

Translation for information purpose

**EXPLANATORY NOTE:
ORDINARY AND EXTRAORDINARY GENERAL MEETING
MAY 20th 2021**

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 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 2020 including the management report 2020;

Comment: The Board of Directors has first drawn up an annual report, including the consolidated management report on the financial year 2020's operations in which all legally prescribed mentions have been addressed (provision 3:32 CCA). The Board of Directors has, then, drafted the statutory management report as prescribed by provisions 3:5 and following of the CCA on the activities of Mithra Pharmaceuticals SA related to the financial year 2020.

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 2020;

Comment: In accordance with Articles 3:31 and 3:35 of the CCA, the consolidated financial statements are prepared by the Board of Directors and communicated to the General Meeting. They are prepared applying the IAS / IFRS accounting standards adopted by the European Union.

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

Item 3: Review of the statutory auditor's report related to the annual accounts closed on the 31 December 2020;

Comment: This report is prepared in accordance with Articles 3:74 and 3:75 of the CCA. The Statutory Auditor has submitted his report without reservation

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

Item 4 and 5: Review and approval of the non-consolidated annual accounts closed on the 31 December 2020 and allocation of results relating to the financial year ended 31 December 2020;

Comment: In accordance with Articles 3:31 and 3:35 of the CCA, the consolidated financial statements are prepared by the Board of Directors and communicated to the General Meeting. They are prepared applying the IAS / IFRS accounting standards adopted by the European Union.

The CCA 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, 2020, including the proposal to carry the losses forward.

Item 6: Review and approval of the remuneration report closed on the 31st of December 2020;

Comment: The CCA requires that the General Shareholders' Meeting approves the remuneration report each year by a separate vote. This report describes, among other things and in accordance with article 3:6, §3 paragraph 2 of the CCA, the remuneration policy for the members of the Board of Directors and the members of the Executive Management Team and provides information regarding their remuneration. Compared to last year, the format and content of the remuneration report have been adapted to comply with the new requirements of the law of April 28, 2020 transposing the Directive on the promotion of the long-term involvement of shareholders (SRDII) into Belgian law and amending article 3:6, §3 of the CCA.

It is proposed to approve the remuneration report. The vote of the General Assembly on this item will be an advisory vote

Item 7: Proposal to grant a discharge of liability in favor of the statutory auditor;

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

It is proposed that the General Meeting grants discharge of liability to the Statutory Auditor for the performance of his mandate during the financial year ended 31 December 2020.

Item 8: Proposal to grant discharge of liability in favor of the directors for the financial year closed on 31 December 2020, including directors who resigned during the 2020 financial year;

Comment: Pursuant the CCA, the General Shareholders' Meeting, after approval of the annual accounts, votes by a separate vote on the discharge of liability of the directors.

It is proposed that the General Meeting grants discharge of liability to all the Directors for the performance of their respective mandate during the financial year ended December 31st, 2020.

Item 9, 10, 11, 12 and 13: Renewal of the Directors' mandate and appointment of new Directors;

Comment: In accordance with article 518, §2 of the CCA, the General Meeting appoints the directors upon recommendation of the Nomination and Remuneration Committee. The CCA provides that the term of their mandate may not exceed six years and the Articles of Association of the Company provide for a mandate of 4 years.

It is proposed to renew and/ or to appoint the directors in accordance with the details appearing in the invitation to the General Meeting and for a new term of two (2) years.

Subject to the abovementioned appointments and renewals by the General Meeting, the Board and its special committees will continue to be composed of a majority of independent directors. If all the above mandates are approved by the General Meeting 2021, the total number of Board members will increase from 8 to 10 members. Out of the 10 members, 6 members will be independent. The Board will also be composed of 5 women out of 10 members (50%), which is in compliance with the gender diversity requirement of Article 7:86 of the BCCA.

The curriculum vitae, information on other Board mandates and skills of these directors are available on the internet site of the Company.

Item 14: Renewal of the statutory auditor's mandate;

Comment: In accordance with the Companies Code, the General Meeting must decide at the end of the statutory auditor's mandate on the renewal of the latter for a new period of three years. It is proposed to the General Assembly on the basis of the recommendations of the Audit Committee and the Board of directors to renew the mandate of the statutory auditor for a further period of 3 years (until the annual general meeting which shall opine on the consolidated and non-consolidated accounts closed on the 31 December 2023) and to vote favorably on the amount of its fees.

At the end of this mandate, by application of the Belgian and European rules applicable to external auditors, BDO will no longer be eligible as Statutory Auditor without a fair selection procedure. As a result, in order to be compliant with the independence rules applicable to the appointment of a new Statutory Auditor and in accordance with the applicable European Regulation and the Companies and the BCCA, the Company will conduct a process to select a new Statutory Auditor for the audit mandate starting immediately after the 2023 General Meeting. The Risk and Audit Committee will be overall responsible for this selection process.

Item 15: Approval of the remuneration policy;

Comment: The new Belgian Corporate Governance Code 2020 (the "2020 Code") and the new provisions of the BCCA implementing SRD II require the Company to establish a remuneration policy and to submit such policy or any important change thereto to the approval of the General Meeting.

Mithra SA's remuneration policy will be approved for the first time by the annual General Meeting of 20 May 2021. For more details on these proposed changes, please refer to the Remuneration Report available on the Company website.

Item 16: Approval of a change of control provision in accordance with Article 7: 151 of the Companies and Associations Code;

Comment: In accordance with article 7: 151 of the BCCA, the General Meeting is solely competent to approve on change of control clauses whereby third parties are granted rights having a substantial influence on the assets of the Company or causing a substantial debt or undertaking for the Company, if 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.

On December 17, 2020, the Company issued 4.250 percent convertible bonds for a total principal amount of EUR 125 million. The terms and conditions of the convertible bonds (the "**Conditions**") can be found on the Company's website. Conditions 5(b)(x) and 6(d) of the convertible bonds provide that in the event of a change of control of the Company, (i) the conversion price of the convertible bonds will be adjusted in proportion to the time already elapsed since the closing date (i.e., December 17, 2020) and (ii) the bondholders will be entitled to request early redemption of their convertible bonds at the principal amount thereof, together with accrued and unpaid interest. For further information on the issuance of the convertible bonds, reference is made to the report of the Board of Directors of the Company prepared in accordance with article 7:198 juncto articles 7:180 and 7:191 of the Companies and Associations Code, which can be found on the Company's website (www.mithra.com).

b) Extraordinary General Meeting of Shareholders

Item 1: Review of the special report drawn up by the Board of Directors in accordance with article 7:199 of the Companies and Associations Code relating to the proposal to renew the authorized capital;

Comment: This item concerns the communication and discussion of the special report of the Board of Directors prepared in accordance with Article 7:199 of the BCCA and related to the proposal to renew the authorization of the Board of Directors to increase the Company's capital within the framework of the authorized capital. The Board of Directors has detailed in this report the circumstances in which the Board of Directors will be able to 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 invitation to the General Meeting.

Item 2 and 3: Renewal of the general and specific powers granted to the Board of Directors to increase the Company's share capital;

Comment: The Board of Directors then proposes that the Shareholders' Meeting renew the authorization to the Board of Directors to increase the capital of the Company within the framework of the authorized capital by a maximum amount equal to 100% of the amount of the Company's capital for a period of five (5) years, in accordance with and under the strict conditions set by law.

The Shareholders' Meeting is also asked to grant this authorization in the specific event that the Company receives notice from the FSMA of a public takeover bid for the Company. This authorization is sought for a period of three (3) years. The Meeting will also have to authorize the Board of Directors to make the subsequent amendments to the Articles of Association.
