

Euronav NV
De Gerlachekaai 20, 2000 Antwerp (Belgium)
Enterprise number: 0860.402.767
RPR Antwerp
("Euronav" or the "Company")

**ADVICE OF THE COMMITTEE OF INDEPENDENT MEMBERS OF THE SUPERVISORY
BOARD IN APPLICATION OF ARTICLE 7:116 OF THE COMPANIES AND ASSOCIATIONS
CODE**

1 Introduction

1.1 Background

Following completion of the shareholder deadlock situation affecting the Company on 22 November 2023, CMB NV (“**CMB**”) now owns 49.05% of the shares in Euronav (representing 53.37% of the voting rights). Euronav holds 8.09% of its shares in treasury. Therefore, CMB currently controls the Company.

The Company intends to acquire all the shares of CMB.TECH NV, a Belgian limited liability company, having its registered office at De Gerlachekaai 20, 2000 Antwerp, Belgium and with enterprise number 0766.552.396 (“**CMB.TECH**”) from CMB (the “**Transaction**”).

On 28 November 2023, the supervisory board of the Company requested the committee of independent members of the supervisory board to issue a written reasoned advice as referred to in Article 7:116 of the Companies and Associations Code (“**BCAC**”) in connection with the proposed Transaction.

1.2 Legal framework

The procedure provided for in Article 7:116 BCAC applies to any decision or transaction made in execution of a decision of the supervisory board of a listed company relating to a related party.

Article 7:116 BCAC provides that the supervisory board of a listed company must subject decisions and transactions concerning relations with a related party within the meaning of the International Accounting Standards to the prior review by a committee of three independent members of the supervisory board.

CMB, the counterparty to the Transaction, is a related party of the Company within the meaning of IAS 24. The Transaction is therefore subject to this procedure.

As part of this procedure, a committee composed of three independent members of the supervisory board must issue a prior written reasoned advice to the supervisory board, covering at least the following elements:

- (i) the nature of the decision or operation;
- (ii) a description and estimation of the financial consequences;
- (iii) a description of any other consequences; and

(iv) the advantages and disadvantages for the Company, as the case may be over time.

In this regard, the committee must frame the proposed decision or transaction within the Company's policy, and indicate whether, if it causes disadvantages to the Company, it is offset by other elements in that policy, or is manifestly unlawful.

1.3 Composition of the committee of independent members of the supervisory board

The committee of independent members of the supervisory board (the "**Committee**") is composed of Julie De Nul, Catharina Scheers and Patrick Molis. They confirm to the extent necessary that they are independent within the meaning of Article 7:106 juncto Article 7:87 of the BCAC.

1.4 Experts

The Committee can, at its choice but at the expense of the Company, be assisted by one or more experts.

The Committee has appointed Degroof Petercam Corporate Finance NV as independent financial expert in connection with the Transaction. The independent financial expert has prepared a fairness opinion on the valuation.

The Committee has requested Linklaters LLP to assist as legal expert with legal advice to the Committee and with the review and negotiation of the contractual terms of the agreement contemplated to be entered into by the Company.

1.5 Basis for this advice

This advice has been issued on the basis of the following documents:

- the fairness opinion on the valuation prepared by Degroof Petercam Corporate Finance NV;
- the share purchase agreement between CMB (as seller) and Euronav (as buyer) (the "**SPA**");
- the legal due diligence report in respect of corporate and general legal matters prepared by Linklaters LLP;
- the legal due diligence report in respect of certain shipping related information prepared by Watson Farley & Williams LLP;
- the tax due diligence reports prepared by Monard Law BV and Evelyn Partners LLP; and
- the insurance due diligence report prepared by the Company's inhouse legal department.

1.6 Meetings of the Committee

During a first meeting on 30 November 2023, the Committee discussed the engagement and mandate of the experts. On 5 December 2023, the Committee met with representatives of Degroof Petercam Corporate Finance NV and Linklaters LLP to discuss the scope of the Committee's review.

The Committee furthermore met several times by videoconference on the following dates:

- 8 December 2023 during which it discussed (i) the appointment of the advisers for the due diligence review of CMB.TECH, (ii) the expected output of the independent financial expert, (iii) the willingness to voluntarily publish the final advice of the Committee and the opinion on the valuation, and (iv) potential mechanisms to ensure proper economic recourse under the SPA and the status of the SPA;
- 12 December 2023 during which it discussed (i) the status of the due diligence review, (ii) change of control provisions and cross-guarantees in commercial contracts, (iii) warranty & indemnity insurance, (iv) interactions with the FSMA and (v) commercial items in the SPA;
- 14 December 2023 during which it discussed (i) the status of the due diligence review, (ii) the negotiation of the commercial items in the SPA, (iii) the status of the ongoing valuation exercise by Degroof Petercam Corporate Finance NV, (iv) the further planning of the Committee and (v) the valuation report in respect of CMB.TECH prepared by CMB's financial advisers;
- 18 December 2023 during which it discussed (i) any gaps to warranty & indemnity insurance cover, (ii) the interim findings from the legal due diligence review, (iii) the allocation of future corporate opportunities between CMB and Euronav and (iv) the planned timing of the Transaction;
- 19 December 2023 during which it discussed (i) the findings of the independent financial expert, (ii) the findings of tax counsel, (iii) the status of the SPA negotiations and (iv) the findings of shipping counsel;
- 20 December 2023 during which it discussed in a closed session (i) the Committee's analysis of the Transaction, (ii) the work undertaken by the Committee and (iii) their recommendation;
- 21 December 2023 during which it discussed (i) the position taken in the closed session of 20 December 2023 and (ii) further changes to the draft of the Committee's advice; and
- 22 December 2023 during which it finalised and approved its advice.

This written and reasoned advice of the Committee is addressed to the Company's supervisory board, which will resolve on the Transaction.

2 Description of the proposed Transaction

2.1 General background and description of the proposed Transaction

In accordance with its renewed strategy to diversify, decarbonize and optimize its fleet, the Company intends to acquire 100% of the shares in CMB.TECH from CMB for a total purchase price of USD 1,150,000,000.

CMB.TECH is a diversified cleantech maritime group. CMB.TECH builds, owns, operates and designs large marine and industrial applications that run on dual-fuel diesel-hydrogen and diesel-ammonia engines and monofuel hydrogen engines. CMB.TECH offers hydrogen and ammonia fuel that it either produces or sources from external producers to its customers.

The Company will effect the Transaction by entering into the SPA with CMB.

2.2 Description of CMB.TECH's business divisions

CMB.TECH operates across the entire hydrogen value chain through its four business divisions:

2.2.1 Marine

The largest division in CMB.TECH is the marine division. It builds, owns, operates and designs a wide range of low and zero-carbon ships powered by dual-fuel or monofuel (diesel-)hydrogen and (diesel-)ammonia engines: offshore wind support vessels, dry bulk vessels, container vessels, chemical tankers, and others (tugboats and ferries). The integration of the drivetrain, the storage and the bunkering of hydrogen and ammonia, is implemented with a diverse and experienced in-house engineering team in partnership with Original Equipment Manufacturers and shipyards.

More specifically:

- (i) CMB.TECH International NV, CMB.TECH Belgium NV and CMB.TECH Netherlands B.V. are owners and managers of vessels;
- (ii) Windcat Workboats Holdings Ltd. is the parent company of the Windcat group. Windcat is also active in the German and French market through her joint venture partners, respectively FRS Windcat and TSM Windcat.

2.2.2 Technology & Development

The Technology & Development Center is the heart of the CMB.TECH's innovation and development activities. The team consists of approximately 60 engineers and project managers who work on the latest technologies for industrial and marine applications.

CMB.TECH also collaborates with a wide range of original equipment manufacturers with regard to the development of its engines and applications.

2.2.3 H2 Infrastructure

CMB.TECH's H2 infra division offers hydrogen and ammonia fuel to its customers, either through its own production or by sourcing it from third party producers. Within H2 infra, the necessary technology and infrastructure is designed, developed and operated to produce and distribute green and low-carbon hydrogen and ammonia. A particular focus on hydrogen and ammonia storage completes the entire value chain to deliver the clean fuels of the future.

H2infra is also the 49% shareholder in Cleanergy Solutions (Namibia) (Pty) Ltd, a joint venture with Ohlthaver & List, a local Namibian company. Cleanergy is (i) currently building a small-scale production plant in Namibia that will produce hydrogen for local applications such as trucks, locomotives and port and mining equipment, and (ii) planning to develop a large-scale renewable energy/hydrogen/ammonia project in Namibia.

2.2.4 Industry

CMB.TECH's industry division develops hydrogen powered heavy-duty industrial applications. The focus on hydrogen solutions is driven by a commitment to offering affordable, reliable and sustainable solutions that reduce emissions and lower the

environmental footprint of CMB.TECH's clients. The advanced technology allows the conversion of existing diesel engines into dual-fuel and monofuel engines, providing flexibility and cost-effectiveness. The engines include high-speed options for smaller-scale applications, as well as medium-speed engines for marine and heavy-duty applications. CMB.TECH Industry NV has developed applications for use in trucks, among others, port equipment, agricultural tractors and generator sets.

2.3 Financial aspects of the Transaction

Pursuant to the Transaction, the Company will acquire 100% of the shares in CMB.TECH from CMB.

The purchase price is based on the low point of the valuation range that the seller and its financial advisors had proposed to the Company in respect of their valuation of CMB.TECH on 8 December 2023.

Following discussions between CMB and Euronav, the following valuation methodologies have been agreed upon in order to come to the final purchase price in respect of CMB.TECH:

- A fair market valuation of the marine division based on average broker valuations^{1,2} of the vessels (as this methodology was preferred to a DCF-valuation); and
- A discounted cash flow valuation of the industry and infrastructure divisions based upon the Company's business plan for these divisions.

This results in an enterprise value of USD 3.646 billion. The projected net debt of CMB.TECH at year-end 2023 corresponds to USD 2.496 billion. This includes both net existing financial debt of USD 510 million and total nominal outstanding capital commitments of USD 1.986 billion.

The agreed purchase price therefore amounts to USD 1.150 billion.

The independent financial expert has concluded in its fairness opinion that this purchase price is fair to Euronav shareholders. Reference is therefore made to the fairness opinion for more detail.

2.4 Description of the main terms of the proposed Transaction

The main terms of the proposed Transaction, as set out in the SPA, can be summarized as follows:

- (i) **Parties:** CMB as seller and the Company as purchaser.
- (ii) **Purchase price:** The purchase price for the shares is equal to the fixed amount of USD 1.150 billion. Given the nature of the business, this amount will not be adjusted after closing. The Committee has considered the possibility of placing part of the purchase price in an escrow account or obtaining a bank guarantee or any other security mechanism, with a view to securing the seller's undertakings under the SPA. The Committee considered this would not be necessary as the seller has significant substance and financial capacity. The SPA also contains leakage protection for the

¹ Fair Market Value (FMV) sources: Arrow, BRS, Howe Robinson, Maersk Broker, SSY, and Hagland Shipbrokers.

² A 25% premium to FMV has been retained to reflect the Windcat & CTV platform's premium offering in terms of predominant number of vessels in the market, global recognition, unique contractual operational know-how.

Company for any value extraction by CMB from CMB.TECH between the date of the reference accounts (i.e. 30 June 2023) and the closing date.

- (iii) **Shareholder loan:** In view of the contractual commitments or capital expenditure contemplated by CMB.TECH, the Company will also - in addition to the purchase price - need to repay to CMB any shareholder loans CMB may provide to CMB.TECH in the period between signing and closing of the Transaction up to a principal amount of USD 65 million. Euronav will need to provide prior consent for any additional funding to CMB.TECH in excess of USD 65 million.
- (iv) **Conditionality:** Completion of the Transaction is subject to the following conditions precedent being satisfied:
 - (a) Shareholder Approval Condition: The approval of the Transaction by the Company's shareholders' meeting pursuant to Article 7:152 BCAC; and
 - (b) Rollover Condition: The relevant parties to all material agreements containing a change of control provision that is triggered by the Transaction having confirmed in writing their waiver to their respective rights under such change of control provisions.

The Committee notes that CMB had additionally proposed that the release of certain parent guarantees be included as a condition precedent. As this would impact deal certainty and not be to the benefit of Euronav, the Company has successfully insisted to remove this condition precedent from the SPA.

The Transaction does not require prior clearance or approval from any competition or foreign direct investment authorities in any jurisdictions in which CMB.TECH owns subsidiaries or assets.

- (v) **Long stop date and termination:** The long stop date has been set at 30 June 2024 (or such other date as the parties may agree in writing). If any of the conditions precedent has not been fulfilled by such date, each of the seller and the Company will have the right to terminate the SPA.
- (vi) **Interim covenants:** The SPA contains certain customary pre-closing covenants, concerning (i) the cooperation between the parties to prepare and facilitate the Transaction, (ii) conduct of business between the date of the SPA and closing, (iii) the release of guarantees made available by CMB for the benefit of CMB.TECH and (iv) the termination of certain cross-perimeter agreements.
- (vii) **IP rights:** The SPA also provides that CMB shall assign, to the extent necessary, to CMB.TECH any rights to the "CMB.TECH" sign as well any trademarks, trade names, domain names, copyrights and similar IP rights. Furthermore, CMB shall grant a royalty-free license to the Company for the use of the "Bocimar", "Bochem", and "Delphis" signs.
- (viii) **Certain commercial opportunities:** CMB undertakes to present certain commercial opportunities first to Euronav. This priority right relates to any potential charters for a term exceeding three months for which both vessels owned by Euronav (including CMB.TECH) and vessels owned by CMB compete. Reference is also made to section 3.3.6 of this advice.
- (ix) **Warranties:** The SPA contains a customary set of fundamental and business warranties by the seller to the Company in respect of CMB.TECH. The seller's

warranties are limited by all information and documents fairly disclosed in the SPA and the data room. The SPA does not contain any specific indemnities. The limited risks which have been identified during the due diligence review (and for which no contractual protection is foreseen) would not impact the overall valuation of CMB.TECH materially.

- (x) **Limitation of liability:** The seller's liability under the SPA is subject to customary time and financial limitations, taking into account the use of W&I insurance:
 - (a) Time limitations: The possibility for the Company to claim under the SPA will expire within 24 months after closing, except for claims in relation to breach of fundamental and tax warranties, which can be brought within 7 years from closing.
 - (b) Financial Limitations: The maximum liability of the seller for breach of business representations is capped at USD 150 million, with the fundamental warranties being capped at the purchase price.

The Company is also planning to take out W&I insurance prior to closing of the Transaction at the expense of the seller. The insurance would then become the first (but not sole) recourse for claims of breach of warranties.

- (xi) **Governing law and jurisdiction:** The SPA is subject to Belgian law. Any disputes would be settled by way of arbitration in accordance with the CEPANI Rules.

3 Advice of the Committee

3.1 General

Under Article 7:116 of the BCAC, the Committee is required to frame the Transaction within the strategy pursued by the Company, and indicate whether, if the Transaction is detrimental to the Company, it is offset by other elements in that strategy, or is manifestly unlawful.

The Committee considers that the interests of Euronav's minority shareholders must be protected in this transaction from a legal, tax, commercial and financial point of view. The Committee has therefore taken into account all advice received, including the advice from the independent financial adviser and the due diligence review undertaken by various professional service providers.

The Committee organised various meetings to question Euronav's management and the experts on the due diligence review carried out in respect of the Transaction and has received satisfactory answers to all its questions.

3.2 Assessment of the Transaction in the light of the Company's policy

3.2.1 The Company's renewed strategy

Following the resolution of the shareholder deadlock affecting the Company, the Company has on 5 December 2023 adopted a new strategy, which is centred around the following main axes:

- (i) Diversification of the fleet

Euronav wants to diversify its fleet into different shipping segments to decrease the dependence on the transportation of crude oil. This does not mean exiting the tanker business altogether, but gradually decreasing the

share of revenues coming from pure crude oil transportation by adding different shipping asset types to the Euronav portfolio.

(ii) Decarbonization of the fleet

The Company wants to dedicate significant amounts of capital to the development of low-carbon engines, fuel supply systems and the production of low-carbon fuels.

(iii) Optimization of the fleet

Euronav wants to optimize its fleet by divesting over time the less efficient/older tankers and re-invest the proceeds in a more future-proof and diversified fleet.

3.2.2 The Committee's assessment

The Transaction fits into the aims of diversifying and decarbonizing the Company's fleet. Euronav's acquisition of CMB.TECH is a strategic move for the future of the Company. The Committee considers that it is important that Euronav must move towards decarbonisation.

Euronav is currently the world's second largest crude oil-based shipping company with a fleet exclusively made up of vessels running on traditional fuels. In the future, it can be expected that the Euronav's clients will increasingly demand future-proof vessels which are moving more towards CO²-neutrality.

In this context, the acquisition of CMB.TECH will enable Euronav to exploit vessels running on hydrogen or ammonia as well as the associated technologies. It will therefore put Euronav in a position to respond to the inevitable evolution of the maritime transport market and allow it to leverage a first mover-advantage.

Using the proceeds of the sale of VLCC vessels to Frontline, the Transaction is an effective recycling of the Company's capital towards a more diversified fleet, with a focus on decarbonisation.

3.3 Patrimonial consequences of the Transaction

3.3.1 Payment of the purchase price

As a result of the Transaction, the Company's cash flow statement is expected to include a cash expense in the order of USD 1.150 billion in the first quarter of financial year 2024.

The Committee notes that the independent financial expert has concluded in its fairness opinion that the purchase price is fair to Euronav shareholders. The midpoint value of the independent financial expert shows a USD 1.300 billion to 1.326 billion equity value. If a conservative margin of 10% would be applied to such midpoint value, the valuation of CMB.TECH would amount to approximately USD 1.150 billion.

The Committee therefore concludes that the purchase price meets the financial interest of all Euronav shareholders, bearing in mind that CMB has expressed the wish to keep the Company listed at the end of the mandatory public offer which will take place in the first quarter of 2024.

3.3.2 Repayment of shareholder loan

Between signing and closing of the Transaction, CMB is planning to provide further shareholder loans to CMB.TECH. That additional funding is required in view of contractual commitments or obligations of CMB.TECH, investments or capital expenditure contemplated by the business plan of CMB.TECH such as (pre-)delivery instalments on newbuild vessels. Prior consent of Euronav is required for any additional funding in excess of USD 65 million. Euronav will need to repay to CMB the outstanding amount of such shareholder loans upon closing.

3.3.3 Financing

The Company will pay the purchase price and the shareholder loan from the cash proceeds it holds, or at the time of closing of the SPA will hold, in its bank accounts.

On 9 October 2023, the Company entered into arrangements for the sale of 24 vessels to Frontline plc for an amount of USD 2.350 billion. These arrangements have become effective on 22 November 2023. The vessels are in the process of gradually being delivered to Frontline plc against payment of the purchase price thereof. As of the date of this advice, 10 vessels have already been delivered with the 14 remaining vessels (for which a deposit has already been received) expected to be delivered in the next 4 to 6 weeks. Taking into account that the debt in respect of these vessels has already been repaid by the Company, the total proceeds from the sale of all those vessels amount to USD 2.350 billion.

With an expected closing of the acquisition of CMB.TECH in February 2024, the largest part of the proceeds from the sale of 24 vessels to Frontline will be used for the payment of the purchase price and the shareholder loan under the SPA. No debt financing is required for the Transaction.

3.3.4 Further funding

The net debt of CMB.TECH corresponds to USD 2.496 billion. This amount includes both net existing financial debt of USD 510 million and total nominal outstanding capital commitments of USD 1.986 billion.

Those outstanding capital commitments will need to be paid over the coming 3 years, The largest part thereof (USD 1.625 billion) has already been secured by CMB.TECH and will be rolled over. The remainder amounts to USD 361 million.

Euronav is planning to make funds available to CMB.TECH to finance this part of the outstanding capital commitments. These funds will come from Euronav's own cash.

3.3.5 Potential recourse against CMB

The Committee notes that the members of the executive management of CMB also form the management board of the Company. In order to ensure that a potential agency problem would not affect the Company's interests, the Committee has discussed the appropriate governance safeguards and decision-making process to deal with the Company's rights vis-à-vis CMB.

First, the Company is planning to take out, prior to closing of the Transaction, W&I insurance to cover most of the warranties provided by the seller under the SPA. The insurance premium will be borne by CMB. This removes any potential disincentives

not to pursue claims for breach of seller's warranties, without increase of the costs of the Company.

Second, it is proposed to the Supervisory Board that in the period between signing and closing of the Transaction, the Committee will be the proper body to provide any consents or waivers or undertake any actions on behalf of the Company.

Third, as regards the post-closing period, it is proposed that the Audit and Risk Committee will monitor the performance of the SPA, and in particular whether any situations have arisen which could entitle the Company to submit any claim for breach of seller's warranties towards the W&I insurer or CMB, as a standing item on its agenda for the near future.

3.3.6 Competition between CMB and Euronav

In pursuit of its new strategy, the Company is expanding into new shipping segments. While Euronav was previously exclusively focused on the crude oil tanker business, it will effectively diversify its operations upon closing of the Transaction.

In the future, Euronav will therefore become active in dry-bulk carriers, chemical tankers, container vessels, crew transfer vessels and others. While CMB.TECH (and thus the Company going forward) will offer future proof vessels powered by hydrogen and ammonia in these areas, it might compete with providers of such vessels with traditional combustion engines. Following the sale of CMB.TECH, CMB will remain active in dry-bulk carriers, chemical tankers and container vessels and might thus compete with Euronav.

In order to preserve the interests of Euronav in this regard, the Committee has requested from CMB a commitment that certain commercial opportunities be offered first to Euronav. Within the boundaries of antitrust law, Euronav will benefit from a priority right to any potential charters for a term exceeding three months for which both vessels owned by Euronav/CMB.TECH and vessels owned by CMB compete, provided that these vessels are of a similar design and age profile and are not operating under the same revenue sharing agreement. The Committee has discussed with CMB the possibility to also extend this form of exclusivity commitment to investments such as purchase, sale and lease of ships. While CMB considers CMB.TECH – and thus Euronav – as its main growth platform, it prefers to maintain flexibility to potentially buy future-proof ships or invest in future-proof technologies – certainly if dual-fuel or monofuel hydrogen engines become the new norm in shipping over time.

The commitment to offer potential charters to Euronav will be valid for 10 years (unless CMB would no longer solely control Euronav) and effectively support the ability of Euronav / CMB.TECH to reach its full revenue potential without any impact or overhang from CMB.

3.3.7 IP rights

The Company greatly values the potential of the brand "CMB.TECH" to support its ambition to become a market leader in sustainable shipping. In order to fully utilize such potential, it has been foreseen in the SPA that any intellectual property rights to "CMB.TECH" not yet owned by CMB.TECH – such as its domain name – will be assigned to Euronav or CMB.TECH without any compensation. This will avoid any

future dependence from CMB and allow Euronav to maximise the opportunities in this regard.

In addition, CMB.TECH may continue to benefit from the strong brands built by CMB. To ensure that, Euronav will be granted a license by CMB to use the “Bocimar”, “Bochem” and “Delphis” (word and/or device) signs after closing of the Transaction. This license shall be royalty-free and worldwide such that no further payments in this regard will be due to CMB. The license will in principle be perpetual but automatically expire when CMB no longer holds at least 25% of the shares or voting rights in Euronav.

3.3.8 Cross-guarantees

CMB has entered into certain guarantees to the benefit CMB.TECH. As CMB.TECH will transfer out to Euronav, the Company will need to take over these commitments. If these cannot be taken over prior to closing, the Company will hold CMB harmless for any costs and/or provide another solution to make this economically neutral.

Similarly, CMB currently has the benefit of certain refund guarantees relating to newbuild ships of CMB.TECH. Given the planned ownership of CMB.TECH going forward, the SPA also provides that the benefit of these refund guarantees will need to transfer to Euronav as from closing (through an indemnity or other mechanism).

4 Conclusion

Having regard to the foregoing considerations, the Committee is of the view that the Transaction is not manifestly unlawful in nature and that it is unlikely that the Transaction would result in disadvantages to the Company that are not outweighed by benefits to the Company. The Committee therefore advises favourably on the Transaction.

Julie De Nul
Date: 22 December 2023

Catharina Scheers
Date: 22 December 2023

Patrick Molis
Date: 22 December 2023