

AEDIFICA NV/SA
PUBLIC REGULATED REAL ESTATE COMPANY UNDER
BELGIAN LAW

BELLIARDSTRAAT / RUE BELLIARD 40 BOX 11
1040 BRUSSELS

RLE BRUSSELS 0877.248.501

SPECIAL REPORT OF THE BOARD OF DIRECTORS
ESTABLISHED PURSUANT TO ARTICLE 7:199 OF THE BELGIAN CODE OF
COMPANIES AND ASSOCIATIONS

Ladies and gentlemen shareholders,

This report for the General Meeting of shareholders is established pursuant to Article 7:199 of the Belgian Code of Companies and Associations (“**BCCA**”). Pursuant to this provision, the purpose of this report is to explain to you the proposal that will be submitted to the Extraordinary General Meeting that will be held on 14 May 2024 or, and in case of lack of quorum at this first meeting, to the secondary extraordinary general meeting that will be held on a date that will be communicated in due time (or any other date on which these meetings would take place), to authorise the Board of Directors to increase the capital of the Company in accordance with the conditions set out below. This report relates to the special circumstances under which the Board of Directors can use the authorised capital and the objectives pursued in this regard.

1. Proposals submitted to the General Meeting

The following proposals to replace the existing authorisation regarding the authorised capital with a new authorisation will be submitted to the aforementioned Extraordinary General Meeting (as included in the agenda of the Extraordinary General Meeting):

Proposal, subject to prior approval of the FSMA, to renew the existing authorisation regarding the authorised capital and to provide in a new authorisation for the Board of Directors to increase the capital in one or more instalments under the conditions set out in the aforementioned special report and to amend article 6.4. of the Articles of Association (“Authorised capital”) accordingly in accordance with the resolution passed.

Proposal to authorise the Board of Directors to increase the capital, on the dates and in accordance with the terms and conditions as will be determined by the Board of Directors, in one or more instalments by a maximum amount of:

- 1) 50% of the amount of the capital on the date of the Extraordinary General Meeting of [*insert: date of the Extraordinary General Meeting that approves the mandate*], as the case may be, rounded down to the euro cent, for capital increases by contribution in cash whereby the possibility is provided for the exercise of the preferential subscription right or the priority allocation right by the shareholders of the Company,
- 2) 20% of the amount of the capital on the date of the Extraordinary General Meeting of [*insert: date of the Extraordinary General Meeting that approves the mandate*], as the case may be, rounded down to the euro cent, for capital increases in the framework of the distribution of an optional dividend, and
- 3) 10% of the amount of the capital on the date of the Extraordinary General Meeting of [*insert: date of the Extraordinary General Meeting that approves the mandate*], as the case may be, rounded down to the euro cent, for a. capital increases by contribution in kind, b. capital increases by contribution in cash without the possibility for the shareholders of the Company to exercise the preferential subscription right or priority allocation right, or c. any other kind of capital increase,

provided that the capital within the context of the authorised capital can never be increased by an amount higher than the capital on the date of the Extraordinary General Meeting that has approved the authorisation (in other words, the sum of the capital increases in application of the proposed authorisations cannot exceed the amount of the capital on the date of the Extraordinary General Meeting that has approved the authorisation).

2. Justification

By the decision of the Extraordinary General Meeting of 28 July 2022, the Board of Directors was authorised to increase the capital of the Company in one or more instalments, on the dates and in accordance with the terms and conditions as will be determined by the Board of Directors, by a maximum amount of:

- 1) 50% of the amount of the capital on the date of the Extraordinary General Meeting of 28 July 2022, as the case may be, rounded down to the euro cent, for capital increases by contribution in cash whereby the possibility is provided for the exercise of the preferential subscription right or the priority allocation right by the shareholders of the Company,
- 2) 20% of the amount of the capital on the date of the Extraordinary General Meeting of 28 July 2022, as the case may be, rounded down to the euro cent, for capital increases in the framework of the distribution of an optional dividend,
- 3) 10% of the amount of the capital on the date of the Extraordinary General Meeting of 28 July 2022, as the case may be, rounded down to the euro cent, for a. capital increases by contribution in kind, b. capital increases by contribution in cash without the possibility for the shareholders of the Company to exercise the preferential subscription right or priority allocation right, or c. any other kind of capital increase,

provided that the capital within the context of the authorised capital can never be increased by an amount higher than the capital on the date of the Extraordinary General Meeting that approves the authorisation (in other words, the sum of the capital increases in application of the proposed authorisations cannot exceed the amount of the capital on the date of the Extraordinary General Meeting that has approved the authorisation).

The Board of Directors proposes replacing the existing authorisations as mentioned above.

To the extent necessary, the Board of Directors recalls that:

- The proposal for authorisation under **point 1)** concerns on the one hand the classical cases of capital increase by contribution in cash (including by way of issue of shares, convertible bonds or subscription rights), with the application of a preferential subscription right for the benefit of the existing shareholders, and on the other hand the specific cases of capital increase by contribution in cash (including the issue of shares, convertible bonds or subscription rights) whereby the RREC-Act (as defined below) allows to restrict or cancel the preferential subscription right of shareholders to the extent a priority allocation right is granted to the existing shareholders when new securities are allocated. It concerns an authorisation limited to 50% of the amount of the capital.
- The proposal for authorisation under **point 2)** concerns capital increases in the framework of the distribution of an optional dividend, offering the shareholders the opportunity to contribute their (net) dividend rights in the capital in exchange for new shares. It concerns an authorisation limited to 20% of the amount of the capital.
- The proposal for authorisation under **point 3)**, concerns:
 - o capital increases (including by way of issue of shares, convertible bonds or subscription rights) by contribution in cash without the possibility for the shareholders of the Company to exercise the preferential subscription right or the priority allocation right, without prejudice to the application of the mandatory provisions of the applicable company law and the RREC-Legislation¹.

This kind of capital increase has become possible as a result of the amendment of Article 26, §1 of the RREC-Act by Article 186 of the Act of 2 May 2019 including various financial provisions. The amendment makes it possible for regulated real estate companies, amongst others, to execute a capital increase in accordance with the “*accelerated bookbuilding*” procedure (an accelerated private placement with composition of an order book). The possibility of executing this kind of capital increases is limited by law in the sense that the cumulative amount of capital increases executed in accordance with this sub-authorisation over a period of twelve months, may

¹ The Act of 12 May 2014 on regulated real estate companies, as amended from time to time (the “**RREC-Act**”) and the Royal Decree of 13 July 2014 with regard to regulated real estate companies, as amended from time to time (the “**RREC-RD**”).

not exceed 10% of the capital amount at the moment of the decision to increase the capital. The proposed authorisation is subject to the aforementioned legal restrictions.

- capital increases (including by way of issue of shares, convertible bonds or subscription rights) a. by contribution in kind, or b. any other kind of capital increase.

It concerns an authorisation limited to 10% of the amount of the capital.

In any event, the capital of the Company within the framework of the authorised capital may only be increased up to the maximum amount of the capital on the date of the approval of the aforementioned proposal by the Extraordinary General Meeting, and this for a period of two years from the publication of the decisions in the annexes to the Belgian Official Gazette. As from that date of publication of the resolutions in the annexes to the Belgian Official Gazette, the current authorisation concerning the authorised capital will lapse and the proposed authorisation will take its place.

If the proposed authorisations are not approved by the General Meeting, the existing authorisation will continue to apply to the Board of Directors of the Company.

These capital increase(s) may be subscribed to in cash, in kind, or by means of a mixed contribution, or by incorporation of reserves, including profits carried forward and issue premiums as well as all equity components under the Company's statutory IFRS financial statements (drawn up in accordance with the regulations applicable to the regulated real estate companies) which are subject to conversion into capital, with or without the creation of new securities (e.g. bonus shares), in accordance with the rules prescribed by the applicable company law and RREC-Legislation.

The Board of Directors may also issue subscription rights (whether or not attached to another security), convertible bonds, bonds redeemable in shares or other securities, which may give rise to the creation of the same securities, and always in accordance with the rules prescribed by the applicable company law and RREC-Legislation.

At the time of the capital increase, executed within the limits of the authorised capital, the Board of Directors will have the authority to ask for an issue premium. If applicable, any issue premiums will be shown in one or more separate accounts under equity in the liabilities of the balance sheet. The Board of Directors is free to decide to place any issue premiums, possibly after deduction of an amount at most equal to the costs of the capital increase in the meaning of the applicable IFRS-rules, on an unavailable account, which will provide a guarantee for third parties in the same manner as the capital and which can only be reduced or abolished by means of a resolution of the General Meeting deciding in accordance with the quorum and majority requirements for an amendment of the Articles of Association, except in the case of the conversion into capital.

3. Specific circumstances and purposes for the use of the authorised capital

The technique of the authorised capital allows the Board of Directors of the Company a certain degree of flexibility, confidentiality, efficiency, cost reduction and/or speed of execution. In view of these characteristics, it is appropriate for optimal management of the Company to grant the Board of Directors the authority to increase the capital within the framework of the authorised capital. The extensive and time-consuming procedure of convening an Extraordinary General Meeting for a capital increase or for an issue of convertible bonds or subscription rights may, for example, in certain circumstances be an obstacle to a rapid and efficient response to fluctuations on the capital markets or certain interesting opportunities that would arise for the Company, a.o. with a view to reducing the Company's debt ratio (limited by law to 65%) by increasing its equity.

The authorised capital has allowed the Board of Directors over the past years to successfully implement the Company's strategy of growth and sustainable value creation for its shareholders and other stakeholders and it will allow the Board of Directors to continue on this path.

Considering the impossibility to give *a priori* a restrictive list of the special circumstances under and purposes for which the Board of Directors may use the authorised capital, the circumstances and purposes listed below should not be considered restrictive.

However, the special circumstances under which and the purposes for which the Board of Directors may use the above authorizations regarding the authorised capital all have in common that these are fundamentally based in the context of retaining and growing the Company's corporate interest and its activities in line with its corporate object by using the capital raised to support the further growth of the Company in line with its corporate object and/or to reduce the debt ratio of the Company.

The Board of Directors proposes to make use of the aforementioned authorisations under the authorised capital, inter alia, in those cases in which the Board of Directors is of the opinion that, in the interest of the Company, a decision by means of a General Meeting would not be desirable or convenient.

For example, the Board of Directors could use the authorised capital when:

- it appears opportune to respond quickly and/or flexibly to market opportunities, in particular (but not exclusively) with a view to financing (in whole or in part) partnerships or acquisitions of companies and/or important assets, attracting any new partners or shareholders to the capital structure of the Company, or broadening the international dimension of the shareholder structure, always respecting the explicit and binding legal restrictions that would apply at any time;
- a need or opportunity for financing/equity reinforcement arises, where the relevant market conditions or characteristics of the intended financing make it appropriate for the Company to act swiftly and/or flexibly, and where the shareholders may not be

- offered the opportunity to exercise their preferential subscription right or priority allocation right (as meant in the RREC-Legislation);
- there is a need for financing/equity reinforcement whereby a contribution in kind or a contribution in cash without the option for shareholders to exercise their preferential subscription right or priority allocation right (as meant in the RREC-Legislation) is appropriate in the interest of the Company;
 - the Board of Directors wishes to realise a capital increase in the context of an optional dividend, regardless of whether (part or all of) the dividend will be paid out directly in shares, or will be paid out in cash, followed by the option of a full or partial subscription to new shares, with or without an additional cash investment;
 - a prior convening of a General Meeting would result in an early announcement of the transaction concerned in accordance with transparency obligations applicable to the Company, which could be disadvantageous to the Company;
 - the costs associated with convening a General Meeting are disproportionate to the amount of the intended (direct or deferred) capital increase;
 - due to the urgency of the situation, it appears that a capital increase or the issue of convertible bonds or subscription rights in the short term is appropriate in the interest of the Company.

The Board of Directors may also use the authorised capital within the framework of the remuneration policy, amongst other, for the issue of, for example, shares, share options or subscription rights to personnel of the Company or its subsidiaries (as defined in applicable company law), as well as to persons who have rendered themselves useful to the Company or its subsidiaries in the context of their professional activity.

Any decision by the Board of Directors to increase the capital or to issue convertible bonds or subscription rights is subject to the mandatory provisions in the BCCA and the specific RREC-Legislation. Moreover, the use of the authorised capital will always be restricted by the corporate object of the Company as described in the Articles of Association.

In accordance with applicable company law, the authorised capital may not be used for:

- capital increases realized mainly through contributions in kind reserved exclusively for a shareholder of the Company holding securities of the Company to which more than 10% of the voting rights are attached;
- the issue of subscription rights intended principally for one or more specified persons, other than employees of the Company or its subsidiaries (as defined in the applicable company law).

4. Special rules regarding capital increase in cash and in kind in general and in the context of an optional dividend in particular

Without prejudice to the application of the mandatory provisions of the applicable company law and the RREC-Legislation, the Board of Directors may, within the framework of the authorised capital, restrict or cancel the preferential subscription right, even in favor of one or more specific persons, other than members of the personnel of the Company or its subsidiaries (as defined in the applicable company law, as amended from time to time).

If in that case, in accordance with the mandatory provisions of the RREC-Legislation, a priority allocation right must be granted to the existing shareholders when new securities are allocated, this priority allocation right shall at least comply with the conditions provided for in article 26 of the RREC-Act and in article 6.3 (a) of the Articles of Association.

However, no priority allocation right must be granted in case of a contribution in cash with restriction or suspension/cancellation of the preferential subscription right, in addition to a contribution in kind in the framework of the distribution of an optional dividend, provided that this is actually made payable to all shareholders. Pursuant to article 26, §1 (3) of the RREC-Act, a priority allocation right must also not be given in case of a capital increase through a contribution in cash with limitation or restriction/cancellation of the preferential subscription right provided (i) the capital increase occurs in the context of the authorised capital and (ii) the cumulative amount of the capital increases, executed in accordance with this exception, over a period of 12 months, does not exceed 10% of the capital amount at the moment of the decision to increase the capital.

When securities are issued against contributions in kind, without prejudice to the mandatory provisions of the BCCA, the conditions in article 6.3 (b) of the Articles of Association must be observed. However, the special rules on capital increase in kind set out in article 6.3 (b) of the Articles of Association do not apply to the contribution of the right to a dividend within the framework of the distribution of an optional dividend, provided this will actually be made available to all shareholders.

The special circumstances under which the authorised capital may be used and the objectives pursued in this regard, as set out in this report, are not exhaustive and should be interpreted as broadly as possible.

5. Proposal to amend the Articles of Association

As a result of the above proposals, the Board of Directors proposes to amend article 6.4 of the Articles of Association regarding the authorised capital in order to bring it in line with the aforementioned proposals:

“The Board of Directors is authorised to increase the capital in one or more instalments, on the dates and in accordance with the terms and conditions as will be determined by the Board of Directors, by a maximum amount of:

- 1) 50% of the amount of the capital on the date of the Extraordinary General Meeting of [insert: date of the Extraordinary General Meeting that approves the mandate], as the case may be, rounded down to the euro cent, for capital increases by contribution in cash whereby the possibility is provided for the exercise of the preferential subscription right or the priority allocation right by the shareholders of the Company,*
- 2) 20% of the amount of the capital on the date of the Extraordinary General Meeting of [insert: date of the Extraordinary General Meeting that approves the mandate], as the case may be, rounded down to the euro cent, for capital increases in the framework of the distribution of an optional dividend, and*
- 3) 10% of the amount of the capital on the date of the Extraordinary General Meeting of [insert: date of the Extraordinary General Meeting that approves the mandate], as the case may be, rounded down to the euro cent, for a. capital increases by contribution in kind, b. capital increases by contribution in cash without the possibility for the shareholders of the Company to exercise the preferential subscription right or priority allocation right, or c. any other kind of capital increase,*

provided that the capital within the context of the authorised capital can never be increased by an amount higher than the capital on the date of the Extraordinary General Meeting that has approved the authorisation (in other words, the sum of the capital increases in application of the proposed authorisations cannot exceed the amount of the capital on the date of the Extraordinary General Meeting that has approved the authorisation).

This authorisation is granted for a renewable period of two years, calculated from the publication of the minutes of the Extraordinary General Meeting of [to be completed: the Extraordinary General Meeting that approves the mandate], in the annexes to the Belgian Official Gazette.

For each capital increase, the Board of Directors will determine the price, the issue premium (if any) and the terms and conditions of issue of the new securities.”

If the proposed authorisations would not be approved by the General Meeting, the existing authorisations will remain in force and valid until 22 August 2024 (i.e., two years from the publication of the decision of the Extraordinary General Meeting of 28 July 2022 in the annexes to the Belgian Official Gazette).

6. Decision

The Board of Directors proposes to the Extraordinary General Meeting to vote in favor of the proposals submitted to it.

Brussels, 20 February 2024

For the Board of Directors

Sven Bogaerts
Director

Stefaan Gielens
Director - CEO