MITHRA PHARMACEUTICALS
Limited Liability Company

Rue Saint-Georges 5
4000 Liège
Belgium

Registered with the Register of Legal Persons
VAT BE 0466.526.646 (RLP Liège, division Liège)

REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 7:179 AND 7:197 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

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1. INTRODUCTION

This report has been prepared by the board of directors of Mithra Pharmaceuticals SA (the "**Company**"), in accordance with articles 7:179 and 7:197 of the Belgian Companies and Associations Code of 23 March 2019 (as amended from time to time) (the "**Belgian Companies and Associations Code**").

The report relates to the proposal of the board of directors to increase the Company's share capital, in one or more transactions, with a maximum amount of EUR 105,000,000.00 (including issue premium) (the "**Maximum Amount**"), in one or more transactions, by contributions in kind of Receivables (as defined below), owed by the Company and the issue of new shares, the maximum number and issue price of which remain to be determined.

The capital increase is intended to take place in the framework of (i) the amended and restated Senior Secured Convertible Facilities Agreement entered into on 20 June 2023 between the Company and funds managed by Highbridge Capital Management LLC (collectively, "**Highbridge**"), funds managed by Whitebox Advisors LLC (collectively, "**Whitebox**", and together with Highbridge, each a "**Lender**"), Kroll Agency Services Limited and Kroll Trustee Services Limited, as amended on 23 August 2023 by the letter of consent (the "**Amendment**") signed by the Company, the Lenders, Kroll Agency Services Limited and Kroll Trustee Services Limited (the "**Amended Convertible Loans Agreement**"), and (ii) the amended and restated Conversion Agreement entered into on 20 June 2023 between the Company, the Lenders, and Kroll Agency Services Limited, as amended on 23 August 2023 by the Amendment (the "**Amended Conversion Agreement**"). The Amended Convertible Loans Agreement and the Amended Conversion Agreement (as adjusted or amended from time to time), are collectively referred to in this report as the "**Amended Agreements**".

The Amended Convertible Loans Agreement and the Amended Conversion Agreement, respectively, amend and restate the original Senior Secured Convertible Facilities Agreement entered into on 8 August 2022 by and between the Company, the Lenders, Kroll Agency Services Limited and Kroll Trustee Services Limited (the "**Initial Convertible Loans Agreement**") and the original Conversion Agreement entered into on 8 August 2022 by and between the Company, the Lenders, and Kroll Agency Services Limited (the "**Initial Conversion Agreement**", and together with the Initial Convertible Loans Agreement, the "**Previous Agreements**"), as contemplated by several amendment letters, with the latest dated on 16 June 2023 (the "**Amendment Letters**"), the amendment and restatement agreements entered into on 20 June 2023 by and between the Company and certain agents (the "**Amendment and Restatement Agreements**") and the Amendment, and as publicly announced by the Company on 25 May 2023, 21 June 2023 and 24 August 2023 respectively. The Amendment was entered into on 23 August 2023, within the framework of the private placement of 10,000,000 shares of the Company with Armistice Capital Master Fund Ltd. ("**Armistice**"), for a total subscription price of EUR 20,000,000.00, announced on 24 August 2023 and completed by the Company on 28 August 2023.

Pursuant to the Previous Agreements, as amended and restated by the Amended Agreements, among other things and as further described below, the Lenders have agreed to provide, for a period of 3 years from 8 August 2022, a financing by loans convertible in shares to the Company for a maximum aggregate principal amount of EUR 100,000,000.00 (the "**Total Commitment**"), divided in several tranches (certain drawdowns subject to the fulfilment of certain conditions), with an outstanding amount at any time not greater than EUR 75,000,000.00, the loans bearing interest in principle at 13% per year.

Under the Amended Agreements, certain receivables that are or could be owed by the Company under the Amended Convertible Loans Agreement and/or the Amended Conversion Agreement, as a principal, interest, Option Prepayment Amount (as defined below), Commitment Fee (as defined below, and to the extent still due) or otherwise (as contemplated in the Amended Convertible Loans Agreement and the Amended Conversion Agreement, as amended from time to time) (the "**Receivables**") will be convertible into new shares of the Company. The transaction as contemplated in the Amended Convertible Loans Agreement and the Amended Conversion Agreement is referred to in this report as the "**Transaction**".

Taking into account the amendments to the Previous Agreements, the board of directors proposes, insofar as necessary and applicable, to renew the decisions to increase the Company's share capital relating to the Previous Agreements.

In accordance with article 7:179 of the Belgian Companies and Associations Code, the board of directors provides in this report a justification of the proposed Transaction, including a justification of the proposed issue prices, the new share issuance and a description of the consequences of the proposed Transaction for the financial and shareholder rights of the shareholders of the Company.

In accordance with article 7:197 of the Belgian Companies and Associations Code, the board of directors also provides in this report an explanation of why the proposed contributions in kind are in the interest of the Company, a description of the contributions in kind, a motivated valuation of the contributions in kind, and the consideration for the proposed contributions in kind.

This report should be read together with the report prepared in accordance with articles 7:179, and 7:197 of the Belgian Companies and Associations Code by the Company's statutory auditor, BDO Réviseurs d'entreprises SRL, a limited liability company organised and existing under the laws of Belgium, with registered office at Rue Waucomont 51, 4651, Battice, Belgium, represented by Mr. Christophe Pelzer, of which the auditor's report is attached to this report.

2. PROPOSED TRANSACTION

2.1. Context

The Amended Agreements, amend and restate, respectively, the Previous Agreements, as contemplated by the Amendment Letters, the Amendment and Restatement Agreements and the Amendment, and as publicly announced by the Company on 25 May 2023, 21 June 2023 and 24 August 2023.

Highbridge and Whitebox are existing investors in the Company.

Founded in 1992, Highbridge is an international alternative investment group offering credit and volatility solutions across a range of liquidity and investment profiles, including hedge funds, drawdown vehicles and co-investments. In 2004, Highbridge entered into a strategic partnership with J.P.Morgan. Highbridge is headquartered in New York, with a research presence in London.

Founded in 1999, Whitebox is a multi-strategy alternative asset manager that seeks to generate optimal risk-adjusted returns for a diversified base of public institutions, private entities and qualified individuals. Whitebox invests in a variety of asset classes, geographies and markets through hedge funds and institutional accounts that it advises. Whitebox has offices in Minneapolis, Austin, New York, London and Sydney.

The board of directors notes that the terms and conditions of the Amended Agreements (including the amendments contained therein to the Previous Agreements) are the result of objective and independent negotiations between the Company and the Lenders. The Lenders are not related to the Company's management or board of directors.

The amendments of 25 May 2023 and 21 June 2023 to the Previous Agreements are in addition to the subscription by the Lenders of 1,136,364 new shares at an issue price per new share of EUR 2.20 for a total subscription price of EUR 2,500,000.80 (including issue premium), issued by the Company on 25 May 2023 pursuant to a capital increase in cash under the authorised capital, with cancellation of the preferential subscription right of the Company's existing shareholders and, insofar as necessary, of the current holders of share options and/or convertible bonds of the Company, in favour of the Lenders.

On 20 June 2023, the Amendment and Restatement Agreements have been concluded, consisting of the "amendment and restatement agreement" (regarding the Initial Convertible Loans Agreement) (between the Company, Kroll Agency Services Limited and Kroll Trustee Services Limited) and the "amendment and restatement agreement" (regarding the Initial Conversion Agreement) (between the Company and Kroll Trustee Services Limited).

Following the signature of the Amendment and Restatement Agreements, Tranche C1 was drawn down in June 2023 for a principal amount of EUR 12,500,000.00, the principal amount concerned having not yet been repaid (in cash or in shares by the Company).

On 21 June 2023, the board of directors resolved, within the framework of the authorised capital, to increase the Company's capital by a maximum amount of EUR 19.0 million (excluding issue premium, if any) (the "**Board Resolution**"), in one or more transactions, by contributions in kind of Receivables owed by the Company under the Amended Agreements and the issue of new shares, the maximum number and issue price of which are still to be determined. As the authorised capital of the Company may not be sufficient to allow a settlement in shares of the Total Commitment, the interests to the Commitment Fee and, if applicable, the Option Prepayment Amounts, as provided for in the loan facility, the Company has undertaken to convene an extraordinary general shareholders' meeting to approve the issue of new shares as provided for in the Agreements in order to convert the Receivables.

On 23 August 2023, the Company entered into a subscription agreement (the "**Subscription Agreement**") with Armistice, pursuant to which Armistice subscribed, on 28 August 2023, for 10,000,000 new shares, at an issue price of EUR 2.00 per new share, for a total subscription price of EUR 20,000,000.00 (including issue premium), issued by the Company pursuant to a capital increase in cash within the framework of the authorised capital (the "**Private Placement**"). As part of, and in order to be able to proceed with, the Private Placement, pursuant to the Subscription Agreement, the Company has also undertaken towards Armistice to issue (i) 10,000,000 new subscription rights for shares of the Company, with a term of 5 years and an exercise price of EUR 2.25, in favour of Armistice (the "**Warrants**"), and (ii) 10,000,000 new subscription rights for shares of the Company, with a term of 18 months and an exercise price of EUR 2.25, in favour of Armistice (the "**Investment Options**"). The issuance of the Warrants and the Investment Options will be subject to the approval of an extraordinary general shareholders' meeting of the Company. In order to proceed with the Private Placement, the Company was required to obtain certain consents and waivers in relation to the terms and conditions of the Private Placement from the Lenders. Among other conditions to their consent, the Lenders required the execution of the Amendment. These modifications to the Previous Agreements include, among other things, (i) the downward adjustment of the conversion price applicable to the tranches already drawn under the Previous Agreements (as provided for in the Amendment), and (ii) the increase of the applicable interest rate (as provided for in the Amendment).

On the basis of the chronology described above, the main modifications referred to above in relation to the Previous Agreements publicly announced by the Company on 25 May 2023, 21 June 2023 and 24 August 2023 can be summarised as follows (for information purposes):

(a) the amendments to the terms of the loan facility concerning the first tranche of EUR 50,000,000.00 (which has been drawn in 2022 and partially repaid in shares by the Company in the context of the capital increases) ("**Tranche A**") and the second tranche of EUR 25,000,000.00 (which has been drawn in 2022 and partially repaid in shares by the Company in the context of the capital increases) ("**Tranche B**") concern, among others:

   (i) the increase in interests on loans from 7.5% per year to 13% per year (it being understood that prior to the Amendment the rate applicable to Tranche A and Tranche B was 8% per year, the interest rate having been increased to 13% pursuant to the Amendment);

   (ii) the amendment of the conversion price of the principal amounts of the loans under Tranche A and Tranche B from a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a certain determined reference price (*i.e.* EUR 6.07 for Tranche A and EUR 4.2705 for Tranche B), to a price per share of EUR 2.25 (i.e. the respective exercise price of the Warrants and Investment Options), which reflects a 25% premium compared to a reference price of EUR 1.80, but subject to certain adjustments in case of dilutive or change of control events (it being understood that prior to the Amendment the exercise price per share was EUR 2.75, the exercise price per share having been adjusted downwards pursuant to the Amendment); and

   (iii) the amendment of the conversion price of the interest amounts or the Option Prepayment Amounts under Tranche A and Tranche B from a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a certain determined reference price (*i.e.* EUR 6.07 for Tranche A and EUR 4.2705 for Tranche B), to a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a reference price of EUR 1.80, but subject to certain adjustments in case of dilutive or change of control events (it being understood that prior to the conclusion of the Amendment the reference price was EUR 2.20, the reference price having been adjusted downwards pursuant to the Amendment) ;

(iv) the mandatory anticipated reimbursement of certain amounts under Tranche A following the closing of certain transactions or events.

(b) the amendments to the terms of the loan facility concerning the third tranche of EUR 25,000,000.00 (which has been partially drawn down for a principal amount of EUR 12,500,000.00) in June 2023 (i.e., the Tranche C1) ("**Tranche C**"):

(i) the amendment of the drawdown conditions in such a way that there will be (i) accelerated access to an amount of EUR 12,500,000 under Tranche C ("**Tranche C1**"), which has been drawn down, and (ii) access to the remaining amount of EUR 12,500,000 under Tranche C following the closing of certain transactions or events ("**Tranche C2**");

(ii) the increase in interests on loans under Tranche C from 7.5% per year to 13% per year (it being understood that prior to the conclusion of the Amendment the rate applicable to Tranche C was 9% per year, the interest rate having been increased to 13% pursuant to the Amendment);

(iii) the amendment of the conversion price of the principal amounts of the loans under Tranche C from a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a certain determined reference price (*i.e.* a 30% discount compared to a relevant volume weighted average price of the shares on the 5 trading days preceding the date of the drawdown of Tranche C), to:

- a conversion price of the principal amounts of the loans under Tranche C1 equal to a price per share of EUR 2.25 (i.e. the respective exercise price of the Warrants and Investment Options), which reflects a premium of 25% compared to a reference price of EUR 1.80, but subject to certain adjustments in case of dilutive or change of control events (it being understood that prior to the conclusion of the Amendment the price per share was EUR 2.75, the exercise price per share having been adjusted downwards pursuant to the Amendment); and

- a conversion price of the principal amounts of the loans under Tranche C2 equal to a price per share reflecting a 25% premium compared to the lower of (i) the relevant volume weighted average price of the shares on the 5 trading days preceding the public announcement of the satisfaction of the utilisation conditions of Tranche C2, (ii) the closing price of the existing shares of the Company on the regulated market of Euronext Brussels on the day following the abovementioned public announcement), and (iii) the relevant volume weighted average price of the shares on the 5 trading days preceding the date of a utilisation request for a loan under Tranche C2, but subject to certain adjustments in case of dilutive or change of control events.

(iv) the amendment of the conversion price of the interest amounts or the Option Prepayment Amounts under Tranche C from a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a certain determined reference price, to:

- a conversion price of the interest amounts or the Option Prepayment Amounts under Tranche C1 equal to a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a reference price of EUR 1.80, but subject to certain adjustments in case of dilutive or change of control events (it being understood that prior to the conclusion of the Amendment the reference price was EUR 2.20, the reference price having been adjusted downwards pursuant to the Amendment); and

- a conversion price of the interest amounts or the Option Prepayment Amounts under Tranche C2 equal to a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a reference price of 80% of the conversion price of the principal amounts of the loans under Tranche C2, but subject to certain adjustments in case of dilutive or change of control events.

In addition, within the framework of the Amendment, among others, it has been agreed between the Company and the Lenders that all interests accrued but unpaid by the Company at the date of the Amendment (i.e. 23 August 2023), and which will accrue up to and including 10 November 2023, will be settled by the Company in cash. Within the framework of the Amendment, the Lenders have also agreed to enter into a lock-up agreement pursuant to which the Lenders have undertaken, for a period of 45 days following the Private Placement (i.e. 28 August 2023), provided that the daily VWAP per share on the previous day is less than or equal to EUR 2.25 not to convert into shares any Receivable owed by the Company to the Lenders.

The board of directors notes that, insofar as necessary and applicable, the resolution of the proposed extraordinary general meeting complements and is in addition to the respective resolutions taken by (i) the board of directors on 8 August 2022 in the framework of the authorised capital, and by the extraordinary general meeting of 21 October 2022, to increase the Company's capital in relation to the Previous Agreements, (ii) the abovementioned Board Resolution, and (iii) the decisions of the board of directors taken in the context of the Private Placement to enter into the Amendment (together, the "**Previous Resolutions**"), so that, following approval of the proposed resolution by the extraordinary general meeting, the capital increases by contributions in kind of receivables owed by the Company under the Amended Agreements may, at the choice of the board of directors or a committee, and to the extent necessary and applicable, be effected on the basis of this resolution or the Previous Resolutions.

2.2. Structure of the Transaction

Following, and in accordance with, the modifications described in section 2.1 above, the main terms of the proposed Transaction and the Amended Agreements can be summarised as follows:

(a) Aggregate principal amount: The loan facility has been entered into on 8 August 2022 for an aggregate principal amount of up to EUR 100,000,000.00, divided in several tranches (certain drawdowns subject to the realisation of certain conditions), with a maximum amount outstanding at any time not greater than EUR 75,000,000.00. The Tranche A is for an amount up to EUR 50,000,000.00, the Tranche B is for an amount up to EUR 25,000,000.00, and the Tranche C1 and the Tranche C2 are each for an amount up to EUR 12,500,000.00. The Tranche A has been drawn in August 2022 (following the signing of the Previous Agreements), the Tranche B has been drawn in October 2022, and the Tranche C1 has been drawn in June 2023 following the signature of the Amended Agreements. The loans under Tranche C2 may be drawn following the satisfaction of certain conditions. If, at any time, the outstanding amount under the loans is less than EUR 20,000,000.00 (e.g., as a result of conversion of loans into shares of the Company) and the Company does not meet the conditions to draw Tranche C2 of the loan facility, a mechanism is provided to allow the Company to nevertheless draw additional loans in an amount such that the aggregate amount outstanding under the loan is equal to or less than EUR 20,000,000.00. As of the date of this report, following the drawdown of the Tranche A by the Company in the amount of EUR 50,000,000.00 the drawdown of the Tranche B by the Company in the amount of EUR 25,000,000.00, and the drawdown of the Tranche C1 by the Company in the amount of EUR 12,500,000.00 a total principal amount of EUR 27,139,838.71 has already been repaid in shares by the Company (pursuant to the Previous Resolutions), by contributions in kind by the Lenders of Receivables owed to the Lenders by the Company (as further described below). At the date of this report, there remains EUR 31,076,161.29 as principal amount to be repaid for Tranche A, EUR 16,784,000.00 for Tranche B, and EUR 12,500,000.00 for the Tranche C1.

(b) Interests: The loans will carry in principle an interest of 13% per year, to be paid in arrears quarterly in cash or in kind in Company shares, at the Company's discretion in accordance with the provisions of the Amended Agreements (at a price per share reflecting a 10% discount to a relevant volume weighted average trading price of the Company's shares on the trading day preceding the last day of the interest period). In certain circumstances, the interest may increase up to 18.00% per year. These circumstances relate to the situation where the Company would not have obtained the approval of the competent authorities within a certain determined period of time with respect to a supplement to the prospectus for the admission to listing and trading of the new shares to be issued in the framework of the Transaction on the regulated market of Euronext Brussels (it being understood that this increased rate will cease to apply upon approval of the above prospectus supplement).

(c) Commitment Fee: The Lenders were entitled to receive, *pro rata* the loan drawn by the Company, to a commitment fee (the "**Commitment Fee**") in connection with the Transaction for an aggregate amount as determined in the Amended Agreements, which is settled through the contribution of the Commitment Fee receivable due by the Company, against the issuance of an aggregate of 366,667 freely tradable shares of the Company, at a price per share reflecting a 10% discount to a relevant volume weighted average trading price of the shares of the Company prior to the conclusion of the Previous Agreements. A first portion representing 65% of the Commitment Fee was already paid in shares of the Company at the time of the first drawdown of Tranche A by the Company (i.e., by the issuance of 238,337 new shares). A second portion representing 10% of the Commitment Fee has already been paid in shares of the Company at the time of the second drawdown of the Tranche B by the Company (i.e. by the issuance of 36,667 new shares). The last portion representing 25% of the Commitment Fee was also settled in shares of the Company at the time of the drawdown of Tranche C1 by the Company (i.e., by the issue of 91,663 new shares).

(d) Maturity: The loan facility will have a term of three years as of 8 August 2022, ending on 8 August 2025. All outstanding loans must be repaid on 8 August 2025.

(e) Guarantors: The Company's obligations under the loans shall be guaranteed by the subsidiaries of the Company named to that effect, being Estetra SRL, Mithra Recherche et Développement SA, Novalon SA, and Neuralis SA.

(f) Ranking of the Company's and its subsidiaries' obligations: The Company's obligations under the Amended Agreements and those of the subsidiaries guaranteeing the loans shall constitute senior secured obligations of the Company and such subsidiaries.

(g) Collateral: The loans are secured by security interests in the form of (i) a business pledge on the Company's business assets (*le fonds de commerce de la Société*) and certain of its subsidiaries (depending on the case second in rank to the existing collateral granted in favour of ING Belgium SA/NV and Belfius Bank NV up to an aggregate amount of EUR 16.5 million), specifically including certain elements of intellectual property owned by the Company and its subsidiaries and (ii) a pledge on the shares held by the Company in Estetra SRL, Mithra Recherche et Développement SA, and Novalon SA and on a portion of the shares held by Estetra SRL in Mayne Pharma Group Limited (first ranking).

(h) Conversion for shares at the initiative of the Lenders: The Lenders shall have the right to convert all or part of the outstanding loans (interests included), plus the Option Prepayment Amount (see paragraph 1(k) below), at any time into shares of the Company at the following price per share (in any case, subject to certain adjustments in case of dilutive or change of control events):

(i) For the conversion of the loans under Tranche A, Tranche B and Tranche C1:

(A) For the principal amounts, a price per share of EUR 2.25;

(B) For the interest amounts or the Option Prepayment Amounts, a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a reference price of EUR 1.80;

(ii) For the conversion of the loans under Tranche C2:

(A) For the principal amounts, a price per share reflecting a 25% premium compared to the lower of (i) the relevant volume weighted average price of the shares on the 5 trading days preceding the public announcement of the satisfaction of the utilisation conditions of Tranche C2, (ii) the closing price of the existing shares of the Company on the regulated market of Euronext Brussels on the day following the abovementioned public announcement), and (iii) the relevant volume weighted average price of the shares on the 5 trading days preceding the date of a utilisation request for a loan under Tranche C2;

(B) For the interest amounts or the Option Prepayment Amounts, a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a reference price of 80% of the conversion price of the principal amounts of the loans under Tranche C2.

At the date of this report, the first drawdown of EUR 50,000,000.00 (Tranche A) and the second drawdown of EUR 25,000,000.00 (Tranche B) have already been completed in, respectively, August 2022 and October 2022, and the Lenders have already proceeded with numerous conversions pursuant to the Previous Agreements for a total aggregate amount of EUR 27,139,838.71.

At the date of this report, the third drawdown of EUR 12,500,000.00 (Tranche C2) has already been made in June 2023 (following the signature of the Amended Agreements). The relevant principal amount has not yet been repaid (in cash or in shares by the Company).

Within the framework of the Amendment, the Lenders have agreed to enter into a lock-up agreement under which the Lenders have undertaken, for a period of 45 days following the Private Placement (i.e. 28 August 2023), provided that the daily VWAP per share on the previous day is less than or equal to EUR 2.25 not to convert into shares any Receivable owed by the Company to the Lenders.

(i) Voluntary prepayment in cash: The Company may prepay the loans (including interests), in whole or in part, at any time for cash, at par plus the Option Prepayment Amount.

(j) Conversion for shares at the initiative of the Company: Subject to certain conditions, the Company may force the Lenders to convert certain outstanding amounts of the loans into equity, *pro rata* among the Lenders, at conversion prices referred to in paragraph (h). The conversion shall also take into account the Option Prepayment Amount.

(k) Option Prepayment Amount: In case of early prepayment or conversion, the early prepayment or conversion will also include a compensatory amount representing a percentage of the relevant amount calculated on the basis of a "Black Scholes" digressive option pricing model. (the "**Option Prepayment Amount**"). For Tranche A, Tranche B and Tranche C1, the highest applicable percentage is 15.17%. The Option Prepayment Amount for Tranche C2 remains to be determined. In case of an early prepayment in cash, the Option Prepayment Amount will be payable in cash. In case of a conversion into shares (whether at the initiative of the Lenders or at the initiative of the Company (see also paragraph (j) above)), the Option Prepayment Amount will be payable in either cash or shares, at the option of the Company. The Option Prepayment Amount represents a form of compensation for the loss of option value represented by the exercise of the conversion mechanism in advance of the maturity date of the loan facility. The earlier the conversion, the greater the Option Prepayment Amount. There will be no Option Prepayment Amount in case of conversion at maturity of the loan facility.

(l) Representations, undertakings and warranties: The loan facility is subject to a detailed set of information undertakings, representations and warranties and both positive and negative undertakings, which are market standard for senior loan financings and which amongst other things impose typical conditions on the Company's and its subsidiaries' ability to acquire companies and undertakings, take up additional financial indebtedness, grant security interests and dispose of material assets. There are also restrictions on the value of intellectual property, assets and revenues held by subsidiaries of the Company that are not guarantors under the loan facility (as the case may be), and on the ability of the Company to distribute dividends as long as loans are outstanding.

(m) Events of default and mandatory prepayment events: The Amended Agreements include customary events of default and mandatory prepayment events that entitle the Lenders (following expiration of applicable grace and remedy periods) to demand immediate repayment of all outstanding loans together with accrued interest and Option

Prepayment Amounts. Similarly, the Lenders are entitled to demand immediate prepayment in case of, among others, certain change of control events, the sale of all or substantially all of the assets of the group, a disposal of material rights in respect of Estelle or Donesta, a disposal of the shares of Mithra Pharmaceuticals CDMO SA, a delisting of the Company or a sale of the Mayne Pharma Group Limited shares subject to security interest in favour of the Lenders.

(n) Expenses: The Company has agreed to pay the Lenders' out-of-pocket expenses in relation to the loan facility and related agreements, including fees for counsel to represent them in the transaction and negotiations in connection therewith, subject to a cap, as the case may be.

(o) Contribution in kind to the share capital of the Company: The conversion or settlement of the Receivables (whether at the initiative of the Lenders or the Company) will be effected by means of a contribution in kind to the share capital of the Company by the respective Lenders of their outstanding Receivables (regardless of their origin, whether as principal, interest, Option Prepayment Amount, or Commitment Fee (to the extent still due), as provided for in the Amended Agreements) due by the Company at the time of conversion, against the issuance of new ordinary shares of the Company. The conversion and share issue mechanism are be subject to certain adjustments.

(p) New shares issuable by the Company: The new shares issuable by the Company upon conversion through contribution in kind by the Lenders of their outstanding Receivables under the loans (whether at the initiative of the Lenders or the Company) will be ordinary shares (without designation of nominal value) and will have the same rights and benefits, and rank *pari passu* in all respect, including the right to dividends and other distributions, with the other existing and outstanding shares of the Company on the date of their issuance, and will be entitled to dividends and other distributions for which the applicable record date or due date falls on or after their respective issue date. A new share will represent the same fraction of the Company's share capital as the other shares. The shares will be freely tradable and will need to be admitted to trading on the regulated market of Euronext Brussels at the time of their issuance. It is also noted that the Company will have the option to settle a conversion by means of existing shares of the Company (provided that the Company has access to such shares).

(q) Ownership blocker: The loan facility will provide that the ownership by a Lender and its affiliates cannot exceed 9.9% of outstanding shares of the Company's shares.

(r) Convening of an extraordinary general shareholders' meeting: As the Company's authorised capital is potentially not sufficient to allow for the settlement in shares in full of the Total Commitment, the interests, and, as the case may be, the Option Prepayment Amount, as contemplated by the loan facility, the Company undertook to convene an extraordinary general shareholders' meeting in order to approve the issuance of new shares as contemplated by the Amended Agreements in order to convert the Receivables, which meeting is the subject of this report. Insofar as necessary and applicable, it will be proposed to the extraordinary general shareholders' meeting to confirm and ratify the board resolution, so that, upon the approval by the general shareholders' meeting of the proposed capital increase, the capital increases by contributions in kind of Receivables due by the Company pursuant to the Amended Agreements may, at the option of the board of directors or a committee, be carried out on the basis of the proposed resolution of the general meeting, or the Previous Resolutions. The Company's board of directors will also request the renewal of its powers under the authorised capital in order to allow for a sufficient headroom for the settlement in shares as contemplated by the Amended Agreements. The change of control provision referred to in paragraph (m) above will be also again submitted, insofar as necessary and applicable, for approval by the Company's shareholders at this same meeting.

Such approval of a capital increase (in one or more transactions), such approval of the change of control provisions and such renewal of the powers of the board of directors to increase the Company's share capital in the framework of the authorised capital is an obligation for the Company under the Amended Agreements. Failure to obtain approval of the change of control provisions would result in a default under the Amended Agreements and, consequently, the right for the Lenders to demand prepayment of loans already drawn and the loss of the Company's ability to draw additional loans under the Amended Convertible Loans Agreement.

(s) Admission to the listing and trading of the new shares: All new shares, upon their issuance, must be admitted to listing and trading on the regulated market of Euronext Brussels. To that end, the Company commits to make several applications, and to implement all measures as appropriate, therein included the preparation or supplement of a listing prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"), in order to have the new shares to be issued (as the case may be, in multiple tranches) in the framework of the Amended Agreements admitted to listing and trading on the regulated market of Euronext Brussels in accordance with the applicable rules and regulations.

It will be proposed to the Company's general shareholders' meeting that the board of Directors and one or more members of the Company's management be granted the power to implement the capital increases in the event of a contribution, and in particular to determine the number of new shares to be issued and the issue price of these shares in accordance with the provisions of the Amended Agreements.

2.3. Issue price of the new shares

On the occasion of each settlement of a Receivable in shares, the issue price of the new shares to be issued in the framework of the contribution in kind of the Receivable due by the Company, will be determined in accordance with the provisions of the Amended Agreements, as summarised in section 2.2 of this report.

As indicated, where applicable, the conversion will also take into account the Option Prepayment Amount and the interests. The conversion prices are also subject to adjustments, as described in section 2.2 of this report.

Finally, as described in sections 2.1 and 2.2 above, the loans will in principle carry an interest at a rate of 13% per year, payable quarterly in arrears in cash or in kind in shares of the Company, at the Company's choice in accordance with the provisions of the Amended Agreements (at a price per share reflecting a 10% discount to a volume weighted average trading price of the Company's shares on the trading day preceding the last day of the interest period).

2.4. Number of new shares to be issued

On the occasion of each settlement of a Receivable in shares, the number of new shares to be issued in the framework of the contribution in kind of the Receivable due by the Company will be determined in accordance with the provisions of the Amended Agreements, as summarised in section 2.2 of this report.

Notably, in the event of conversion in new shares, the conversion will be effected by means of a contribution in kind of the Receivable due and unsettled for the relevant amount. The number of shares to be issued upon such conversion will be equal to the amount of the Receivable divided by the relevant conversion price, which will be equal to a price per share which depends on the "tranche" of the loan to be converted ("Tranche A", "Tranche B", "Tranche C1" or "Tranche C2") and the nature of the amount to be converted (principal, interest, or Option Prepayment Amount), as specified in 2.3 above) (in any event, subject to certain adjustments in case of dilutive or change of control events). The amount of shares to be issued (as the case may be) will be rounded to the nearest whole number (more precisely, rounded up to the next whole number if the faction is equal to or greater than 0.5, and rounded down to the next whole number if the faction is less than 0.5). The above is subject to adjustments, as the case may be, as described in section 2.2 of this report.

In addition, as described in sections 2.1 and 2.2 above, the loans will in principle carry interest at a rate of 13% per year, payable quarterly in arrears in cash or in kind in shares of the Company, at the Company's choice in accordance with the provisions of the Amended Agreements (at a price per share reflecting a 10% discount to a volume weighted average trading price of the Company's shares on the trading day preceding the last day of the interest period).

The Company will not issue fractions of new shares as consideration for the contributions in kind in the framework of the Transaction as the number of shares to be issued (as determined in the Amended Agreements) will, where applicable, be rounded to the nearest whole number (more precisely, rounded up to the closest whole number if the faction is equal to or greater than 0.5, and rounded down to the closest whole number if the faction is less than 0.5).

2.5. Allocation of the issue price

In the event of a contribution in kind of a Receivable due by the Company, the issue price of each new share to be issued in the framework of the contribution will be accounted for as share capital. However, the amount by which the issue price exceeds the accounting par value of the existing shares of the Company (*i.e.*, on the date of this report rounded to EUR 0.7321) will be accounted for as an issue premium. This issue premium will be accounted for under equity on the equity and liability side of the Company's balance sheet (*passif du bilan*). The account to which the issue premium will be allocated will constitute, in the same way as the Company's share capital, a guarantee for third parties and, except for the possibility of capitalising these reserves, may only be reduced or cancelled by a decision of the general shareholders' meeting ruling under the conditions required for amending the Company's articles of association.

If, where applicable, the issue price of a new share does not exceed the fractional value of the existing shares of the Company (*i.e.*, rounded to EUR 0.7321), the issue price will be fully recognised as share capital, and after the closing of the Transaction, all outstanding shares of the Company will have the same accounting par value in accordance with article 7:178 of the Belgian Companies and Associations Code.

2.6. Rights attached to the new shares

At the time of each settlement of Receivables into shares, all new shares to be issued in the framework of the Transaction shall have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlement to dividends and distributions, with the existing and outstanding shares of the Company at the moment of their issuance, and will be entitled to dividends and distributions in respect of which the relevant record date or due date falls on or after the date of issuance of the new shares.

2.7. Admission to trading of the new shares

All of the new shares to be issued in the framework of the Transaction must be admitted to listing and trading on the regulated market of Euronext Brussels. To this end, the Company will make the necessary filings and applications, in order to allow an admission to listing and trading on the regulated market of Euronext Brussels following the issuance of the new shares in the framework of the Transaction.

2.8. No preferential subscription right

On the occasion of each settlement in shares, as the respective capital increases will be realised by contributions in kind of Receivables due by the Company, the existing shareholders of the Company, the holders of Share Options of the Company, as well as the holders of Existing Convertible Bonds will not have a preferential subscription right in relation to said capital increases.

3. CONTRIBUTIONS IN KIND

3.1. Description of the contributions in kind

On the occasion of each conversion of a Receivable into shares, the new shares to be issued (the number being determined as indicated above) will be issued in consideration of the contributions in kind of the relevant Receivables as summarised in section 2.2.

3.2. Remuneration for the contributions in kind

On the occasion of each settlement in shares and contribution in kind of outstanding Receivables, the Company will issue a number of new shares determined in accordance with the conditions summarised in sections 2.2 and 2.4.

The Company will not issue fractions of new shares as consideration for the contributions in kind under the Transaction. The number of shares to be issued upon a contribution in kind of Receivables will be (where applicable) rounded to the nearest whole number.

3.3. Valuation of the contributions in kind

The board of directors is of the opinion that on the occasion of each settlement in shares of a Receivable due by the Company pursuant to the Amended Agreements, the underlying Receivable to be contributed in kind can be valued at 100% of the nominal value of the relevant amount. This is based on the following considerations:

(a) Any tranche of the loan facility drawn, or to be drawn (including interests and, as the case may be, the Option Prepayment Amount), must ultimately be repaid or settled by the Company, either by settlement in shares (by the issuance of new shares), or by cash settlement.

(b) In case of conversion into shares, following the contribution in kind, the relevant Receivable that is contributed is settled by the mechanism of "confusion" (*confusion*) in accordance with article 5.268 of the Belgian Civil Code, as amended. In other words, as a result of the contributions in kind, the Company's indebtedness will be reduced by an amount equal to the nominal amount of the contributed Receivables.

(c) The elimination of the contributed Receivables also leads to an improvement in the situation of the Company's other debtors in an amount equal to the nominal amount of the Contributed Receivables.

For further information on the description of the contributions in kind in the event of a conversion of Receivables into shares and their valuation, reference is made to the report prepared in accordance with articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the statutory auditor of the Company. In its report, the Company's statutory auditor concluded (among other things) the following with regard to the contributions in kind and the issue of new shares:

"In accordance with articles 7:197 and 7:179 of the BCAC, we present our conclusion to the extraordinary general meeting of the company MITHRA PHARMACEUTICALS SA (ci-après "la Société") in the framework of our mission as auditors for which we were appointed by the letter of assignment dated 25 September 2023.

We conducted our audit in accordance with the Standard on the auditor's engagement in connection with a contribution in kind and a quasi-contribution of the Institut des Réviseurs d'Entreprises. Our responsibilities under this standard are described below in the section 'Auditor's responsibilities in relation to the contribution in kind and the issue of shares".

Regarding the contributions in kind

In accordance with article 7:197 BCAC, we have examined the matters described below, as contained in the report of the board of directors, and we have no significant findings to report on:

- *the description of the goods to be contributed;*
- *the applied valuation;*
- *the used valuation methods.*

We also conclude that the valuation methods applied for the contribution in kind reflect the value of the contribution and the latter corresponds at least to the number and nominal value or, in the absence of a nominal value, to the accounting par and the issue premium, of the shares to be issued as consideration.

The actual consideration consists of the issuance of a number of new shares equal to the amount of the receivable to be contributed divided by the relevant conversion price, which will be determined at the time of each contribution in kind in accordance with the provisions of the Amended Agreements (as summarised in sections 2.1 and 2.2 of the report of the board of directors).

The Company will not issue fractions of new shares as consideration for the contributions in kind in the framework of the Transaction as the number of shares to be issued (as determined in the Amended Agreements) will, where applicable, be rounded to the nearest whole number.

Regarding the issuance of shares

Based on our evaluation of the accounting and financial information contained in the special report of the board of directors, nothing has come to our attention that gives us reason to believe that this information, which includes the justification of the issue price and the consequences for the shareholders' financial and shareholder rights, is not fair and sufficient in all material respects to inform the extraordinary general meeting called to vote on this proposal.

As mentioned by the board of directors in its report under point 6.1, it should finally be noted that the financial consequences of the proposed transaction cannot yet be determined with certainty, as the key financial parameters, such as the actual number of new shares to be issued *as consideration for the contributions, and the issue price depend on certain conditions and parameters, as included in the Amended Agreements and described in the report of the board of directors, and which are still to be determined on the day of the capital increase.*

The assumptions, underlying the forward-looking financial information, may differ from actual results, as anticipated events sometimes do not occur as expected, and the difference could be material.

No fairness opinion

In accordance with article 7:197 and article 7:179 BCAC, our task is not to express an opinion on the appropriateness or suitability of the transaction, on the valuation of the consideration given for the contribution, or on the legitimacy and fairness of the transaction ("no fairness opinion")."

The board of directors concurs with the conclusions of the auditor regarding the proposed contributions in kind and does not deviate from them.

4. JUSTIFICATION OF THE PROPOSED CAPITAL INCREASE AND TRANSACTION

The board of directors considers that the Transaction is in the interest of the Company for the same reasons as for the resolutions already taken in relation to the Previous Agreements.

In addition, as indicated, the Amended Agreements amend and restate the Previous Agreements, as contemplated by the Amendment Letters, the Amendment and Restatement Agreements, and the Amendment, and as publicly announced by the Company on 25 May 2023, 21 June 2023 and 24 August 2023. The board of directors believes that these amendments are in the best interest of the Company, as they allow the Company to, among other things (a) potentially limit the dilution in the event of the conversion of certain Receivables (in particular, those representing principal amounts under the Amended Agreements) by the application of a premium instead of a discount to the applicable reference price, (b) have drawn a part of the Tranche C in an accelerated manner (i.e., Tranche C1), and (c) have increased the share capital of the Company in cash through the issuance of new shares in favour of the Lenders (given that this transaction formed part of the agreements entered into between the Company and the Lenders pursuant to the Amended Agreements). There are also elements of the amendments in favour of the Lenders, such as (a) the increase of interests, (b) the fact that the floor price (which is relevant for the conversion of the interest amounts or Option Prepayment Amounts; see section 2.3) has been lowered for Tranche A, Tranche B and Tranche C1, successively to a price of EUR 2.20 (within the framework of the Amendment and Restatement Agreements) and, subsequently, EUR 1.80 per share (following the Private Placement) and for Tranche C2 to a price per share equal to 80% of the conversion price of the principal amounts of the loans under Tranche C2 (to have a reference price closer to the current price of the shares of the Company), (c) the mandatory anticipated reimbursement of certain amounts under Tranche A following the closing of certain transactions or events, and (d) new anti-dilution protections in favour of the Lenders. However, all elements of the amendments, including the issuance of the new shares in favour of the Lenders on 25 May 2023, form part of a global agreement, and the board of directors believes that the global agreement, including the issuance of new shares in favour of the Lenders on 25 May 2023, is, in its totality in the interest of the Company.

The board of directors is aware that the completion of the Private Placement, the undertaking to issue the Warrants and Investment Options, and the consequent entering into of the Amendment results in an increased dilution for shareholders and increased costs associated with the facility for the Company. However, this increased dilution and increased costs do not outweigh a scenario in which the Company would not have been successful in raising the additional funds under the Private Placement. In addition, although there can be no guarantee that the Warrants and/or Investment Options will ultimately be exercised, the exercise of the Warrants and/or Investment Options and the payment of the corresponding exercise price of the Warrants and/or Investment Options, as the case may be, will provide the Company with additional liquidity, which can be used to further finance the Company's activities and strengthen its balance sheet.

The board of directors also believes that the accelerated drawdown of a part of tranche C and the abovementioned capital increase were in the interest of the Company since this has enabled the Company to strengthen its balance sheet and improve its cash position and the same effect occurs if the Receivables are converted into shares.

The Company's operations are capital intensive and require additional financing. Notably, the Company uses the net proceeds of the accelerated drawdown of Tranche C1 primarily to finance its working capital, to support the growth strategy of the Company, as well as for general requirements of the Company. This use of the net proceeds of the Transaction represents the Company's intentions based on its current business plans and current business conditions, which may change in the future depending on the evolution of its business plans and business conditions.

The Transaction may also enable the Company to further strengthen its image with investors, both nationally and internationally. This may be in the interest of the continued development of the Company's business and future fundraising through the financial markets. The fact that the Lenders were and are willing to provide this form of financing can be seen as further validation of the Company's strategy and activities. This may attract additional interest from other investors, both domestic and international, which may improve both the stability of the shareholder base and the diversity of the Company's shareholder structure.

As mentioned and detailed in sections 2.2, 2.8 and 3, on the occasion of each settlement of Receivables in shares, as the respective capital increases will be realised by contributions in kind of Receivables due by the Company pursuant to the Amended Agreements, the existing shareholders of the Company, the current holders of subscription rights of the Company as well as the current holders of the Existing Convertible Bonds will not have any preferential subscription right to said capital increases. Nevertheless, this method of fundraising will allow the Company to deploy funds as required rather than fully dilute existing shareholders immediately for an amount of cash that the Company may not need in light of various other potential additional financing options that may be implemented in the short to long term to support the Company's future growth strategy and strengthen its balance sheet.

The Transaction is also in addition to other measures and priorities that were announced by the Company at the annual general meeting on 25 May 2023 to strengthen the Company's cash position and balance sheet, such as the negotiation and finalisation of a licensing agreement for the marketing rights for Donesta in the United States, and the exploration of potential options that would allow the Company to maximise the value of its CDMO facility and to return its focus again to its core business. The Company has also taken other measures to extend its working capital, as for example the sale of 4,221,815 shares of Mayne Pharma Group Limited for a global price of 16,296,205.90 Australian dollars (or EUR 10,208,096.91 at the exchange rate published by the European Central Bank on 19 June 2023), the Private Placement, and the proposed issue of the Warrants and Investments Options.

For all of these reasons, the board of directors of the Company believes that the proposed Transaction is in the best interest of the Company, its shareholders and other stakeholders, and recommends that the extraordinary general shareholders' meeting vote in favour of the proposed capital increase.

5. JUSTIFICATION OF THE ISSUE PRICE FOR THE NEW SHARES

As mentioned, the terms of the Amended Agreements (including the mechanisms for determining the issue price of the new shares) are the result of an objective and independent negotiation between the Company and the Lenders. The Lenders are third parties to the Company and are not related to the Company, its management and/or its board of directors.

The issue price of the new shares (accounted for as share capital up to the fractional value of the Company's existing shares, plus issue premium, as the case may be) will be determined in accordance with the provisions of the Amended Agreements, as summarised in section 2.2. These provide, among other things, that the issue price per new share will be equal to a price per share that depends on the "tranche" of the loan to be converted ("Tranche A", "Tranche B", "Tranche C1" or "Tranche C2") and the nature of the amount to be converted (principal, interest, or Option Prepayment Amount), as specified in sections 2.1 and 2.2 above. In particular, the issue price per new share will be equal to the following price per share (in any event, subject to certain adjustments in case of dilutive or change of control events:

(a) For the conversion of the loans under Tranche A, Tranche B and Tranche C1:

(i) For the principal amounts, a price per share of EUR 2.25;

(ii) For the interest amounts or the Option Prepayment Amounts, a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a reference price of EUR 1.80;

(b) For the conversion of the loans under Tranche C2:

(i) For the principal amounts, a price per share reflecting a 25% premium compared to the lower of (i) the relevant volume weighted average price of the shares on the 5 trading days preceding the public announcement of the satisfaction of the utilisation conditions of Tranche C2, (ii) the closing price of the existing shares of the Company on the regulated market of Euronext Brussels on the day following the abovementioned public announcement), and (iii) the relevant volume weighted average price of the shares on the 5 trading days preceding the date of a utilisation request for a loan under Tranche C2;

(ii) For the interest amounts or the Option Prepayment Amounts, a price per share reflecting a 10% discount compared to the higher of (i) a relevant volume weighted average price of the shares on the trading day preceding the date of notification of the conversion, or (ii) a reference price of 80% of the conversion price of the principal amounts of the loans under Tranche C2.

In addition, as described in sections 2.1 and 2.2 above, the loans will in principle carry an interest at a rate of 13% per year, payable quarterly in arrears in cash or in kind in shares of the Company, at the Company's choice in accordance with the provisions of the Amended Agreements (at a price per share reflecting a 10% discount to a volume weighted average price of the Company's shares on the trading day preceding the last day of the interest period).

In view of the above, the issue price of the new shares to be issued upon conversion of the principal amounts under Tranche A, Tranche B and Tranche C1 does not/no longer depend on the price of the Company's shares at the moment the Lenders or, as the case may be, the Company opt to convert a Receivable into shares. This implies that for these loans, the Lenders are subject to the risk of the evolutions of the price of the shares. In other words, the relevant conversion price may be a premium or a discount to the closing price of the Company's shares on Euronext Brussels. At the date of this report, the abovementioned conversion price (i.e. EUR 2.25) represents a premium to the closing price of the Company's shares on Euronext

Brussels on 21 September 2023, which limits the dilution for existing holders of the Company's shares and other outstanding securities. If the closing price of the Company's shares on Euronext Brussels increases in the future, the above mechanism will inherently result in dilution for existing holders of shares and other securities of the Company outstanding at that time which may be exercised or converted into new shares. However, the board of directors believes that a potential discount on the moment of the future conversion is not unreasonable as compensation because the Lenders agree to the amendments to the Previous Agreements (via the Amended Agreements) and provide funds to the Company in an accelerated manner. This discount reflects, among other things, a compensation for the limited liquidity of the Company's shares notwithstanding the trading of the Company's shares on Euronext Brussels. This is, however, outweighed by the risks and disadvantages if the Company were not able to raise new funds to support its working capital and its going concern, and the benefits of the Transaction, as referred to in the section 4 above.

The abovementioned mechanism for the conversion of the interest amounts or the Option Prepayment Amounts will also inherently result in a dilution for existing holders of shares and other outstanding securities of the Company at that moment at which they may be exercised or converted into new shares. However, the board of directors believes that this 10% discount is also not unreasonable as compensation for the Lenders agreeing to provide funds to the Company, for the reasons outlined above.

The board of directors notes, in any event, that the abovementioned is subject to certain adjustments in case of dilutive or change of control events, and that such adjustments are not unusual and are often provided for in the context of convertible loans (this principle is also reflected in Article 7:66 of the Companies and Associations Code relating to convertible bonds).

Finally, the board of directors emphasises that for reasons of macro-economic factors, such as notably rising interest rates, the geopolitical situation in Eastern Europe and the general decline in investors' confidence, capital markets have been extremely volatile and difficult for companies to raise funds via capital markets. The trading price of many listed financial instruments has suffered significant declines, and a number of previously available sources of financing, particularly for life sciences companies, are still not available or only at less attractive terms.

Therefore, for all the reasons mentioned above, the board of directors believes that the method used to determine the issue price of the new shares, is not unreasonable and is in the best interest of the Company, its shareholders and other stakeholders.

6. CERTAIN FINANCIAL CONSEQUENCES

6.1. Introductory comment

The following paragraphs provide an overview of certain financial consequences of the proposed Transaction. For further information with regard to the financial consequences of the proposed Transaction, reference is also made to the report prepared in accordance with articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the statutory auditor of the Company, BDO Réviseurs d'entreprises SRL.

The actual financial consequences resulting from the issuance of the new shares in the framework of the Transaction cannot yet be determined with certainty, as the number of new shares that may be issued in the framework of the Transaction depends on certain conditions and parameters, as included in the Amended Agreements and described above and, in particular, the drawdowns of the respective tranches of the loan facility and in case of (timing included) settlement in kind (as the case may be). For more information on the calculation of the number of new shares to be issued and the relevant issue price for the relevant shares in the Transaction, reference is made to sections 2.2, 2.3 and 2.4 of this report. In addition, whether or not new shares will be issued will depend on the conversion into shares of a Receivable resulting, among other things, from the drawdowns of the loans (such drawdowns being subject, as the case may be, to certain conditions) under the Amended Agreements.

Accordingly, the discussion of the financial consequences of the envisaged Transaction for existing shareholders is purely illustrative and hypothetical, and is based on purely indicative financial parameters (where appropriate). The actual number of new shares to be issued under the Transaction may vary significantly from the hypothetical values used in this report.

Subject to the foregoing, in order to illustrate certain financial consequences of the Transaction and notably the dilution for the shareholders, the following parameters and assumptions were used:

(a) <u>Maximum dilution and the hypothetical issue price in the framework of the Transaction</u>: In order to simulate a maximum dilutive scenario in the framework of the Transaction, it is assumed that, in the framework of the Transaction, Receivables are contributed in kind by the Lenders to the Company in consideration of one (or several) capital increase with an amount equal to the principal amounts and interests mentioned below in accordance with the Amended Agreements. The issue price of the new shares to be issued in the framework of the Transaction (to be determined as described in the section 2.3 of this report) will depend on the relevant tranche and the nature of the amount to be converted (principal, interest or, where applicable, Option Prepayment Amount). For the purposes of the simulations below, it will be assumed that:

(i) the principal amounts under Tranche A (EUR 31,076,161.29), Tranche B (EUR 16,784,000.00) and Tranche C1 (EUR 12,500,000.00) will be converted into new shares at an issue price per share of EUR 2.250;

(ii) the principal amounts under Tranche C2 (EUR 12,500,000.00) will be converted into new shares at the following hypothetical issue prices per share (it being understood that the final issue price may be lower or higher than the following hypothetical prices):

(A) EUR 2.00 per new share (being the issue price per share of the shares issued within the framework of the Private Placement, representing a 5.88% discount to the closing price of the Company's shares on Euronext Brussels on 21 September 2023);

(B) EUR 2.125 per new share (being, the closing price of the Company's shares on Euronext Brussels on 21 September 2023);

(C) EUR 2.250 per new share (being the conversion price applicable to Tranche A, Tranche B and Tranche C1, representing a 5.88% discount to the closing price of the Company's shares on Euronext Brussels on 21 September 2023).

(iii) a remaining amount of EUR 32,139,838.71 (representing amounts of interest, Option Prepayment Amounts, and any other potential Receivables owed by the Company under the Amended Agreements), will be converted into new shares at the hypothetical issue prices referred to in (a)(ii) above.

For the total amount of the abovementioned convertible amounts, reference will be made to the "**Conversion Amount**" for the purposes of the dilutive simulations below. In order to simulate a maximum dilution scenario, it is assumed that the entire Conversion Amount is converted into shares.

(b) <u>Current share capital:</u> At the date of this report, the share capital of the Company amounts to EUR 50,594,032.41 represented by 69,108,397 shares without nominal value, each representing the same fraction of the share capital, *i.e.*, rounded to EUR 0.7321. The share capital is entirely and unconditionally subscribed for and is fully paid up.

(c) <u>Share Options:</u> At the date of this report, the following 1,785,617 subscription rights issued by the Company are still outstanding (the "**Share Options"**)

(i) 1,394,900 outstanding Share Options issued by the Company on 5 November 2018, entitling their holders to subscribe to 1 share upon exercise of 1 relevant Share Option (the "**2018 Share Options**"); and

(ii) 390,717 outstanding Share Options, issued by the Company on 20 November 2020, entitling their holders to subscribe for 1 share upon exercise of 1 relevant Share Option (the "**2020 Share Options**").

In this report, when reference is made to any "outstanding" Share Options, this refers to, respectively, Share Options that have not yet been granted but can still be granted and (depending on the terms and conditions of such Share Options and, as the case may be, the decisions taken by the board of directors and/or the general shareholders' meeting of the Company) have not yet expired, and Share Options that have already been granted and (depending on the terms and conditions of such Share Options) have not yet expired. With respect to the 2018 Share Options, the number of outstanding Share Options mentioned above takes into account the decision taken by the board of directors of the Company on 20 November 2020 to no longer grant 390,717 2018 Share Options.

For the purpose of the full-dilution scenario calculations below, it is assumed that all of the outstanding Share Options have become exercisable and are exercised. On this basis, if all Share Options were exercised, 1,785,617 new shares would have to be issued by the Company.

(d) <u>Warrants and Investment Options:</u> As described above, in order to proceed with the Private Placement, pursuant to the Subscription Agreement, the Company has undertaken towards Armistice to issue (i) 10,000,000 new subscription rights for shares of the Company, with a term of 5 years and an exercise price of EUR 2.25, in favour of Armistice (defined above as the "Warrants"), and (ii) 10,000,000 new subscription rights for shares of the Company, with a term of 18 months and an exercise price of EUR 2.25, in favour of Armistice (defined above as the "Investment Options"). Upon exercise of the Warrants (it being understood that their issuance is still subject to approval by an extraordinary general shareholders' meeting of the Company), a maximum of 10,000,000 new ordinary shares of the Company will be issued, at an exercise price of EUR 2.25 per ordinary share (subject to customary adjustments). Upon exercise of the Investment Options (it being understood that their issuance is still subject to approval by an extraordinary general shareholders' meeting of the Company), a maximum of 10,000,000 new ordinary shares of the Company will be issued, at an exercise price of EUR 2.25 per ordinary share (subject to customary adjustments).

Even though the issuance of the Warrants and the Investment Options must still be approved by an extraordinary general shareholders' meeting of the Company, for the purpose of calculating the full dilution scenario below, it is assumed that all Warrants and Investment Options have been issued, have become fully exercisable and have been validly exercised by Armistice at an exercise price of EUR 2.25 per new share. On this basis, if all Warrants and Investment Options were exercised, 20,000,000 new shares would have to be issued by the Company.

(e) Put Option Agreement: On 23 April 2020, the Company, LDA Capital Limited ("**LDA Capital**"), LDA Capital, LLC, and three existing shareholders of the Company (i.e., François Fornieri, Alychlo NV and Noshaq SA) (the "**Share Lending Shareholders**") entered into a put option agreement (the "**Put Option Agreement**"). Subsequently, the Company, LDA Capital, LDA Capital, LLC, and the Share Lending Shareholders entered into an addendum to the Put Agreement.

Pursuant to the Put Option Agreement (as amended), LDA Capital has agreed to commit a maximum amount of EUR 75,000,000.00 (the "**Commitment Amount**") in cash within a maximum of five years in exchange for new ordinary shares in the Company. This amount will be released, based on drawdowns by the Company in the form of put options which the Company has the right to exercise at its sole discretion (via so-called "put option notices"). The Company is entitled to issue a put notice to LDA Capital on any trading day during a time period commencing on 23 April 2020 and expiring on the earlier of (i) 23 April 2025 or (ii) the date on which LDA Capital has subscribed for an aggregate amount of EUR 75,000,000.00 under the Put Option Agreement (the "**Commitment Period**").

On 29 May 2020, the Company issued its first put option notice to LDA Capital pursuant to which LDA Capital subscribed for a total of 159,800 shares at a subscription price of EUR 19.43 per share, for a total subscription price of EUR 3,104,869.00 (including issue premium). The shares were issued on 5 August 2020.

On 2 July 2021, the Company issued its second put option notice to LDA Capital whereby LDA Capital subscribed for a total of 314,162 shares at a subscription price of EUR 18.23 per share, for a total subscription price of EUR 5,727,177.00 (including issue premium). The shares were issued on 10 November 2021.

On 20 December 2021, the Company issued its third put option notice to LDA Capital whereby LDA Capital subscribed for a total of 442,191 shares at a subscription price of EUR 18.23 per share, for a total subscription price of EUR 8,061,142.00 (including issue premium). The shares were issued on 14 February 2022.

On 28 April 2022, the Company issued its fourth put option notice to LDA Capital whereby LDA Capital subscribed for a total of 625,000 shares at a subscription price of EUR 6.61 per share, for a total subscription price of EUR 4,133,933 (including issue premium). The shares were issued on 30 June 2022.

On 17 November 2022, the Company issued its fifth put option notice to LDA Capital whereby LDA Capital subscribed for a total of 262,000 shares at a subscription price of EUR 4.45 per share, for a total subscription price of EUR 1,165,900.00 (including issue premium). The shares were issued on 30 December 2022. Therefore, as of today, the remaining Commitment Amount is EUR 52,806,979.00.

Notwithstanding the above, in order to illustrate the dilutive effects below, it is assumed that the remaining Commitment Amount (i.e. EUR 52,806,979.00) is fully invested by LDA Capital at the same subscription price per share as the issue price of the new shares to be issued in the Transaction.

(f) LDA Warrants: As part of the Put Option Agreement, on 22 July 2020 (as amended), the Company issued subscription rights to LDA Capital for (currently) up to 720,571 new ordinary shares of the Company at an exercise price of EUR 25.8545 per ordinary share (subject to customary adjustments) (the "**LDA Warrants**"). As a result of dilutive transactions in the past, the exercise price of the LDA Warrants has been reduced to EUR 25.8545 (this reduced exercise price is still subject to possible downward adjustments due to previous share issues). For the purpose of the calculation of the full dilution scenario below, it is assumed that all LDA Warrants have become fully exercisable and have been validly exercised by LDA Capital at an exercise price of EUR 25.8545 per share. It's possible that further adjustments are due. On this basis, if all LDA Warrants were exercised, 720,571 new shares would need to be issued by the Company.

It should be noted that the conditions of the LDA Warrants contain anti-dilutive mechanisms under which the exercise price of the LDA Warrants has been adjusted and reduced on the basis of specific formulas in the framework of certain capital-related or similar transactions. On this basis, the Transaction is again likely to result in a downward adjustment of the exercise price of the LDA Warrants in accordance with the issue price of the new shares. For the purposes of the simulations below, it is assumed that such adjustments will not be triggered by the Transaction.

(g) Share Lending Warrants: Pursuant to the Put Option Agreement (as amended), the respective Share Lending Shareholders have agreed to provide to LDA Capital a share lending facility (the "**Share Lending Facility**"). The Share Lending Facility allows LDA Capital to hedge its risk against the amount it has to pay-up pursuant to the exercise of the put options. In consideration of the willingness of the respective Share Lending Shareholders to provide the Share Lending Facility, on 7 September 2020, the Company has issued to the Share Lending Shareholders a number of subscription rights, exercisable for (currently) a maximum of 313,292 new shares of the Company, at an exercise price of EUR 25.8545 per ordinary share (the "**Share Lending Warrants"**). As a result of dilutive transactions in the past, the exercise price of the Share Lending Warrants has been reduced to 25.8545 (this reduced exercise price is still subject to possible downward adjustments due to previous share issues). For the purpose of the calculation of the full dilution scenario below, it is assumed that all of the Share Lending Warrants have become fully exercisable and have been validly exercised by the respective Share Lending Shareholders at an exercise price of EUR 25.8545 per new share. It should be noted that only a maximum number of 300,000 Share Lending Warrants can be exercised. On this basis, if all Share Lending Warrants were exercised, 313.292 new shares would need to be issued by the Company.

The conditions of the Share Lending Warrants contain the same anti-dilution mechanisms as those included in the terms of the LDA Warrants (see paragraph (f) above). For the purposes of the simulations below, it is assumed that such adjustments will not be triggered by the Transaction.

(h) Existing Convertible Bonds: On 17 December 2020, the Company issued 1,250 senior unsecured convertible bonds due on 17 December 2025, for an aggregate amount of EUR 125,000,000, each convertible bond having been issued in dematerialised form with a nominal value of EUR 100,000 (the " **Existing Convertible Bonds"**). The Existing Convertible Bonds bear a coupon of 4.250% per year, payable semi-annually in arrears in equal instalments on 17 December and 17 June of each year, commencing on 17 June 2021, and are (currently) convertible into ordinary shares of the Company at an adjusted conversion price of EUR 23.2370 (which price is subject to customary potential adjustments, as included in the terms of the Existing Convertible Bonds)

In accordance with the Initial Convertible Loan Agreement, the Company used a portion of the proceeds of the first tranche of the loan facility to repurchase EUR 34,100,000.00 in principal amount of the Existing Convertible Bonds held by the Lenders, at a price of EUR 850.00 per EUR 1,000.00 principal amount of the relevant Existing Convertible Bonds (representing an aggregate amount of up to EUR 28,985,000.00), together with payment in cash of accrued and unpaid interest on the redeemed bonds. At the date of this report, no other Existing Convertible Bonds have been repurchased by the Company or converted.

The Existing Convertible Bonds were convertible into ordinary shares of the Company at an initial conversion price of EUR 25.1917. Following the drawdown of the first Tranche A of EUR 50,000,000.00 of the loans available under the terms of the Initial Convertible Loan Agreement, on the basis of the usual adjustment mechanisms included in the general terms and conditions of the Existing Convertible Bonds, the conversion price has been adjusted on 1 September 2022 to EUR 24.5425 (with effect as of 8 August 2022). Following the drawdown of Tranche B of EUR 25,000,000.00 of the loans available under the terms of the Finance Agreements, on the basis of the usual adjustment mechanisms included in the general terms and conditions of the Existing Convertible Bonds, the conversion price was adjusted on 4 July 2023 to EUR 24.1256 (with effect from 22 November 2022). Following the drawdown of Tranche C1 of EUR 12,500,000.00 of the loans available under the terms of the Finance Agreements, on the basis of the usual adjustment mechanisms included in the general terms and conditions of the Existing Convertible Bonds, the conversion price was adjusted on 17 July 2023 to EUR 23.8262 (with effect from 21 June 2023). Following the Private Placement, on the basis of the customary adjustment mechanisms included in the terms and conditions of the Existing Convertible Bonds, the conversion price was adjusted on 12 September 2023 to EUR 23.2370 (with effect from 28 August 2023).

Therefore, for the purpose of illustrating the dilutive effects below, it is assumed that all remaining Existing Convertible Bonds (together representing an aggregate nominal amount of EUR 90,900,000.00) have been converted at the adjusted conversion price (i.e., EUR 23.2370). On this basis, if all the remaining Existing Convertible Bonds were converted, 3,911,864 new shares would have to be issued by the Company. It should be noted that upon conversion of the Existing Convertible Bonds remaining, the Company may also deliver existing shares (to the extent available at that time) to the relevant holders of Existing Convertible Bonds remaining, instead of issuing new shares. In order to illustrate the dilutive effects below, it is assumed that only new shares are issued upon conversion of the Existing Convertible Bonds. If existing shares were delivered, the effects would be different.

(i) It should also be noted that the terms of the Existing Convertible Bonds contain anti-dilution mechanisms under which the initial conversion price of the Existing Convertible Bonds has been adjusted downward based on specific formulas in the framework of certain capital or similar transactions (as already have taken place on 1 September 2022, 4 July 2023, and 17 July 2023). The Transaction may also be one of those transactions that may result in a downward adjustment of the initial conversion price of the Existing Convertible Bonds based on the issue price of the new shares. In case of an adjustment of the initial conversion price of the remaining Existing Convertible Bonds and the number of shares that may be issued upon conversion of the remaining Existing Convertible Bonds will be increased proportionally. For the purposes of the simulations below, it is assumed that such adjustments will not be triggered by the Transaction.

(j) <u>Accounting for the issue price of outstanding dilutive instruments</u>: Upon the issuance of new shares under the Put Option Agreement and/or the Amended Agreements, the amount of the subscription price of the new shares concerned will be allocated to the accounting net equity (in the form of share capital and issue premium). Likewise, upon the issuance of new shares pursuant to the exercise of the Warrants (it being understood that their issue has still to be approved by an extraordinary general shareholders' meeting of the Company), the Investment Options (it being understood that their issue has still to be approved by an extraordinary general shareholders' meeting of the Company), the LDA Warrants, the Share Lending Warrants and the Share Options, and/or following the conversion of the remaining Existing Convertible Bonds, the relevant exercise or conversion price will be allocated to the accounting net equity (as share capital and issue premium). The amount that shall be booked as share capital shall, on a per share basis, be equal to the amount of the fractional value of the Company's shares (currently amounting to rounded EUR 0.7321 per share). The balance shall be booked as issue premium.

In this report, when reference is made to "*outstanding dilutive instruments"*, it refers, respectively, to the issuance of new shares to LDA under the Put Option Agreement, the exercise of the Warrants, the exercise of the Investment Options, the exercise of the LDA Warrants, the exercise of the Share Lending Warrants, the exercise of the outstanding Share Options, and the conversion of the remaining Existing Convertible Bonds, but not the issuance of new shares under the Amended Agreements (which is the subject of this report).

The question whether new shares will be issued pursuant to the Put Option Agreement will ultimately depend on a decision still to be taken by the Company to exercise the put option mechanism and/or to proceed with a drawdown. The ability of the Company to exercise such mechanisms will depend on several factors, including the Company's financing needs at that time and whether there are other financial means available to the Company.

Similarly, the question whether any new shares will be issued under the Amended Agreements will depend on the amounts drawn of the loans under the loan facility, and a decision yet to be made by the Lenders or (as the case may be) the Company to convert receivables. The ability of the Company to draw down again loans under the loan facility will depend on a number of factors.

The question whether the Warrants, the Investment Options, the Share Options, the LDA Warrants and the Share Lending Warrants will be effectively exercised, and whether the remaining Existing Convertible Bonds and the convertible receivables under the Amended Agreements will be converted, will ultimately depend on the decision of the respective holders of the subscription right, the remaining Existing Convertible Bonds or the convertible receivables. In particular, the holder of a subscription right, remaining Existing Convertible Bonds or a convertible receivable could realise a capital gain at the time of exercise or conversion if the trading price of the Company's shares at that moment is higher than the exercise or conversion price, and if the shares can be sold at such price on the market. As a result, it is unlikely that the Warrants and Investment Options are exercised if the price of the Company's shares at the time of exercise is less than EUR 2.25 per share. Similarly, it is unlikely that the LDA Warrants and/or Share Lending Warrants will be exercised if the share price of the Company at the time of exercise is below EUR 25.8545 per share. It is also unlikely that the remaining Existing Convertible Bonds will be converted if the conversion price (currently EUR 23.2370) is higher than the share price. Finally, it is unlikely that convertible receivables under the Amended and Restated Agreements will be converted if the applicable conversion price is higher than the share price.

6.2. Evolution of the share capital, voting rights, participation in the results and other shareholders rights

Each share in the Company currently represents an equal part of the share capital of the Company and provides for one vote in function of the capital it represents. The issuance of the new shares in the framework of the Transaction will lead to a dilution of the existing shareholders of the Company and of the relative voting power of each share in the Company.

The dilution relating to the voting right also applies, *mutatis mutandis*, to the participation of each share in the profit and liquidation proceeds and other rights attached to the shares of the Company, such as the statutory preferential subscription right in case of a capital increase in cash through the issuance of new shares or in case of the issuance of new subscription rights or convertible bonds.

In particular, prior to the Transaction (and prior to the issuance of new shares pursuant the other outstanding dilutive instruments), each share of the Company participates equally in the profit and liquidation proceeds of the Company and each shareholder has a statutory preferential right in case of a capital increase in cash or in case of the issuance of new subscription rights or convertible bonds. In case of the issuance of the new shares in the framework of the Transaction, the new shares to be issued will have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of the Company at the moment of their issuance and delivery and will be entitled to distributions in respect of which the relevant record date or due date falls on or after the date of issuance and delivery of the new shares. As a result and to the extent that the new shares will be issued, the participation of the existing shares in the profit and liquidation proceeds of the Company, and their holder's the statutory preferential subscription right in case of a capital increase in cash, shall be diluted proportionately.

A similar dilution occurs upon exercise of the other outstanding dilutive instruments.

Without prejudice to the methodological reservations set out in section 6.1, the evolution of the share capital and the number of shares, with voting rights attached thereto, of the Company as a result of the proposed Transaction is simulated below in a scenario before dilution due to outstanding dilutive instruments, as well as in a scenario after dilution due to outstanding dilutive instruments.

Evolution of the number of outstanding shares

	The Transaction[1]		
	Issue price of EUR 2.000	**Issue price of EUR 2.125**	**Issue price of EUR 2.250**
After the Transaction but before dilution due to outstanding dilutive instruments			
(A) Outstanding shares............................	69,108,397	69,108,397	69,108,397
(B) New shares to be issued in the Transaction..	49,146,658	47,833,722	46,666,668
(C) Total number of shares outstanding after (B)	118,255,055	116,942,119	115,775,065
(D) Dilution...	41.56%	40.90%	40.31%

	The Transaction[1]		
	Issue price of EUR 2.000	**Issue price of EUR 2.125**	**Issue price of EUR 2.250**
After dilution due to outstanding dilutive instruments but before the Transaction			
(A) Outstanding shares............................	69,108,397	69,108,397	69,108,397
(B) New shares to be issued upon exercise of outstanding Share Options	1,785,617	1,785,617	1,785,617
(C) New shares to be issued under the Put Option Agreement	26,403.489	24,850,343	23,469,768
(D) New shares to be issued upon exercise of LDA Warrants.....................................	720,571	720,571	720,571
(E) New shares to be issued upon exercise of the Share Lending Warrants.................	313,292	313,292	313,292
(F) New shares to be issued upon conversion of the remaining Existing Convertible Bonds	3,911,864	3,911,864	3,911,864
(G) New shares to be issued upon exercise of the Warrants	10,000,000	10,000,000	10,000,000
(H) New shares to be issued upon exercise of the Investment Options	10,000,000	10,000,000	10,000,000
(I) Total number of shares in circulation after (B), (C), (D), (E), (F), (G) and (H)………………………………………	122,243,230	120,690,084	119,309,509
After the Transaction and after dilution due to outstanding dilutive instruments			
(A) Outstanding shares after dilution due to outstanding dilutive instruments	122,243,230	120,690,084	119,309,509
(B) New shares to be issued in the Transaction	49,146,658	47,833,722	46,666,668
(C) Total number of shares outstanding after (B)	171,389,888	168,523,806	165,976,177
(D) Dilution	28.68%	28.38%	28.12%

Notes:

(1) It should be noted that the three hypothetical issue prices are only relevant for the conversion of interest amounts under Tranche A, Tranche B, Tranche C1 and Tranche C2 and for the conversion of the principal amounts under Tranche C2. The principal amounts under Tranche A, Tranche B and Tranche C1 are converted into new shares at an issue price per share of EUR 2.25. See section 6.1.

Without prejudice to the methodological reservations set out in section 6.1, the table below reflects the evolution of the share capital, assuming that the entire Conversion Amount (including any issue premium, as the case may be) is converted into shares in the framework of the Transaction. The maximum amount of the capital increase (including issue premium) is calculated by multiplying the respective numbers of new shares to be issued in the framework of the Transaction on the basis of the assumptions detailed below, by the accounting par value of the Company's shares, i.e. currently rounded to EUR 0.7321 per share.

Evolution of the share capital[1]

	The Operation[3]		
	Issue price of EUR 2.000	**Issue price of EUR 2.125**	**Issue price of EUR 2.250**
Before the Transaction			
(A) Share capital (in EUR)......................	50,594,032.41	50,594,032.41	50,594,032.41
(B) Outstanding shares	69,108,397	69,108,397	69,108,397
(C) Fractional value (in EUR)	0.7321	0.7321	0.7321
The Transaction			
(A) Increase of share capital (in EUR)[2] ..	35,980,108.29	35,018,912.12	34,164,515.68
(B) Number of new shares to be issued in the Transaction	49,146,658	47,833,722	46,666,668
After the Transaction			
(A) Share capital (in EUR)......................	86,574,140.70	85,612,944.53	84,758,548.09
(B) Outstanding shares	118,255,055	116,942,119	115,775,065
(C) Fractional value (in EUR) (rounded) .	0.7321	0.7321	0.7321

Notes:

(1) This simulation does not take into account the exercise or conversion of outstanding dilutive instruments.

(2) The part of the issue price equal to the fractional value of the existing shares of the Company (rounded to EUR 0.7321 per share) is booked as share capital. The part of the issue price that exceeds the fractional value shall be booked as issue premium.

(3) It should be noted that the three hypothetical issue prices are only relevant for the conversion of the amounts under Tranche A, Tranche B, Tranche C1 and Tranche C2 and for the conversion of principal amounts under Tranche C2. The principal amounts under Tranche A, the Tranche B and the Tranche C1 are converted into new shares at an issue price per share of EUR 2.25. See section 6.1.

6.3. Participation in the consolidated accounting net equity

The evolution of the consolidated accounting net equity of the Company as a result of the Transaction is simulated below.

This simulation is based on the audited consolidated annual financial statements of the Company for the financial year ended 31 December 2022 (which have been prepared in accordance with IFRS). The consolidated accounting net equity of the Company as of 31 December 2022 amounted to EUR 33,687,000 (rounded) or EUR 0.60 (rounded) per share (based on the 56,314,974 outstanding shares as at 31 December 2022). The simulation does not take into account any changes in the consolidated accounting net equity since 31 December 2022, except, for the purpose of the simulation, the impact of (i) a first capital increase carried out on 13 February 2022 through contributions in kind of receivables owed by the Company in accordance with previous agreements with the Lenders, (ii) a second capital increase carried out on 13 March 2022 through contributions in kind of receivables owed by the Company in accordance with previous agreements with the Lenders, (iii) a third capital increase carried out on 11 May 2023 through contributions in kind of receivables owed by the Company in accordance with previous agreements with the Lenders, (iv) a fourth capital increase carried out on 25 May 2023 through cash contributions by the Lenders, (v) a fifth capital increase carried out on 23 June 2023 through contributions in kind of receivables owed by the Company in accordance with the Financing Agreements, (vi) a sixth capital increase carried out on 28 August 2023 within the framework of the Private Placement, and (vii) a seventh capital increase carried out on 18 September 2023 through contributions in kind of receivables owed by the Company in accordance with the previous agreements with the Lenders. Notably, as a result of the closing of the abovementioned transactions (without taking into account the possible effects of accounting items other than share capital and issue premium (e.g., the costs of the said transactions)):

(a) the Company's share capital was increased, resulting in an increase of the Company's equity by EUR 27,601,977.45, for a total adjusted amount of EUR 61,288,977; and

(b) the number of outstanding shares of the Company following the abovementioned transactions amounts to 69,108,397 shares.

For further information on the Company's net equity position on 31 December 2022, reference is made to the financial statements, which are available on the Company's website.

Based on the assumptions set out above, as a result of the Transaction, without taking into account the other dilutive instruments, the Company's accounting net equity on a consolidated basis, would be increased as indicated below:

Evolution of the consolidated accounting net equity

	The Transaction[1]		
	Issue price of EUR 2.000	**Issue price of EUR 2.125**	**Issue price of EUR 2.250**
Consolidated net equity for FY 22 (adjusted)			
(A) Net equity (in EUR) (rounded)....	61,288,977	61,288,977	61,288,977
(B) Outstanding shares......................	69,108,397	69,108,397	69,108,397
(C) Net equity per share (in EUR) (rounded)	0.8869	0.8869	0.8869
<u>The Transaction</u>			
(A) Increase of net equity (in EUR)[2]	105,000,000.00	105,000,000.00	105,000,000.00
(B) Number of new shares to be issued	49,146,658	47,833,722	46,666,668
<u>After the Transaction</u>			
(A) Net equity (in EUR) (rounded) ...	166,288,977	166,288,977	166,288,977
(B) Outstanding shares.......................	118,255,055	116,942,119	115,775,065
(C) Net equity per share (in EUR) (rounded)	1.4062	1.4220	1.4363

Notes:

(1) It should be noted that the three hypothetical issue prices are only relevant for the conversion of the interest amounts under Tranche A, Tranche B, Tranche C1 and Tranche C2 and for the conversion of the principal amounts under Tranche C2. The principal amounts under Tranche A, Tranche B and Tranche C1 are converted into new shares at an issue price per share of EUR 2.25. See section 6.1.

(2) Consisting of the amount of the capital increase and the amount of the increase of issue premium. From an IFRS perspective, however, part of the proceeds reflecting the expenses of the Transaction might not be recognized as equity. This is not reflected in the simulation.

The table above table demonstrates that the Transaction would, from a pure accounting point of view, result in an increase of the amount represented by each share in the consolidated accounting net equity of the Company.

6.4. Financial dilution

The evolution of the market capitalisation as a result of the proposed Transaction is simulated below.

Without prejudice to the methodological reservations set out in section 6.1, the table below reflects the impact of the proposed Transaction, without taking into account other outstanding dilutive instruments, on the market capitalisation and the resulting financial dilution at different price levels, assuming that the entire Conversion Amount (including issue premium, as the case may be) is converted into shares in the Transaction.

On 21 September 2023, the Company's market capitalisation was of EUR 146,855,343.63 on the basis of a closing price of EUR 2.125 per share. Assuming that, following the Transaction, the market capitalisation increases exclusively with the converted funds on the basis of the parameters described above, the new market capitalisation would be rounded, respectively, to EUR 2.130, EUR 2.154 and EUR 2.175 per share. This would represent a (theoretical) increase in value of 0.22% and 1.35% and 2.37% per share, respectively.

Evolution of the market capitalisation and financial dilution

	The Transaction(1)		
	Issue price of EUR 2.000	**Issue price of EUR 2.125**	**Issue price of EUR 2.250**
Before the Transaction(2)			
(A) Market capitalisation (in EUR)...	146,855,343.63	146,855,343.63	146,855,343.63
(B) Outstanding shares......................	69,108,397	69,108,397	69,108,397
(C) Market capitalisation per share (in EUR)...	2.125	2.125	2.125
The Transaction			
(A) Amount Converted (in EUR)......	105,000,000.00	105,000,000.00	105,000,000.00
(B) Number of new shares issued	49,146,658	47,833,722	46,666,668
After the Transaction(1)			
(A) Market capitalisation (in EUR)...	251,855,343.63	251,855,343.63	251,855,343.63
(B) Outstanding shares......................	118,255,055	116,942,119	115,775,065
(C) Market capitalisation per share (in EUR) (rounded)	2.130	2.154	2.175
Increase in value..............................	0.22%	1.35%	2.37%

Notes:

(1) It should be noted that the three hypothetical issue prices are only relevant for the conversion of the interest amounts under Tranche A, Tranche B, Tranche C1 and Tranche C2 and for the conversion of the principal amounts under Tranche C2. The principal amounts under Tranche A, Tranche B and Tranche C1 are converted into new shares at an issue price per share of EUR 2.25. See section 6.1

(2) As of the date of this report and without taking into account the exercise or conversion of other outstanding dilutive instruments.

6.5. Other financial consequences

For a further discussion of the financial consequences of the proposed Transaction, the board of directors refers to the special report prepared in connection therewith by the statutory auditor of the Company.

***

Done on 27 September 2023,

[*signature page follows*]

For the board of directors,

	[*Signed*]		[*Signed*]
By:	____________________	By:	____________________
	Director		Director

ANNEX

REPORT OF THE STATUTORY AUDITOR PREPARED IN ACCORDANCE WITH ARTICLES 7:179 AND 7:197 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE