

CARE PROPERTY INVEST

Public limited liability company (*société anonyme/naamloze vennootschap*),
Public Regulated Real Estate Company (*Société Immobilière Réglementée (SIR)* /
Gereguleerde Vastgoedvennootschap (GVV)) under Belgian Law
Registered Office: 3 Horstebaan, 2900 Schoten
Companies Registration No. 0456.378.070 (LPR Antwerp, section Antwerp)
(the 'Company')

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

**concerning the special circumstances in which the authorised capital may be used and the objectives
pursued in doing so**

Introduction

This special report for the general meeting of shareholders is prepared by the board of directors of the Company in accordance with article 7:199 of the Belgian Code of Companies and Associations (the '**BCCA**'). This report relates to the proposal to renew the authorisation to the board of directors to increase the Company's capital within the framework of the authorised capital (including through the issue of shares, convertible bonds, or subscription rights). This report aims to explain the proposal to be submitted to the extraordinary general meeting of shareholders of the Company to be held on or around 5 April 2023 ('**EGM I**') and, if the required attendance quorum would not be achieved at EGM I, to the extraordinary general meeting of shareholders of the Company to be held on or around 26 April 2023 ('**EGM II**').

In this special report, the special circumstances in which the authorised capital may be used and the objectives that the board of directors will be able to pursue with it, among other things, are specified in accordance with article 7:199 of the BCCA.

Proposal to renew the authorisation to the board of directors within the framework of the authorised capital**1. General**

On 16 May 2018, the Company's extraordinary general meeting granted the board of directors the authorisation to increase the capital within the framework of the authorised capital for a maximum amount of one hundred and fourteen million nine hundred and sixty-one thousand two hundred and sixty-six euros and thirty-six cents (€114,961,266.36) (excluding issue premium) for a period of five (5) years as from the publication in the Annexes to the Belgian Official Gazette of the decision of the extraordinary general meeting.

The amendment to article 26, §1 of the Law on Regulated Companies (the RREC Law) allows for a capital increase by contribution in cash without the possibility of the Company's shareholders exercising the preferential subscription right or irreducible allocation rights was registered in the articles of association on 18 December 2019 by way of an amendment to the articles of association.

The board of directors proposes, subject to the prior approval of the FSMA, to renew and replace the authorisation regarding the authorised capital with a new authorisation to increase, within the framework of the authorised capital and under the conditions set out in this report and article 7 of the Company's articles of association, the Company's paid-up capital by a maximum amount of:

- 1) 50% of the amount of the capital on the date of the extraordinary meeting of 5 April 2023 or, if the required attendance quorum would not be reached at the first extraordinary general meeting, 26 April 2023, 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 irreducible allocation right by the shareholders of the company;
- 2) 20% of the amount of the capital on the date of the extraordinary meeting of 5 April 2023 or, if the required attendance quorum would not be reached at the first extraordinary general meeting, 26 April 2023, 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 meeting of 5 April 2023 or, if the required attendance quorum would not be reached at the first extraordinary general meeting, 26 April 2023, as the case may be rounded down to the euro cent, for capital increases,

provided that the capital within the context of the authorized capital can never be increased by an amount higher than the capital on the date of the extraordinary general meeting that has approved the authorization (in other words, the sum of the capital increases in application of the proposed authorizations cannot exceed the amount of the capital on the date of the extraordinary general meeting that has approved the authorization).

If this board of directors' proposal would not be approved by the extraordinary general meeting, the current existing authorisation on authorised capital as approved by the extraordinary general meeting held on 16 May 2018 will continue to apply and article 7 of the Company's articles of association will remain unchanged.

2. Description of the proposal to renew the authorisation to the board of directors in the framework of the authorised capital and to issue (among others) shares, convertible bonds and subscription rights

The board of directors proposes to the shareholders to renew the authorisation to the board of directors to increase the capital on such dates and under such conditions as it will determine, on one or more occasions, for a period of two (2) years starting from the publication of the decision of the extraordinary general meeting approving the authorisation in the annexes to the Belgian Official Gazette and up to a maximum amount as follows:

1) 50% of the amount of the capital on the date of the extraordinary meeting of 5 April 2023 or, if the required attendance quorum would not be reached at the EGM I, to the extraordinary general meeting of the Company that will be held on or around 26 April 2023, 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 irreducible allocation right by the shareholders of the company;

2) 20% of the amount of the capital on the date of the extraordinary meeting of 5 April 2023 or, if the required attendance quorum would not be reached at the EGM I, to the extraordinary general meeting of the Company that will be held on or around 26 April 2023, 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 meeting of 5 April 2023 or, if the required attendance quorum would not be reached at the EGM I, to the extraordinary general meeting of the Company that will be held on or around 26 April 2023, as the case may be rounded down to the euro cent, for capital increases,

provided that the capital within the context of the authorized capital can never be increased by an amount higher than the capital on the date of the extraordinary general meeting that has approved the authorization (in other words, the sum of the capital increases in application of the proposed authorizations cannot exceed the amount of the capital on the date of the extraordinary general meeting that has approved the authorization).

The board of directors clarifies that:

- The proposal included under point 1) relates to capital increases by means of contributions in cash (including against the issuance of shares, convertible bonds or subscription rights) with the application of the statutory preferential subscription right or irreducible allocation rights in favour of all existing shareholders of the Company. This includes capital increases by means of a so-called 'rights issue'. In accordance with the proposal, this authorisation is limited to 50% of the Company's capital on the date of the authorisation.
- The proposal included under point 2) relates to capital increases as part of the payment of an optional dividend, offering shareholders the opportunity to contribute their (net) dividend rights (partly or fully) to the Company's capital against the issuance of new shares. In accordance with the proposal, this authorisation is limited to 20% of the Company's capital on the date of the authorisation.
- The proposal included in point 3) relates to:

- capital increases by means of contributions in kind; This includes capital increases by (i) acquiring real estate (directly or indirectly through the acquisition of shares) by means of a contribution in kind against the issuance of shares;
- capital increases by contributions in cash with cancellation of the statutory preferential subscription right and without the granting of irreducible allocation rights; these include capital increases by means of a so-called accelerated private placement by compiling an order book or 'accelerated book building (ABB)'; and
- any other form of capital increase.

In accordance with the proposal, this authorisation is limited to 10% of the Company's capital on the date of authorisation.

This authorisation will be granted for a period of two (2) years from the date of publication in the Annexes to the Belgian Official Gazette of the decision of the extraordinary general meeting to renew and extend the authorisation and replaces the current authorisation regarding the authorised capital as included in article 7 of the Company's articles of association.

2.1. Authority for immediate capital increase

The aforementioned authorisation shall also apply to a capital increase by conversion of reserves. As an extension of this authorisation, other asset elements, including issue premiums and retained earnings, may also be converted into capital, as well as all private assets under the Company's statutory IFRS annual accounts (prepared in accordance with the regulations applicable to the Company) that are subject to conversion into capital, with or without the creation of new securities. The board of directors will be able to issue new shares with the same rights as the existing shares.

2.2. Authorisation for deferred capital increase

Under the conditions and within the limits laid down in article 7 of the Company's articles of association, the board of directors may also issue subscription rights (whether or not attached to another security), convertible bonds or bonds redeemable in shares. These securities may give rise to the creation of new shares with the same rights as existing shares. In doing so, the board of directors shall at all times comply with the rules prescribed by the BCCA, the regulations applicable to the Company and the articles of association. On the occasion of an increase of the subscribed capital, realised within the limits of the authorised capital, the board of directors shall have the authority to ask for an issue premium. If the board of directors so decides, this issue premium, possibly after deduction of an amount not exceeding the costs of the capital increase within the meaning of the applicable IFRS rules, must be placed by the board of directors in one or more separate accounts under equity in the liabilities side of the balance sheet, it being understood that the board of directors is free to decide to place any issue premiums, possibly after deduction of an amount maximum equal to the costs of the capital increase in the meaning of the applicable IFRS-regulations, on a blocked account that shall constitute the surety for third parties on the same basis as the capital and which in no case may be reduced or eliminated other than by a decision of the general meeting deciding as for an amendment of the articles of association, except for the conversion into capital as provided above.

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, flexibility, confidentiality, efficiency, cost reduction and/or speed of execution. In view of these characteristics, it is appropriate for an 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 law¹ to 65%) by increasing its equity.

The special circumstances in which and the purposes for which the board of directors may use the authorised capital are fundamentally related to the protection of the Company's corporate interest.

The circumstances and purposes set out below should not be regarded as exhaustive and, like the conditions governing the use of the authorised capital, are to be interpreted as broadly as possible.

¹ Article 13 of the RREC Royal Decree

The board of directors proposes to make use of the aforementioned authorisation 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 expedient.

The board of directors could, for example, make use of the authorised capital if one or more of the following circumstances arise, i.e. if:

- it appears appropriate to be able 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;
- the company wishes to carry out an accelerated private placement, in accordance with and within the limits set out in article 26, §1 of the RREC Act;
- a financing need or financing opportunity arises, where the relevant market conditions or characteristics of the intended financing make it appropriate for the Company to act swiftly and/or flexibly;
- the board of directors wishes to realise a capital increase in relation to an optional dividend, regardless of whether (part or all of) the dividend will be paid out directly in shares in that regard, 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.

Any decision by the board of directors to increase the capital or to issue convertible bonds or subscription rights is subject to the legal restrictions set out in articles 7:198-7:201 of the BCCA and the specific regulations (at the relevant time) applicable to the Company, if any.

4. Special regulations relating to capital increases in cash, in kind or by way of mixed contributions in general and in relation to optional dividend in particular

Without prejudice to the application of articles 7:188-7:193 and 7:201 of the BCCA, the board of directors may restrict or cancel the preferential subscription right within the framework of the authorised capital, even when this is done in favour of one or more specific persons other than employees of the Company or its subsidiaries, insofar as an irreducible allocation right² is granted to the existing shareholders when granting new securities when required by law.

This irreducible allocation right must at least meet the conditions stated in article 8.1 of the articles of association of the Company and article 26, §1 of the RREC Act. Without prejudice to the application of articles 7:190 to 7:194 of the BCCA, the aforementioned restrictions in connection with the cancellation or limitation of the preferential subscription right shall not apply in the case of a contribution in cash with a restriction or cancellation of the preferential subscription right, in addition to a contribution in kind in connection with the distribution of an optional dividend, insofar as this is effectively made payable to all shareholders.

When securities are issued for a contribution in kind, the conditions set out in article 8.2 of the articles of association and article 26, §2 of the RREC Act must be complied with (including the possibility of deducting an amount corresponding to the portion of the undistributed gross dividend). However, the special rules concerning the capital increase in kind set

² In compliance with article 26 of the RREC Act

out in article 8.2 of the articles of association do not apply to the contribution of the right to dividend in the context of the distribution of an optional dividend, insofar as this is effectively made payable to all shareholders.

It is important to note that the board of directors cannot use its authority with regard to the authorised capital for:

- the issue of subscription rights intended principally for one or more specific persons other than members of staff (art. 7:201, 1° of the BCCA)
- the issue of shares with multiple voting rights or of securities giving the right to the issue of or conversion into shares with multiple voting rights (art. 7:201, 2° of the BCCA);
- capital increases mainly realised by a contribution in kind reserved exclusively for a shareholder of the Company holding securities of the Company to which more than ten percent (10%) of the voting rights are attached³ (art. 7:201, 3° of the BCCA);
- the issue of a new type of securities (art. 7:201, 4° of the BCCA).

In addition, from the moment the Company receives notification from the FSMA that it has been notified of a public takeover bid on its securities, until the end of the bid, the board of directors may not use its authorisation (i) to increase the capital by contributions in kind or in cash with restriction or withdrawal of the preferential right of the shareholders or (ii) to issue securities granting voting rights (or securities giving the right to subscribe for or acquire such securities) representing the capital if they are not offered in preference to the shareholders in proportion to the capital represented by their shares (Art. 7:202, first paragraph of the BCCA). Although the general meeting can explicitly authorise the board of directors to do so under certain legal conditions with respect to a notification of a public takeover bid received within three (3) years, the board of directors does not request such a specific authorisation, as a result of which it will in any event not be able to use the authorised capital in the context of a takeover bid in the specific circumstances set out in article 7:202 of the BCCA.⁴

5. Proposal to amend the articles of association

If the Company's general meeting approves the board of directors' proposal, the board of directors proposes to include the proposed conditions for the use of the authorised capital (and therefore the circumstances under which the authorised capital may be used) in article 7 of the Company's articles of association, and accordingly to replace article 7 in its entirety as follows:

ARTICLE 7 - AUTHORISED CAPITAL

The board of directors is authorised, on dates and at conditions at its discretion, in one or more tranches, to increase the capital by a maximum amount of:

- 1) 50% of the amount of the capital on the date of the extraordinary general meeting of [5 April 2023 or, if the required attendance quorum is not reached at the first extraordinary general meeting, 26 April 2023], 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 irreducible 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 [5 April 2023 or, if the required attendance quorum is not reached at the first extraordinary general meeting, 26 April 2023], 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 [5 April 2023 or, if the required attendance quorum is not reached at the first extraordinary general meeting, 26 April 2023], 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 irreducible allocation right, or c. any other kind of capital increase, it being understood that the capital within the con-text 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).*

³ For the calculation of this threshold for the voting rights, the securities referred to in article 7:193, §1, sixth and seventh paragraphs of the CCA are added to the securities held by a shareholder.

⁴ However, obligations validly entered into before the receipt of the above-mentioned notice can continue to be performed (art. 7:202, second paragraph, 1° BCCA).

This authorisation is valid for a period of two years from the announcement of the decision of the EGM of [5 April 2023 or, if the required attendance quorum is not reached at the first extraordinary general meeting, 26 April 2023] in the Annexes to the Belgian Official Gazette.

It is renewable.

This/these capital increase(s) may be carried out in any manner permitted under the applicable regulations, including by contributions in cash, by contributions in kind or as a mixed contribution, or by the conversion of reserves, including retained earnings and issue premiums as well as all private assets under the statutory IFRS financial statements of the company (prepared under the regulations applicable to regulated real estate companies) that are amenable to conversion into capital, and with or without the creation of new securities, in accordance with the rules pre-scribed by the Belgian Code for Companies and Associations, the regulations applicable to regulated real estate companies and to these articles of association. The board of directors may issue new shares with the same rights as the existing shares for that purpose. As the case may be, the issue premiums, less any deduction of an amount no more than that equal to the costs of the capital increase within the meaning of the applicable IFRS rules, in the event of a capital increase decided by the board of directors, must be placed by the board of directors in one or more separate accounts under equity in the liabilities side of the balance sheet. The board of directors is free to decide to place any issue premiums, possibly after deduction of an amount maximum equal to the costs of the capital increase in the meaning of the applicable IFRS-regulations, on a blocked account that shall constitute the surety for third parties on the same basis as the capital and which in no case may be reduced or eliminated other than by a decision of the general meeting deciding as for an amendment of the articles of association, except for the conversion into capital as provided above.

If the capital increase is accompanied by an issue premium, only the amount of the capital increase will be deducted from the remaining available amount of the authorised capital.

Under the conditions and within the limits provided in this article, the board of directors may also issue subscription rights (whether or not attached to another security) and convertible bonds or bonds redeemable in shares, which may give rise to the creation of the same securities as referred to in the fourth paragraph, and always in compliance with the applicable regulations and these articles of association.

Without prejudice to the application of the mandatory provisions contained in the applicable regulations, the board of directors may restrict or cancel the preferential right in the cases and subject to compliance with the conditions stipulated in the applicable regulations, even if this is done in favour of one or more specific persons other than employees of the company or its subsidiaries.

If applicable, the irreducible allocation right must at least comply with the modalities shown in the applicable regulations on regulated real estate companies and article 8.1 of these articles of association. Without prejudice to the application of the mandatory provisions contained in the applicable regulations, the aforementioned restrictions in connection with the cancellation or restriction of the preferential right are not applicable in the case of a cash contribution with restriction or cancellation of the preferential right, which is made to supplement a contribution in kind for the purpose of distributing an optional dividend, provided this is made payable to all shareholders.

Upon the issue of securities for contributions in kind, the conditions set out in the applicable regulations on regulated real estate companies and article 8.2 of the articles of association must be complied with (including the ability to deduct an amount equal to the portion of the undistributed gross dividend). However, the special rules set out under article 8.2 regarding the capital increase in kind shall not apply to the contribution of the right to dividend for the purposes of the payment of an optional dividend, provided this is made payable to all shareholders.

If the board of directors' proposal would not be approved by the extraordinary general meeting, the current existing authorisation on authorised capital as approved by the extraordinary general meeting on 16 May 2018 will be maintained and article 7 of the articles of association will remain unchanged.

Conclusion

In view of the aforementioned considerations, the board of directors considers that the renewal of the authorisation to the board of directors to increase the Company's capital within the framework of the authorised capital is in the Company's interest. Accordingly, the board of directors requests the extraordinary general meeting to approve the proposals submitted to it.

- Signature page follows -



Care building
in complete confidence.

Done in Schoten on Wednesday 1 March 2023,

On behalf of the board of directors of Care Property Invest

DocuSigned by:

A handwritten signature in black ink, appearing to read "Peter Van Heukelom", enclosed within a blue DocuSign signature box.

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Peter VAN HEUKELOM

CEO, Director and member of the
Executive Committee

DocuSigned by:

Filip Van Zeebroeck

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Filip Van Zeebroeck

CFO, Director and member of the Executive
Committee