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SPECIAL REPORT PREPARED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:227 OF THE COMPANIES AND ASSOCIATIONS CODE

1 Background and reasons for the present report

As part of its remuneration policy, IBA set up in 2021 a long-term incentive plan for managers and employees of the IBA Group (the "**2021 Plan**"). The 2021 Plan consisted in the acquisition by IBA Group managers and employees of shares in Management Anchorage SRL ("**MA**"), which holds 1.5% of the Company's shares.

Certain minority shareholders of Sustainable Anchorage ("**SA**") have indicated their wish to exit the shareholding of SA, which could allow new generations of managers and employees of the IBA Group to strengthen their stake in SA. To that end, IBA contemplates the following operation: the transfer to MA of 633,000 treasury shares (the "**Proposed Transaction**").

It is envisaged that the acquisition by MA of 633,000 of the Company's treasury shares will be financed by the Company, through the grant to MA of a loan, which will take the form of a deferred payment of 98% of the price of the IBA shares acquired by MA (the "**Payment Facility**").

Immediately following the acquisition by MA of the Company's treasury shares, MA will exchange its shares in the Company for shares issued by SA and, in this context, it is envisaged that (i) SA will grant the Company a pledge over 633,000 shares that it holds in IBA (the "**Second SA Pledge Agreement**") and (ii) MA and SA will enter into a *standstill* agreement with the Company relating to their commitment to retain, respectively, its shareholding in SA and its 633,000 pledged shares.

2 Applicable provisions

Article 7:227, §1 of the Belgian Code of Companies and Associations (the "**BCCA**") provides that the grant of a loan by a public limited company with a view to enable the acquisition of its treasury shares is subject to various conditions, including the drafting of a report by the board of directors of the company in question (the "**Report**").

Therefore, the purpose of this Report is to set out (i) the reasons for the Payment Facility (section 1 above), (ii) the IBA's interest in granting the Payment Facility (section 3), (iii) the terms and conditions of the Payment Facility (section 4), (iv) the risks it entails for IBA's liquidity and solvency (section 5) and (v) the price at which MA would acquire the IBA shares (section 6).

This Report will be filed and published within the Annexes of the Belgian State Gazette, in accordance with articles 2:8 and 2:14, 4° of the BCCA.

The grant of the Payment Facility will be subject to the approval of the general meeting of the Company, convened for 7 January 2025.

3 Benefits of the Payment Facility for IBA

The completion of the Proposed Transactions, and in particular the Payment Facility, is intended to enable MA to increase its shareholding in IBA. As MA is exclusively owned by managers and employees of the IBA Group, the completion of the Proposed Transaction will therefore (i) increase the incentive for managers and employees (ii) increase the involvement of managers and employees in IBA's strategy and value creation and (iii) align the interests of IBA's managers and employees with those of the shareholders.

The Proposed Transaction will therefore contribute to the proper development of IBA's activities.

4 Terms of the Payment Facility

In order to comply with the requirements of article 7:227 of the BCCA (see point 5), the Payment Facility will be granted under market conditions. The main terms of the Payment Facility can be summarised as follows:

- Borrower: MA;
- Lender: IBA;
- Maximum amount of the Payment Facility: EUR 8,648,760, i.e. the product of 14 x 633,000 x 98%;
- Purpose of the Payment Facility: the Payment Facility is to enable the acquisition of 633,000 of IBA's treasury shares;
- Duration: 10 years;
- Interest rate: 3.99% fixed over the term of the Payment Facility, determined as being, at the date of acquisition of IBA's treasury shares, the sum of : (a) a base rate being the 10-year Interest Rate Swap (in EUR) against 3-month Euribor, i.e. 2.54% and (b) a margin of 1.45%;
- Repayment: bullet loan, i.e. repayment in full on expiry of the Payment Facility, subject to voluntary and/or mandatory prepayments;
- Voluntary prepayment: partial or full prepayment authorised for the Borrower, in time and without premium or penalty;
- Mandatory prepayment: the Borrower must repay an amount equal to at least 80% of the net proceeds received in the event of a dividend distribution, capital reduction or other form of distribution.

The board of directors considers that the terms of the Payment Facility are comparable to those generally available for similar transactions. In this respect, an analysis has been carried out to ensure that the interest rates, repayment terms and other conditions are in line with market standards.

An independent financial expert has been consulted to verify that the conditions granted are in line with the said market standards. This assessment ensures that the Payment Facility does not contain unjustified favourable terms for MA and that IBA is acting prudently.

5 Risks for IBA's liquidity and solvency and consequences for IBA's assets

In the event that MA does not repay the Payment Facility, the Company may enforce the pledge conferred under the Second SA Pledge Agreement and thus recover a number of treasury shares equivalent to the number of treasury shares initially transferred.

Given the assets held by IBA, IBA's board of directors is of the opinion that the grant of the Payment Facility will not affect either IBA's liquidity or its solvency. This conclusion is based on several elements:

(i) IBA has a substantial portfolio of liquid assets, mainly consisting of available cash, but also, where appropriate, short-term investments and investments that can be readily converted into cash. It also has unused credit lines with leading financial partners. The latest published consolidated financial statements, dated 30 June 2024, show that the IBA Group had EUR 60.19 million in cash and cash equivalents, and that its unused credit facilities amounted to EUR 60 million. This stable financial situation enables the Company to meet immediate liquidity needs without compromising its current operations or investment capacity.

(ii) an in-depth analysis of the financial covenants with which the Company must comply under its credit facilities (net gearing and adjusted consolidated shareholders' equity ratios) has been carried out. The financial ratios remain within comfortable limits even after taking into account the grant of the Payment Facility.

(iii) the possibility of exercising the pledge conferred under the Second SA Pledge Agreement in the event of MA's default on payment provides IBA, in combination with the Standstill commitment, with direct protection. This guarantee allows IBA to recover its treasury shares, which have a certain intrinsic value and can be sold or used for other strategic purposes, thus limiting exposure to the risk of financial loss.

(iv) IBA's cash flow projections show that IBA's ability to meet its long-term obligations remains intact.

These elements justify the market conditions of the Payment Facility and ensure that IBA maintains a sound financial position without compromising its financial structure or liquidity.

6 Acquisition price of IBA shares by MA

In accordance with the provisions of article 7:218, §1er , al. 1, 4° of the BCCA and article 9 of the Company's articles of association, IBA is authorised to sell its treasury shares to one or more specified persons other than its personnel. Furthermore, in accordance with article 7:218, §1, al.1, 2° of the BCCA, IBA may sell its treasury shares outside the regulated market on which they are traded, provided that the transfer in question respects the equal treatment of shareholders who are in the same situation, in return for an equivalent asking price.

Consequently, it is envisaged that MA will acquire the 633,000 treasury shares from IBA at the stock market price at the time of the transfer, provided that the transfer will not take place if the market price is above 14 euros per share, which corresponds to the expected repayment capacity of MA.