

EXPLANATORY NOTE: ORDINARY AND EXTRAORDINARY GENERAL MEETING – MAY 16th 2019

This note was drawn up in application of article 533bis, §2, d) of the Belgian Companies Code and contains explanations on some of the items listed on the agenda of the General Shareholders' Meeting.

For more information on the General Shareholders' Meeting and the applicable formalities, we refer you to the text of the convening notice which can be found on Mithra Pharmaceutical's website (www.mithra.com).

a) Ordinary General Meeting of Shareholders

Item 1: Review of the annual report 2018 including the management report 2018

Comment: The Board of Directors has first drawn up an annual report, including the consolidated management report on the financial year 2018's operations in which all legally prescribed mentions have been addressed (provision 119 of the Companies Code).

The Board of Directors has, then, drafted the statutory management report as prescribed by provisions 95 and following of the Companies Code on the activities of Mithra Pharmaceuticals SA related to the financial year 2018.

This item is for information purposes only and does not require a decision.

Item 2: Review of the consolidated accounts closed on the 31 December 2018

Comment: In accordance with Articles 118 and 120 of the Companies Code, the consolidated financial statements are prepared by the Board of Directors and communicated to the General Meeting. In accordance with Article 114 §3 of the Royal Decree of 30 January 2001 implementing the Companies Code, they are prepared applying the IAS / IFRS accounting standards adopted by the European Union.

The Companies Code requires that the General Shareholders' Meeting approves by a separate vote each year the annual accounts as well as distribution of earnings and setting of the dividend if any.

This item is for information purposes only and does not require a decision.

Item 3 and 4: Review and approval of the non-consolidated annual accounts closed on the 31 December 2018 and allocation of results relating to the financial year ended 31 December 2018

Comment: In accordance with Articles 118 and 120 of the Companies Code, the consolidated financial statements are prepared by the Board of Directors and communicated to the General Meeting. In accordance with Article 114 §3 of the Royal Decree of 30 January 2001 implementing the Companies Code, they are prepared applying the IAS / IFRS accounting standards adopted by the European Union.

The Companies Code requires that the General Shareholders' Meeting approves by a separate vote each year the annual accounts as well as distribution of earnings and setting of the dividend if any.

It is proposed that the General Meeting approves the annual accounts for the financial year ended December 31st, 2018, including the proposal to carry the losses forward.

Item 5: Review of the statutory auditor's report related to the annual accounts closed on the 31 December 2018

Comment: This report is prepared in accordance with Articles 143 and 144 of the Companies Code. The Statutory Auditor has submitted his report without reservation

This item is for information purposes only and does not require a decision.

Item 6: Review and approval of the remuneration report closed on the 31st of December 2018

Comment: The Companies Code requires that the General Shareholders' Meeting approves the remuneration report each year by a separate vote. This report describes, among other things, the compensation policy for non-executive Board members, the CEO and the other members of the Executive Management Team, and provides information regarding their compensation.

It is proposed to approve the remuneration report.

Item 7: Proposal to grant discharge to the directors for the financial year closed on 31 December 2018

Comment: The Companies Code requires that the General Shareholders' Meeting approves by a separate vote each year the annual accounts as well as distribution of earnings and setting of the dividend.

It is proposed that the General Meeting grants discharge to all the Directors for the performance of their respective mandate during the financial year ended December 31st, 2018.

Item 8: Proposal to grant discharge to the statutory auditor

Comment: The Companies Code requires that the General Shareholders' Meeting, after approval of the annual accounts, grants by special vote discharge of liability to the Statutory Auditor

It is proposed that the General Meeting grants discharge to the Statutory Auditor for the performance of his mandate during the financial year ended December 31st, 2018.

Item 9: Renewal of the Directors' mandate and appointment of new Directors

Comment: In accordance with Article 518, §2 of the Companies Code, the General Meeting appoints the directors. The Company Code provides that their term of office may not exceed six years and the Company's articles of association provide for a four-year term.

It is proposed to appoint the directors in accordance with the details set out in the notice convening the General Meeting and for a further period of two (2) years.

b) Extraordinary General Meeting of Shareholders

Item 10: Authorized capital

- i) Acknowledgment of the special report drawn up by the Board of Directors concerning the renewal of Board's powers to increase the Company's share capital established in accordance with Article 604 of the Companies Code;
- ii) General power granted to the Board of Directors to increase the Company's share capital;
- iii) Specific authorization of the Board of Directors to increase the Company's share capital;

Comment: This item concerns the communication and discussion of the special report of the Board of Directors prepared in accordance with article 604 of the Belgian Companies Code and relating to the proposal to renew the powers granted to the Board of Directors to increase the share capital of the Company within the framework of the authorized capital. The Board of Directors has detailed in this report the circumstances under which the Board of Directors may use its powers within the framework of the authorized capital, as well as the objectives it will pursue. A copy of this document is available on the Company's website and at its registered office, as indicated in the notice convening the General Meeting.

The Board of Directors then proposes to the General Meeting to authorize it to increase the capital of the company by a maximum amount of EUR 17,594,657.00, in accordance with the strict conditions of Article 603 of the Company Code.

The General Meeting is also asked to give this authorization in accordance with Article 607 of the Companies Code, even after receipt by the Company of the communication made by " l'Autorité des services et marchés financiers » pursuant to which the Company has been seized of a public takeover bid. These two authorizations are requested for a period of three (3) years. The General Meeting shall also authorize the Board of Directors to make the subsequent amendments to the articles of association.

It is proposed that the General Meeting approves this proposal as detailed in the convening notice

Item 11: Change of control provisions – art. 556 Belgian Companies Code

Comment: In accordance with Article 556 of the Company Code, the General Meeting is sole competent to decide on change of control clauses whereby third parties are granted rights affecting the assets of the company or causing a debt or an undertaking for the company, whenever the exercise of such rights depends on the launch of a public takeover bid on the shares of the company or a change of control thereof.

It is proposed that the General Meeting approves this proposal as detailed in the convening notice

Item 12: Information of shareholders about Mithra Group future restructuring

Comment: For its perfect information, a presentation will be made to the General Meeting concerning Mithra Group future restructuring.
