



Quest for Growth

Privak - Public investment company with fixed capital under Belgian law – Public limited liability company

Lei 19 box 3

3000 Leuven

CPR (Leuven): 0463.541.422

(the “Company”)

Special report of the board of directors in accordance with article 604 BCC with respect to the renewal of the authorized capital

Dear shareholders,

This special report is drawn up by the board of directors in accordance with article 604 of the Belgian Companies Code (“BCC”). In this special report, the board of directors wishes to elaborate on its proposed decision to the extraordinary shareholders’ meeting of 16 March 2017, or in the event the attendance quorum is not met during the first meeting, of 25 April 2017, to renew the authorization of the board of directors to increase the Company’s share capital in accordance with the terms and conditions set out in this report.

According to article 604 BCC, the board of directors has to draw up a special report setting out (i) the specific circumstances under which the board of directors can use its authorization to increase the share capital of the Company as well as (ii) the goals envisaged by the use of the authorized capital.

1 PROPOSED DECISION TO THE SHAREHOLDERS’ MEETING

The board of directors proposes to the extraordinary shareholders’ meeting to renew the authorisation of the board of directors to increase the Company’s share capital, in one or more steps, for a new period of 5 years from the date on which the authorizing decision of the extraordinary shareholders’ meeting is published in the Annexes of the Belgian Official Gazette (and, as a consequence, cancel the balance of the amount of the authorized capital granted by the extraordinary shareholders’ meeting of 17 March 2011) up to an amount of EUR 135,130,875.32 in accordance with the articles of association.

In light of the above, the board of directors also proposes to amend the provisions in the articles of association with respect to the authorized capital.

2 JUSTIFICATION

The extraordinary shareholders' meeting of 17 March 2011 granted the board of directors of the Company the authorization to increase the Company's share capital, in one or several steps, up to an amount of EUR 109,748,742.32. This authorization was granted for a period of 5 years from the publication of the authorisation decision in the Belgian Official Gazette and, as a consequence, expired on 23 March 2016.

To date, the board of directors did not make use of the authorization in the framework of authorized capital and, as a consequence, the outstanding balance of the authorized capital is still EUR 109,748,742.32.

Taking into account the capital increase of 17 May 2016, the share capital of the Company amounts EUR 135.130.875,32 on the date of this report.

The board of directors proposes to the extraordinary shareholders' meeting to renew the authorization of the board of directors to increase the Company's share capital, in one or more steps, for a new period of five years from the publication of the authorization decision in the Annexes of the Belgian Official Gazette (and, as a consequence, cancel the balance of the authorized capital granted to the board of directors by the extraordinary shareholders' meeting of 17 March 2011) up to an amount of EUR 135,130,875.32.

The proposal to renew the authorization of the board of directors with respect to authorized capital relates to capital increases within the meaning of the Belgian Companies Code. More in particular, the board of directors may, within the limits of the decision of the general shareholders' meeting and in accordance with the mandatory law provisions of the Belgian Companies Code, the Royal Decree of 10 July 2016 on alternative investment funds investing in non-listed companies and in growth companies and/or any other applicable regulations and the provisions of the articles of association of the Company, decide to increase the share capital by contribution in cash, contribution in kind, a combination of both, or incorporation of reserves or issue premiums, with or without issuance of new shares. The board of directors is also allowed to increase the share capital through the issuance of convertible bonds or warrants in accordance with the applicable regulations and the articles of association of the Company.

The board of directors can limit or withdraw the shareholders' preferential rights, in accordance with the Belgian Companies Code, the Royal Decree of 10 July 2016 on alternative investment funds investing in non-listed companies and in growth companies and the articles of association of the Company, if an irreducible allocation right is granted to existing shareholders when allocating the new shares. The board of directors is however not obliged to grant an irreducible allocation right in the event of a contribution in cash with limitation or withdrawal of the shareholders'

preferential rights in addition to a contribution in kind, in the context of the distribution of an optional dividend, if such dividend is payable for all shareholders.

The board of directors proposes to explicitly extend the authorization by allowing the board of directors to carry out all transactions set forth in article 605 BCC in accordance with the applicable regulations.

The proposal to renew the authorization with respect to authorized capital, as in the past, intends to allow the Company to react swiftly and efficiently to market opportunities that may arise.

The technique of the authorized capital offers the board of directors a certain degree of flexibility and swiftness of execution which may be required for an optimal management of the Company with a view to the realization of the Company's corporate purpose. The rather elaborate and time-consuming procedure for the convocation of an extraordinary shareholders' meeting to increase the share capital, may in certain circumstances be incompatible with the fluctuations on the capital markets or certain opportunities which may arise for the Company.

The board of directors intends to apply the technique of the authorized capital in circumstances in which, in the Company's interest, the convocation of an extraordinary shareholders' meeting may not be convenient or desirable. Therefore, the board of directors will be entitled to apply the authorized capital, among other things (yet without limitation) when:

- it would appear to be necessary to react swiftly to certain market opportunities;
- a need for funding or a funding opportunity would arise whereby the relevant market circumstances would require a swift reaction of the Company;
- a prior notification of a shareholders' meeting may result to a late announcement of a potential transaction, which may be adversely affected as a result thereof;
- the costs in connection with the convocation of the extraordinary shareholders' meeting would be disproportionate to the amount of the proposed capital increase; or
- the urgency or other characteristics of the situation would show that a capital increase within the framework of the authorized capital is better suited to serve the Company's interest.

3 PROPOSED DECISION TO AMEND THE ARTICLES OF ASSOCIATION

In light of the above, the board of directors proposes to amend (new) article 9 bis of the articles of association with respect to authorized capital as follows:

“The general shareholders' meeting authorizes the board of directors to increase the share capital, in one or more steps, during a period of five (5) years, from the date of the publication of the

authorization decision in the Annexes of the Belgian Official Gazette, up to an amount of EUR 135,130,875.32.

The authorization of the board of directors is renewable.

The board of directors can, within the limits of the decision of the extraordinary shareholders' meeting and in accordance with the mandatory law provisions of the Belgian Companies Code, the Royal Decree of 10 July 2016 on public privaks and/or any other applicable regulations and the articles of association of the Company, decide to increase the Company's share capital by contribution in cash, or contribution in kind, or a combination of both, or by incorporation of reserves or issue premiums, with or without issuance of new shares. The board of directors can also decide to increase the share capital by issuance of convertible bonds or warrants in accordance with applicable regulations and the articles of association of the Company.

In the event of a capital increase, the board of directors may limit or withdraw the shareholders' preferential rights in accordance with the limitations set out in article 9 of the articles of association.

The board of directors is also authorized to carry out all transactions set forth in article 605 of the Belgian Companies Code in accordance with the applicable regulations.

If the board of directors requests the payment of an issue premium in the context of a capital increase, such premium will be booked on a non-available account, called "issue premium", which will serve as a guarantee to third parties to the same extent as the share capital and which, without prejudice to incorporation in the share capital, may only be decreased or disposed of by a resolution of a shareholders' meeting taken in accordance with article 612 et seq. of the Belgian Companies Code.

If the board of directors requires the payment of an issue premium, only the amount of the actual capital increase will be deducted from the balance of the amount of the authorized capital.

The board of directors is also authorised to amend the company's articles of association in accordance with the capital increase that was decided on within the scope of the authorized capital."

4 CONCLUSION

The board of directors proposes to the extraordinary shareholders' meeting to vote in favour of the proposed decisions.

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Signed at 2 February 2017.

For the board of directors,

ADP Vision BVBA, represented by its permanent representative Antoon De Proft

René Avonts BVBA, represented by its permanent representative René Avonts

Bart Fransis

Jos B. Peeters

Bernard de Gerlache de Gomery

Godelieve Verplancke

Euro Invest Management NV, represented by its permanent representative Philippe Haspeslagh

Gengest BVBA, represented by its permanent representative Rudi Mariën

Pamica NV, represented by its permanent representative Michel Akkermans

Regine Slagmulder BVBA, represented by its permanent representative Regine Slagmulder

Axxis BVBA, represented by its permanent representative Philippe de Vicq de Cumplich