BIOCARTIS GROUP NV
Limited Liability Company

Generaal de Wittelaan 11B
2800 Mechelen
Belgium

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

REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 7:179, 7:191 AND, INSOFAR AS NEEDED AND APPLICABLE, ARTICLE 7:193 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

1. INTRODUCTION

This report has been prepared by the board of directors of Biocartis Group NV (the "**Company**") in accordance with articles 7:179, 7:191 and, insofar as needed and applicable, article 7:193 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 in cash with an aggregate amount of up to EUR 30,000,000.00 (including issue premium, as the case may be) (the "**Rights Offering Amount**") with the issuance of new shares, and to dis-apply, in the interest of the Company, the statutory preferential subscription right of the existing shareholders of the Company and, insofar as needed, of the holders of outstanding subscription rights (share options) and convertible bonds of the Company, but with non-statutory preferential subscription rights for the existing shareholders, including, insofar as needed, for the benefit of the Guarantors (as defined below) in connection with the Guaranteed Subscription Commitments (as defined below) from such Guarantors (the "**Transaction**" or the "**Rights Offering**").

The Transaction 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.

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 7:191 of the Belgian Companies and Associations Code, the board of directors also provides in this report a justification of the proposed dis-application of the statutory preferential subscription right of the existing shareholders and, insofar as needed, of the existing holders of subscription rights (share options) and other convertible bonds in connection with the proposed increase of the share capital within the framework of the Transaction, and a description of the consequences thereof for the financial and participation rights of the shareholders.

In relation to the Company's right to place certain new shares to be issued with the Guarantors (as defined below) pursuant to the Guaranteed Subscription Commitments (as defined below) from such Guarantors, insofar as needed and applicable, in accordance with article 7:193 of the Belgian Companies and Associations Code, the justification of the proposed issuance of the new shares and the proposed issue price of the new shares (in the light of the corporate interest) takes into account in particular the financial situation of the Company, the identity of the Guarantors, and the nature and size of the contribution by the Guarantors.

This report should be read together with the report prepared in accordance with articles 7:179, 7:191 and, insofar as needed and applicable, article 7:193 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.

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);

(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. It also benefits from certain guarantees and both share and asset security from the Company and certain of its subsidiaries (currently, only Biocartis US Inc. and Biocartis NV).

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

The First Lien Loan Agreement provides that the Lenders may require any of the outstanding receivables that could be due by the Company under the First Lien Loan Agreement (whether as principal amount, interest, redemption amount, or otherwise) (the "**First Lien Loan Receivables**") to be settled 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 paragraph 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.

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, reference is made to the related report prepared by the board of directors in accordance with articles 7:179 and 7:197 of the Belgian Companies and Associations Code (which will also be submitted to the EGM).

(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) (i.e., the Rights Offering, which is the subject of this report of the board of directors). 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, see section 2.3(h) below).

(f) Mandatory conversion of certain 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 proposed Transaction is part of the broader Recapitalisation Transactions.

As mentioned above, as contemplated by the Agreements, the Company agreed to launch and complete a capital increase of at least EUR 25,000,000.00. The Company proposes to structure such transaction as a capital increase with non-statutory preferential subscription rights for the shareholders. Accordingly, all existing shareholders of the Company at the time of the offering will have non-statutory preferential subscription rights to subscribe for the new shares, based on a ratio of existing shares to new shares to be determined at the time of launch of the offering in function of the actual number of shares to be issued and their issue price.

It is the intention that the preferential subscription rights will be separately traded on Euronext Brussels during the subscription period, such that, subject to applicable financial and securities law rules (i) shareholders will be able, at their option, to use their rights (and any additional rights they would acquire on the secondary market) in order to subscribe for the new shares, or instead to sell their rights on the secondary market, or to do neither; and (ii) investors other than existing shareholders will also be able to purchase preferential subscription rights on Euronext Brussels and thus subscribe for the new shares.

In view of the foregoing, the board of directors proposes to the EGM to increase the Company's share capital in cash with an aggregate amount of up to the Rights Offering Amount (*i.e.*, EUR 30,000,000.00), (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 (or another director, 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, if the Chief Financial Officer is not available)) the powers to further implement the capital increase. The proposed structure of the Transaction, if approved by the EGM, can be summarised as follows:

(a) <u>Capital increase</u>: The share capital shall be increased with an aggregate amount of up to the Rights Offering Amount (including issue premium, as the case may be) through the issue of new shares without nominal value of the same nature as the existing and outstanding shares, without statutory preferential subscription right of the existing shareholders of the Company and, insofar as needed, of the holders of outstanding subscription rights (share options) and convertible bonds of the Company to subscribe for the new shares, but with non-statutory preferential subscription rights for the existing shareholders (entitling the holders thereof to subscribe for a certain number of new shares of the Company at the subscription ratio to be determined as set out below), in consideration of a contribution in cash. The capital increase shall be subject to the completion of the offering and allocation of the new shares as contemplated below.

(b) <u>Issue price, number of new shares and subscription ratio</u>: The number of new shares, the issue price of the new shares, the subscription ratio to subscribe for the new shares with non-statutory preferential subscription rights, and the mechanism to determine the number of new shares to be issued, the issue price, the subscription ratio and settlement process shall be determined by the Committee, which shall be authorised (if the Committee so decides) to do this together with the Underwriter(s) (as defined below) and the relevant Guarantors.

(c) <u>Nature and form of the new shares</u>: All of the new shares to be issued in the framework of the capital increase in cash 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. The Company shall apply for the admission of the new shares to trading on Euronext Brussels.

(d) Public offering in Belgium: Subject to applicable company, financial and securities laws, the new shares shall be offered via a public offering in Belgium. Subject to the relevant provisions of applicable law, the new shares may also be offered via one or more public offerings and/or exempt private placements to institutional, qualified or professional investors or individuals in Belgium or other jurisdictions outside of Belgium as shall be determined by the Committee (as applicable, together with the Underwriter(s)). Certain shareholders outside Belgium may not be able to exercise non-statutory preferential subscription rights unless local securities laws have been complied with. The Company does not intend to fulfil any requirement in other jurisdictions (other than Belgium) in order to allow shareholders in such jurisdictions to exercise their preferential subscription rights (to the extent not excluded or limited).

(e) Non-statutory rights offering: In the offering and allocation of the new shares, the existing shareholders of the Company at the time of the offering shall have no statutory preferential subscription right to subscribe for the new shares, but will have non-statutory preferential subscription rights, entitling the holders thereof to subscribe for a certain number of new shares of the Company at the applicable subscription ratio determined. Subject to applicable company, financial and securities law rules, the Committee shall further determine the practical implementation of the offering and allocation.

Subject to applicable company, financial and securities laws, the non-statutory preferential subscription rights of the shareholders shall be freely tradable on Euronext Brussels, separately from the existing shares, also to persons who are currently not shareholders. Each share in the Company shall entitle the shareholder to one non-statutory preferential subscription right. The non-statutory preferential subscription rights shall be tradable during a rights subscription period, the duration of which will be determined by the Committee (as applicable, together with the Underwriter(s)). The Company shall apply for the admission to listing and trading of the non-statutory preferential rights on Euronext Brussels during the rights subscription period.

Subject to applicable company, financial and securities laws, the non-statutory preferential subscription rights shall give the right to subscribe for the new shares at the subscription ratio that shall be determined by the Committee (as applicable, together with the Underwriter(s) and relevant Guarantors). The rights cannot be used to subscribe for fractions of new shares, as the case may be. Shareholders of the Company or persons having acquired non-statutory preferential subscription rights but who do not hold a sufficient number of non-statutory preferential subscription rights to subscribe for a whole round number of new shares at the applicable subscription ratio will have the right to elect, during the rights subscription period, either to purchase additional non-statutory preferential subscription rights in order to subscribe for new shares at the applicable subscription ratio or to transfer or sell all or part of their non-statutory preferential subscription rights.

To the extent the non-statutory preferential subscription rights are not exercised during the rights subscription period, such rights, as the case may be in the form of scrips, shall, subject to applicable company, financial and securities laws, be sold or placed during a subsequent offering or placement via an exempt private placement or bookbuild offering (accelerated or not) to institutional, qualified or professional investors or other individuals in and outside of Belgium. The start and end date of this subsequent subscription period shall be determined by the Committee (as applicable, together with the Underwriter(s)). The investors to whom a placement or offering can be made may also include existing shareholders of the Company and Guarantors, which each can be given priority. The buyers of such rights or scrips shall be obliged to subscribe for the new shares at the applicable subscription ratio and at the same issue price as applicable during the rights subscription period. After the rights subscription period, the relevant rights and scrips shall not be transferable and the Company shall not apply for the admission to listing or trading of such rights or scrips on Euronext Brussels. The net proceeds of the sale or placement of such rights or scrips (after deduction of relevant transaction costs and expenses and applicable taxes, as applicable) shall be distributed on a *pro rata* basis to the holders of non-statutory preferential subscription rights that did not exercise their right, provided that the net proceeds shall not be less than one euro cent (EUR 0.01) per right or scrip. If the net proceeds are less, these shall accrue to the Company.

(f) Start of the offering, the offering period and termination of the offering: The Committee (as applicable, together with the Underwriter(s) and the relevant Guarantors) shall determine the start of the offering of the new shares and the duration of the offering period(s). The Committee shall have the power not to pursue the offering, or, in case the offering has already started, suspend or cancel the completion of the offering if the Committee determines that market circumstances do not allow for the occurrence or completion of the capital increase in circumstances, or at conditions, satisfactory to it. Additional conditions precedent to the start of the offering and the completion of the offering can (amongst other things) be set out in the agreement with the Underwriter(s) and in the Guaranteed Subscription Commitments. The proposed authorisation for the board of directors to carry out the capital increase will be valid until 30 January 2023 at the latest (the Guaranteed Subscription Commitments from the Backstoppers, however, are only valid until 31 December 2022, and the commitment from KBC Securities requires that the underwriting agreement be entered into earlier).

(g) Underwriting: The offering, underwriting, allocation and placement of some or all of the new shares may be done by a bank or financial institution to be appointed (an "**Underwriter**"). Within the framework of the offering, underwriting, allocation and placement of the new shares, an Underwriter shall be permitted to subscribe for the new shares in the name of, and/or on behalf of, the ultimate subscribers for the new shares, or in their own name and/or on their own behalf in order to allocate and place the new shares (directly or indirectly) to the ultimate subscribers for the new shares. The terms and conditions of the services and underwriting by the Underwriter(s) shall be further set out in the agreements between the Company and the Underwriter(s).

The Company intends to appoint KBC Securities NV as the only Underwriter.

(h) Guaranteed Subscription Commitments: To the extent non-statutory preferential subscription rights are not exercised during a first offering or rights subscription period and/or cannot be sold (as the case may be in the form of scrips) or are not exercised pursuant a subsequent offering or placement as contemplated above for all or part of the new shares to be issued in the framework of the capital increase, the remaining shares, in whole or in part, can be subscribed for by, or offered by the Company (whether or not as part of this subsequent offering or placement as contemplated above) to Star V LLC, Serone European Special Situations Master Fund Ltd., Nyenburgh Holding B.V., Trium Capital Managers Ltd., and CVI Investments, Inc. pursuant to subscription or underwriting commitments received from such parties, or any other party as can be determined by the Committee on behalf of the Company (each, a "**Backstopper**"), or, if still insufficient for covering EUR 25 million of equity proceeds, by KBC Securities NV pursuant to a standby hard underwriting subject to certain (pricing and other) conditions set out in an equity commitment letter (together with the Backstoppers, each a "**Guarantor**"). The terms and conditions of such hard underwriting or subscription commitments can be further set out in one or more underwriting or subscription commitments or agreements received by the Company or entered into on behalf of the Company with such Guarantors or other parties before or after the date of the EGM (collectively the "**Guaranteed Subscription Commitments**"). In view hereof, the preferential subscription right of the holders of outstanding subscription rights (share options) and convertible bonds of the Company is dis-applied insofar as needed and applicable in accordance with article 7:193 of the Belgian Companies and Associations Code for the benefit of the Guarantors in order to allow the subscriptions for the remaining shares by the Guarantors.

(i) Dis-application of the statutory preferential subscription right: For the purpose of the offering as contemplated above, the statutory preferential subscription rights of the existing shareholders and, insofar as needed, of the holders of outstanding subscription rights (share options) and convertible bonds of the Company, shall be dis-applied in the interest of the Company (including, insofar as needed and applicable with dis-application of the preferential subscription right in accordance with article 7:193 of the Belgian Companies and Associations Code, for the benefit of the Guarantors in connection with the Guaranteed Subscription Commitments from such Guarantors). This shall be without prejudice to the aforementioned principle that the offering would be structured as a capital increase with non-statutory preferential subscription rights for the existing shareholders.

(j) Power of attorney to further implement the capital increase: Subject to applicable company, financial and securities laws, the Committee is to be granted the power to further determine the practical implementation of the offering and allocation of the new shares. The Committee shall have the right to sub-delegate (in whole or in part) the exercise of these powers.

2.4. Issue price and number of new shares

The number and the issue price of the new shares to be issued have not yet finally determined, and will remain unknown until prior to the launch of the offer. As indicated in section 2.3 of this report, it is proposed that the issue price and number of new shares to be issued, as well as the mechanism to determine such number and issue price, will be determined by the Committee. For the justification of the issue price, reference is made to section 4 below.

2.5. Allocation of the issue price

The issue price of the new shares must be entirely paid up in cash at the time of the issue of the new shares. 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.

2.6. Rights attached to the new shares

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.

2.7. Admission to trading of the new shares

All of the 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. To this end, the Company will make the necessary filings and applications, and prepare an offering and listing prospectus 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.

2.8. Identity of the Guarantors

As mentioned, to the extent non-statutory preferential subscription rights are not exercised during a first offering or rights subscription period and/or cannot be sold (as the case may be in the form of scrips) or are not exercised pursuant a subsequent offering or placement as contemplated above for all or part of the new shares to be issued in the framework of the capital increase, the remaining shares, in whole or in part, can be subscribed for by, or offered by the Company (whether or not as part of this subsequent offering or placement as contemplated above) to the Guarantors (including the Backstoppers) (described below).

On the date of this report, the Company has obtained undertakings from new investors Star V LLC, Serone European Special Situations Master Fund Ltd., Nyenburgh Holding B.V., Trium Capital Managers Ltd., and CVI Investments pursuant to which these new investors have committed, subject to certain (pricing and other) conditions, to subscribe for new shares in the event that the Rights Offering is not fully subscribed during the rights subscription period, and this for an amount of up to EUR 10.6 million (the "**Backstop Commitments**"). The Backstop Commitments are only valid until 31 December 2022.

In addition, the Company entered into an equity commitment letter with KBC Securities NV pursuant to which KBC Securities NV agreed, subject to certain (pricing, sizing and other) conditions, to underwrite to subscribe for any new shares not subscribed for in the Rights Offering and not underwritten by investors to the terms of the aforementioned Backstop Commitments up to a maximum amount of EUR 14.4 million. The aforementioned maximum amount of EUR 14.4 million will be reduced by the amount of additional subscription commitments that would be obtained by the Company from existing shareholders or investors prior to the launch of the capital increase. The commitment of KBC Securities is limited in time.

The board of directors notes that the amount of the abovementioned commitments that it received from the Guarantors amounts to EUR 25 million in total, as the Company agreed towards the Lenders in the Agreements to issue new shares for an aggregate gross amount of not less than EUR 25 million. The maximum Rights Offering Amount is EUR 30 million, allowing for an additional limited amount of up to EUR 5 million in order to deal with potential roundings in view of the subscription ratio that will be determined for the Rights Offering and an additional margin.

The agreements with the Guarantors were entered into in August 2022 and provide that the Guarantors will be entitled to certain commitment commissions (set in function of the amount of the relevant commitments), subject to the completion of the Rights Offering. Such commissions will be paid in cash at or directly after the closing of the Rights Offering.

3. 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 certain 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 certain 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.

In relation to the proposed Rights Offering that is the subject of this report, the board of directors notes that the Rights Offering is intended to allow the Company to raise additional new equity, on top of the other forms of financing contemplated by the Recapitalisation Transactions. This is to strengthen the Company's balance sheet, while allowing the Company to raise additional funding for its activities and to extend its cash runway. As noted below, while the other aspects of the Recapitalisation Transactions are potentially dilutive for the existing shareholders, the structure of the Rights Offering will allow the existing shareholders to participate in the Recapitalisation Transaction (subject to applicable company, financial and securities laws).

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.

4. JUSTIFICATION OF THE ISSUE PRICE OF THE NEW SHARES

The number and the issue price of the new shares to be issued have not yet been determined, and will remain unknown until prior to the launch of the offer. As indicated in section 3.3 of this report, it is proposed that the issue price and number of new shares to be issued, as well as the mechanism to determine such number and issue price, will be determined by the Committee.

As is customary in similar transactions, the issue price will be set immediately before launch of the offering, and will involve a discount to the price of the Company's shares on the regulated market of Euronext Brussels at that time, expressed as a discount to the theoretical ex-rights price or "TERP" (*i.e.*, theoretical price of the Company's shares following completion of the Transaction; see also section 6 below), based on the trading price of the Company's shares).

As noted above, the offering will take the form of a non-statutory rights offering, whereby existing shareholders of the Company at the time of the offering will be granted non-statutory preferential subscription rights to subscribe for the new shares. The rights will be tradable separately from the existing shares during the subscription period, thus meaning that shareholders will have the choice between subscribing for the new shares (thus neutralising the dilution of their share in the Company's share capital as a result of the Rights Offering) or selling their rights (thus monetising to some extent the value of the financial dilution resulting from the Rights Offering). Existing shareholders may suffer a financial loss and dilution if they do not exercise or (cannot) trade (sell) their preferential subscription rights. Such disadvantages are however 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 3 above.

In any event, taking into account the aforementioned benefits of the Transaction for the Company (see section 3 above), the board of directors is of the opinion that the proposal regarding the determination of the issue price is consistent with the requirements of, and market practice for, transactions such as the offering.

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.

5. JUSTIFICATION OF THE DIS-APPLICATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT

Within the framework of the Transaction, the board of directors proposes to proceed with the contemplated increase of the share capital of the Company with the issuance of the new shares without preferential subscription right of the existing shareholders and, insofar as needed, of the existing holders of subscription rights (share options), but with non-statutory preferential subscription rights granted to existing shareholders. The board of directors hence proposes to dis-apply the preferential subscription right of the existing shareholders and, insofar as needed, of the existing holders of subscription rights (share options), in connection with the contemplated Transaction. The dis-application of the preferential subscription right of the existing shareholders and, insofar as needed, of the existing holders of subscription rights (share options), including, insofar as needed and applicable in accordance with article 7:193 of the Belgian Companies and Associations Code, for the benefit of KBC Securities NV, Star V LLC, Serone European Special Situations Master Fund Ltd., Nyenburgh Holding B.V., Trium Capital Managers Ltd., and CVI Investments (i.e., the Guarantors, as defined above) in connection with the Guaranteed Subscription Commitments from such Guarantors, allows the Company to offer the existing shareholders certain "non-statutory" preferential subscription rights.

The board of directors notes that from an economic and practical perspective, the non-statutory preferential rights offered will not differ substantially from statutory preferential subscription rights, and the offering procedure will not differ substantially from the procedure that would otherwise have applied if the offering of the new shares had taken place with the statutory preferential subscription rights as provided for by the Belgian Companies and Associations Code. In particular, the rights will be separated from the underlying existing shares and, as article 7:189 of the Belgian Companies and Associations Code, had it applied, would have required, will be freely and separately tradable on Euronext Brussels during a subscription period for the new shares, of which the duration is still to be determined (but this term could potentially be shorter than the statutory subscription period of 15 calendar days). This will allow shareholders to exercise or sell their rights on the same terms and during the same period as if the offering of the new shares had been made with statutory preferential subscription rights in accordance with the provisions of articles 7:188 and 7:189 of the Belgian Companies and Associations Code. As an exception to the procedure that would have applied if the offering of the new shares had taken place with statutory preference rights, the Committee has the ability not to publish a notice in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and the press announcing the term of the subscription period eight days prior to the start of subscription period in accordance with Article 7:189 of the Belgian Companies and Associations Code. The Committee may opt not to publish such notice as it may wish to finalise as closely as possible prior to the start of the subscription period the final terms of the offering and as announcing the start of the offering before determination of, and independently from, such final terms could be confusing to the market.

From a legal and technical perspective, therefore the structure of a non-statutory preferential subscription right requires a formal disapplication of shareholders' statutory preferential subscription rights as organised by the Belgian Companies and Associations Code, coupled with a voluntary application of a "non-statutory" preferential subscription right to subscribe for the new shares, based on the same fundamental economic principles. The abovementioned elements give the Company greater flexibility for the organisation of the Transaction (which is beneficial due to organisational limitations of public fund raisings). The interests of the existing shareholders are however preserved by the non-statutory preferential subscription right, giving them the possibility to maintain their percentual shareholding in the Company.

The board of directors also notes that to the extent the non-statutory preferential subscription rights are not exercised during the rights subscription period, such rights, as the case may be in the form of scrips, shall, subject to applicable company, financial and securities laws, be sold or placed during a subsequent offering or placement via an exempt private placement or bookbuild offering (accelerated or not) to institutional, qualified or professional investors or other individuals in and outside of Belgium. The buyers of such rights or scrips shall be obliged to subscribe for the new shares. The proceeds of the sale or placement of such rights or scrips (after deduction of relevant transaction costs and expenses and applicable taxes, as applicable) shall be distributed on a *pro rata* basis to the holders of rights that did not exercise their right, provided that the net proceeds shall be no less than EUR 0.01 per right or scrip. If the net proceeds are less, these shall accrue to the Company.

To the extent non-statutory preferential subscription rights are not exercised during a first offering or rights subscription period and/or cannot be sold (as the case may be in the form of scrips) or are not exercised pursuant a subsequent offering or placement as contemplated above for all or part of the new shares to be issued in the framework of the capital increase, the remaining shares, in whole or in part, can be subscribed for by, or offered by the Company (whether or not as part of this subsequent offering or placement as contemplated above) to the Guarantors. The terms and conditions of such subscription can be further agreed by the Company. The board of directors notes that the Company has already received binding commitments for an amount of EUR 25,000,000.00 in the Transaction (see sections 2.3(h) and 2.8 above). This allows the Company to ensure that at least EUR 25,000,000.00 of the capital increase in the Rights Offering can be secured (in line with the requirement of the Agreements with the Lenders) if the existing shareholders or other investors do not participate in the Rights Offering. This is in the interest of the Company.

As noted above, the Transaction is part of the broader Recapitalisation Transactions, which allow the Company to raise a significant amount of funds to further finance its activities. These activities require further investments and funding, and, if the Transaction is successful, the Company would be able to use the net proceeds of the Transaction for these activities. The abovementioned dis-application of the statutory preferential subscription right is necessary to allow the implementation of the Transaction referred to above and as contemplated by the Agreements.

The board of directors also notes that (i) the Guarantors will, subject to certain conditions, only subscribe to new shares to the extent non-statutory preferential subscription rights are not exercised during a first offering or rights subscription period and/or cannot be sold (as the case may be in the form of scrips) or are not exercised pursuant a subsequent offering or placement as contemplated above for all or part of the new shares to be issued in the framework of the capital increase, (ii) the commitments from the Guarantors allow the Company to secure the Rights Offering for an amount of EUR 25 million, which will be used to fund its activities and extend its runway, and (iii) subject to the successful closing of the Rights Offering, the Guarantors are entitled to certain commissions in cash (in consideration for agreeing to the abovementioned backstop commitments), but that such commissions are not unreasonable (nor uncommon) and are intended at compensating the Guarantors for the assumed risks and opportunity costs.

For all of the above reasons, the board of directors is of the opinion that the contemplated Transaction, even with formal dis-application of the preferential subscription rights, is in the interest of both the Company and the existing shareholders and holders of subscription rights (share options) and convertible bonds of the Company.

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, 7:191 and, insofar as needed and applicable, article 7:193 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.

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, 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) Current share capital: 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) <u>Contribution in kind of First Lien Loan Receivables</u>: 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]

(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

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[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:*

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

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:

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

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

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) New Convertible Bonds: 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
(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

	Recapitalisation Transactions		
	Issue price of EUR 0.64(1)	**Issue price of EUR 0.88**(1)	**Issue price of EUR 1.03**(1)
(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%

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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

	Recapitalisation Transactions		
	Issue price of EUR 0.64(2)	**Issue price of EUR 0.88**(2)	**Issue price of EUR 1.03**(2)
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			
<u>Issuance of Commitment Shares</u>			
(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
<u>Contribution of First Lien Loan Receivables in kind</u>			
(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
<u>Conversion of Existing Convertible Bonds</u>			
(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
<u>Conversion of New Convertible Bonds</u>			
(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
<u>Rights Offering</u>			
(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
(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

	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 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
<u>Conversion of New Convertible Bonds</u>			
(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

	Recapitalisation Transactions		
	Issue price of EUR 0.64(1)	**Issue price of EUR 0.88**(1)	**Issue price of EUR 1.03**(1)
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