Company for an amount of EUR 2.80 per share in exchange for new shares;
- payment of the dividend in cash; or
- a combination of both previous options.

### (2) Issue price and ratio

The issue price per new share is EUR 103.60

Each existing share entitles to one dividend right (coupon n° 33). In order to acquire a new share, 37 dividend rights must be contributed.

### **(3) Option period**

Option period commences: June 15, 2021 at 9:00 AM (CET)

Closing option period: June 25, 2021 at 4:00 PM (CET)

From Friday 11 June 2021, the share will be listed ex coupon. The record date, which is the date on which positions are closed to identify shareholders who are entitled to the dividend, is Monday, June 14, 2021.

Shareholders who have not made a choice in the manner provided for this purpose during the option period will in any case receive the dividend in full in cash.

### **(4) Number of new shares to be issued**

A maximum of 47.764 new shares will be issued.

### **(5) Amount of the capital increase**

Taking into account the number of shares with dividend rights (1,767,281), the ratio for the issue of new shares (37 dividend rights in exchange for one new share) and the fractional value of one existing share (i.e. EUR 2,82970191), the maximum capital increase shall be EUR 135,157.88 represented by maximum 47.764 new shares.

The total maximum issue price of the new shares to be issued amounts to EUR 4,948,350.40 (EUR 103.60 per share), consisting of a capital increase of EUR 135,157.88 (i.e. EUR 2,82970191 per share), and an issue premium of EUR 4,813,192.52.

This capital increase decision is still subject to the condition precedent that between the date of the decision of the Board of Directors of 7 June 2021 and the date of the realization of the capital increase (1 July 2021), the share price of the Company on Euronext Brussels does not increase or decrease significantly from the average price on the basis of which the issue price was set by the Board of Directors and that between 7 June 2021 and 1 July 2021, no extraordinary event of political, military, economic, environmental or social nature occurs that significantly disturbs the economy and / or the securities markets.

### **(6) Who can subscribe?**

Any shareholder who has a sufficient number of dividend rights can subscribe to the capital increase. Shareholders who do not have the necessary number of dividend rights to subscribe for at least one share will receive payment of their dividend rights in cash. It is not possible to acquire additional dividend rights. The contribution of dividend rights cannot be supplemented by a contribution in cash. If a shareholder owns shares in various forms (for example, a number of registered shares and a number of shares in dematerialized form), the dividend receivables linked to these different forms of shares cannot be combined to acquire new shares.

Each shareholder can subscribe to new shares with his existing dividend rights, provided that he does not violate the legal rules applicable in the jurisdiction which he is subject to. If a shareholder falls under a jurisdiction other than Belgian jurisdiction, he must ensure that he can subscribe to new shares under the optional dividend without imposing any legal obligations on the Company other than those arising under Belgian law, and that he is in compliance with the laws of the jurisdiction which he is subject to (including any governmental permission, according to regulations, or others that may prove necessary).

## **(7) How to subscribe?**

Shareholders wishing to contribute (in whole or in part) their dividend rights to the capital of the Company in exchange for new shares, should contact:

- BNP Paribas Fortis, with regard to registered shares, in accordance with the letter they will receive from the Company.
- the financial institution that holds the shares, with regard to dematerialized shares.

## **(8) Capital increase and pay-out**

The realization of the capital increase and the issue of new shares are expected to be completed on 1 July 2021. As of July 5, 2021, the dividend will be paid in cash.

Dividend rights, attached to shares of the same form, which were not contributed in the manner provided for this purpose by June 25, 2021 4:00 PM (CET) at the latest, with a view to participating in the capital increase, will no longer entitle to new shares but will be paid in cash.

## **(9) Stock exchange listing**

The new shares, with dividend rights for fiscal year 2021 attached, are expected to be admitted to trading on Euronext Brussels from 5 July 2020.

## **(10) Profit participation**

The new shares, issued in the context of the capital increase, share in the result from 1 January 2021 onwards.

# **4. FURTHER INFORMATION**

## **(1) Introduction**

The Shareholders' Meeting of the Company of May 27, 2021 approved a gross dividend of EUR 4.00 (EUR 2.80 net, i.e. after deduction of withholding tax at a rate of 30%) per share.

The Board of Directors of the Company decided on June 7, 2021 to offer the shareholders the opportunity to contribute the net claim (amounting to EUR 2.80 per share), arising from the profit distribution, into the capital of the Company against the issue of new shares (in addition to the option to receive the dividend in cash).

Within the framework of the authorized capital, the Board of Directors will proceed to an increase of the share capital by contribution in kind of the net dividend claim (i.e. EUR 2.80 net per share, i.e. after deduction of withholding tax at a rate of 30%) by shareholders who have opted to receive shares in exchange for the (full or partial) contribution of their dividend rights. The concrete conditions and modalities of this transaction are described in more detail below.

## **(2) Offer**

In the context of the dividend for the 2020 financial year, the Company offers the following options to the shareholders:

- contribution of the net dividend claim in the capital of the Company for an amount of EUR 2.80 per share in exchange for new shares; or

- payment of the dividend in cash; or
- a combination of both previous options.

### **(3) Description of the transaction**

Shareholders who wish to opt for the (full or partial) contribution of their dividend rights to the Company's capital in exchange for new shares can subscribe to the capital increase during a certain option period (see below).

The dividend claim linked to a specific number of existing shares of the same form will give entitlement to one new share, at an issue price per share, which is described further in this Information Memorandum.

The title that gives right to the dividend is the dividend right for the 2020 financial year (coupon n° 33).

Only shareholders who have a sufficient number of dividend rights attached to shares of the same form can subscribe to the capital increase. Shareholders who do not have the necessary number of dividend rights to subscribe to at least one share will be paid their dividend rights in cash.

It is not possible to acquire additional dividend rights. Therefore, the dividend rights will not be listed and traded on the stock exchange.

It is also not possible to supplement the contribution of dividend rights by a contribution in cash. Therefore, if a shareholder does not have the required number of shares of the same form to subscribe to a whole number of new shares, the shareholder does not have the opportunity to supplement his contribution in kind with a cash contribution to be able to subscribe to the next whole number of new shares. In such case, the (by definition extremely limited) remaining balance will be paid in cash.

If a shareholder owns shares in various forms (for example, a number of registered shares and a number of shares in dematerialized form), the dividend claims linked to these different forms of shares cannot be combined to acquire new shares.

Registered shares can be exchanged for shares in dematerialized form and vice versa, at the shareholder's expense.

### **(4) Issue price**

The issue price per new share is EUR 103.60.

This issue price was calculated based on the average of the closing stock price of the Company's share over a period of 10 trading days.

In particular, the issue price was calculated as follows:

(average of the closing prices of the aforementioned 10 trading days prior to the date of the decision of the Board of Directors - gross dividend 2020 (EUR 4.00)) – discount

#### **(a) Average stock price**

The average stock price of the share used is the average of the closing prices of the 10 trading days prior to the decision of the Board of Directors of June 7, 2021 (i.e. from May 24, 2021 until and including June 4, 2021), i.e. EUR 114.00

(b) **Gross dividend 2020**

The gross dividend for 2020 as determined at the Shareholders' Meeting of 27 May 2021 is EUR 4.00.

(c) **Result and discount**

The average stock price ex dividend was then divided by the net dividend of EUR 2.80 and the result of this formula was then rounded down to a multiple of the net dividend.

In view of the issue price per new share of EUR 103.60, the ultimate discount (compared to the average share price as described above) ex-dividend is 5.82 %.

The discount on the closing price of the share of the Company on June 4, 2021 ex-dividend is 4.07 %.

The shareholder who does not wish to make a (full or partial) contribution of his dividend rights in exchange for new shares will undergo a dilution of the financial rights (including dividend rights and participation in the liquidation balance) and membership rights (including voting rights and preferential rights) linked to his existing participation.

Upon the issue of 47.286 new shares (i.e. with a 99% placement of the proposed optional dividend), this means that a shareholder who holds shares representing 1% of the capital of the Company (i.e. 17,672 shares) prior to the issue, sees its share in the totality of the Company's shares diluting by 0.0261 % to 0.9739 %, if it does not wish to make a contribution of its dividend rights in exchange for new shares.

**(5) Option period**

The option period during which shareholders can subscribe to the capital increase will commence on June 15, 2021 at 9:00 AM (CET) and will close on June 25, 2021 at 4:00 PM (CET).

The share will be listed ex coupon from 11 June 2021. The registration date (record date), which is the date on which positions are closed to identify shareholders entitled to receive the dividend, is 14 June 2021.

Shareholders who have not made a choice in the manner provided for this purpose during this option period will in any case receive the dividend in cash.

**(6) Capital increase and dividend payment**

The realization of the capital increase and the issue of new shares are expected to be completed on 1 July 2021.

Taking into account the aforementioned issue price, one new share to be issued can be subscribed, and this new share will be fully paid up, by contribution of net dividend rights of EUR 2.80 (i.e. after deduction of withholding tax at a rate of EUR 30). %) attached to 37 existing shares of the same form).

The amount of the capital increase is (on the assumption that each shareholder holds exactly a number of shares of the same form that entitles him to a whole number of new shares) maximum EUR 135,157.88 (with issue premium of maximum EUR 4,813,192.52) by issuing maximum 47.764 new shares. The total maximum issue price of the new shares to be issued is EUR 4,948,350.40.

The amount of the capital increase will be equal to the number of new shares to be issued multiplied by the fractional value of the existing shares of the Company (i.e. EUR 2,82970191 per share). The capital representing value of all (new and currently existing) shares of the Company will then be equalized. The

difference between the fractional value and the issue price will be booked as an issue premium in an unavailable account which, like the capital, will constitute the guarantee of third parties and cannot be reduced or canceled unless by a resolution of the shareholders' meeting deliberating according to the conditions for an amendment to the articles of association. The capital will only be increased by the amount of the (capital value of) subscriptions actually received. If the issue is not fully subscribed, the Company therefore reserves the right to increase the capital by the amount of the (capital value of the) subscribed shares.

The allocated new shares will have the same form as the existing shares. Shareholders may request the conversion of registered shares into dematerialized shares or vice versa at any time in writing and at their own expense after the issue.

As of July 5, 2021, the cash dividend will also be paid to shareholders who: (i) have opted to contribute their dividend rights against the issue of new shares but have not reached the next full number of shares (in which case the remaining balance will be paid out in cash); (ii) have elected to receive their dividend in cash; (iii) have opted for a combination or (iv) have made no choice.

For shareholders who are entitled to a reduced withholding tax or a withholding tax exemption, the contribution of the dividend claim will, just as for the shareholders who do not benefit from such a reduction or exemption, amount to EUR 2.80 (i.e. the same amount as the net amount after deduction of 30% withholding tax) per share. With regard to shareholders entitled to a withholding tax exemption, the balance resulting from the withholding tax exemption will be paid in cash from 5 July 2021, provided that the shareholder provides the customary exemption certificate through its financial institution to BNP Paribas Fortis, the financial institution that provides the financial services related to the Company's share. With regard to non-Belgian shareholders entitled to a reduction of withholding tax, the balance resulting from the reduction of withholding tax can be reclaimed from the Belgian Treasury, under the same conditions as for cash dividends.

The new shares, with dividend rights as of fiscal year 2021, issued as a result of this capital increase, will share in the result as from January 1, 2021.

The new shares are expected to be admitted to trading from July 5, 2021, and can then be traded on Euronext Brussels.

#### **(7) Justification of the transaction**

The contribution in kind of claims against the Company in the context of the optional dividend, and the associated capital increase, improves the equity of the Company and therefore reduces the debt ratio of the Company, which, in accordance with the consolidated annual results as at 31 December 2020 is 71.0 %.

In addition, this offers the Company the opportunity to carry out additional debt-financed transactions in the future, in order to further realize its growth strategy. The optional dividend also permits (in proportion to the contribution of the dividend rights in the capital of the Company) to avoid a cash-out.

It also strengthens ties with shareholders.

#### **(8) Conditions precedent**

The Board of Directors reserves the discretionary right to withdraw the offer if, between the date of the decision of the Board of Directors of June 7, 2021 and the date of the capital increase (July 1, 2021), the price of the Company's share on Euronext Brussels rises or falls significantly compared to the average price on the basis of which the issue price was determined by the Board of Directors.

The Board of Directors also reserves the discretionary right to withdraw the offer if an extraordinary event of a political, military, economic, environmental or social nature occurs between 7 June 2021 and 1 July 2021 that could significantly distort the economy and / or the securities markets.

Any withdrawal of the offer will be immediately communicated to the public by means of a press release. The exercise or non-exercise of this right can never give rise to any liability of the Company.

#### **(9) Financial service**

Shareholders wishing to contribute (in whole or in part) their dividend rights to the capital of the Company in exchange for new shares, should contact BNP Paribas Fortis as regards registered shares, or the financial institution that holds the shares with regard to dematerialized shares.

This service is free of charge for the shareholder.

The Company's paying agent is BNP Paribas Fortis.

#### **(10) Costs**

All legal and administrative costs related to the capital increase are borne by the Company.

Certain costs, such as those for changing the form of shares, will be borne by the shareholder. Shareholders are advised to consult their financial institution for this.

#### **(11) Tax consequences**

The sections with regard to withholding tax include the Belgian tax treatment with regard to the optional dividend. They are based on the Belgian tax legal regulations and administrative interpretations that apply on the date of this Information Memorandum. This summary does not take into account, and does not relate to, tax laws in other countries and does not take into account the individual circumstances of individual investors.

The information contained in this Information Memorandum should not be considered investment, legal or tax advice. Shareholders are advised to consult their own tax adviser regarding the tax implications in Belgium and other countries in the context of their specific situation.

The option for shareholders (i.e. the payment of the dividend in cash, the contribution of their dividend rights against the issue of new shares or a combination of both) has no impact on the calculation of the withholding tax. In other words, a withholding tax of 30% will be deducted from the gross dividend of EUR 4.00 per share (unless an exemption from withholding tax applies).

For shareholders who are entitled to a reduced withholding tax or a withholding tax exemption, the contribution of the dividend claim will, just as for the shareholders who do not benefit from such a reduction or exemption, amount to EUR 2.80 (i.e. the same amount as the net amount after deduction of 30% withholding tax) per share. With regard to shareholders entitled to a withholding tax exemption, the balance resulting from the withholding tax exemption will be paid in cash from 5 July 2021, provided that the shareholder provides the usual exemption certificate through its financial institution to BNP Paribas Fortis, the financial institution that provides the financial services related to the Company's share. With regard to non-Belgian shareholders entitled to a reduction of withholding tax, the balance resulting from the reduction of withholding tax can be reclaimed from the Belgian Treasury, under the same conditions as for cash dividends.

## **(12) Available information**

In principle, a prospectus must be published in the context of a public offering of shares on Belgian territory and for the admission of these shares to trading on a Belgian regulated market.

Subject to the publication of this Information Memorandum, in accordance with Article 1.4 (h) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Directive"), however, no prospectus is to be published in the context of an optional dividend.

This Information Memorandum is available on the Company's website (<https://www.terbeke.be/en/investor-relations/pers-releases-en-publications>)

The special report of the Board of Directors of 7 June 2021 on the contribution in kind, prepared in accordance with Articles 7:179 and 7:197 of the Companies and Associations Code, as well as the special report of the statutory auditor on the contribution in kind in accordance with Articles 7:179 and 7:197 of the Companies and Associations Code, can also be found on the Company's website.

## **(13) Contact**

For more information about the transaction, shareholders can contact the financial institution that holds the shares or BNP Paribas Fortis, which acts as paying agent of the Company, with address Warandeborg 3, 1000 Brussels and available at +32 (0) 2 433 41 13 or by email at [CFCM-ECM@bnpparibasfortis.com](mailto:CFCM-ECM@bnpparibasfortis.com).

## **5. APPENDIX: EXAMPLE**

An example is given below in connection with the payment of the optional dividend. This does not take into account any exemption or reduction of withholding tax.

The example assumes a shareholder who owns 100 Ter Beke SA shares of the same form (for example, 100 dematerialized shares).

The issue price is EUR 103.60. One new share to be issued can be subscribed by contribution of the net dividend rights attached to 37 existing shares of the same form.

The shareholder can exchange the net dividend rights attached to 100 shares for:

- Cash:  $100 \times 2.80 \text{ EUR} = 280 \text{ EUR}$ ; or
- Shares: 2 new shares (in exchange for 74 dividend rights) + the balance of EUR 72.8 in cash (in exchange for the other 26 dividend rights, which are not sufficient to subscribe to an additional share); or
- A combination: (for example) 1 new share (in exchange for 37 dividend rights) + EUR 176.4 in cash (in exchange for the other 63 dividend rights).