

## **MATERIALISE**

**Naamloze Vennootschap  
Technologielaan 15  
3001 Leuven (Heverlee)  
Enterprise number 0441.131.254  
RPR Leuven**

**(the "Company")**

### **SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:199 OF THE CODE OF COMPANIES AND ASSOCIATIONS**

Dear Shareholders,

In accordance with article 7:199 of the Code of Companies and Associations of 23 March 2019 (the "**Code of Companies and Associations**"), the Board of Directors proposes to renew the authorised capital provided in the articles of association.

The extraordinary general meeting of shareholders, which is scheduled to take place on 5 November 2020, shall deliberate on this topic.

In accordance with article 7:199 of the Code of Companies and Associations, the Board of Directors sets forth in which special circumstances the Board of Directors desires to use the authorised capital, as well as the purposes which are pursued through such use.

The Board of Directors also explains the modalities in relation to the use of the authorised capital.

#### **1. PROPOSED ACTION**

1.1 The extraordinary general meeting of shareholders is requested to renew the authorised capital, as provided in the articles of association of the Company (article 6).

This renewal is requested for a period of five years, calculated from the publication of this authorization in the Annexes to the Belgian Official State Gazette.

1.2 The extraordinary general meeting of shareholders is also requested to grant the Board of Directors, insofar as necessary and applicable, a special authorization to, in case of a public takeover bid on stocks issued by the Company, increase the share capital in any form, including a capital increase whereby the preferential right of the shareholders is limited or lifted, under conditions provided in article 7:202 of the Code of Companies and Associations.

This authorization is requested for a period of three (3) years calculated as from the extraordinary general meeting of shareholders which shall be held on 5 November 2020.

## **2. SPECIAL CIRCUMSTANCES IN WHICH THE BOARD OF DIRECTORS CAN USE THE AUTHORISED CAPITAL AND PURPOSES PURSUED**

The Board of Directors is of the opinion that the renewal of the authorized capital is required to meet the needs of the Company.

In principle, the Company's extraordinary general meeting of shareholders decides to amend the capital. Such resolution by the extraordinary general meeting of shareholders must meet the quorum and majority requirements applicable to an amendment of the articles of association. This means that a resolution of the extraordinary general meeting of shareholders to increase the Company's share capital is adopted only on the condition that at least 50% of the Company's share capital is present or represented at the extraordinary general meeting of shareholders and that the resolution is approved by at least 75% of the votes cast at the meeting. If the required attendance quorum of 50% is not present or represented at the first meeting, a second meeting may be convened by means of a new convocation notice, and the second meeting may validly deliberate and vote regardless of the number of shares present or represented.

Subject to the same quorum and majority requirements as for an increase in capital, the extraordinary general meeting of shareholders may also authorize the Board of Directors, within certain limits, to increase the capital of the Company without further approval by shareholders. This is the so-called authorized capital.

The technique of authorized capital provides the Board of Directors with a degree of flexibility and speed of execution, which may be necessary to ensure optimal management of the Company and the financing of its operations. The prior notices, formalities and deadlines for convening a general meeting of shareholders and for obtaining the approval of such meeting to carry out a capital increase have been extended, and often cannot be reconciled with the speed with which market opportunities arise and disappear. For example, the time to convene a general meeting of shareholders (including a second meeting if the required attendance quorum of 50% of the shares is not reached at the first meeting) may take more than one month. During this period, market conditions may change significantly. If the Board of Directors does not have the ability to seize potential market opportunities that may arise, this could be detrimental to the Company. On the other hand, if market conditions no longer allow for a capital increase on favorable terms after a general meeting of shareholders has been convened, this could also be detrimental to the Company.

In order to support the further growth of the Company and to help it achieve its operational and financial ambitions, further investments are required on an ongoing basis. These investments will strengthen the Company's innovative profile in the long term, and therefore the stability and value of the Company.

In order to meet these objectives, the Board of Directors wishes to have the necessary flexibility, in the interest of the shareholders. Accordingly, the Board of Directors intends to exercise its authorization under the authorized capital in circumstances where, in the interest of the Company, calling a general meeting of shareholders would be undesirable, inappropriate or inefficient. Such circumstances may arise, for example, if:

- it seems necessary to be capable to react quickly to certain market opportunities;

- there is a financial need where the relevant market circumstances are inappropriate for an offer or issue in favour of all shareholders;
- an prior convocation of a general shareholders' meeting would result in a premature announcement of the transaction, which could be disadvantageous for the Company;
- the costs related to the convocation of a shareholders' meeting are not in proportion to the sum of the proposed capital increase; or
- given the urgency of the situation, it appears that a capital increase within the framework of the authorised capital is necessary in the interest of the Company.

The Board of Directors would then also be able to apply its authorization under the authorised capital to raise capital, among other things:

- to strengthen the share capital or the equity of the Company;
- to finance her business activities or new business initiatives;
- to finance, partially or entirely, acquisitions of companies, businesses or assets, corporate partnerships, in-licensing transactions, or other forms of mergers, partnerships or strategic alliances;
- to attract new partners or significant shareholders to the Company's capital structure, or to broaden the international dimension of the shareholder structure; and/or
- for other general needs of the working capital.

Secondly, the Board of Directors wishes to be able to use the authorized capital within the framework of incentive plans, such as stock option plans, share purchase plans, warrant plans or other plans, for members of personnel (as defined in Article 1:27 of the Code of Companies and Associations), independent consultants and other service providers of the Company and/or its subsidiaries.

Finally, the Board of Directors wishes to be able to use the authorized capital, to the extent necessary and appropriate, to protect itself in the event of a public takeover bid that goes against the interest of the Company, in order to make such bid more difficult.

### **3. MODALITIES REGARDING THE USE OF THE AUTHORISED CAPITAL**

The Board of Directors may without limitation exercise its authority to increase the issued capital on one or more occasions by a total amount not exceeding 100% of the current amount of the Company's capital, in the particular circumstances and according to the objectives pursued described above, without prejudice to the restrictions imposed by the Code of Companies and Associations, Articles 7:200 - 7:202, subject to what is provided below.

The capital increases, which may be decided on the basis of this authorization, can occur in accordance with the modalities decided upon by the Board of Directors, such as:

- through contribution in cash or in kind within the boundaries set forth by the Code of Companies and Associations;
- through conversion of reserves and issuance premiums;
- with or without issuance of new securities;
- through issuance of shares, with or without voting rights;
- through issuance of convertible bonds, wheter or not subordinated;
- through issuance of subscription rights (free of charge or for an issue price);

- through issuance of bonds to which subscription rights or other moveable values are attached;
- through issuance of other securities, such as shares in the context of a stock option plan.
- through issuance of shares below par value.

The Board of Directors shall, in the interest of the Company, have the right to limit or lift the preferential right. The Board may do this in favour of one or more specific persons, even if those are not personnel (as defined in article 1:27 of the Code of Companies and Associations) of the Company or its subsidiaries, provided, among others through issue of subscription rights, adherence to the relevant legal provisions. The Board may also determine that, where appropriate with the allotment of new shares, priority is given to previous shareholders.

Finally, the Board of Directors wishes to be authorized, where appropriate with the possibility of substitution, to bring the Company's articles of association into line with the decisions to increase the capital within the framework of the authorized capital.

Done in Leuven, on \_\_\_\_\_ 2020.  
For the Board of Directors

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Function:

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Name:  
Function: