**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)

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# REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 7:179 AND 7:197 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

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## 1. INTRODUCTION

This report has been prepared by the board of directors of Biocartis Group NV (the "**Company**") in accordance with 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 the Company's extraordinary shareholders' meeting (the "**EGM**") to increase the Company's share capital with an aggregate amount of up to EUR 90,000,000.00 (including issue premium, as the case may be) (the "**Authorised Amount**"), in one or more transactions, by contributions in kind of First Lien Loan Receivables (as defined below), due by the Company under the First Lien Loan Agreement (as defined below), and the related issuance of new shares of the Company in consideration of such contributions in kind, the maximum number and issue price of which are to be determined in accordance with the First Lien Loan Agreement.

The Transaction (as defined below) is intended to take place in the framework of (i) the 'Facility 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) (as amended from time to time) (the "**First Lien Loan Agreement**"), (ii) the 'Purchase and Sale Agreement', which was entered into on 1 September 2022 by and between the Company and the Lenders (as amended from time to time) (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 (as amended from time to time) (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**"), and is part of a comprehensive recapitalisation operation summarised below in section 2.1.

Pursuant to the First Lien Loan Agreement, among other things and as further described below, the Lenders have agreed to provide the Company a financing by loans (convertible in shares of the Company) for a maximum aggregate principal amount of up to EUR 30,000,000.00 (some portions of which are subject to mandatory utilisation and others becoming only available upon completion of certain utilisation conditions), the loans bearing a floating interest of EURIBOR 3 months (floored at 1.5%) plus a margin ranging between 8.75% and 10.50% per annum. Under the First Lien Loan Agreement, certain receivables that could be due by the Company under the First Lien Loan Agreement (regardless of their origin, whether as a principal amount, interest, redemption amount, or otherwise) (the "**First Lien Loan Receivables**") will be convertible into new shares of the Company. The contribution in kind of First Lien Loan Receivables into the share capital of the Company as contemplated in the First Lien Loan 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, with notably a justification of the proposed issue price of the new shares to be issued, and a description of the consequences of the proposed Transaction for the financial and participation 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 contributions in kind are in the interest of the Company, as well as a description of the contributions in kind, a motivated valuation of the contributions in kind, and the consideration for the proposed contributions in kind.

This report should be read together with the report prepared in accordance with 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. PROPOSED TRANSACTION

### 2.1. 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 (in ordinary circumstances) 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 (in a principal amount of up to EUR 13,736,000.00) (see section 2.1(c) below);

(ii) general corporate purposes of the Company and its subsidiaries (in an amount of up to EUR 15,664,000.00); and

(iii) the payment of an original issue discount fee (in the amount of EUR 600,000.00).

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 (see section 2.3(a) below). 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) (see section 2.3(f) below).

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) (i.e., the First Lien Loan Receivables) to be settled via the issuance of 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 section 2.1(e) 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 for approval, and are the subject of this report of the board of directors.

The board of directors notes that if the transactions mentioned below under section 2.1(b), 2.1(c), 2.1(d), 2.1(e) and 2.1(h) 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, 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.

For more information on the contribution in kind of the First Lien Loan Receivables and the main terms of the First Lien Loan Agreement, reference is made to section 2.3 below.

(b) <u>Amendment and restatement of Existing Convertible Bonds</u>: The Company agreed to procure the amendment and restatement of the conditions of the Existing Convertible Bonds. Summarised, 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 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 Recapitalisation 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 Recapitalisation 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 capitalised 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 change of control 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 different 'Agency Agreements' and other documents relating to the Existing Convertible Bonds.

On the 1 September 2022, holders of more than 65% of the Existing Convertible Bonds had already committed to vote in favour of the aforementioned amendments, and the Company has since received additional support. On 26 September 2022, the Company announced that it had started the amendment process.

The amendment of certain conversion possibilities 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.

For more information on the contemplated amendments to the terms of the Existing Convertible Bonds, reference is made to the related report prepared by the board of directors in accordance with articles 7:180, 7:191 and, insofar as needed and applicable, article 7:193 of the Belgian Companies and Associations Code (which will also be submitted to the EGM).

(c) Repurchase of 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 in the principal amount of EUR 13,736,000.00 (together with payment in cash of accrued and unpaid interest on the repurchased bonds). The loan facility mentioned above will be used to finance said repurchase transaction. The aforementioned repurchase is at par. However, under certain conditions, the Lenders will subsequently (as soon as all Recapitalisation Transactions have been completed) deliver to the Company for immediate cancellation an amount of EUR 2,914,000.00 of their New Convertible Bonds, effectively resulting in a repurchase by the Company of an aggregate EUR 16,650,000.00 Existing Convertible Bonds held by the Lenders at a 17.5% discount.

(d) 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 "**Bond Exchange**"), 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 (the "**New Cash Issue**"). 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 2.1(g), 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 sum of (x) the principal amount of the New Convertible Bond, (y) the accrued and unpaid interests on such New Convertible Bond (net of any required tax deductions), and (z) solely in the case of a conversion in the framework of a change of control, a certain redemption price, and (ii) the denominator of which shall be the then applicable conversion price.

The conversion possibilities of the New Convertible Bonds will be submitted to the EGM for approval (subject to the condition that the board of directors issued the New Convertible Bonds (whether in the framework of the Bond Exchange or the New Cash Issue)).

For more information on the contemplated issuance of the New Convertible Bonds and the exchange mechanism, reference is made to the related report prepared by the board of directors in accordance with articles 7:180, 7:191 and, insofar as needed and applicable, article 7:193 of the Belgian Companies and Associations Code (which will also be submitted to the EGM).

(e) Rights Offering: 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 for an aggregate amount of up to EUR 30,000,000.00 (and in any event not less than EUR 25,000,000.00, in view of the requirement set out in the Agreements with the Lenders) (including issue premium, as the case may be), with 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 to subscribe for new shares in the Rights Offering (subject to a number of customary and transaction specific conditions) for an amount of EUR 25,000,000.00.

For more information on the Rights Offering, reference is made to the related report prepared by the board of directors in accordance with articles 7:180, 7:191 and, insofar as needed and applicable, article 7:193 of the Belgian Companies and Associations Code (which will also be submitted to the EGM).

(f) Mandatory conversion of remaining Existing Convertible Bonds: 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.

(g) Mandatory conversion of certain New Convertible Bonds: Ten 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, 10% of the principal amount of the New Convertible Bonds issued in the framework of the Bond Exchange will be mandatorily converted into new or existing ordinary shares of the Company at an agreed conversion price of EUR 12.8913 per share.

(h) Subscription for additional New Convertible Bonds: 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 (d) above) will subscribe for their pro-rata share of the EUR 25,000,000.00 additional New Convertible Bonds to be issued (in the framework of the New Cash Issue). 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 in cash by other holders of Existing Convertible Bonds in the framework of the New Cash Issue (pursuant to certain guaranteed (backstop) subscription commitments agreed in the Backstopper Exchange Agreement (the "**New Convertible Bond Backstop Commitment**")). As mentioned above in section 2.1(c), the Lenders will also deliver to the Company for immediate cancellation an amount of EUR 2,914,000.00 of their New Convertible Bonds.

(i) EGM: The Company will convene an extraordinary shareholders' meeting of the Company (*i.e.*, 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 possibilities of the amended Existing Convertible Bonds (as far as needed) (to the extent that the amendments are validly approved by the bondholders), the issuance and conversion possibilities of the New Convertible Bonds, and the Rights Offering.

(j) Issuance of new shares upon contribution of backstop commitment fee receivables: In consideration for providing the New Convertible Bond Backstop Commitment and assuming the undertakings set out in the Backstopper Exchange Agreement, the Lenders were entitled to a backstop commitment fee (in the amount of EUR 1,000,000.00), with each Lender being entitled to a portion of such backstop commitment fee. The backstop commitment fee had to be settled by the Company through the (irrevocable) issuance of 810,734 new 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 new shares. The aforementioned 810,734 shares were issued on 6 September 2022 within the framework of the Company's authorised capital.

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 provisions of the First Lien Loan Agreement become effective (e.g., increased interest rates, the anticipation of the final maturity date, and certain obligations to repurchase bonds held by the Lenders), 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.

### 2.2. Identity of the Lenders

The Lenders are Highbridge Tactical Credit Master Fund, L.P., Highbridge Convertible Dislocation Fund L.P., Whitebox Relative Value Partners, LP, Whitebox GT Fund, LP, Whitebox Multi-Strategy Partners, LP, and Pandora Select Partners, LP.

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.

## 2.3. Structure of the Transaction

The Transaction will be structured as capital increase, in one or more transactions, with an aggregate amount of up to the Authorised Amount (including issue premium, as the case may be) by contribution in kind of receivables (regardless of their origin, whether as principal amount, interest, redemption amount, or otherwise, as provided for in the First Lien Loan Agreement) that will be due by the Company under the First Lien Loan Agreement (*i.e*., the First Lien Loan Receivables), and the related issuance of new shares in consideration of such contributions in kind, the maximum number and issue price of which are to be determined pursuant to the terms of the First Lien Loan Agreement (as amended from time to time, as the case may be). The share capital increase is subject to the condition precedent of the realisation of the respective contributions in kind of First Lien Loan Receivables due (that will be created and will be due by the Company as a result of drawdowns by the Company of the loans made available to the Company by the Lenders pursuant to the First Lien Loan Agreement), and the issuance of new shares in consideration of the contributions in kind in accordance with the terms set out below.

The main terms of the First Lien Loan Agreement and the Transaction, if approved by the EGM, can be summarised as follows:

(a) <u>Aggregate principal amount</u>: The loan facility has been entered into for an aggregate principal amount of up to EUR 30,000,000.00 (in ordinary circumstances; see below for the additional amounts that can become available under the loan facility in extraordinary circumstances), some portions of which are subject to mandatory drawdown (to purchase the Existing Convertible Bonds as described above) and other portions become available to the Company upon completion of certain events and satisfaction of certain utilisation conditions. The first utilisation is for an amount up to EUR 13,736,000.00 (excluding original issue discount), and the remaining utilisation is for an amount up to EUR 15,664,000.00 (excluding original issue discount). The first utilisation of EUR 13,736,000.00 will be drawn automatically by the Company to finance the re-purchase of Existing Convertible Bonds held by the Lenders (in accordance with the provisions of the Buyback Agreement), and this on the day that is five business days following the earlier of (i) the effective date of the contemplated amendment and restatement of the terms of the Existing Convertible Bonds (as described above), and (ii) 15 October 2022. The remaining utilisation of EUR 15,664,000.00 can be drawn as soon as certain utilisation conditions are satisfied (or waived by the Lenders), including, but not limited to:

(i) the relevant parties should have received all of the transaction documents and other evidence listed in the First Lien Loan Agreement in form and substance satisfactory to the relevant parties;

(ii) utilization should not be unlawful;

(iii) no default is continuing or would result from the proposed loan;

(iv) certain representations and warranties are given;

(v) the different steps set out in section 2.1 above have been completed.

In the framework of the abovementioned utilisations, the Company will have to pay an original issue discount in the aggregate amount of EUR 600,000.00 (for which it can use the loan facility).

The board of directors notes that if the different steps set out in section 2.1 have not been completed by 15 December 2022, the Company may only utilise the loan facility for (i) an additional amount of up to EUR 39,964,000.00 to repurchase any Existing Convertible Bonds and New Convertible Bonds held by the Lenders at that time, and (ii) an amount of approximately EUR 12,500,000.00 in connection with a sale process aimed at selling the (assets of) the Company and its subsidiaries.

(b) Interests: The rate of interest on each loan for each interest period is the percentage rate per annum which is the aggregate of a so-called "margin" of 8.75% per annum (it being agreed that 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 increase to 10.50% per annum) and the applicable EURIBOR-rate (floored at 1.5% per annum). The Borrower shall pay accrued interest on each loan on the last day of each interest period (*i.e.*, the period of three months ending on the last day of a financial quarter). The interests can be paid in cash or in kind in the framework of a loan conversion referred to in sections 2.3(g) and 2.3(h) below. In case of late interest payments, an additional default interest of 2.00% per annum becomes due.

(c) Maturity: The loan facility will end on 9 August 2026, unless the utilisation conditions required to draw the second utilisation of the loan facility (see section 2.3(a) above) are not satisfied (or not waived by the Lenders), in which case the termination date shall be 15 March 2023. All outstanding loans (as the case may be, including interests and redemption amounts) must be repaid on the aforementioned dates.

(d) Guarantors: The Company's obligations under the loans shall be guaranteed by certain subsidiaries of the Company named to that effect, being Biocartis NV and Biocartis US Inc., but also by any future material subsidiaries of the Company.

(e) Ranking of the obligations: The Company's obligations under the First Lien Loan Agreement, as well as those of the subsidiaries guaranteeing the loans, shall constitute senior secured obligations of such entities.

(f) Collateral: The loans are secured by security interests in the form of (i) a Belgian law governed share pledge over 100% of the share capital of Biocartis NV to be granted by the Company, (ii) a Belgian law governed omnibus/business pledge agreement to be granted by the Company, (iii) a Belgian law governed omnibus pledge agreement to be granted by Biocartis NV, (iv) a New York law governed share pledge over 100% of the share capital of Biocartis US Inc. to be granted by the Company, and (v) a New York law governed security agreement to be granted by Biocartis US Inc.

(g) Conversion for shares in the Company at the option of the Lenders: Subject to certain conditions, the Lenders shall have the right to convert all or part of the outstanding loans (as the case may be, including interests and redemption amounts) at any time into shares of the Company 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 under the Agreements (see further in section 2.1(e) above) (subject to certain adjustments), provided, however, that (x) if the aforementioned capital increase is not consummated, the relevant floor price shall be

EUR 1.00, and (y) the aggregate conversion amount is not lower than a certain agreed conversion amount. The Company has the option to pay the accrued interest and/or redemption amounts in cash.

(h) Conversion for shares in the Company at the option of the Company: Subject to certain conditions, the Company may from the date 12 months from the date of the First Lien Loan Agreement (to the extent that the Company's share price is greater than 150% of a certain floor price for five consecutive trading days prior to the date when the relevant conversion notice is sent by the Company) force the Lenders to convert part of the outstanding loans (as the case may be, including interests and redemption amounts) into shares of the Company, *pro rata* to the commitments of the Lenders, 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 under the Agreements (see further in section 2.1(e) above) (subject to certain adjustments), provided, however, that (x) if the aforementioned capital increase is not consummated, the relevant floor price shall be EUR 1.00, and (y) the aggregate conversion amount is not lower than certain agreed conversion amounts. The Company has the option to pay the accrued interest and/or redemption amounts in cash.

(i) Voluntary early prepayment in cash: Without prejudice to the conversion options set out above, the Company may elect to prepay the loans (including interests), in whole or in part, at any time for cash, at par plus the Redemption Amount referred to below in section 2.3(j), provided that such prepayment reduces the amount of the outstanding loans by a minimum of EUR 1,000,000.00. The Company may not re-borrow any part of the loan facility which is prepaid.

(j) Redemption Amount: In case of early prepayment or conversion, the early prepayment, cancellation, or conversion will also include a compensatory amount representing a percentage of the relevant amount calculated on the basis of the Black-Scholes model (a commonly used option pricing model) (the "**Redemption Amount**"). In case of an early prepayment in cash or a cancellation, the Redemption Payment will be payable in cash. In case of a conversion into shares (at the option of the Lenders or the Company), the Redemption Amount will be payable in either cash or shares, at the option of the Company. The Redemption Amount represents a form of compensation for the loss of option value represented by, respectively, the early repayment, the cancellation, or exercise of the conversion mechanism in advance of the maturity date of the loan facility. The earlier the repayment or conversion, the greater the Redemption Amount. There will be no Redemption Amount in case of repayment or conversion at maturity of the loan facility.

(k) Contribution in kind to the share capital of the Company: The conversion of the First Lien Loan 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 First Lien Loan Receivables (regardless of their origin, whether as principal, interest, or redemption amount as provided for in the First Lien Loan Agreement) due by the Company at the time of conversion, against the issuance of new ordinary shares of the Company. As referred to above, the relevant floor price for share issues is subject to certain customary adjustments.

(l) New shares issuable by the Company: The new shares issuable by the Company upon conversion through contribution in kind by the Lenders of the outstanding First Lien Loan Receivables due by the Company under the loans will be ordinary shares which 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 new shares. The shares will be freely tradable and will need to be admitted to trading on the regulated market of Euronext Brussels. It is also noted that that the Company will have the option to settle a conversion by means of existing shares of the Company (provided that the Company has access to such shares).

(m) Representations, undertakings and warranties: The loan facility is subject to a detailed set of information undertakings, representations and warranties and both positive and negative undertakings, which are market standard for senior loan financings of this nature and which amongst other things impose typical conditions on the Company's and its subsidiaries' ability to acquire companies and undertakings, take up additional financial indebtedness, grant security interests and dispose of material assets. There are also restrictions on the quantity of financial debt and/or revenues held by subsidiaries of the Company before they must become guarantors under the loan facility, and on the ability of the Company to distribute dividends as long as loans are outstanding.

(n) Events of default and mandatory prepayment events: The First Lien Loan Agreement includes customary events of default and mandatory prepayment events that entitle the Lenders (following expiration of applicable grace and remedy periods) to demand immediate repayment of all outstanding loans together with accrued interest and redemption amounts. Similarly, the Lenders are entitled to demand immediate prepayment in case of among others misrepresentation, material non-compliance, cross default, cessation of business, and certain audit qualifications. Certain insolvency matters also trigger an automatic acceleration.

(o) Repurchase of Existing Convertible Bonds: As mentioned above, pursuant to the Agreements, 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 in the principal amount of EUR 13,736,000.00 (together with payment in cash of accrued and unpaid interest on the repurchased bonds). The loan facility mentioned above will be used to finance said repurchase transaction. The aforementioned repurchase is at par. However, under certain conditions, the Lenders will subsequently (as soon as all Recapitalisation Transactions have been completed) deliver to the Company for immediate cancellation an amount of EUR 2,914,000.00 of their New Convertible Bonds, effectively resulting in a repurchase by the Company of an aggregate EUR 16,650,000.00 Existing Convertible Bonds held by the Lenders at a 17.5% discount.

(p) Expenses: The Company agreed to pay the Lenders' reasonable costs and expenses in relation to the loan facility and related agreements, including fees for counsel to represent them in the transaction and negotiations in connection therewith, subject to a pre-agreed cap, as the case may be.

(q) Ownership blocker: To the extent that a Lender has elected to be a "*blocked Lender*" (by delivering notice of such election), the ownership by such Lender (together with its affiliates) cannot exceed 9.9% of outstanding shares of the Company's shares.

(r) Convening of an extraordinary general shareholders' meeting: The Company agreed to convene an extraordinary general shareholders' meeting (*i.e.*, the EGM) in order to, among other things, approve the issuance of new shares as contemplated by the First

Lien Loan Agreement in order to be able to convert the First Lien Loan Receivables into new shares in the Company. Certain change of control provisions will also be submitted for approval by the Company's shareholders at the same meeting.

(s) Admission to the listing and trading of the new shares: All new shares to be issued in the framework of the Transaction must be admitted to listing and trading on the regulated market of Euronext Brussels.

In view of the foregoing, the board of directors proposes to the EGM to increase conditionally the Company's share capital with an aggregate amount of up to the Authorised Amount (i.e., EUR 90,000,000.00) (including issue premium, as the case may be) with the issuance of new shares, and to delegate to a committee (the "**Committee**") of at least two persons (of which (x) one has to be the Chief Executive Officer of the Company (or another director of the Company, if the Chief Executive Officer is not available), and (y) the other has to be the Chief Financial Officer (or any of the other directors of the Company, if the Chief Financial Officer is not available)) the powers to further implement the capital increases in case of a contribution in kind, and in particular to determine the number of new shares to be issued and the issue price of such shares in accordance with the provisions of the First Lien Loan Agreement.

## 2.4. Issue price of the new shares

On the occasion of each settlement of First Lien Loan Receivables in shares (through a contribution in kind), the issue price of the new shares to be issued in the framework of the contribution in kind of the First Lien Loan Receivable due by the Company, will be determined in accordance with the provisions of the First Lien Loan Agreement, as summarised in section 2.3 of this report. In particular, the issue price per new share will be equal to the volume weighted average trading price of the Company's shares on the trading day immediately prior to 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 certain floor price (subject to certain adjustments). Where applicable, the conversion will also take into account the Redemption Amount and the interests. The foregoing is subject to adjustments, as described in section 2.3 of this report.

## 2.5. Number of new shares to be issued

At the occasion of each settlement of First Lien Loan Receivables in shares (through a contribution in kind), the number of new shares to be issued in the framework of the contribution in kind of the First Lien Loan Receivables due by the Company (in consideration of the respective contributions in kind of First Lien Loan Receivables due by the Company) will be determined in accordance with the provisions of the First Lien Loan Agreement, as summarised in section 2.3 of this report.

Notably, in the event of conversion in new shares, the conversion will be effected by means of a contribution in kind of the First Lien Loan Receivables due and unsettled for the relevant amount. The number of shares to be issued upon such conversion will be equal to the amount of the First Lien Loan Receivables divided by the relevant conversion price, which will be equal to the relevant volume weighted average trading price of the Company's shares on the trading day immediately prior to 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 (x) the issue price is not less than a certain floor price (as described in section 2.3 above), and (y) the conversion amount is not lower than certain pre-agreed conversion amounts (as described in section 2.3 above). The number of shares to be issued (as the case may be) will be rounded down to the nearest whole number. The relevant floor price is subject to adjustments, as the case may be, as further described in section 2.3 of this report.

The Company will not issue fractions of new shares as consideration for the contributions in kind in the framework of the Transaction as the number of shares to be issued (as determined in the First Lien Loan Agreement) will, where applicable, be rounded down to the nearest whole number. If the issuance of the shares would result in the issuance of a fractional share of the applicable shares, the Company shall pay cash in lieu of such fractional share in an amount equal to the portion of the conversion amount otherwise represented by such fractional share.

It is also noted that that the Company will have the option to settle a conversion by means of existing shares of the Company (provided that the Company has access to such shares).

### 2.6. Allocation of the issue price

At the occasion of each capital increase by means of contributions in kind of First Lien Loan Receivables and the issuance of new shares in consideration of such contributions in kind, the issue price of each new share shall be accounted for as share capital. However, the amount by which the issue price of the new shares (on a per share basis) shall exceed the fractional value of the existing shares of the Company at that time (which currently amounts to EUR 0.01 per share) shall be accounted for as issue premium, as the case may be. 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 new 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. If the issue price of a new share does not exceed the fractional value of the existing shares of the Company (*i.e.*, currently EUR 0.01 per share), the issue price will be fully accounted for as share capital, and after the realisation of the capital increase all outstanding shares of the Company will have the same fractional value in accordance with article 7:178 of the Belgian Companies and Associations Code.

### 2.7. Rights attached to the new shares

At the time of each settlement of First Lien Loan Receivables into shares (through a contribution in kind), all of the new shares to be issued in the framework of the Transaction will be without nominal value, will be of the same nature as the existing and outstanding shares of the Company, and will 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 new shares. The new shares shall be in registered or dematerialised form as each subscriber may request.

### 2.8. Admission to trading of the new shares

All of the new shares to be issued in the framework of the Transaction will have to be admitted to listing and trading on the regulated market of Euronext Brussels. To this end, the Company will submit the necessary requests, and implement all measures as appropriate, for the admission to listing and trading in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended from time to time), to admit the new shares to listing and trading (as the case may be, in multiple tranches) on Euronext Brussels in accordance with the applicable rules and regulations.

### 2.9. Completion in multiple instalments

The share capital increase may be completed in one or more instalments by means of one or more notarial deeds, subject to the effective completion of the respective contributions in kind of the First Lien Loan Receivables that will be due and the issuance of the shares in consideration of these contributions. If the entirety of the share capital increase for the Authorised Amount (including issue premium, as the case may be) is not subscribed for by means of contributions in kind, the share capital may nevertheless be increased to the extent of each contribution in kind made in accordance with the First Lien Loan Agreement, to be determined as set out above, in accordance with article 7:181 of the Belgian Companies and Associations Code. The board of directors of the Company or the Committee may also decide not to carry out the proposed share capital increase, without prejudice, however, to the provisions of the First Lien Loan Agreement.

### 2.10. No preferential subscription right

At the occasion of each settlement in shares (through a contribution in kind), as the respective capital increases will be realised by contributions in kind of First Lien Loan 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 increases.

## 3. CONTRIBUTIONS IN KIND

### 3.1. Description of the contributions in kind

At the occasion of each settlement of First Lien Loan Receivables into shares, the Lenders will contribute the relevant (portion of the) First Lien Loan Receivables in kind to the Company's share capital (as agreed in the First Lien Loan Agreement). For further information on the relevant receivables, see section 2.3 above.

### 3.2. Consideration for the contributions in kind

At the occasion of each settlement of First Lien Loan Receivables into shares (through a contribution in kind), the Company will issue, in consideration of the contribution in kind, a number of new shares determined in accordance with the conditions summarised in sections 2.3 and 2.5.

The Company will not issue fractions of new shares as consideration for the contributions in kind under the Transaction. The number of shares to be issued upon a contribution in kind of First Lien Loan Receivables will be (where applicable) rounded down to the nearest whole number. It is however noted that if the issuance of the shares would result in the issuance of a fractional share of the applicable shares, the Company shall pay cash in lieu of such fractional share in an amount equal to the portion of the conversion amount otherwise represented by such fractional share.

### 3.3. Valuation of the contributions in kind

The board of directors is of the opinion that at the occasion of each settlement of (a portion of the) First Lien Loan Receivables due by the Company into shares (through a contribution in kind) pursuant to the First Lien Loan Agreement, the underlying First Lien Loan Receivable 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) Any portion of the loan facility to be drawn (including interests and, as the case may be, Redemption Amount) must ultimately be repaid or settled by the Company, either by settlement in shares (by the issuance of new shares), or by cash settlement.

(b) In case of conversion into shares, following the contribution in kind, the relevant First Lien Loan 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 contributions in kind, the Company's indebtedness will be reduced by an amount equal to the nominal amount or face value of the contributed First Lien Loan Receivables, and the Company's net equity will be increased with the same amount.

(c) The elimination of the contributed First Lien Loan 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 First Lien Loan Receivables. In other words, the disappearance of the aforementioned obligation to settle the First Lien Loan Receivables will have as a result that other debts of the Company will not come in competition (*samenloop*) with the First Lien Loan 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 First Lien Loan Receivables that are so contributed in kind.

For further information on the description of the contributions in kind in the event of a settlement of First Lien Loan Receivables into shares (through a contribution in kind) and their valuation, reference is made to the report prepared in accordance with 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 contributions in kind of First Lien Loan Receivables and the related issuance of new shares:

" *In accordance with Article 7:197 §1 of the Belgian Companies and Associations Code, we have examined the aspects described below, as included in the special report of the board of directors as at the date of 26 September 2022, and have no 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 for that purpose.*

*We also conclude that the method of valuation that was applied for the contribution in kind leads to the values of the contribution and these correspond at least to the number and par value of the shares to be issued in exchange for the contribution.*

*The actual consideration consists of the issuance of new shares of the company, without nominal value and with a fractional value of EUR 0.01. The number of shares to be issued as consideration and the issue price of the new shares will depend on the market price of the company's shares at the time the Lenders or, as the case may be, the company elect to convert the receivables under the Senior Secured Loan Agreement into shares. The issue price will be equal to the volume weighted average trading price of the Company's shares on the trading day immediately preceding the date on which the Company received notice of the relevant contribution in kind, less a discount of 10%, provided that the issue price shall not be less than a floor price set at 20% above the lowest price at which shares are to be issued in connection with the capital increase to be implemented by the Company as part of the Recapitalisation*

*Transactions (subject to certain adjustments), provided, however, that if the aforementioned capital increase is not implemented, the relevant floor price shall be EUR 1.00.*"

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

## 4. 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 new shares by the Lenders in the framework of the contribution in kind of the First Lien Loan Receivables, the New Cash Issue, 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 First Lien Loan Receivables, the repurchase of Existing Convertible Bonds, the Bond Exchange, and the mandatory conversion of the Existing Convertible Bonds and New Convertible Bonds) (albeit that new debt financing is obtained) 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 Recapitalisation Transactions (including the proceeds from the Transaction)) to finance its working capital, and for general requirements of the Company. This use of the net proceeds of the Recapitalisation 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 can be seen as further validation of the Company's strategy and activities.

As mentioned and detailed in sections 2.3, 2.10 and 3, at the occasion of each settlement of First Lien Loan Receivables in shares, as the respective capital increases will be realised by contributions in kind of First Lien Loan Receivables due by the Company pursuant to the First Lien Loan Agreement, 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 increases. Nevertheless, 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 provisions of the First Lien Loan Agreement become effective (e.g., increased interest rates, the anticipation of the final maturity date, and certain obligations to repurchase bonds held by the Lenders), 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.

## 5. JUSTIFICATION OF THE ISSUE PRICE OF THE NEW SHARES

As mentioned, the terms of the Agreements (including the mechanisms for determining the issue price and number of new shares to be issued upon contribution in kind of the First Lien Loan 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 new shares to be issued upon contribution in kind of the First Lien Loan Receivables (accounted for as share capital up to the fractional value of the Company's existing shares, plus issue premium, as the case may be) will be determined in accordance with the provisions of the First Lien Loan Agreement (as summarised in section 2.3). These provide, among other things, that the issue price per new share will be equal to the relevant volume weighted average trading price of the Company's shares on the trading day immediately prior to 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 less than a certain floor price (as described in section 2.3 above) (subject to the adjustment mechanisms provided in the First Lien Loan Agreement).

Taking into account the foregoing, the issue price of the new shares will depend on the market price of the Company's shares at the moment when the Lenders or, as the case may be, the Company opts to convert First Lien Loan Receivables into shares.

The issuance of shares against contribution in kind of receivables will inherently result in dilution for existing holders of shares and other outstanding securities of the Company, because such holders are not able to participate in the relevant capital increase through statutory preferential subscription rights. However, the board of directors believes that the discount of 10% is not unreasonable as compensation for the Lenders to agree to provide funds to the Company (as well as for their broader role in the Recapitalisation Transactions). This discount reflects, among 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 risks and opportunity cost of the Lenders to agree to the loan facility. Furthermore, 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, it should also be noted that the dilution resulting from the issuance of the new 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 section 4 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 prices of many listed financial instruments have 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 new shares, is not unreasonable and is in the best interest of the Company, its shareholders and other stakeholders.

## 6. CERTAIN FINANCIAL CONSEQUENCES

### 6.1. Introductory comment

The following paragraphs provide an overview of certain financial consequences of the proposed Transaction. For the sake of completeness, this also includes the financial consequences of the other elements 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 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 in connection with the Transaction.

For more information on the determination of the number of new shares to be issued in the framework of the contribution in kind of the First Lien Loan Receivables, reference is made to section 2.3 of this report.

The actual financial consequences resulting from the issuance of the new shares in the framework of the Recapitalisation Transactions cannot yet be determined with certainty, as the number of new shares that may be issued in the framework of the Recapitalisation Transactions, and the applicable issue price of the (underlying) new shares depend on certain conditions and parameters, such as: the drawing of the loans under the First Lien Loan Agreement as described above, whether there will be a contribution in kind of the First Lien Loan Receivables, and the applicable market price at such moment, whether there will be a Rights Offering and the size and issue price of such Rights Offering, and whether there will be a (mandatory or voluntary) conversion of the Existing Convertible Bonds or the New Convertible Bonds.

***Accordingly, the discussion of the financial consequences of the contemplated Recapitalisation Transactions for existing shareholders is purely illustrative and hypothetical, and is based on purely indicative financial parameters (where appropriate). The actual number of new shares to be issued in the framework of the Recapitalisation Transactions and the applicable issue price may vary significantly from the hypothetical values used in this report.***

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

(a) <u>Current share capital</u>: At the date of this report, the share capital of the Company amounts to EUR 583,563.97 represented by 58,356,397 shares without nominal value, each representing the same fraction of the share capital, *i.e.*, EUR 0.01. The share capital is entirely and unconditionally subscribed for and is fully paid up.

For the sake of completeness, the board of directors will propose to the EGM to absorb accounting losses incurred by the Company on a non-consolidated basis for an amount of EUR 43,974,595.37, by means of an increase of the Company's share capital through an incorporation of issue premiums for the same amount, immediately followed by a reduction of the share capital with the same amount in order to offset the losses incurred. This transaction will on balance not have an impact on the amount of the Company's share capital, the number of outstanding shares, or the outstanding amount of the Company's (non-consolidated) net equity.

(b) Outstanding Share Options: At the date of this report, 2,250,021 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) 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**");

(iv) 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

(v) 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 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 2,250,021 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 Recapitalisation Transactions.

(c) Contribution in kind of First Lien Loan Receivables: In order to simulate a maximum dilution scenario in the framework of a contribution in kind of the First Lien Loan

Receivables, it is assumed that the following First Lien Loan Receivables are contributed in kind to the Company's share capital (and hence settled via the issuance of new shares) in accordance with the terms of the First Lien Loan Agreement:

(i) an amount of EUR 30,000,000.00 (being the entire maximum principal amount under the First Lien Loan Agreement (in ordinary circumstances)) is settled via the issuance of new shares (through a contribution in kind);

(ii) an amount of EUR 11,624,609.28 in interest is settled via the issuance of shares (through a contribution in kind), *i.e.*, applying on a maximum principal amount of EUR 30,000,000.00 (see above) a floating interest of EURIBOR 3 months (for the purposes of the calculations below, assumed to be equal to the agreed floor interest rate of 1.5% per annum) plus a margin of 8.75% per annum assuming that a first portion of EUR 13,736,000.00 will be drawn 15 October 2022 and that the remaining portion of EUR 16,264,000.00 will be drawn on 15 December 2022;

(iii) the aggregate of the amounts mentioned above will be contributed in kind to the Company's share capital on the maturity date of the loan facility (*i.e.*, 9 August 2026).

As agreed in the First Lien Loan Agreement, the margin in relation to any loan drawn is equal to 8.75%, except in certain specific circumstances where the margin will be increased to 10.50% per annum (see section 2.1(a) above).

Consequentially, on the basis of the assumptions set out above, an aggregate maximum amount of rounded EUR 41,624,609.28 would be convertible into shares in the framework of the contribution in kind of the First Lien Loan Receivables (the "**First Lien Loan Conversion Amount**"). As mentioned above, in order to simulate a maximum dilutive scenario, it is assumed that the entire First Lien Loan Conversion Amount is settled via the issuance of new shares (through a contribution in kind of the First Lien Loan Receivables). Any fractions of shares will be rounded down (as agreed in the First Lien Loan Agreement).

For the sake of clarity, if a loan drawn under the First Lien Loan Agreement is settled prior to the maturity of the loan facility (through a contribution in kind), a redemption amount will be due. This is not the case in the event of a settlement at maturity. For the purposes of the simulations below, no redemption amount is taken into account.

The question whether any new shares will be issued under the First Lien Loan Agreement in connection with the contribution in kind of the First Lien Loan Receivables will depend on a decision yet to be made by the Company to draw down loans under the loan facility, and a decision yet to be made by the Lenders or (as the case may be) the Company to contribute the First Lien Loan Receivables.

(d) Reference hypothetical issue prices: The hypothetical issue price of the new shares to be issued upon contribution of the First Lien Loan Conversion Amount in the framework of the contribution in kind of the First Lien Loan Receivables will be, respectively:

(i) EUR 0.64 per new share (representing a discount of 35% to the trading price of the Company's shares on the regulated market of Euronext Brussels on 23 September 2022, which amounted to EUR 0.982 per share), meaning that 65,211,670 new shares will have to be issued against such hypothetical issue price upon contribution in kind of the entire First Lien Loan Conversion Amount;

(ii) EUR 0.88 per new share (representing a 10% discount to the trading price of the Company's shares on the regulated market of Euronext Brussels on 23 September 2022), meaning that 47,097,318 new shares will have to be issued against such hypothetical issue price upon contribution in kind of the entire First Lien Loan Conversion Amount; and

(iii) EUR 1.03 per new share (representing a 5% premium over the trading price of the Company's shares on the regulated market of Euronext Brussels on 23 September 2022), meaning that 40,369,129 new shares will have to be issued against such hypothetical issue price upon contribution in kind of the entire First Lien Loan Conversion Amount.

(e) Rights Offering: As part of the contemplated Recapitalisation Transactions, the Company contemplates to issue new shares for an aggregate amount of up to EUR 30,000,000.00, in the framework of a capital increase. For the purposes of the simulations below, it is assumed that:

(i) the Company has launched a capital increase with 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);

(ii) an amount of EUR 30,000,000.00 has been raised at the hypothetical issue prices referred to above in section 6.3(d), *minus* a discount to ensure that the hypothetical issue prices used to simulate the contribution in kind of the First Lien Loan Receivables are 20% higher than the hypothetical issue prices used to simulate the Rights Offering, as a result of which 56,399,812 new shares (at an issue price of EUR 0.53), 40,733,197 new shares (at an issue price of EUR 0.74), and 34,914,169 new shares (at an issue price of EUR 0.86).

The hypothetical discussion above should be read in light of the fact that, since the capital increase will be structured as a rights offering, existing shareholders will be able to prevent dilution by subscribing for their *pro rata* entitlement to the new shares, or to neutralize the immediate financial impact of the issuance of the new shares at that time by selling all or part of their preferential subscription rights on Euronext Brussels. Assuming the pricing of the rights on the secondary market is equal to their theoretical value, the proceeds of the sale of the rights (before any transaction costs or taxes) would normally offset the financial dilution impact of the issuance for those shareholders who do not subscribe and decide to sell their rights instead. However, it cannot be guaranteed that in practice shareholders will be able to trade their preferential right at a price equal to the theoretical value.[1]

[1] *Theoretically, the value of the preferential right of the shareholders could be determined as the difference between the theoretical ex-rights price of the Company's shares and the subscription price of the new shares to be issued, multiplied by the applicable ratio of the number of new shares issuable to the number existing shares prior to completion of the offering. The theoretical ex-rights price or "TERP" is determined as the theoretical price of the Company's shares following completion of the rights offering. It can be determined (on a per-share-basis) as the result of the following formula:*

$$\mathrm{TERP} = \frac{(S \times P) + (Sn \times Pn)}{S + Sn}$$

*whereby the factor "S" represents the number of outstanding shares prior to the launch of the offering, "P" represents the stock price of the Company's shares (on a per-share-basis) prior to the launch of the offering and prior to the separation of the preferential right from the shares (i.e. before trading ex-rights), "Sn" represents the maximum number of new shares issuable in the rights offering, and "Pn" represents the issue price of the new shares issuable in the rights offering.*

*Based on the foregoing, the theoretical value ("TV") of the preferential subscription right of the shareholders can be determined as the result of the following formula:*

$$\mathrm{TV} = (\mathrm{TERP} - Pn) \times \frac{Sn}{S}$$

*whereby the factors "S", "Sn" and "Pn" have the same meaning as in the TERP formula referred to above.*

(f) Existing 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). The Existing Convertible Bonds bear a coupon of 4.00% per annum, payable semi-annually in arrears, and pursuant to the contemplated amendment and restatement will be convertible into (new or existing) ordinary shares of the Company at an initial conversion price of EUR 12.8913 (which price is subject to customary potential adjustments, as included in the terms of the Existing Convertible Bonds). At the date of this report, the conversion price has not been subject to adjustments.

As mentioned above and as provided for in the Agreements:

(i) the terms of the Existing Convertible Bonds will be amended and restated (as described in section 2.1(b) above);

(ii) the Company will have to use a portion of the proceeds of the loan facility under the First Lien Loan Agreement to repurchase Existing Convertible Bonds from the Lenders (as described in section 2.1(c) above).

For the purposes of simulations below, it is assumed that:

(i) the Company used a portion of the proceeds of the loan facility to repurchase certain Existing Convertible Bonds from the Lenders (in the amount of EUR 13,736,000.00), as a result of which they are cancelled;

(ii) 10% of the remaining (i.e., not repurchased) Existing Convertible Bonds (together representing an aggregate nominal amount of EUR 121,264,000.00 after step (i)) have been converted at the initial conversion price of EUR 12.8913 on 9 November 2022 (assuming an in kind 4% coupon recapitalisation counting from 9 May 2022), as a result of which 959,478 new shares were issued;

(iii) the remaining Existing Convertible Bonds (together representing an aggregate nominal amount of EUR 109,137,600.00 after step (ii)) have been converted at the initial conversion price of EUR 12.8913 on 9 November 2027 (assuming an in kind 4% coupon recapitalisation counting from 9 May 2022), as a result of which 10,526,392 new shares were issued.

The board of directors notes that for the purposes of the simulations (in order to simulate a maximum dilutive scenario), it is assumed that none of the holders of Existing Convertible Bonds have exchanged their Existing Convertible Bonds for New Convertible Bonds (as described in section 2.1(c) above).

It should be noted that upon conversion of the Existing Convertible Bonds, the Company may also deliver existing shares (to the extent available at that time) to the relevant holders of Existing Convertible Bonds, instead of issuing new shares. In order to illustrate the dilutive effects below, it is assumed that only new shares are issued upon conversion of the Existing Convertible Bonds. If existing shares were delivered, the effects would be different.

It should also be noted that the terms of the Existing Convertible Bonds contain anti-dilution mechanisms under which the initial conversion price of the Existing Convertible Bonds will be adjusted downward based on specific formulas in the framework of certain capital or similar transactions. In case of an adjustment of the initial conversion price of the remaining Existing Convertible Bonds, the number of shares that may be issued upon conversion of the remaining Existing Convertible Bonds will be increased proportionally. For the purposes of the simulations below, it is assumed that such adjustments will not be triggered by any of the Recapitalisation Transactions. This is in line with the proposed amendment and restatement of the Existing Convertible Bonds.

***The board of directors notes that the assumptions in relation to the amended Existing Convertible Bonds and the New Convertible Bonds are aimed at illustrating the maximum dilutive consequences of the conversions of the amended Existing Convertible Bonds and the New Convertible Bonds, in each case on an isolated basis, but that such assumed conversions can never happen simultaneously as a result of the Bond Exchange. Each amended Existing Convertible Bond that is exchanged into New Convertible Bonds in the framework of the Bond Exchange will be cancelled and can hence not be converted into new shares. In other words, the actual financial consequences related to the conversions of the amended Existing Convertible Bonds and the New Convertible Bonds are expected to be less dilutive than what has been simulated in this report.***

(g) <u>New Convertible Bonds</u>: In the framework of the contemplated Recapitalisation Transactions, the Company contemplates to issue second lien secured convertible bonds due 2026, for an aggregate principal amount of EUR 150,000,000.00 (the New Convertible Bonds). After the mandatory conversion of Existing and New Convertible Bonds, and after redemption of the New and Existing Convertible Bonds from the Lenders, the New Convertible Bonds would represent a maximum principal amount of EUR 131,515,000.00. The New Convertible Bonds bear a coupon of 4.50% per annum, payable semi-annually in arrears, and are, as of completion of the Recapitalisation Transactions, convertible into (new or existing) ordinary shares of the Company at a conversion price 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 above in section 2.1(g), EUR 12.8913 (which conversion price is subject to customary potential adjustments, as included in the terms of the New Convertible Bonds).

As described in the section 2.1 above, the holders of Existing Convertible Bonds might under certain circumstances decide to exchange their Existing Convertible Bonds for New Convertible Bonds. However, as mentioned above, for the purpose of the simulations below, it is assumed that none of the Existing Convertible Bonds will be exchanged for New Convertible Bonds.

For the purpose of illustrating the maximum dilutive effects below, it is assumed that:

(i) the New Convertible Bonds to be issued (together representing an aggregate principal amount of EUR 121,264,000, taking into account the repurchase of Existing Convertible Bonds from the Lenders in the principal amount of EUR 13,736,000) have been validly issued and subscribed to;

(ii) the Company also used a portion of the proceeds of the loan facility to repurchase certain New Convertible Bonds from the Lenders (in the amount of EUR 2,914,000.00) (see section 2.1(c) of this report), so that New Convertible Bonds are outstanding for a maximum principal amount of EUR 118,350,000;

(iii) that 10% of the New Convertible Bonds after steps (i) and (ii) have been converted at the initial conversion price of EUR 12.8913 (in the framework of the aforementioned mandatory conversion of New Convertible Bonds), as a result of which 918.061 new shares have been issued, and New Convertible Bonds for a maximum principal amount of EUR 106,515,000.00 remain outstanding;

(iv) that EUR 25,000,000 additional New Convertible Bonds were subscribed for (see section 2.1(h)) and consequently, after steps (i) to (iii), there are EUR 131,515,000.00 of New Convertible Bonds outstanding in principal amount and converted at hypothetical conversion prices equal to the hypothetical issue prices used to simulate the Rights Offering (as referred to above in section 6.1(e)), plus a 50% premium, so that 164,831,583 new shares (at a conversion price of EUR 0.80), 119,045,032 new shares (at a conversion price of EUR 1.10), or 102,038,598 new shares (at a conversion price of EUR 1.29), will have to be issued by the Company.

The board of directors notes that the coupon of the New Convertible Bonds is, compared to the coupon of the amended Existing Convertible Bonds, only payable in cash (and not in kind), except in relation to unpaid interests on New Convertible Bonds which accrued in the period between the most recent interest payment date and the conversion date. For the purposes of the simulations below, it is assumed that no such interests on New Convertible Bonds are payable nor converted.

It should be noted that upon conversion of the New Convertible Bonds, the Company may also deliver existing shares (to the extent available at that time) to the relevant holders of New Convertible Bonds, instead of issuing new shares. In order to illustrate the dilutive effects below, it is assumed that only new shares are issued upon conversion of the New Convertible Bonds. If existing shares were delivered, the effects would be different.

It should also be noted that the terms of the New Convertible Bonds contain anti-dilution mechanisms under which the initial conversion price of the New Convertible Bonds will be adjusted downward based on specific formulas in the framework of certain capital or similar transactions. In case of an adjustment of the initial conversion price of the New Convertible Bonds, the number of shares that may be issued upon conversion of the New Convertible Bonds will be increased proportionally. For the purposes of the simulations below, it is assumed that such adjustments will not be triggered by any of the Recapitalisation Transactions.

The board of directors finally notes that the question whether the Share Options will be effectively exercised, or whether the (amended) Existing Convertible Bonds or the New Convertible Bonds will be effectively converted (outside the case of a mandatory conversion), 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.

## 6.2. 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 Recapitalisation Transactions 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 Recapitalisation Transactions (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 Recapitalisation Transactions, 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 6.1, 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 Recapitalisation Transactions 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**

| | **Recapitalisation Transactions** | | |
|---|---|---|---|
| | **Issue price of EUR 0.64**(1) | **Issue price of EUR 0.88**(1) | **Issue price of EUR 1.03**(1) |
| **Before exercise of outstanding Share Options and after the Recapitalisation Transactions** | | | |
| (A) Outstanding shares.............................. | 58,356,397 | 58,356,397 | 58,356,397 |
| (B) New shares to be issued upon contribution of First Lien Loan Receivables in kind .................................. | 65,211,670 | 47,097,318 | 40,369,129 |
| (C) New shares to be issued upon conversion of the Existing Convertible Bonds ....................................................... | 11,485,870 | 11,485,870 | 11,485,870 |
| (D) New shares to be issued upon conversion of the New Convertible Bonds | 165,749,644 | 119,963,093 | 102,956,659 |
| (E) New shares to be issued in the framework of the Rights Offering............ | 56,399,812 | 40,733,197 | 34,914,169 |
| (F) Total number of shares outstanding after (B), (C), (D), and (E) ....................... | 357,203,393 | 277,635,875 | 248,082,224 |

| | Recapitalisation Transactions | | |
|---|---|---|---|
| | **Issue price of EUR 0.64**(1) | **Issue price of EUR 0.88**(1) | **Issue price of EUR 1.03**(1) |
| (G) Dilution | 83.66% | 78.98% | 76.48% |
| **After exercise of outstanding Share Options but before the Recapitalisation Transactions** | | | |
| (A) Outstanding shares | 58,356,397 | 58,356,397 | 58,356,397 |
| (B) New shares to be issued upon exercise of the 2013 Share Options | 150,896 | 150,896 | 150,896 |
| (C) New shares to be issued upon exercise of the 2015 Share Options | 140,064 | 140,064 | 140,064 |
| (D) New shares to be issued upon exercise of the 2018 Share Options | 471,836 | 471,836 | 471,836 |
| (E) New shares to be issued upon exercise of the 2020 Share Options | 627,225 | 627,225 | 627,225 |
| (F) New shares to be issued upon exercise of the 2020B Share Options | 860,000 | 860,000 | 860,000 |
| (G) Total number of new shares to be issued under (B), (C), (D), (E), and (F) | 2,250,021 | 2,250,021 | 2,250,021 |
| (H) Total number of shares outstanding after (B), (C), (D), (E), and (F) | 60,606,418 | 60,606,418 | 60,606,418 |
| (I) Dilution | 3.71% | 3.71% | 3.71% |
| **After exercise of outstanding Share Options and after the Recapitalisation Transactions** | | | |
| (A) Outstanding shares | 58,356,397 | 58,356,397 | 58,356,397 |
| (B) Outstanding shares after exercise of outstanding Share Options | 60,606,418 | 60,606,418 | 60,606,418 |
| (C) New shares to be issued in the framework of the Recapitalisation Transactions | 298,846,996 | 219,279,478 | 189,725,827 |
| (D) Total number of shares outstanding after (B) and (C) | 359,453,414 | 279,885,896 | 250,332,245 |
| (E) Dilution | 83.77% | 79.15% | 76.69% |

Notes:

(1) For more information on the hypothetical issue prices used in the table above, see section 6.1. The hypothetical issue prices are not relevant for (i) the conversion of the Existing Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913), and (ii) the mandatory conversion of the New Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913).

Without prejudice to the methodological reservations set out in section 6.1, 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 Recapitalisation Transactions on the basis of the assumptions detailed below, by the accounting par value of the Company's shares, i.e. currently EUR 0.01 per share.

**Evolution of the share capital[1]**

| | Recapitalisation Transactions | | |
|---|---|---|---|
| | **Issue price of EUR 0.64[2]** | **Issue price of EUR 0.88[2]** | **Issue price of EUR 1.03[2]** |
| **Before the Recapitalisation Transactions** | | | |
| (A) Share capital (in EUR) | 583,563.97 | 583,563.97 | 583,563.97 |
| (B) Outstanding shares | 58,356,397 | 58,356,397 | 58,356,397 |
| (C) Fractional value (in EUR) | 0.01 | 0.01 | 0.01 |
| **The Recapitalisation Transactions** | | | |
| (A) Increase of share capital (in EUR)[3] | 2,988,469.96 | 2,192,794.78 | 1,897,258.27 |
| (B) Number of new shares to be issued in the Recapitalisation Transactions (in EUR) [4] | 298,846,996 | 219,279,478 | 189,725,827 |
| **After the Recapitalisation Transactions** | | | |
| (A) Share capital (in EUR) | 3,572,033.93 | 2,776,358.75 | 2,480,822.24 |
| (B) Outstanding shares | 357,203,393 | 277,635,875 | 248,082,224 |
| (C) Fractional value (in EUR) (rounded) | 0.01 | 0.01 | 0.01 |

Notes:

(1) This simulation does not take into account the exercise of outstanding Share Options.

(2) For more information on the hypothetical issue prices used in the table above, see section 6.1. The hypothetical issue prices are not relevant for (i) the conversion of the Existing Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913), and (ii) the mandatory conversion of the New Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913).

(3) The part of the issue price equal to the fractional value of the existing shares of the Company (EUR 0.01 per share) is booked as share capital. The part of the issue price that exceeds the fractional value shall be booked as issue premium.

(4) See section 6.1, as well as the table "*Evolution of the number of outstanding shares*" above, for an overview of the number of shares to be issued in the framework of the Recapitalisation Transactions.

## 6.3. 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, with the exception, however, of the issue of 810,734 new shares to the Lenders at an aggregate issue value of EUR 1,000,000 on 6 September 2022 (see also section 2.1(j)). For further information on the Company's net equity position on 31 December 2021 and 30 June 2022, reference is made to the financial statements and the interim 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 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**

| | **Recapitalisation Transactions** | | |
|---|---|---|---|
| | **Issue price of EUR 0.64**(1) | **Issue price of EUR 0.88**(1) | **Issue price of EUR 1.03**(1) |
| ***Consolidated net equity for FY21*** | | | |
| (A) Net equity (in EUR) (rounded).... | -33,897,000.00 | -33,897,000.00 | -33,897,000.00 |
| (B) Outstanding shares...................... | 57,545,663 | 57,545,663 | 57,545,663 |
| (C) Net equity per share (in EUR) (rounded) .......................................... | -0.59 | -0.59 | -0.59 |
| **Recapitalisation Transactions** | | | |
| Issuance of Commitment Shares | | | |
| (A) Increase of net equity (in EUR) | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 |
| (B) Number of new shares to be issued | 810,734 | 810,734 | 810,734 |
| Contribution of First Lien Loan Receivables in kind | | | |
| (A) Increase of net equity (in EUR) (2) | 41,624,608.96 | 41,624,609.65 | 41,624,608.91 |
| (B) Number of new shares to be issued .......................................................... | 65,211,670 | 47,097,318 | 40,369,129 |
| Conversion of Existing Convertible Bonds | | | |
| (A) Increase of net equity (in EUR) (2) | 148,067,815.92 | 148,067,815.92 | 148,067,815.92 |
| (B) Number of new shares to be issued .......................................................... | 11,485,870 | 11,485,870 | 11,485,870 |
| Conversion of New Convertible Bonds | | | |
| (A) Increase of net equity (in EUR) (2) | 118,350,000.00 | 118,350,000.00 | 118,350,000.00 |
| (B) Number of new shares to be issued .......................................................... | 165,749,644 | 119,963,093 | 102,956,659 |
| Rights Offering | | | |
| (A) Increase of net equity (in EUR) (2) | 30,000,000.00 | 29,999,999.59 | 29,999,999.71 |
| (B) Number of new shares to be issued .......................................................... | 56,399,812 | 40,733,197 | 34,914,169 |
| **After the Recapitalisation Transactions** | | | |
| (A) Net equity (in EUR) (rounded) ... | 305,145,424.88 | 305,145,425.16 | 305,145,424.55 |

| | Recapitalisation Transactions | | |
|---|---|---|---|
| | **Issue price of EUR 0.64**(1) | **Issue price of EUR 0.88**(1) | **Issue price of EUR 1.03**(1) |
| (B) Outstanding shares....................... | 357,203,393 | 277,635,875 | 248,082,224 |
| (C) Net equity per share (in EUR) (rounded) ........................................... | 0.85 | 1.10 | 1.23 |
| ***Consolidated net equity for H122*** | | | |
| (A) Net equity (in EUR) (rounded).... | -61,771,000.00 | -61,771,000.00 | -61,771,000.00 |
| (B) Outstanding shares....................... | 57,545,663 | 57,545,663 | 57,545,663 |
| (C) Net equity per share (in EUR) (rounded) ........................................... | -1.07 | -1.07 | -1.07 |
| **Recapitalisation Transactions** | | | |
| Issuance of Commitment Shares | | | |
| (A) Increase of net equity (in EUR) | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 |
| (B) Number of new shares to be issued | 810,734 | 810,734 | 810,734 |
| Contribution of First Lien Loan Receivables in kind | | | |
| (A) Increase of net equity (in EUR) (2) | 41,624,608.96 | 41,624,609.65 | 41,624,608.91 |
| (B) Number of new shares to be issued ............................................................ | 65,211,670 | 47,097,318 | 40,369,129 |
| Conversion of Existing Convertible Bonds | | | |
| (A) Increase of net equity (in EUR) (2) | 148,067,815.92 | 148,067,815.92 | 148,067,815.92 |
| (B) Number of new shares to be issued ............................................................ | 11,485,870 | 11,485,870 | 11,485,870 |
| Conversion of New Convertible Bonds | | | |
| (A) Increase of net equity (in EUR) (2) | 118,350,000.00 | 118,350,000.00 | 118,350,000.00 |
| (B) Number of new shares to be issued ............................................................ | 165,749,644 | 119,963,093 | 102,956,659 |
| Rights Offering | | | |
| (A) Increase of net equity (in EUR) (2) | 30,000,000.00 | 29,999,999.59 | 29,999,999.71 |
| (B) Number of new shares to be issued ............................................................ | 56,399,812 | 40,733,197 | 34,914,169 |
| **After the Recapitalisation Transactions** | | | |
| (A) Net equity (in EUR) (rounded) ... | 277,271,424.88 | 277,271,425.16 | 277,271,424.55 |
| (B) Outstanding shares....................... | 357,203,393 | 277,635,875 | 248,082,224 |
| (C) Net equity per share (in EUR) (rounded) ........................................... | 0.78 | 1.00 | 1.12 |

Notes:

(1) For more information on the hypothetical issue prices used in the table above, see section 6.1. The hypothetical issue prices are not relevant for (i) the conversion of the Existing Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913), and (ii) the mandatory conversion of the New Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913).

(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 Recapitalisation Transactions might not be recognised as equity. This is not reflected in the simulation.

The table above table demonstrates that the Recapitalisation Transactions 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.

## 6.4. Financial dilution

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

Without prejudice to the methodological reservations set out in section 6.1, the table below reflects the impact of each of the proposed Recapitalisation Transactions, without taking into account the Share Options, on the market capitalisation and the resulting financial dilution at different price levels.

On 23 September 2022, the Company's market capitalisation was EUR 57,305,981.85 on the basis of a trading price of EUR 0.982 per share. Assuming that, following the Recapitalisation Transactions, the market capitalisation increases exclusively with the raised funds on the basis of the parameters described above, the new market capitalisation would be rounded, respectively, to EUR 1.11, EUR 1.42 and EUR 1.59 per share. This would represent a (theoretical) financial accretion of 11.27%, 31.04% and 38.38% per share respectively.

**Evolution of the market capitalisation and financial dilution**

| | **Recapitalisation Transactions** | | |
|---|---|---|---|
| | **Issue price of EUR 0.64**(1) | **Issue price of EUR 0.88**(1) | **Issue price of EUR 1.03**(1) |
| **Before the Recapitalisation Transactions**(2) | | | |
| (A) Market capitalisation (in EUR)... | 57,305,981.85 | 57,305,981.85 | 57,305,981.85 |
| (B) Outstanding shares...................... | 58,356,397 | 58,356,397 | 58,356,397 |
| (C) Market capitalisation per share (in EUR)............................................ | 0.98 | 0.98 | 0.98 |
| **Recapitalisation Transactions** | | | |
| <u>Contribution of First Lien Loan Receivables in kind</u> | | | |
| (A) Amount contributed (in EUR) ..... | 41,624,609.28 | 41,624,609.28 | 41,624,609.28 |
| (B) Number of new shares to be issued ........................................................... | 65,211,670 | 47,097,318 | 40,369,129 |
| <u>Conversion of Existing Convertible Bonds</u> | | | |
| (A) Amount converted (in EUR)........ | 148,067,815.92 | 148,067,815.92 | 148,067,815.92 |
| (B) Number of new shares to be issued ........................................................... | 11,485,870 | 11,485,870 | 11,485,870 |

| | Recapitalisation Transactions | | |
|---|---|---|---|
| | **Issue price of EUR 0.64**[1] | **Issue price of EUR 0.88**[1] | **Issue price of EUR 1.03**[1] |
| Conversion of New Convertible Bonds | | | |
| (A) Amount converted (in EUR)........ | 118,350,000.00 | 118,350,000.00 | 118,350,000.00 |
| (B) Number of new shares to be issued ............................................................ | 165,749,644 | 119,963,093 | 102,956,659 |
| Rights Offering | | | |
| (A) Amount raised (in EUR).............. | 30,000,000.00 | 29,999,999.59 | 29,999,999.71 |
| (B) Number of new shares to be issued ............................................................ | 56,399,812 | 40,733,197 | 34,914,169 |
| **After the Recapitalisation Transactions**[2] | | | |
| (A) Market capitalisation (in EUR)... | 395,348,407.05 | 395,348,406.64 | 395,348,406.77 |
| (B) Outstanding shares...................... | 357,203,393 | 277,635,875 | 248,082,224 |
| (C) Market capitalisation per share (in EUR) (rounded)........................... | 1.11 | 1.42 | 1.59 |
| **Accretion..........................................** | 11.27% | 31.04% | 38.38% |

Notes:

(1) For more information on the hypothetical issue prices used in the table above, see section 6.1. The hypothetical issue prices are not relevant for (i) the conversion of the Existing Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913), and (ii) the mandatory conversion of the New Convertible Bonds (as these will be converted at a conversion price of EUR 12.8913).

(2) As of the date of this report and without taking into account the exercise of the outstanding Share Options.

## 6.5. 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 26 September 2022,

[*signature page follows*]

For the board of directors,

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

# **ANNEX**

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