ASIT BIOTECH
with share capital publicly traded or having been publicly traded
avenue Ariane 5
1200 Woluwe-Saint-Lambert
RPM (Brussels): 460.798.795
(the **Company**)

SPECIAL REPORT OF THE BOARD OF DIRECTORS MADE PURSUANT TO ARTICLE 583 OF THE COMPANIES CODE ON THE ISSUANCE OF WARRANTS

---

1 November 2017

The present special report was drawn up by the board of directors of the Company (the **Board of Directors**) for the attention of the general meeting pursuant to Article 583 of the Companies Code.

According to Article 583 of the Companies Code, the Board of Directors outlines below the purpose and justification of the issuance of subscriptions rights that will enable their holder, subject to compliance with its modalities and conditions, to subscribe to new shares of the Company under the same rights as for the existing shares (the **Warrants**).

The present report must be read in conjunction with the reports that were made by the Board of Directors and the College of Auditors on the withdrawal of preferential rights for the existing shareholders.

These reports will be presented to the shareholders of the Company on the occasion of an extraordinary general meeting to be held on 7 December 2017 (should the quorum requirement not be fulfilled then, a second meeting will be held on 27 December 2017) before any of the associate public notaries of Berquin office (the **Issuance Date**).

1. DESCRIPTION OF THE OPERATION

The issuance of Warrants fits into a potential financing sought by the Company. Indeed, the Company is currently considering a few routes for financing including one involving a private placement to be subscribed by certain subscribers, current shareholders and third party investors. This private placement would be made for a fixed price, without discount nor recourse to the Accelerated Bookbuilding procedure.

The Board of Directors contemplates to allow each subscriber to this private placement to receive Warrants. Each new share subscribed in the context of this operation will allow the subscriber concerned to receive two Warrants.

The Warrants will enable their holders to eventually subscribe to new shares to be issued and under the same rights as for the existing shares.

In practical terms, the general meeting will be proposed to approve the joint issuance for a maximum of 3.000.000 new shares and 6.000.000 Warrants, with a proxy granted to the Board of Directors in order to organise the subscription in accordance with the modalities decided by the extraordinary general meeting.

The purpose as well as the terms and conditions of the Warrants are explained below.

2. ISSUANCE OF WARRANTS

A. Purpose

In case the contemplated financing is implemented, a number of Warrants will be allotted to each subscriber to new shares.

This allotment of Warrants would constitute a measure aiming at encouraging a substantial subscription to the new shares by the investors concerned, the latter ones being likely to raise the amount of their investment provided that they can rely on a future exercise of the Warrants whenever their price would be greater than their exercise price.

As explained below, the subscription price for new shares as well as the exercise price for the Warrants will correspond to the average closing share price over the last 30 days before the Issuance Date.

The eventual exercise of the Warrants will provide additional capital in the future whenever most needed by the Company.

The Board of Directors seeks to raise about 12.000.000 euros for the subscription to new shares before the end of the year 2017 in order to ensure the financing of business as envisioned, namely the development of products relating to indications in house dust mites and food allergies (including groundnut allergies), next to the preparation of the phase III study of gpASIT^{+TM}.

The first due date of the Warrant, *i.e.* in June 2018, will match the timeline when a second financing will be required so that the financing of the phase III study of gpASIT^{+TM} can be anticipated. The Board of Directors aims at raising funds similar in value as to the ones to be obtained for the subscription to new shares, that is to say around 12.000.000 euros, upon the exercise of Warrants 1 and Warrants 2.

B. Modalities and conditions of the Warrants

The Warrants would be issued by the extraordinary general meeting, with a proxy granted to the Board of Directors in order to organise the subscription in accordance with the modalities decided by the extraordinary general meeting.

The characteristics of the Warrants can be summed up as follows (without prejudice to any additional provision that could be determined by the general meeting or in the context of a subscription agreement):

- Each subscriber to a share, to be jointly issued with the Warrants through a decision of the extraordinary general meeting, will be granted two Warrants at no cost, numbered 1 and 2;
- Each subscription will be made for a minimum amount of 100.000 EUR per subscriber;
- The Warrants 1 will have a limited period of validity that shall expire automatically on 30 June 2018. Beyond this period, any non-exercised Warrant 1 will lapse and will no longer be exercisable;
- The Warrants 2 will have a limited period of validity that shall expire automatically on 31 December 2019. Beyond this period, any non-exercised Warrant 2 will lapse and will no longer be exercisable;
- The exercise of a Warrant (1 or 2) will give the right to subscribe to a new share under the same rights as for the existing shares;
- The exercise of a Warrant 2 can only take place provided that any Warrant 1 jointly subscribed with the Warrant 2 concerned be exercised first;
- The possible exercise of all of the Warrants 1 before 30 June 2018 will lead to the issuance of 3.000.000 new shares;
- The possible exercise of all of the Warrants 2 before 31 December 2019 will lead to the issuance of 3.000.000 new shares;
- The exercise price of each Warrant will be based on the average price of the share over the last 30 calendar days before the Issuance Date (the closing share price only will be regarded for the purpose of this average). In other words, each subscription to new shares following the exercise of a Warrant will be made for a price per share corresponding to the average over the last 30 days before the Issuance Date;
- The exercise of a Warrant exhausts its rights, that is to say that where a Warrant is exercised it will no longer be exercisable in the future;
- Each Warrant is non-transferable. This restriction to transferability does not apply to (i) sales/transfers to successors in title or any other transferee in case of death of a natural person or in case of liquidation, reorganisation, merger, demerger, sale or transfer of business or sale or transfer of all assets and liabilities from or by a legal person, (ii) sales/transfers to tied persons in the meaning of Article 5 *et seq*. of the Companies Code. The Warrants received by authorised transferees will also be made non-transferable;

- The Warrants will be nominative and will remain so until their exercise, expiry or cancelation. They will be recorded in a register established to that effect;

- Without prejudice to the above, each Warrants holder will be entitled to exercise all or part of its Warrants, in one or more occasions. For the sake of cost limitation, a Warrants holder will however not be able to exercise less than 20.000 Warrants at once;

- The exercise of Warrants will occur by means of a notification to send by registered mail and email to the following address: ASIT biotech SA, Attn. Grégory Nihon, 5 avenue Ariane, 1200 Brussels and gregory.nihon@biotech.be;

- The exercise price of Warrants will be paid on a blocked bank account opened under the name of the Company (information will follow later);

- The exercise of Warrants will be noted by the Company within 20 calendar days as from the payment of the exercise price;

- The Company expressly reserves the right to carry out any operation impacting the share capital or the shares of the Company, including capital increase by contribution in cash or in kind, merger, demerger and transfers of business or all assets and liabilities, conversion of reserves into capital with or without issuance of new shares, issuance of convertible bonds or warrants, pegged or not pegged to bonds, capital decrease, distribution of dividends in the form of shares and amendment to the provisions of the Company's articles of association on the allotment of profits or liquidation surplus, provided that these operations are carried out in the interest of the Company, in accordance with the Companies Code and without prejudice to the rights of Warrants holders.

C. Accounting treatment

The accounting treatment by the Company for the Warrants in the light of IFRS standards can be summarised as follows.

With regard to IAS 32 standard "*Financial Instruments – Presentations*" and more specifically subsection 22, the issuance of Warrants as described above qualifies as an issuance of a capital instrument of the Company. Indeed, should they be exercised, an obligation for the Company will result therefrom and oblige the latter to issue a fixed number of shares against a predetermined and fixed amount. As a result, no financial liability or financial asset will be accounted for by the Company upon the issuance of Warrants.

3. CONCLUSION

In view of the foregoing, the Board of Directors is of the opinion that que issuance of Warrants is compliant with the interest of the Company given that such an issuance is made in the context of realisation of a financing that will enable the Company to bolster and fund (i) its growth and (ii) the research and development of its technology as well as to address the needs in working capital and cash-flow thanks to the availability of new capital.

For the Board of Directors :

Thierry Legon
CEO

E. van der [illegible].
CFO