BIOCARTIS GROUP NV
Limited Liability Company

Generaal de Wittelaan 11B
2800 Mechelen
Belgium

Registered with the Register of Legal Persons
VAT BE 0505.640.808 (RLP Antwerp, division Mechelen)

REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:198 *JUNCTO* ARTICLES 7:179 AND 7:197 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

---

1. INTRODUCTION

This report has been prepared by the board of directors of Biocartis Group NV (the "**Company**") in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code of 23 March 2019 (as amended from time to time) (the "**Belgian Companies and Associations Code**").

This report relates to the proposal of the board of directors to increase the Company's share capital, within the framework of the authorised capital, with an amount of EUR 1,000,000.00 (including issue premium) through a contribution in kind of the Backstop Commitment Fee Receivables (as defined below), due by the Company, and the related issuance of 810,734 Backstop Shares (as defined below) at an issue price of ca. EUR 1.23345 per Backstop Share in consideration of the contribution in kind.

The capital increase is intended to take place in the framework of (i) the 'Facility Agreement' (the "**First Lien Loan Agreement**"), which was entered into on 1 September 2022 by and between the Company (as borrower), Biocartis NV (as guarantor), Biocartis US Inc. (as guarantor), certain funds and accounts managed or advised by Highbridge Capital Management LLC ("**Highbridge**"), and certain funds managed or advised by Whitebox Advisors LLC (collectively, "**Whitebox**", and together with Highbridge, the "**Lenders**") (as the lenders), Global Loan Agency Services Limited (as the facility agent), GLAS Trust Corporation Limited (as the security agent) and Conv-Ex Advisors Limited (as calculation agent), (ii) the 'Purchase and Sale Agreement', which was entered into on 1 September 2022 by and between the Company and the Lenders (the "**Buyback Agreement**"), (iii) the 'Subscription, Support and Exchange Agreement', which was entered into on 1 September 2022 by and between the Company, Biocartis NV, and the Lenders (the "**Backstopper Exchange Agreement**", and together with the First Lien Loan Agreement and the Buyback Agreement, the "**Agreements**"), and (iv) the 'Subscription, Support and Exchange Agreement', which pursuant to the Backstopper Exchange Agreement is to be entered into by and between the Company, the Lenders, and certain holders of Existing Convertible Bonds (as defined below) (the "**Non-Backstopper Exchange Agreement**").

In consideration for providing certain guaranteed (backstop) subscription commitments (as described below in sections 3.1 and 3.3) and assuming the undertakings set out in the Backstopper Exchange Agreement, the Lenders are entitled to a commitment fee in an amount of EUR 1,000,000.00 in total (the "**Backstop Commitment Fee**"), with each Lender being entitled to a portion of the Backstop Commitment Fee. The Backstop Commitment Fee is to be settled by the Company through the (irrevocable) issuance of 810,734 new shares (the "**Backstop Shares**") to the Lenders at an issue price per share of ca. EUR 1.23345, in consideration of the contribution in kind by the Lenders of their respective receivables on the Company regarding the payment by the Company of their relevant portion of the Backstop Commitment Fee as aforementioned (the "**Backstop Commitment Fee Receivables**").

The contribution in kind of the Backstop Commitment Fee Receivables due by the Company into the share capital of the Company as contemplated in the Backstopper Exchange Agreement is referred to in this report as the "**Transaction**".

In accordance with article 7:179 of the Belgian Companies and Associations Code, the board of directors provides in this report a justification of the proposed Transaction, including a justification of the proposed issue price, and a description of the consequences of the proposed Transaction for the financial and shareholder rights of the shareholders of the Company.

In accordance with article 7:197 of the Belgian Companies and Associations Code, the board of directors also provides in this report an explanation why the proposed contribution in kind is in the interest of the Company, as well as a description of the contribution in kind, a motivated valuation of the contribution in kind, and the consideration for the proposed contribution in kind.

This report should be read together with the report prepared in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the Company's statutory auditor, Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL, a private company with limited liability organised and existing under the laws of Belgium, with registered office at Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mr. Nico Houthaeve, auditor, of which the auditor's report is attached to this report.

2. AUTHORISED CAPITAL

By virtue of the resolution of the extraordinary general shareholders' meeting of the Company held on 4 June 2021, as published by excerpt in the Annexes to the Belgian Official Gazette on 22 June 2021 under number 21338007, the board of directors of the Company has been granted certain powers to increase the Company's share capital within the framework of the authorised capital. The powers under the authorised capital have been set out in Article 10 of the Company's Articles of Association.

Pursuant to the authorisation granted by the extraordinary general shareholders' meeting, the board of directors is authorised to increase the share capital of the Company in one or more transactions with a maximum amount of EUR 431,592.47 (excluding issue premium, as the case may be). The authorisation is valid for a period of five years as from 22 June 2021.

The capital increases that can be effected in accordance with the aforementioned authorisation can take place by means of contributions in cash or in kind, by capitalisation of reserves, whether available or unavailable for distribution, and capitalisation of issue premiums, with or without the issuance of new shares. The board of directors is also authorised to use this authorisation for the issue of convertible bonds or subscription rights (stock options), bonds with subscription rights or other securities.

The board of directors is authorised, when exercising its powers within the framework of the authorised capital, to restrict or cancel the statutory preferential subscription rights of the shareholders (in accordance with Article 7:190 and following of the Belgian Code of Companies and Associations) in the interest of the Company. This restriction or cancellation of the preferential subscription rights can also be done in favour of members of the personnel of the Company or of its subsidiaries, or in favour of one or more persons other than members of the personnel of the Company or of its subsidiaries.

To date, the board of directors has not yet used its powers under the authorised capital. As a result, the board of directors still has the authority under the authorised capital to increase the share capital of the Company with an aggregate amount of EUR 431,592.47 (excluding issue premium, as the case may be).

3. PROPOSED TRANSACTION

3.1. Context

On 1 September 2022, the Company and the Lenders entered into the Agreements in the context of a comprehensive recapitalisation operation, which consists of the following steps (the "**Recapitalisation Transactions**"):

(a) Granting of loan facility: Pursuant to the First Lien Loan Agreement, the Lenders agreed to provide the Company with a secured loan facility of ca. EUR 30,000,000.00 in principal amount to finance:

(i) the repurchase by the Company of a portion of the outstanding 4.00% unsecured convertible bonds due 2024 (the "**Existing Convertible Bonds**") held by the Lenders;

(ii) general corporate purposes of the Company and its subsidiaries; and

(iii) the payment of an original issue discount fee.

The aforementioned loan facility is made subject to various conditions precedent and (save for certain mandatory drawdowns) loans can only be drawn if certain utilisation conditions are satisfied. It also benefits from certain guarantees and both share and asset security from the Company and certain of its subsidiaries (currently, only Biocartis US Inc. and Biocartis NV).

The loans carry a floating interest of EURIBOR 3 months (floored at 1.5%) plus a margin of 8.75%. In case of failure to respect certain agreed deadlines or if the Recapitalisation Transactions have not been completed by 15 December 2022, the margin will be increased to 10.50% per annum.

The First Lien Loan Agreement provides that the Lenders may require any of the outstanding receivables that could be due by the Company under the First Lien Loan Agreement (whether as principal amount, interest, redemption amount, or otherwise) (the "**First Lien Loan Receivables**") to be settled into new shares of the Company (through a contribution in kind) at an issue price equal to the volume weighted average trading price of the Company's shares on the trading day immediately preceding the date on which the notice of the relevant contribution in kind has been received by the Company, less a discount of 10%, provided that the issue price is not lower than a floor price set at 20% above the lowest price at which shares are to be issued in the capital increase that the Company is required to carry out (see further in paragraph 3.1(f) below) (subject to certain adjustments), provided, however, that if the aforementioned capital increase is not consummated, the relevant floor price shall be EUR 1.00. Where applicable, the contribution in kind will also take into account certain redemption amounts and interests. It has also been provided that the Company may under certain circumstances elect to repay the First Lien Loan Receivables by settling such First Lien Loan Receivables into new shares (through a contribution in kind). The aforementioned conversion features will be submitted to the EGM (as defined below) for approval.

The board of directors notes that if the transactions mentioned below under section 3.1(c), 3.1(d), 3.1(e), 3.1(f) and 3.1(i) have occurred, the loans under the First Lien Loan Agreement will mature on 9 August 2026. If such transactions have not occurred, the loans under the First Lien Loan Agreement will mature on 15 March 2023, and the Lenders' cash commitments will be downsized, and the Lenders will automatically exchange all of their holdings in the Existing Convertible Bonds and/or New Convertible Bonds for loans under the First Lien Loan Agreement, with such debt remaining outstanding under and pursuant to the terms of the First Lien Loan Agreement.

(b) Issuance of the Backstop Shares: In consideration for providing certain guaranteed (backstop) subscription commitments (as described below in section 3.3) and assuming the undertakings set out in the Backstopper Exchange Agreement, the Lenders are entitled to the Backstop Commitment Fee (in the amount of EUR 1,000,000.00), with each Lender being entitled to a portion of the Backstop Commitment Fee. The Backstop Commitment Fee is to be settled by the Company through the (irrevocable) issuance of the 810,734 Backstop Shares to the Lenders at an issue price per share of ca. EUR 1.23345 (which corresponds to the volume weighted average price of the Company's shares on Euronext Brussels on the date of the Backstopper Exchange Agreement (*i.e.*, 1 September 2022), minus a 10% discount), in consideration of the contribution in kind by the Lenders of their respective receivables due by the Company regarding the payment to the Lenders of their relevant portion of the Backstop Commitment Fee as aforementioned against the issuance of the relevant Backstop Shares (i.e., the Backstop Commitment Fee Receivables). The aforementioned issuance of the Backstop Shares is the subject of the present report of the board of directors and does not depend on the completion of the other Recapitalization Transactions.

(c) Amendment and restatement of Existing Convertible Bonds: The Company agreed to procure the amendment and restatement of the conditions of the Existing Convertible Bonds. The amendments include the following changes:

(i) the mandatory conversion of an amount equal to 10% of the principal amount of the Existing Convertible Bonds (equivalent to EUR 13,500,000.00) into new or existing ordinary shares of the Company at the existing conversion price of EUR 12.8913 on the date on which all other Recapitalization Transactions have been completed;

(ii) the extension of the final maturity date of the Existing Convertible Bonds from 9 May 2024 to 9 November 2027, conditional upon the occurrence of the completion of all of the other Recapitalization Transactions. If this does not occur, the maturity date will remain 9 May 2024;

(iii) the deletion of the negative pledge provision (in order for the Company to permit the contemplated refinancing), the cross-acceleration provision, the undertakings provision and the further issues provision from the terms and conditions;

(iv) the conversion of the existing coupon into a coupon payable in kind (by being capitalized and added to the principal balance of the Existing Convertible Bonds from (and including) the interest payment date immediately preceding the date on which the amendments to the terms and conditions become effective) (in order for the Company to preserve cash);

(v) the amendment of the provisions in respect of change of control over the Company, whereby the definition of the term "Change of Control" is replaced, the provisions in respect of adjustment of the conversion price and the redemption option upon the occurrence of a change of control are deleted, and certain new consequences are included. As a result of the aforementioned amendment, the outstanding value of the Existing Convertible Bonds (including principal, capitalised interest, and accrued but capitalised interest) will be written down to zero if a change of control has occurred but the outstanding principal amount of secured debt is not paid in full in connection with that transaction;

(vi) the amendment of the provisions on governing law to provide that the obligations of the Company to pay the principal amount of the Existing Convertible Bonds shall be construed in accordance with English law and consequential changes to the provisions on jurisdiction; and

(vii) certain consequential amendments to, and waivers of, the terms and conditions of the 'Agency Agreement' and other documents relating to the Existing Convertible Bonds.

The Company intends to launch a meeting of holders of the Existing Convertible Bonds in order to amend the conditions of the Existing Convertible Bonds, as aforementioned. At the time of the announcement of the entry into of the Recapitalisation Transactions (i.e., on 1 September 2022), 65% of the holders of Existing Convertible Bonds had committed to vote in favour of the proposed amendments.

The amendment of the conversion feature of the Existing Convertible Bonds (in particular the issuance of ordinary shares (and the resulting share capital increase of the Company) as a result of the exercise of conversion rights (a) after the initial maturity date of 9 May 2024 of the Existing Convertible Bonds, and (b) in relation to the accruing interest that is capitalised and added to the principal amount of the Existing Convertible Bonds) will be submitted to the EGM for approval.

(d) Repurchase Existing Convertible Bonds: At the earlier of (i) the completion of the abovementioned amendment and restatement of the terms of the Existing Convertible Bonds, and (ii) 15 October 2022, the Company will in principle repurchase a portion of the Existing Convertible Bonds held by the Lenders (together with payment in cash of accrued and unpaid interest on the repurchased bonds). The loan facility mentioned above will be partially used to finance said repurchase transaction. The aforementioned repurchase is initially at par, although under certain conditions a portion of the repurchase price will be returned to the Company by delivery to (and subsequent cancellation by) the Company of the corresponding amount of New Convertible Bonds subscribed to by the Lenders (as soon as all Recapitalisation Transactions have been completed).

(e) Exchange of Existing Convertible Bonds for New Convertible Bonds: Upon completion of the abovementioned amendment and restatement of the terms of the Existing Convertible Bonds, holders of (amended) Existing Convertible Bonds will be offered the possibility to exchange their Existing Convertible Bonds for new 4.50% secured second lien convertible bonds due 2026 (the "**New Convertible Bonds**") at a

1:1 ratio (together with an amount of cash equal to the accrued and unpaid interest in respect of the exchanged Existing Convertible Bonds) (the "**First New CB Closing**"), provided that such holders commit to make a pro-rata investment in the Company by subscribing in cash their pro-rata share of EUR 25,000,000.00 New Convertible Bonds that are to be offered by the Company when the Rights Offering has been completed. Immediately upon delivery of the Existing Convertible Bonds to the Company, the Company will instruct the relevant NBB-SSS institution to cancel the relevant Existing Convertible Bonds in full.

Each New Convertible Bond can be converted into new and/or existing shares of the Company on the basis of a conversion price per share which is (i) in case of a voluntary conversion, equal to 150% of the lowest price at which shares were subscribed for during the contemplated Rights Offering, or (ii) in case of the mandatory conversion referred to below in section 3.1(h), EUR 12.8913. The conversion price is subject to customary adjustments, including in respect of certain distributions made by the Company in relation to the Company's shares. The maximum number of new shares of the Company to be issued upon conversion of one New Convertible Bond will be calculated as the fraction, (i) the numerator of which is the principal amount of the New Convertible Bond, and (ii) the denominator of which shall be the then applicable conversion price.

The issuance of the New Convertible Bonds will be submitted to the EGM for approval.

(f) <u>Rights Offering</u>: The Agreements provide that the Company must launch and complete an issuance of new shares for an aggregate gross amount of not less than EUR 25,000,000.00, in the framework of a capital increase. In view hereof, the Company currently intends to proceed with a capital increase in cash, with (statutory or non-statutory) preferential subscription rights being granted to each of the existing shareholders of the Company (entitling the holders thereof to subscribe to a certain number of new shares of the Company) (the "**Rights Offering**"). The board of directors notes that the final terms of the Rights Offering still have to be determined, but that the Company has already received binding agreements from certain investors and KBC Securities NV to backstop (subject to a number of customary and transaction specific conditions) all of the EUR 25,000,000.00 Rights Offering.

(g) <u>Mandatory conversion of remaining Existing Convertible Bonds</u>: Following the completion of the Rights Offering and the approval by the EGM of the Recapitalisation Transactions, as provided for in the amended and restated terms and conditions of the Existing Convertible Bonds, 10% of the principal amount of the remaining Existing Convertible Bonds will be (mandatorily) converted into new or existing ordinary shares of the Company at the existing conversion price of EUR 12.8913 per share.

(h) <u>Mandatory conversion of certain New Convertible Bonds</u>: Five business days after the completion of the Rights Offering and the approval by the EGM of the Recapitalisation Transactions, as provided for in the terms and conditions of the New Convertible Bonds, also 10% of the principal amount of the New Convertible Bonds issued at First New CB Closing will be (mandatorily) converted into new or existing ordinary shares of the Company at an agreed conversion price of EUR 12.8913 per share.

(i) <u>Subscription for additional New Convertible Bonds</u>: After the announcement of the completion of the Rights Offering and the approval by the EGM of the Recapitalisation Transactions, the holders of Existing Convertible Bonds that exchanged their Existing Convertible Bonds for New Convertible Bonds (see section (e) above) will subscribe for their pro-rata share of the EUR 25,000,000.00 additional New Convertible Bonds to be issued (the "**Second New CB Closing**"). The Lenders have committed to subscribe to any portion of the EUR 25,000,000.00 New Convertible Bonds that will not be subscribed for by other holders of Existing Convertible Bonds (pursuant to certain guaranteed (backstop) subscription commitments (as described below in section 3.3). As mentioned above in section 3.1(d), the Lenders will return a portion of the repurchase price of the Existing Convertible Bonds to the Company by delivery to (and subsequent cancellation by) the Company of the corresponding amount of their New Convertible Bonds.

(j) EGM: The Company will convene an extraordinary shareholders' meeting of the Company (the "**EGM**") to approve the various components of the Recapitalisation Transactions, consisting notably of the conversion features of the First Lien Loan Agreement, the new conversion features and extension of the (amended) Existing Convertible Bonds (as far as needed) (to the extent that the amendments are validly approved by the bondholders' meeting), the issuance and conversion features of the New Convertible Bonds, and the approval of the Rights Offering.

The Company intends to complete the different transactions by the end of the year. The board of directors notes that if not all of the abovementioned steps are completed by 15 December 2022 the Company will have to, except if waived by the Lenders, repurchase any of the New Convertible Bonds subscribed to by the Lenders (including all accrued but unpaid interests thereon) (it being understood that the Company can use the granted loan facility for such purpose, effectively "uptiering" such bonds into first-lien term loans), as well as any Existing Convertible Bonds still held by the Lenders (as the case may be). Furthermore, in the event that shareholders do not approve the proposed resolutions at the occasion of the EGM, the contemplated transactions will not complete in full, the Company will not be recapitalised, various fees and expenses will have to be paid to the Lenders and their advisors, certain terms of the new convertible term loans become more restrictive, and the Company will need to consider alternative arrangements, which may not be available on time or at all.

The board of directors also notes that the Recapitalisation Transactions are the culmination of an extensive review by the Company of a range of financing options to support its working capital and its going concern, and taking into account the forthcoming maturity of the Existing Convertible Bonds, and is consistent with its strategy of continuing to invest in the business while maintaining an appropriate financial position and financial flexibility.

3.2. Identity of the Lenders

Highbridge and Whitebox are existing investors in the Company, who together hold a certain amount of the Existing Convertible Bonds, before these will be purchased back in the framework of the Buyback Agreement (as described above).

Founded in 1992, Highbridge is an international alternative investments group that provides credit and volatility solutions across a range of liquidities and investment profiles, notably in hedge funds, investment vehicles and co-investments. In 2004, Highbridge established a strategic partnership with J.P. Morgan. Highbridge is headquartered in New York, with a research presence in London.

Founded in 1999, Whitebox is a multi-strategy alternative asset manager that seeks to generate optimal risk-adjusted returns for a diversified base of public institutions, private entities, and qualified individuals. Whitebox invests in varying asset classes, geographies and markets through hedge funds and institutional accounts it advises. Whitebox has offices in Minneapolis, Austin, New York, London and Sydney.

3.3. Structure of the Transaction

The main terms of the proposed Transaction and the Backstopper Exchange Agreement can be summarised as follows:

(a) Backstop Commitment Fee: As mentioned, the Lenders have committed to subscribe to any portion of the EUR 25,000,000.00 New Convertible Bonds that will not be subscribed for by other holders of Existing Convertible Bonds in the framework of the Second New CB Closing (pursuant to certain guaranteed (backstop) subscription commitments set out in the Backstopper Exchange Agreement). In consideration for providing such guaranteed (backstop) subscription commitments and assuming the undertakings set out in the Backstopper Exchange Agreement, the Lenders are entitled to the Backstop Commitment Fee (in the amount of EUR 1,000,000.00), with each Lender being entitled to a portion of the Backstop Commitment Fee. The Backstop Commitment Fee is to be settled by the Company through the (irrevocable) issuance of the 810,734 Backstop Shares to the Lenders at an issue price per share of ca. EUR 1.23345 (which corresponds to the volume weighted average price of the Company's shares on Euronext Brussels on the date of the Backstopper Exchange Agreement (*i.e.*, 1 September 2022), minus a 10% discount), in consideration of the contribution in kind by the Lenders of their respective receivables due by the Company regarding the payment to the Lenders of their relevant portion of the Backstop Commitment Fee as aforementioned (*i.e.*, the Backstop Commitment Fee Receivables). The Backstop Commitment Fee Receivables do not bear any interest and have become due by the Company.

(b) Contribution in kind to the share capital of the Company: The settlement of the Backstop Commitment Fee Receivables will be effected by means of a contribution in kind to the share capital of the Company by the respective Lenders of the outstanding Backstop Commitment Fee Receivables (as provided for in the Backstopper Exchange Agreement and confirmed in writing by the Lenders and the Company) due by the Company at the time of the contribution in kind, against the issuance of new ordinary shares of the Company (*i.e.*, the Backstop Shares).

(c) Subscription for new Backstop Shares: In view of the foregoing, the following Lenders shall subscribe for the number of Backstop Shares mentioned next to their name in the table below in consideration of the contribution in kind of the Backstop Commitment Fee Receivables for the amount set out next to their name in the table:

Name of Backstop Party	Number of Backstop Shares	Backstop Commitment Fee
Highbridge Tactical Credit Master Fund, L.P.	551,998	EUR 680,862.04
Whitebox Relative Value Partners, LP	151,546	EUR 186,924.44
Whitebox GT Fund, LP	14,785	EUR 18,236.56
Whitebox Multi-Strategy Partners, LP	73,924	EUR 91,181.57
Pandora Select Partners, LP	18,481	EUR 22,795.39
Total	810,734	EUR 1,000,000.00

(d) Backstop Shares issuable by the Company: The Backstop Shares issuable by the Company upon contribution in kind by the Lenders of the outstanding Backstop Commitment Fee Receivables due by the Company under the Backstopper Exchange Agreement will be ordinary shares, and rank *pari passu* in all respects, including the right to dividends and other distributions, with the fully paid ordinary shares of the Company outstanding on the date of issue.

(e) Admission to the listing and trading of the Backstop Shares: All Backstop Shares must be admitted to listing and trading on the regulated market of Euronext Brussels.

3.4. Issue price of the Backstop Shares

The issue price of the Backstop Shares to be issued in the framework of the contribution in kind of the Backstop Commitment Fee Receivables due by the Company has been agreed in the Backstopper Exchange Agreement and is equal to ca. EUR 1.23345 per Backstop Share, or EUR 1,000,000.00 in total. The issue price of each Backstop Share corresponds to the volume weighted average price of the Company's shares on Euronext Brussels on the date of the Backstopper Exchange Agreement (*i.e.*, 1 September 2022), minus a 10% discount.

3.5. Number of Backstop Shares to be issued

The number of new shares to be issued in the framework of the contribution in kind of the Backstop Commitment Fee Receivables due by the Company has been agreed in the Backstopper Exchange Agreement and is equal to 810,734 Backstop Shares. This number has been determined by dividing the aggregate amount of the Backstop Commitment Fee Receivables (EUR 1,000,000.00) and the agreed issue price per share (ca. EUR 1.23345).

3.6. Allocation of the issue price

In the event of a contribution in kind of the Backstop Commitment Fee Receivables due by the Company, the issue price of each Backstop Share to be issued in the framework of the contribution shall be booked as share capital. However, the amount by which the issue price of the Backstop Shares shall exceed the fractional value of the existing shares of the Company (*i.e.*, EUR 0.0100 per share) shall be booked as issue premium. This issue premium will be booked on a separate account as net equity on the liabilities side of the Company's balance sheet and will be formed by actually paid contributions at the occasion of the issuance of Backstop Shares. The account to which the issue premium will be allocated will constitute, in the same way as the Company's share capital, a guarantee for third parties, and can only be reduced in execution of a valid decision of the Company in accordance with the Belgian Companies and Associations Code.

3.7. Rights attached to the Backstop Shares

At the occasion of the settlement of Backstop Commitment Fee Receivables into shares (through a contribution in kind), all Backstop Shares to be issued in the framework of the Transaction shall have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlement to dividends and other distributions, with the existing and outstanding shares of the Company at the moment of their issuance, and will be entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of issuance of the Backstop Shares.

3.8. Admission to trading of the Backstop Shares

All of the Backstop Shares to be issued in the framework of the Transaction must be admitted to listing and trading on the regulated market of Euronext Brussels. To this end, the Company will make the necessary filings and applications.

3.9. No preferential subscription right

At the occasion of the settlement of Backstop Commitment Fee Receivables into shares (through a contribution in kind), as the respective capital increase will be realised through a contribution in kind of the Backstop Commitment Fee Receivables due by the Company, the shareholders of the Company, holders of subscription rights of the Company, as well as holders of convertible bonds, will not have a preferential subscription right in relation to said capital increase.

4. CONTRIBUTION IN KIND

4.1. Description of the contribution in kind

At the occasion of the settlement of Backstop Commitment Fee Receivables into shares, the Lenders will contribute the aggregate amount of the Backstop Commitment Fee Receivables (EUR 1,000,000.00) in kind to the Company's share capital (as agreed in the Backstop Exchange Agreement; see sections 3.3 and 3.5 above).

4.2. Consideration for the contribution in kind

At the occasion of the settlement of Backstop Commitment Fee Receivables into shares (through a contribution in kind), 810,734 Backstop Shares will be issued in consideration of the contribution in kind of the relevant Backstop Commitment Fee Receivables (as agreed in the Backstop Exchange Agreement; see sections 3.3 and 3.5 above).

4.3. Valuation of the contribution in kind

The board of directors is of the opinion that at the occasion of the settlement of Backstop Commitment Fee Receivables due by the Company into shares (through a contribution in kind), pursuant to the Backstopper Exchange Agreement, the underlying Backstop Commitment Fee Receivables to be contributed in kind can be valued at 100% of the nominal or face value of the relevant amounts. This is based on the following considerations:

(a) The Backstop Commitment Fee Receivables must ultimately be repaid or settled by the Company.

(b) In case of conversion into shares, following the contribution in kind, the relevant Backstop Commitment Fee Receivables that are contributed are settled by the mechanism of "confusion of debt" (*schuldvermenging*) in accordance with article 1300 of the old Belgian Civil Code of 21 March 1804 (as amended) (and article 5.268 of the new Belgian Civil Code of 28 April 2022). In other words, as a result of the contribution in kind, the Company's indebtedness will be reduced by an amount equal to the nominal amount or face value of the contributed Backstop Commitment Fee Receivables, and the Company's net equity will be increased with the same amount.

(c) The elimination of the contributed Backstop Commitment Fee Receivables also leads to an improvement in the situation of the Company's other debtors in an amount equal to the nominal amount of the contributed Backstop Commitment Fee Receivables. In other words, the disappearance of the aforementioned obligation to settle the Backstop Commitment Fee Receivables will have as a result that other debts of the Company will not come in competition (*samenloop*) with the Backstop Commitment Fee Receivables that are so contributed. Consequently, as a result of the contribution in kind, the position of the other creditors of the Company will be improved in an amount equal to the nominal amount or face value of the Backstop Commitment Fee Receivables that are so contributed in kind.

For further information on the description of the contribution in kind in the event of a settlement of the Backstop Commitment Fee Receivables into shares (through a contribution in kind) and their valuation, reference is made to the report prepared in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the statutory auditor of the Company. In its report, the Company's statutory auditor concluded (among other things) the following with regard to the contribution in kind of the Backstop Commitment Fee Receivables and the related issuance of Backstop Shares:

"***4.1. Conclusion with respect to the contribution in kind (in accordance with article 7:197 §1 of the Code of companies and associations)***

In accordance with article 7:197 §1 of the Code of companies and associations, we have examined the following items, in the way these are included in the special report of the board of directors dated 5 September 2022. We do not have any findings of material relevance to report with respect to:

- *The description of the components of the contribution;*
- *The applied valuation;*
- *The applied method of valuation.*

We also conclude that the method of valuation that was applied to the contribution leads to the value of the contribution and that this is at least equal to the number and the par value of the of the shares to be issued in exchange for the contribution.

The actual remuneration consists of 810 734 shares without nominal value and a par value of 0,01 EUR each."

The board of directors concurs with the conclusions of the statutory auditor regarding the proposed contribution in kind and does not deviate from them.

5. JUSTIFICATION OF THE PROPOSED TRANSACTION

The proposed Transaction is part of the broader Recapitalisation Transactions.

The board of directors believes that the Recapitalisation Transactions are in the best interest of the Company since, if completed, the Recapitalisation Transactions will enable the Company to strengthen its balance sheet (through the new loan facility, the subscription to Backstop Shares by the Lenders in the framework of the Transaction, the subscription to New Convertible Bonds, and the Rights Offering), diversify its sources of financing (through the new loan facility and issuance of the New Convertible Bonds), reduce some of its existing debt (through the convertible nature of the loan facility and the contribution in kind of the Backstop Commitment Fee Receivables, the repurchase of Existing Convertible Bonds, the exchange of the Existing Convertible Bonds into New Convertible Bonds, and the mandatory conversion of the Existing Convertible Bonds and New Convertible Bonds) and proactively manage its short to mid-term repayment obligations (through the extension of the maturity date of the Existing Convertible Bonds), and to proactively optimize its capital structure.

The Company's operations are capital intensive and require additional financing. Notably and without prejudice to the agreed mandatory drawing obligations of the new loan facility in relation to the repurchase by the Company of some of the Existing Convertible Bonds held by the Lenders, the Company will also use the net proceeds of the Recapitalization Transactions (including the proceeds from the issuance of the New Convertible Bonds (in which the backstop commitments provided by the Lenders (and hence the Transaction) play a key role)) to finance its working capital, and for general requirements of the Company. This use of the net proceeds of the Recapitalization Transactions represents the Company's intentions based on its current business plans and current business conditions, which may change in the future depending on the evolution of its business plans and business conditions.

The board of directors also notes that other sources of financing to strengthen the Company's cash position were considered, such as, among other things, an accelerated book building process by means of a private placement with a large group of professional, institutional and qualified investors. However, such financing did not seem to be available on terms or timelines acceptable to the Company. If the Company is not able to raise additional funds to finance its working capital needs, the Company will have to implement other measures in order to ensure its going concern.

The fact that the Lenders are willing to participate in the Recapitalisation Transactions, and become shareholders upon issuance of the Backstop Shares in the framework of the Transaction, can be seen as further validation of the Company's strategy and activities.

Particularly in relation to the proposed Transaction, the board of directors notes that the Lenders have committed in writing to subscribe to any portion of the EUR 25,000,000.00 New Convertible Bonds that will not be subscribed to by other holders of Existing Convertible Bonds in the framework of the Second New CB Closing. As a result of such guaranteed (backstop) subscription commitments, the Company is assured that it will generate an amount of EUR 25,000,000.00 in additional cash from the issuance of the New Convertible Bonds. The aforementioned commitments represent risks as well as opportunity costs for the Lenders, as a result of which it is not unreasonable (nor uncommon) to grant a compensation in the form of the Backstop Commitment Fee. The board of directors also notes that the settlement of the Backstop Commitment Fee in new shares (through a contribution in kind of the Backstop Commitment Fee Receivables) is in the interest of the Company as it allows the Company to not have to use existing or new cash reserves for the settlement of such compensation (so that such funds can be used for the further development of the Company's business).

The board of directors notes that at the occasion of the settlement of Backstop Commitment Fee Receivables in shares, the shareholders of the Company, the holders of subscription rights of the Company as well as the holders of convertible bonds will not have a preferential subscription right to said capital increase. Nevertheless, as mentioned, this conversion method will allow the Company to preserve its funds for its business, rather than to use it to pay the Lenders.

Finally, as stated above, the board of directors notes that in the event that shareholders do not approve the proposed resolutions at the occasion of the EGM, or if the Rights Offering is not successful, the contemplated transactions will not complete in full, the Company will not be recapitalised, various fees and expenses will have to be paid to the Lenders and their advisors, certain terms of the First Lien Loan Agreement become more restrictive, and the Company will need to consider alternative arrangements, which may not be available on time or at all.

For all of these reasons, the board of directors of the Company believes that the Recapitalisation Transactions (including the proposed Transaction) are in the best interest of the Company, its shareholders and other stakeholders.

6. JUSTIFICATION OF THE ISSUE PRICE FOR THE BACKSTOP SHARES

As mentioned, the terms of the Agreements (including the mechanisms for determining the issue price and number of Backstop Shares to be issued upon contribution in kind of the Backstop Commitment Fee Receivables) are the result of an objective and independent negotiation between the Company and the Lenders. The Lenders are not shareholders of the Company and are not related to the Company and/or its management.

The issue price of the Backstop Shares to be issued upon contribution in kind of the Backstop Commitment Fee Receivables (booked as share capital up to the fractional value of the Company's existing shares, plus issue premium) is determined in accordance with the provisions of the Backstopper Exchange Agreement (as summarized in section 3.3 above). These provide, among other things, that the issue price per Backstop Share will be equal to ca. EUR 1.23345, which corresponds to the volume weighted average price of the Company's shares on Euronext Brussels on the date of the Backstopper Exchange Agreement (*i.e.*, 1 September 2022), minus a 10% discount (as described in section 3.3 above).

The board of directors notes that the issue price of the Backstop Shares to be issued in the Transaction reflects the impact of the announcement of the Recapitalisation Transactions on the trading price of the Company's shares (as it has been determined on the basis of the volume weighted average price of the Company's shares on 1 September 2022).

The issuance of shares against contribution in kind of a receivable inherently results in dilution for existing holders of shares and other outstanding securities of the Company (as such holders are not able to participate in the relevant capital increase through certain statutory preferential subscription rights). However, the board of directors believes that the Backstop Commitment Fee is not unreasonable as compensation for the guaranteed (backstop) subscription commitments agreed to by the Lenders in the framework of the Second New CB Closing and their role in the broader Recapitalisation Transactions.

Furthermore, the board of directors notes that a discount of 10% was agreed between the Company's and the Lenders, but that such discount is not unreasonable as it reflects, amongst other things, a compensation for the limited liquidity of the Company's shares notwithstanding the trading of the Company's shares on Euronext Brussels, but also the abovementioned risks and opportunity cost of the Lenders to agree to the backstop commitments. This discount is also comparable to the discount that would be applied if the Company were to raise new funds by means of a broad placement of new shares with institutional, qualified, professional and/or other investors. Customarily, the discount in such transactions is ca. 8-10% (and sometimes more) compared to the market price of the issuer's shares at that time.

Finally, the dilution resulting from the issuance of the Backstop Shares is outweighed by the risks and disadvantages if the Company were not able to raise new funds to support its working capital and its going concern, and the benefits of the Recapitalisation Transactions (including the proposed Transaction), as referred to in the section 5 above.

For the sake of completeness, the board of directors emphasises that for macro-economic reasons, such as notably rising interest rates, the geopolitical situation in Eastern Europe and the general decline in investors' confidence, capital markets have been extremely volatile. The trading price of many listed financial instruments has suffered significant declines, and a number of previously available sources of financing, particularly for life sciences companies, are no longer available or only at less attractive terms.

Therefore, for all the reasons mentioned above, the board of directors believes that the method used to determine the issue price of the Backstop Shares, is not unreasonable and is in the best interest of the Company, its shareholders and other stakeholders.

7. CERTAIN FINANCIAL CONSEQUENCES

7.1. Introductory comment

The following paragraphs provide an overview of certain financial consequences of the proposed Transaction. It does not include the financial consequences of the other elements of the Recapitalisation Transactions. This information will be included in the different reports of the board of directors to be submitted to the EGM (which will resolve on the approval of the various components of the Recapitalisation Transactions).

For further information with regard to the financial consequences of the proposed Transaction, reference is also made to the report prepared in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the statutory auditor of the Company, Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL.

For more information on the determination of the number of Backstop Shares to be issued in the framework of the contribution in kind of the Backstop Commitment Fee Receivables and the applicable issue price, reference is made to sections 3.3, 3.4 and 3.5 of this report.

Subject to the foregoing, in order to illustrate certain financial consequences of the contemplated Transaction and notably the dilution for the shareholders, the following parameters and assumptions were used:

(a) Current share capital: At the date of this report, the share capital of the Company amounts to EUR 575,456.63 represented by 57,545,663 shares without nominal value, each representing the same fraction of the share capital, *i.e.*, EUR 0.0100. The share capital is entirely and unconditionally subscribed for and is fully paid up.

(b) Outstanding Share Options: At the date of this report, 3,401,919 shares can still be issued by the Company, of which:

(i) 150,896 shares can be issued upon the exercise of 150,896 outstanding share options (each share option having the form of a subscription right) that are still outstanding under the '2013 Plan' for employees, consultants and management members of the Company, entitling the holders thereof to acquire one new share per option (the "**2013 Share Options**");

(ii) 140,064 shares can be issued upon the exercise of 140,064 outstanding share options (each share option having the form of a subscription right) that are still outstanding under the '2015 Plan' for employees, consultants, management members and directors of the Company, entitling the holders thereof to acquire one new share per option (the "**2015 Share Options**");

(iii) 1,151,898 shares can be issued upon the exercise of 1,151,898 outstanding share options (each share option having the form of a subscription right) that are still outstanding under the '2017 Plan' for the CEO of the Company, entitling the holder thereof to acquire one new share per option (the "**2017 Share Options**");

(iv) 471,836 shares can be issued upon the exercise of 471,836 outstanding share options (each share option having the form of a subscription right) that are still outstanding under the '2018 Plan' for (mainly) certain selected employees of the Company and its subsidiaries, as well as for consultants of the Company and its subsidiaries, independent directors of the Company and directors of the Company's subsidiaries, entitling the holders thereof to acquire one new share per option (the "**2018 Share Options**");

(v) 627,225 shares can be issued upon the exercise of 627,225 outstanding share options (each share option having the form of a subscription right) that are still outstanding under the '2020 Plan' for members of the personnel of the Company and/or its subsidiaries, entitling the holders thereof to acquire one new share per option (the "**2020 Share Options**"); and

(vi) 860,000 shares can be issued upon the exercise of 860,000 outstanding share options (each share option having the form of a subscription right) that are still outstanding under the '2020B Plan' for members of the executive management of the Company, entitling the holders thereof to acquire one new share per option (the "**2020B Share Options**").

The 2013 Share Options, the 2015 Share Options, the 2017 Share Options, the 2018 Share Options, the 2020 Share Options and the 2020B Share Options are hereinafter jointly referred to as the "**Share Options**". In this report, when reference is made to any "outstanding" Share Options, this refers to, respectively, Share Options that have not yet been granted but can still be granted and (depending on the terms and conditions of such Share Options) have not yet expired, and Share Options that have already been granted and (depending on the terms and conditions of such Share Options) have not yet been exercised and have not yet expired. For the purpose of the full-dilution scenario calculations further below, it is assumed that all of the 3,401,919 existing Share Options were granted, have vested, are immediately exercisable (regardless of their terms and conditions), and have been fully exercised prior to the completion of the Recapitalization Transactions.

(c) Outstanding convertible bonds: On 30 April 2019, the Company issued 1,500 senior unsecured convertible bonds due 2024, for an aggregate principal amount of EUR 150,000,000.00, each convertible bond having been issued in dematerialised form with a nominal value of EUR 100,000.00 (the Existing Convertible Bonds). 150 Existing Convertible Bonds have been converted on 14 December 2021. As a result, 1,350 Existing Convertible Bonds remain outstanding on the date of this report (i.e., an aggregate principal amount of EUR 135,000,000.00). For the purposes of the simulations below, it is assumed that none of the outstanding Existing Convertible Bonds have been converted.

As mentioned above and as provided for in the Agreements:

(i) the terms of the Existing Convertible Bonds will be amended and restated by an extraordinary resolution of the bondholders' meeting (as described in section 3.1(c) above);

(ii) the Company will have to use a portion of the proceeds of the loan facility to repurchase Existing Convertible Bonds from the Lenders (as described in section 3.1(d) above).

This has not yet been reflected in the simulations presented below, as the realisation deed is subject to several conditions.

(d) Contribution in kind of Backstop Commitment Fee Receivables: The Backstop Commitment Fee Receivables (amounting to EUR 1,000,000.00) are contributed in kind to the Company's share capital (and hence settled into 810,734 Backstop Shares) at an issue price of ca. EUR 1.23345 per share, in accordance with the terms of the Backstopper Exchange Agreement.

The board of directors finally notes that the question whether the Share Options will be effectively exercised will ultimately depend on the decision of the respective holders of the relevant securities. In particular, the holder of such securities could realise a capital gain at the time of exercise or conversion if the trading price of the Company's shares at that moment is higher than the relevant exercise or conversion price, and if the underlying shares can be sold at such price on the market.

7.2. Evolution of the share capital, voting rights, participation in the results and other shareholders rights

Each share in the Company currently represents an equal part of the share capital of the Company and provides for one vote in function of the capital it represents. The issuance of the new shares in the framework of the Transaction will lead to a dilution of the existing shareholders of the Company and of the relative voting power of each share in the Company.

The dilution relating to the voting right also applies, *mutatis mutandis*, to the participation of each share in the profit and liquidation proceeds and other rights attached to the shares of the Company, such as the statutory preferential subscription right in case of a capital increase in cash through the issuance of new shares or in case of the issuance of new subscription rights or convertible bonds.

In particular, prior to the Transaction (and prior to the issuance of new shares pursuant the outstanding Share Options), each share of the Company participates equally in the profit and liquidation proceeds of the Company and each shareholder has a statutory preferential right in case of a capital increase in cash or in case of the issuance of new subscription rights or convertible bonds. In case of the issuance of the new shares in the framework of the Transaction, the new shares to be issued will have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of the Company at the moment of their issuance and delivery and will be entitled to distributions in respect of which the relevant record date or due date falls on or after the date of issuance and delivery of the new shares. As a result and to the extent that the new shares will be issued, the participation of the existing shares in the profit and liquidation proceeds of the Company, and their holder's statutory preferential subscription right in case of a capital increase in cash, shall be diluted proportionately.

A similar dilution occurs upon exercise of the outstanding Share Options.

Without prejudice to the methodological reservations set out in section 7.1, the evolution of the share capital and the number of shares, with voting rights attached thereto, of the Company as a result of the proposed Transaction is simulated below in a scenario before dilution due to outstanding Share Options, as well as in a scenario after dilution due to outstanding Share Options.

Evolution of the number of outstanding shares [(1)]

	Transaction Issue price of EUR 1.23345
Before exercise of outstanding Share Options and after the Transaction	
(A) Outstanding shares..	57,545,663
(B) New shares to be issued upon contribution of Backstop Commitment Fee Receivables in kind	810,734
(C) Total number of shares outstanding after (B)	58,356,397
(D) Dilution...	1.39%
After exercise of outstanding Share Options but before the Transaction	
(A) Outstanding shares..	57,545,663
(B) New shares to be issued upon exercise of the 2013 Share Options...	150,896

	Transaction Issue price of EUR 1.23345
(C) New shares to be issued upon exercise of the 2015 Share Options	140,064
(D) New shares to be issued upon exercise of the 2017 Share Options	1,151,898
(E) New shares to be issued upon exercise of the 2018 Share Options	471,836
(F) New shares to be issued upon exercise of the 2020 Share Options	627,225
(G) New shares to be issued upon exercise of the 2020B Share Options	860,000
(H) Total number of new shares to be issued under (B), (C), (D), (E), (F) and (G)	3,401,919
(I) Total number of shares outstanding after (B), (C), (D), (E), (F) and (G)	60,947,582
(J) Dilution	5.58%
After exercise of outstanding Share Options and after the Transaction	
(A) Outstanding shares	57,545,663
(B) Outstanding shares after exercise of outstanding Share Options	60,947,582
(C) New shares to be issued upon contribution of Backstop Commitment Fee Receivables in kind	810,734
(D) Total number of shares outstanding after (B) and (C)	61,758,316
(E) Dilution	1.31%

Note:

(1) This simulation does not take into account the conversion of the outstanding Existing Convertible Bonds.

Without prejudice to the methodological reservations set out in section 7.1, the table below reflects the evolution of the share capital. The maximum amount of the capital increase (excluding issue premium) is calculated by multiplying the respective numbers of new shares to be issued in the framework of the Transaction on the basis of the assumptions detailed below, by the accounting par value of the Company's shares, i.e. currently EUR 0.0100 per share.

Evolution of the share capital(1) (2)

	Transaction Issue price of EUR 1.23345
Before the Transaction	
(A) Share capital (in EUR)	575,456.63
(B) Outstanding shares	57,545,663
(C) Fractional value (in EUR)	0.0100
Transaction	
(A) Increase of share capital (in EUR)	8,107.34
(B) Number of new shares to be issued in the Transaction (in EUR)	810,734

....

After the Transaction	
(A) Share capital (in EUR)	583,563.97
(B) Outstanding shares	58,356,397
(C) Fractional value (in EUR) (rounded)	0.0100

____

Notes:

(1) This simulation does not take into account the exercise of outstanding Share Options, nor the conversion of Existing Convertible Bonds.

(2) The part of the issue price equal to the fractional value of the existing shares of the Company (EUR 0.0100 per share) is booked as share capital. The part of the issue price that exceeds the fractional value shall be booked as issue premium.

7.3. Participation in the consolidated accounting net equity

The evolution of the consolidated accounting net equity of the Company as a result of the Transaction is simulated below. The simulation is based on the following elements:

(a) The audited consolidated annual financial statements of the Company for the financial year ended 31 December 2021 (which have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (the "**IFRS**"). The consolidated accounting net equity of the Company as of 31 December 2021 amounted to EUR -33,897,000.00 (rounded) or EUR -0.59 (rounded) per share (based on the 57,545,663 outstanding shares as at 31 December 2021).

(b) The non-audited consolidated interim financial statements of the Company for six months ended on 30 June 2022 (which have been prepared in accordance with the IAS 34 (Interim Financial Reporting), as adopted by the European Union ("IAS 34")). The consolidated accounting net equity of the Company as at 30 June 2022 amounted to EUR -61,771,000.00 (rounded) or EUR -1.07 (rounded) per share (based on the 57,545,663 outstanding shares as at 30 June 2022).

The simulation does not take into account any changes in the consolidated accounting net equity since 31 December 2021 and 30 June 2022, respectively. For further information on the Company's net equity position on the aforementioned dates, reference is made to the financial statements, which are available on the Company's website.

Based on the assumptions set out above, as a result of the Transaction, without taking into account the Share Options and the Existing Convertible Bonds and subject to what is stated in note (2) below, the Company's accounting net equity on a consolidated basis, would be increased as indicated below:

Evolution of the consolidated accounting net equity (1)

	Transaction Issue price of EUR 1.23345
Consolidated net equity for FY21	
(A) Net equity (in EUR) (rounded)	-33,897,000.00
(B) Outstanding shares	57,545,663
(C) Net equity per share (in EUR) (rounded)	-0.59

Transaction	
<u>Contribution of Backstop Commitment Fee Receivables in kind</u>	
(A) Increase of net equity (in EUR) (2)	1,000,000.00
(B) Number of new shares to be issued	810,734
After the Transaction	
(A) Net equity (in EUR) (rounded)	-32,897,000.00
(B) Outstanding shares	58,356,397
(C) Net equity per share (in EUR) (rounded)	-0.56
Consolidated net equity for H122	
(A) Net equity (in EUR) (rounded)	-61,771,000.00
(B) Outstanding shares	57,545,663
(C) Net equity per share (in EUR) (rounded)	-1.07
Transaction	
<u>Contribution of Backstop Commitment Fee Receivables in kind</u>	
(A) Increase of net equity (in EUR)	1,000,000.00
(B) Number of new shares to be issued	810,734
After the Transaction	
(A) Net equity (in EUR) (rounded)	-60,771,000.00
(B) Outstanding shares	58,356,397
(C) Net equity per share (in EUR) (rounded)	-1.04

Notes:

(1) This simulation does not take into account the exercise of outstanding Share Options, nor the conversion of the outstanding Existing Convertible Bonds.

(2) Consisting of the amount of the capital increase and the amount of the increase of issue premium. From an IFRS perspective, however, part of the proceeds reflecting the expenses of the Transaction might not be recognized as equity. This is not reflected in the simulation.

The table above table demonstrates that the Transaction would, from a pure accounting point of view, result in an increase of the amount represented by each share in the consolidated accounting net equity of the Company.

7.4. Financial dilution

The evolution of the market capitalisation as a result of the proposed Transaction is simulated below.

Without prejudice to the methodological reservations set out in section 7.1, the table below reflects the impact of the proposed Transaction, without taking into account the Share Options and the Existing Convertible Bonds, on the market capitalisation and the resulting financial dilution at different price levels.

On 2 September 2022, the Company's market capitalisation was EUR 81,139,384.83 on the basis of a closing price of EUR 1.4100 per share. Assuming that, following the Transaction, the market capitalisation increases exclusively with the raised funds on the basis of the parameters described above, the new market capitalisation would be rounded, EUR 1.4075 per share. This would represent a (theoretical) financial dilution of 0.17% per share.

Evolution of the market capitalisation and financial dilution[(1)]

	Transaction Issue price of EUR 1.23345
Before the Transaction	
(A) Market capitalisation (in EUR)...	81,139,384.83
(B) Outstanding shares...	57,545,663
(C) Market capitalisation per share (in EUR)	1.4100
Transaction	
Contribution of Backstop Commitment Fee Receivables in kind	
(A) Amount contributed (in EUR)	1,000,000.00
(B) Number of new shares to be issued......................................	810,734
After the Transaction	
(A) Market capitalisation (in EUR)...	82,139,384.83
(B) Outstanding shares...	58,356,397
(C) Market capitalisation per share (in EUR) (rounded)...........	1.4075
Dilution...	-0.17%

Notes:

(1) This simulation does not take into account the exercise of outstanding Share Options, nor the conversion of the outstanding Existing Convertible Bonds.

7.5. Other financial consequences

For a further discussion of the financial consequences of the proposed Transaction, the board of directors refers to the report prepared in connection therewith by the statutory auditor of the Company.

***

Done on 5 September 2022,

[*signature page follows*]

For the board of directors,

By:	[*Signed*] ____________________ Director	By:	[*Signed*] ____________________ Director

ANNEX

REPORT OF THE STATUTORY AUDITOR PREPARED IN ACCORDANCE WITH ARTICLE 7:198 *JUNCTO* ARTICLES 7:179 AND 7:197 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE