



Limited Liability Company ("naamloze vennootschap")
Registered Office: Generaal de Wittelaan 11B, 2800 Mechelen, Belgium
Company Number VAT BE 0505.640.808 RLP Antwerp, division Mechelen

EXPLANATORY NOTE

EXTRAORDINARY SHAREHOLDERS' MEETING

to be held on Monday 11 September 2017 at 10:00 a.m. CEST

Introduction

This explanatory note has been prepared on behalf of the Board of Directors of Biocartis Group NV (the "Company") in connection with the various items on the agenda of the extraordinary shareholders' meeting of the Company, to be held on Monday 11 September 2017. Pursuant to Article 533bis, §2, d) of the Belgian Companies Code, this note contains for each of the items on the agenda of the aforementioned extraordinary shareholders' meeting a proposed resolution or, if the item does not require a resolution, a commentary on behalf of the Board of Directors.

For further information on date, hour and venue of the extraordinary shareholders' meeting, the manner in which the holders of securities issued by the Company can participate in the meeting and background documentation regarding the meeting, reference can be made to the notice convening the extraordinary shareholders' meeting.

EXTRAORDINARY SHAREHOLDERS' MEETING

Agenda and proposed resolutions: The agenda and proposed resolutions of the extraordinary shareholders' meeting of the Company, which, as the case may be, can be amended at the meeting on behalf of the Board of Directors, are as follows:

1. Appointment of Herman Verrelst as director of the Company

Explanation: This agenda item relates to the proposed appointment of a new director of the Company.

Taking into account the advice of the Remuneration and Nomination Committee, the Board of Directors recommends that Herman Verrelst, Chief Executive Officer of the Company, be appointed as director of the Company for a term up to and including the closing of the annual shareholders' meeting to be held in 2021 which will have decided upon the financial statements for the financial year ended on 31 December 2020. Herman Verrelst was appointed as Chief Executive Officer of the Company effective as of August 2017. Herman Verrelst is a seasoned executive and serial entrepreneur with a proven international commercial track-record in molecular diagnostics. Prior to joining Biocartis, Herman Verrelst held the position of vice president and general manager of the genomics and clinical applications division of Agilent Technologies, a global leader in life sciences, diagnostics and applied chemical markets. Herman Verrelst joined Agilent following Agilent's acquisition of Cartagena, a spin-off of Katholieke Universiteit Leuven (Belgium) focused on software solutions for clinical genetics and molecular oncology, of which Herman Verrelst was CEO and founder. Prior to that, Herman Verrelst was CEO of Medicim as well as founder and CEO of DATA4s.

Proposed resolution: Herman Verrelst is appointed as director of the Company for a term up to and including the closing of the annual shareholders' meeting to be held in 2021 which will have decided upon the financial statements for the financial year ended on 31 December 2020. While Herman Verrelst's mandate as Chief Executive Officer shall be remunerated, his mandate as director shall not be remunerated.

2. Reports – Warrant Plan 2017

Explanation: This agenda item relates to the submission of, and discussion on, the special report of the Board of Directors of the Company prepared in accordance with Articles 583, 596 and 598 of the Belgian Companies Code and the special report of the statutory auditor prepared in accordance with Articles 596 and 598 of the Belgian Companies Code in connection with the proposal to issue 1,340,000 warrants in the framework of a new warrant plan, called the "Warrant Plan 2017", and the proposal to disapply the preferential subscription right of the Company's shareholders for the benefit of the beneficiary under the Warrant Plan 2017, i.e. the Chief Executive Officer of the Company, Herman Verrelst.

Submission of, and discussion on:

- (a) the special report of the Board of Directors prepared in accordance with Articles 583, 596 and 598 of the Belgian Companies Code in connection with the proposed issuance of 1,340,000 warrants in the framework of a warrant plan, called the "Warrant Plan 2017", and the proposal to disapply, in the interest of the Company, the preferential subscription right of the Company's shareholders for the benefit of the beneficiary under the Warrant Plan 2017, i.e. the Chief Executive Officer of the Company, Herman Verrelst; and
- (b) the special report of the statutory auditor prepared in accordance with Articles 596 and 598 of the Belgian Companies Code in connection with the proposed issuance of 1,340,000 warrants in the framework of the Warrant Plan 2017 and the proposal to disapply, in the interest of the Company, the preferential subscription right of the Company's shareholders for the benefit of the beneficiary under the Warrant Plan 2017, i.e. the Chief Executive Officer of the Company, Herman Verrelst.

3. Approval of a new warrant plan for the Chief Executive Officer of the Company

Explanation: This agenda item relates to the proposal to approve the issuance of 1,340,000 warrants in the framework of a new warrant plan, called the "Warrant Plan 2017".

Proposed resolution: The extraordinary shareholders' meeting resolves to approve the issuance of 1,340,000 warrants in the framework of the Warrant Plan 2017 for the benefit of the Chief Executive Officer of the Company, Herman Verrelst, as further described and referred to in the special report of the Board of Directors referred to above. In view thereof, the extraordinary shareholders' meeting resolves as follows:

- (a) Terms and conditions of the warrants: The terms and conditions of the warrants (each a "Warrant") (including but not limited to the exercise price of the Warrants) shall be as set out in the Warrant Plan 2017 annexed to the special report of the Board of Directors referred to above, a copy of which shall remain attached to the minutes reflecting the present resolution. The Warrants shall have a term of 5 years as from the date of this resolution.
- (b) Underlying shares: Each Warrant shall entitle the holder thereof to subscribe for one new share to be issued by the Company. The new shares to be issued at the occasion of the exercise of the Warrants shall have the same rights and benefits as, and shall rank *pari passu* in all respects, including as to entitlement to dividends, with, the existing and outstanding shares of the Company at the moment of their issuance 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 of the new shares.
- (c) Disapplication of the preferential subscription right of the existing shareholders: The extraordinary shareholders' meeting resolves to approve the disapplication of the preferential subscription right of the existing shareholders of the Company for the benefit of the intended beneficiary of the Warrant Plan 2017, i.e. the Chief Executive Officer of the Company, Herman Verrelst, in accordance with the special report of the Board of Directors prepared in accordance with Articles 583, 596 and 598 of the Belgian Companies Code.

- (d) Offer and grant to Herman Verrelst: The Warrants can only be offered and granted to, and subscribed for by, Herman Verrelst.
- (e) Conditional capital increase and issue of new shares: The extraordinary shareholders' meeting resolves, subject to, and to the extent of the exercise of Warrants, to increase the Company's share capital and to issue the relevant number of new shares issuable upon the exercise of the Warrants as provided for in the special report of the Board of Directors in connection with the Warrant Plan 2017. Subject to, and in accordance with, the provisions of the Warrant Plan 2017, upon exercise of the Warrants and issue of new shares, the aggregate amount of the exercise price of the Warrants will be allocated to the share capital of the Company. To the extent that the amount of the exercise price of the Warrants, per share to be issued upon exercise of the Warrants, would exceed the fractional value of the then existing shares of the Company existing immediately prior to the issue of the new shares concerned, a part of the exercise price, per share to be issued upon exercise of the Warrants, equal to such fractional value shall be booked as share capital, whereby the balance shall be booked as issue premium. Following the capital increase and issuance of new shares, each new and existing share shall represent the same fraction of the share capital of the Company.
- (f) Issue premium: Any issue premium that will be booked in connection with the Warrant Plan 2017 shall be accounted for on the liabilities side of the Company's balance sheet as net equity. The account on which the issue premium will be booked shall serve, like the share capital, as the guarantee for third parties and can only be reduced, save for the possibility of conversion into share capital, on the basis of a lawful resolution of the general shareholders' meeting passed in the manner required for an amendment to the Company's articles of association.
- (g) Powers of attorney: The Board of Directors is authorised to implement and execute the resolutions passed by the extraordinary shareholders' meeting in connection with the Warrants, and to take all steps and carry out all formalities that shall be required by virtue of the terms and conditions of the Warrants, the Company's articles of association and applicable law in order to issue or transfer the shares upon exercise of the Warrants. Furthermore, each of the Company's directors, acting individually, shall have the power, upon exercise of the Warrants, to proceed with the recording of (i) the capital increase and issue of new shares resulting from such exercise, (ii) the allocation of the share capital and (as applicable) the issue premium, and (iii) the amendment of the Company's articles of association in order to reflect the new share capital and number of outstanding shares following the exercise of the Warrants.
- (h) Waivers: As far as needed and applicable, the extraordinary shareholders' meeting resolves that the Warrants under the Warrant Plan 2017 as well as the other outstanding warrants granted under the currently outstanding plans shall not be considered as "variable remuneration", nor as "fixed remuneration" or "annual remuneration", pursuant to Articles 520ter, 524bis, 525 and 554 (as applicable) of the Belgian Companies Code (and equivalent or similar provisions of the Belgian Corporate Governance Code of 12 March 2009) and Provision 7.7 of the Belgian Corporate Governance Code of 12 March 2009.
- (i) Approval pursuant to Article 556 of the Belgian Companies Code: The extraordinary shareholders' meeting resolves to take note, approve and ratify, as far as necessary in accordance with Article 556 of the Belgian Companies Code, all clauses included in the Warrant Plan 2017 which entail rights to third parties that have an impact on the Company's equity, or that give rise to a liability or an obligation of the Company whereby the exercise of such rights is dependent upon a public takeover bid over Company's shares or a change of control over the Company, including without limitation, the accelerated vesting mechanism in the event a public takeover bid is made on the Company's securities. The extraordinary shareholders' meeting further grants a special power of attorney to each director of the Company, acting individually and with the power of substitution, to perform the formalities required by Article 556 of the Belgian Companies Code with respect to this resolution.

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Done on 9 August 2017

On behalf of the Board of Directors