

EXPLANATORY NOTE: EXTRAORDINARY GENERAL MEETING – JULY 22nd 2020

This note was drawn up in application of article 7:129, §2 of the Belgian Code on Companies and Associations ("CCA") and contains explanations on some of the items listed on the agenda of the Meeting.

For more information on the 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).

Item 1: Submission of reports

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

Item 2: Proposal to issue 690,000 LDA Warrants to LDA

Comment: as per the agreement dated 24 April 2020, LDA Capital has agreed to commit an amount of up to EUR 50 million in cash within a maximum of three years in exchange for new ordinary shares in Mithra. This capital commitment will be released based on drawdowns by Mithra in the form of put options that Mithra has the right to exercise at its sole discretion. As part of the capital commitment agreement, LDA Capital is also entitled to receive warrants for up to 690,000 new ordinary shares of Mithra at an exercise price of EUR 27 per ordinary share (subject to customary adjustments). The warrants will have a term of three years and will be immediately exercisable pro rata to the number of new ordinary shares subscribed for by LDA Capital pursuant to the capital commitment. So, for example, if under the first drawing LDA Capital subscribed for the equivalent of EUR 5 million of Mithra shares, it would be entitled to exercise 69,000 warrants (being $5/50 * 690,000$). LDA will be entitled to exercise its warrants upon expiry of the term of three years.

It is proposed to approve the issuance of 690.000 Warrants to LDA.

Item 3: Proposal to issue 300,000 Class A Share Lending Warrants to François Fornieri

Preliminary comment: The Put Option Agreement provides that when the Company exercises its put option, the share lending shareholders (François Fornieri, item 3; Alychlo NV, item 4 and Noshag SA, item 5) are to lend to LDA Capital a number of existing shares covering the amount of the put option. This share lending is to allow LDA Capital to hedge its risks against the amount that it has to pay-up pursuant to the exercise of the put option. In total, it is an aggregate amount of 300.000 warrants that Mithra intends to grant to the share lending shareholders (and not an amount of 300.000 warrants to each of them).

Comment: in consideration of the risk taken by François Fornieri in consideration of the share lending and the temporary unavailability of its shares, Mithra intends to grant to François Fornieri a number of subscription rights, exercisable for a maximum number of 300,000 new shares of Mithra, at an exercise price of EUR 27.00 per ordinary share (subject to customary adjustments). It is proposed to approve issuance of 300.000 Class A Share Lending Warrants to François Fornieri.

Item 4: Proposal to issue 300,000 Class B Share Lending Warrants to Alychlo NV

Comment: in consideration of the risk taken by Alychlo NV in consideration of the share lending and the temporary unavailability of its shares, Mithra intends to grant to Alychlo NV a number of subscription rights, exercisable for a maximum number of 300,000 new shares of Mithra, at an exercise price of EUR 27.00 per ordinary share (subject to customary adjustments). It is proposed to approve issuance of 300.000 Class B Share Lending Warrants to Alychlo NV.

Item 5: Proposal to issue 300,000 Class C Share Lending Warrants to Noshag SA

Comment: in consideration of the risk taken by Noshag SA in consideration of the share lending and the temporary unavailability of its shares, Mithra intends to grant to Noshag SA a number of subscription rights, exercisable for a maximum number of 300,000 new shares of Mithra, at an exercise price of EUR 27.00 per ordinary share (subject to customary adjustments). It is proposed to approve issuance of 300.000 Class C Share Lending Warrants to Noshag SA.

Item 6: Approval in accordance with article 7:151 of the Belgian Companies and Associations Code

Comment: In accordance with Article 7:151 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 meeting approves this proposal as detailed in the convening notice.
