

## EXPLANATORY NOTE: EXTRAORDINARY GENERAL MEETING – NOVEMBER 29<sup>th</sup> 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](http://www.mithra.com))

### **Item 1: Authorized capital**

- i) Review 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.
- iv) Authorization of the Board of Directors to amend the articles of association to take into account Company's share capital increases;

### 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.

This proposal follows the initial proposal which was submitted to the ordinary shareholders' meeting dated 16 May 2019, which was never submitted as a whole to the approval of the ordinary shareholder's meeting due to a mistake, which was completely outside our control, which was made in the convening notice shared with the concerned people.

In this context, the Board of Directors then proposes to the General Meeting grant them the authorization to increase the capital of the company by a maximum amount of EUR 17,597,657.00, 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 605 of the Companies Code, to increase the share capital of the Company with cancellation or limitation of the preferential subscription rights of the existing shareholders, including for the benefit of one or more specific persons who are not employees of the company or of its subsidiaries and by incorporation of reserves.

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 2: Approval of the change of control provisions**

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.

The Company has entered into an agreement dated 30 September 2019 with the former owners of Uteron Pharma and relating to the remaining payment obligations that Mithra has under the current "earnout agreement". Under the terms of this agreement, any outstanding amount shall become immediately and fully payable early in case of Change of Control over Mithra or in case of transaction relating to substantial part of Estelle related assets and its intellectual property.

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

#### **Item 3 and 4: Early opt-in under the Belgian Code on Companies and Associations**

Comment: In accordance with 39, §1, second paragraph, of the law of March 23, 2019 introducing the Belgian Code on Companies and Associations and containing various provisions and amendments to the articles of association with a view to bring them in line with the Belgian Code on Companies and Associations from the date of publication in the Belgian Official Gazette of the decision of the Extraordinary shareholders meeting. At the time of this early opt-in, the Company implements certain options offered by the new law, without implementing strategic choices at this stage. Indeed, the Board of Directors wishes to have a more complete perspective of the application of the law and its consequences in order to decide how to implement the strategic points.

It's also proposed that the General Meeting gives to the Notary the task of drawing up and signing the coordination of the articles of association, in accordance with the previous decision and ensuring that it's placed in the Company's file.

**Item 5: Decision on the address of the head office**

Comment: In accordance with the law of 23 March 2019 introducing the Companies and Associations Code and laying down various provisions, the registered office may be amended by the sole decision of the Board of Directors, without any amendment to the Articles of Association, provided that the address of this registered office is not expressly mentioned in the Articles of Association.

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