



Biocartis Group NV

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2016

The original text of this report is in Dutch

Statutory auditor's report to the shareholders' meeting of Biocartis Group NV on the annual accounts for the year ended 31 December 2016

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 December 2016 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of Biocartis Group NV ("the company"), prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 403,609 (000) EUR and a loss for the year of 889 (000) EUR.

Board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the annual accounts of Biocartis Group NV give a true and fair view of the company's net equity and financial position as of 31 December 2016 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, as well as for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the company's compliance with the Companies Code and the company's articles of association.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- The directors' report includes the information required by law, is consistent with the annual accounts and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.
- The social balance sheet, to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law and is free from any material inconsistencies with the information available in our audit file.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- There are no transactions undertaken or decisions taken in violation of the company's articles of association or the Companies Code that we have to report to you.
- In accordance with article 523 of the Companies Code, we are required to report on the financial consequences of the following decisions of the board of directors:
 - The minutes of the board of directors' meeting of 18 February 2016 mention the deliberation and resolution in relation to the contemplated modifications in the remuneration of the CEO and Deputy CEO of the Company.
Rudi Pauwels and Hilde Windels therefore informed the board of directors that they may have a conflicting interest of a monetary nature with the Company in respect of the decisions that the board of directors may take in relation hereto. Rudi Pauwels and Hilde Windels further explained that they are the respective owners of the majority of the shares in Valetusan Ltd. respectively Hilde Windels BVBA and that the variable remuneration for Valetusan Ltd. as CEO and for Hilde Windels BVBA as Deputy CEO is the subject that will be discussed by the board of directors. Therefore, in accordance with the provisions of the aforementioned Article 523 of the Belgian Companies Code, both Rudi Pauwels and Hilde Windels left the meeting and did not take part in the further discussion, deliberation and voting.

The financial consequences for the company Biocartis Group NV have been described in summary and should be read in conjunction with the annual report and the notes to the financial statements.

- o The minutes of the board of directors' meeting of 16 November 2016 mention the deliberation and resolution in relation to the decision of the entry into a consultancy agreement and stock option agreement with Citros vof.

Mrs. Hilde Eylenbosch, director of the Company and permanent representative and shareholder of Citros vof, informed the board to have an interest of a patrimonial nature which is conflicting with the decisions that fall within the scope of the powers of the board of directors.

This conflict of interest results from the fact that Citros vof shall, with effect as from 18 November 2016, be both a director of the Company and a party to the Agreements. The Agreements will have financial consequences for the Company as (i) the consultancy agreement will require the Company to pay a fee to Citros vof as compensation for the provision of its services under such agreement, and (ii) the stock option agreement will require the Company to grant stock options (taking the form of warrants) to Citros vof.

In accordance with Article 523 of the Belgian Companies Code, Mrs. Hilde Eylenbosch has decided to refrain from taking part in the deliberations and voting of the agreement.

The financial consequences for the company Biocartis Group NV have been described in summary and should be read in conjunction with the annual report and the notes to the financial statements.

Zaventem, 21 March 2017

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Gert Vanhees