

**MATERIALISE**

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

**(the "Company")**

**SPECIAL REPORT OF THE BOARD OF DIRECTORS OF 14 MAY 2019 IN ACCORDANCE WITH ARTICLE 604 OF THE COMPANIES CODE**

Dear Shareholders,

In accordance with article 604 of the Companies Code (and as soon as applicable on the Company, article 7:199 of the new Companies and Associations Code), the Board of Directors proposes to renew the authorised capital, provided in the by-laws.

The ordinary general meeting of shareholders, which is scheduled to take place on 4 June 2019, shall deliberate on this topic.

In accordance with article 604 of the Companies Code, 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 usage of the authorised capital.

**1. PROPOSED ACTION**

1.1 The general meeting of shareholders is requested to renew the authorised capital, as currently provided in the by-laws of the Company.

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 general meeting of shareholders is also requested to grant the Board of Directors a special authorization to increase the share capital, in case of a public takeover bid on stocks issued by the Company, in any form, including a capital increase whereby the preferential right of the shareholders is limited or lifted, under conditions provided in article 607 of the Companies Code (and as soon as applicable on the Company, article 7:202 of the new Companies and Associations Code).

## Free English Translation

This authorization is requested for a period of five (5) years calculated as from the General Meeting.

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

In order to support the further growth of the Company and to help realise its operational and financial ambitions, continuous investments are required. These investments strengthen the long-term innovative profile, and thereby, the stability and the value of the Company.

To achieve these goals, the Board of Directors wishes, in the interest of the shareholders, to dispose of the necessary flexibility. Therefore, the Board of Directors has the intention to use the authorization under the authorised capital in those circumstances where, in the interest of the Company, the convocation of a general shareholders meeting would be undesirable or inappropriate. Such circumstances can occur for example if:

- it seems necessary to be capable to react quickly on certain market opportunities;
- there is a financial need at a when the relevant market circumstances are inappropriate for an offer or issue to all shareholders;
- an early 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 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, purchases and acquisitions of companies, businesses or assets, or other forms of mergers, partnerships or strategic alliances;
- to attract new partners or important shareholders to the capital structure of the Company, or to broaden the international dimension of the shareholder structure; and/or
- For other general needs of the working capital.

Also, the Board of Directors wishes to be able to use the authorised capital in the context of incentive plans, such as stock options plans, share purchase plans, warrant plans or other plans, for directors, consultants and other staff members of the Company and her subsidiaries.

Finally, the Board of Directors wishes to be able to use the authorised capital to protect itself in case of a public takeover bid which conflicts with 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, use its authorization to increase the share capital on one or more occasions with a maximal total amount of the authorized share capital amount in the special circumstances and in order to pursue the purposes mentioned here above, without prejudice to the limitations imposed by the Companies Code, articles 605-607 (and as soon as applicable on the Company, article 7:200 – 7:202 of the new Companies Code), under reservation of 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 Companies Code (and as soon as applicable on the Company, the new Companies Code);
- Through conversion of reserves and issuance premiums;
- With or without issuance of new securities;
- Through issuance of shares, with or without voting right;
- Through issuance of convertible bonds, wheter or not subordinated;
- Through issuance of warrants (free of charge or for an issue price);
- Through issuance of bonds to which warrants or other moveable values are related;
- Through issuance of other securities, suc as shares in the context of a stock option plan.

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 staff members of the Company or one of her subsidiaries, provided that, among other through issue of warrants, it adheres 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.

Lastly, the Board of Directors wishes to be authorised to, if and when appropriate, with the possibility of substitution, align the by-laws of the Company with the decisions of capital increase in the framework of the authorised capital.

Done in Leuven, on May 14 2019.

For the Board of Directors

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Name:  
Fonction:

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