

## SPECIAL REPORT OF THE BOARD OF DIRECTORS

### **PROPOSAL FOR RENEWAL OF THE AUTHORIZATION TO THE BOARD OF DIRECTORS OF PHOTONIKE CAPITAL SA TO INCREASE THE SHARE CAPITAL UP TO A MAXIMUM OF 100,000,000 EUROS, AND TO ISSUE BONDS CONVERTIBLE INTO CAPITAL UP TO A MAXIMUM OF 30,000,000 EUROS.**

This special report is addressed to the Shareholders, its contents being compliant with Belgian Code on Companies Art 7:198 and 7:199.

## 1 Proposed transactions

### 1.1 Authorization to increase the share capital

The board of directors is authorized for a maximum period of 5 years from the publication in the Annexes to the Belgian Official Gazette of the decision of the general meeting to increase the subscribed capital on one or more occasions up to a maximum amount of one hundred million euros (€ 100,000,000.00). This authorization from the Board of Directors may be renewed.

The capital increases decided by virtue of this authorization may be carried out both by contributions in cash, or in kind within the legal limits, and by incorporation of available or unavailable reserves or issue premiums, with or without the creation of new shares, preferred or not, with or without voting rights, with or without subscription rights.

The new shares to be subscribed in cash are offered by preference to the shareholders, in proportion to the part of the capital represented by their shares. The Board of Directors may, however, limit or cancel, in the corporate interest and under legal conditions, the right of preference for capital increases in cash decided by it, including in favor of one or more specific persons, or member(s) of personnel of the company and/or its related entities.

The Board of Directors is also empowered, within the framework of the authorized capital, to issue shares without mention of nominal value below the accounting par value of the existing shares.

### 1.2 Authorization to issue and place Convertible Bonds in Capital

The board of directors is authorized for a maximum period of 5 years from the publication in the Annexes to the Belgian Official Gazette to decide on the issue of bonds convertible or redeemable in shares, subscription rights, option rights or transferable securities which may give right in the long term to shares in the company, conditions provided for by the Code of Companies and Associations, up to a maximum amount of thirty million euros (€ 30,000,000.00). The Board of Directors may limit or cancel, in the corporate interest and under legal conditions, the right of preference in the event of issues of bonds convertible or redeemable in shares, subscription rights, option rights or securities that may give the right to shares in the long term, including in favor of one or more specific persons or member(s) of staff of the company and/or its related entities.

The issue premiums, if any, must be allocated by the Board of Directors, in the event of a capital increase decided by it, after possible charging of costs, to an unavailable account which will constitute, at the equal to the capital, the guarantee of third parties and may, subject to its incorporation into the capital by the Board of Directors as provided for above, possibly be reduced or canceled only by a decision of the general meeting ruling in compliance legal provisions.

The board of directors is authorized in the event of use of the authorizations and authorizations above to adapt the articles of association in order to modify the amount of the share capital, the number of shares and to indicate to what extent it has makes use of its power to increase capital.

## 2 Proposed transactions are in the interest of the Company

### 2.1 Broader scope

According to the BP approved in 2021, the company has prepared the plan to obtain the reinsurer license from the Belgian authorities. Together with the investments in insurance companies already in the portfolio, this project allows the company to establish itself as a vertical insurance group in a niche market with important future profitability prospects.

The proposed authorizations are part of this strategy with the following purposes:

- a) To make the company flexible to the requirements set by the Insurance Code regarding the issue of the Reinsurer license in terms of minimum paid-up Share Capital thresholds.
- b) To rapidly support the Company's growth strategies through targeted acquisitions either in the company's niche market, or in diversification opportunities.
- c) To give the Board more tools in acquisition transactions through mergers and in structured financing transactions using the leverage of the Convertible Corporate Bonds.
- d) To support the transition from the Euronext Access segment, where auction trading is applied, to the Growth Euronext segment which provides for continuous trading, also through the issue of new shares to investors through IPO operations.

Approved by Board of Directors

Bruxelles , July 03, 2023

Fausto M. Ventriglia  
President of BoD

