

**Ontex Group NV
Korte Kepestraat 21
9320 Erembodegem (Aalst)
0550.880.915 RLE Ghent (Division Dendermonde)
(the “Company”)**

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

1. INTRODUCTION AND LEGAL BASIS

1.1 *Introduction*

This special report (the “**Report**”) is submitted to the shareholders’ meeting by the board of directors of the Company (the “**Board**”) in accordance with article 7:199 of the Belgian Code of Companies and Associations (the “**BCCA**”) in connection with the proposal that the Board will submit to the extraordinary shareholders’ meeting to renew the authorization granted to the Board to increase the capital of the Company, by means of the so-called “authorised capital”, by a certain amount, in one or more times, on the dates and pursuant to the terms determined by the Board (the “**Proposed Authorised Capital Delegation**”).

1.2 *Current authorisation*

The current authorisation to increase the capital of the Company and to amend the articles of association of the Company (the “**Articles of Association**”) accordingly was granted by the extraordinary shareholders’ meeting of the Company held on 25 May 2018.

Pursuant to such authorisation, the Board is authorised to increase the capital of the Company, in one or more times, by a maximum amount of 50% of the amount of the capital as such amount was recorded immediately after the general meeting of shareholders of 25 May 2018, of which maximum 20% of the amount of the capital as such amount is recorded immediately after the general meeting of shareholders of 25 May 2018 in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the shareholders.

The current authorisation was granted for a duration of five years as from the date of publication of the authorisation in the Annexes to the Belgian Official Gazette, which publication took place on 12 June 2018. Consequently, the current authorisation will expire on 11 June 2023. In light thereof, the Board proposes to grant a new authorisation and thereto shall submit the Proposed Authorised Capital Delegation to the extraordinary shareholders’ meeting’s approval.

1.3 *Legal basis*

In accordance with article 7:199 BCCA, this Report sets forth the special circumstances under which and the purposes for which the Board may use the Proposed Authorised Capital Delegation, if approved by the extraordinary shareholders’ meeting.

2. PROPOSED AUTHORISED CAPITAL DELEGATION

2.1 *Scope*

- a) Maximum amount. The Board may use the Proposed Authorised Capital Delegation to increase the capital of the Company, in one or more times, by an amount of up to EUR 82,358,746.64 (*i.e.*, 10% of the Company's share capital) in case of cancellation or limitation of the preferential subscription rights of shareholders or by an amount of up to EUR 164,717,493.28 (*i.e.*, 20% of the Company's share capital) in case there is no cancellation or limitation of the preferential subscription rights of shareholders, in each case excluding issuance premiums (if applicable).
- b) Duration. The Proposed Authorised Capital Delegation is valid for a period of five years as from the date of publication of the authorisation in the Annexes to the Belgian Official Gazette.
- c) Capital increase and securities. The Board may use the Proposed Authorised Capital Delegation to effect one or more capital increases by contributions in cash or, within the mandatory limits prescribed by the BCCA, in kind, as well as by incorporation of reserves, whether available or unavailable for distribution, or of issuance premiums, with or without issuing new ordinary shares, with or without voting rights. The terms and conditions of issuance of any shares, including the price per share, issued pursuant to the Proposed Authorised Capital Delegation will be determined by the Board.

The Board may also use the Proposed Authorised Capital Delegation for the issuance of convertible bonds, subscription rights or other securities, within the mandatory limits prescribed by the BCCA.

- d) Limitation and cancellation of preferential subscription rights. The Board may use the Proposed Authorised Capital Delegation for capital increases whereby (i) the statutory preferential subscription rights of the existing shareholders are limited or disapplied, or (ii) the statutory preferential subscription rights are limited or disapplied to the benefit of one or more pre-identified persons other than members of personnel, in each case provided that the relevant provisions of the BCCA are complied with and within the limit set forth under a) above for capital increases whereby the preferential subscription rights of the existing shareholders are limited or disapplied.

2.2 *Circumstances for and Purposes of the Proposed Authorised Capital Delegation*

The Board proposes that the extraordinary shareholders' meeting grants the Proposed Authorised Capital Delegation in order to allow the Board to use the authorised capital in the following circumstances and with the following purposes:

- when sound management of the Company's business or the need to react to appropriate business opportunities call for a strategic alliance, a restructuring, a takeover or acquisition (whether private or public) of securities or assets in one or more companies to be financed entirely or partially by issuing shares, convertible bonds, subscription rights or other securities;
- to raise funds by issuing new shares to investors, either in public or private placements;

- within the framework of the Company's remuneration policy, *e.g.*, to implement any stock option plans, share-based plans or other incentive plans open to directors, executives, employees or consultants (or any other persons assimilated to these categories) of the Company or its subsidiaries; and
- to use the authorised capital when the delay and costs involved with convening a shareholders' meeting are not commensurate with the amount of the contemplated capital increase or the timeline for the execution of the relevant transaction, or are irreconcilable with certain fluctuations on the capital markets or certain opportunities presented to the Company.

The Proposed Authorised Capital Delegation and its flexibility should allow the Company to act in an expeditious way should certain business opportunities arise that are consistent with the Company's interest, to respond adequately and timely to market developments and conditions, to the expression of interest in the Company by investors, and to seize all opportunities to strengthen the Company's capital.

3. CORRESPONDING AMENDMENT TO THE ARTICLES OF ASSOCIATION

If the extraordinary shareholders' meeting approves the above proposal, article 7 of the Articles of Association would be replaced as follows:

The board of directors is authorised to increase the capital, in one or several times, on the terms and subject to the conditions as the board of directors shall determine:

(i) by a maximum amount of up to EUR 82,358,746.64 (eighty-two million three hundred fifty-eight thousand seven hundred forty-six euros and sixty-four cents) in the event of a capital increase with cancellation or limitation of the preferential subscription rights of shareholders, including in favour of one or more specified persons that are not members of the personnel of the company or its subsidiaries; and

(ii) by a maximum amount of up to EUR 164,717,493.28 (one hundred sixty-four million seven hundred seventeen thousand four hundred ninety-three euros and twenty-eight cents) in the event of a capital increase without cancellation or limitation of the preferential subscription rights of shareholders.

In any event, the maximum aggregate amount by which the board of directors is authorised to increase the capital by a combination of the authorisations set forth in (i) and (ii) above, is limited to EUR 164,717,493.28 (one hundred sixty-four million seven hundred seventeen thousand four hundred ninety-three euros and twenty-eight cents).

This authorisation is valid for a period of five years starting on the date of the publication in the Annexes to the Belgian Official Gazette of the amendment to the articles of association resolved upon by the extraordinary shareholders' meeting of [5 May 2023]. This authorisation may be renewed in accordance with the relevant provisions of the Code of Companies and Associations.

The board of directors may carry out such capital increase(s) by contributions in cash or, within the mandatory limits prescribed by the Code of Companies and Associations, in kind, as well as by

incorporation of reserves, whether available or unavailable for distribution, or of issuance premiums, with or without issuing new ordinary shares, with or without voting rights. The board of directors can also use this authorisation for the issuance of convertible bonds, subscription rights or other securities, within the mandatory limits prescribed by the Belgian Code of Companies and Associations. The board of directors may freely determine whether the new securities (if any) shall be issued in registered or dematerialised form.

If the capital increase resolved upon by the board of directors includes an issuance premium, the amount of the issuance premium shall be allocated to an account "issuance premiums", from which it may not be withdrawn in whole or part except to be incorporated into the capital by a decision of the board of directors using, should the case arise, the authorisation conferred upon it by this Article, or by a decision of the shareholders' meeting in accordance with the conditions provided for by the Code of Companies and Associations in respect of amendments to the articles of association.

The board of directors is authorised, with power of substitution, to amend the articles of association after each capital increase pursuant to this Article.

[Signature page follows]

On behalf of the Board of Directors,

31 March 2023,

ViaBylity BV, represented by Mr Hans Van Bylen
Authorised representative

Inge Boets BV, permanently
represented by Ms Inge Boets
Authorised representative