

**OXURION<sup>1</sup>**  
Limited liability company  
Gaston Geenslaan 1  
3001 Heverlee  
Registered enterprise number: 0881.620.924  
LER Leuven  
  
(the **Company**)

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**SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:198  
JUNCTO ARTICLES 7:180, 7:191 AND 7:193 OF THE BELGIAN CODE OF COMPANIES AND  
ASSOCIATIONS**

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**1. INTRODUCTION**

This report (the **Report**) has been prepared by the board of directors of the Company (the **Board of Directors**) in accordance with article 7:198 *juncto* articles 7:180, 7:191 and 7:193 of the Belgian Code of Companies and Associations (the **BCCA**) in connection with (a) the amendment of the terms and conditions of the 190 already issued but not yet converted Convertible Bonds (as defined below) under the Atlas Subscription Agreement (as defined below), (b) the proposed issue, within the framework of the authorised capital of the Company, of up to 440 Convertible Bonds on the amended terms, which had previously been authorized by the Board of Directors on the terms set out in the Atlas Base Board Report (as defined below), (c) the proposed issue, within the framework of the authorised capital of the Company, of an additional up to 32 Convertible Bonds on the amended terms for the First Amendment Commission (as defined below) and (d) the cancellation of the preferential subscription rights of the existing shareholders of the Company in respect of this proposed issue of Convertible Bonds to the benefit of a specified person (the **Amendment**).

This Report should be read as a supplement to the special report of the Board of Directors of 7 March 2023 (the **Atlas Base Board Report**) regarding the issuance of Convertible Bonds under the Atlas Subscription Agreement.

Capitalised terms used herein have the meaning given to them in the Atlas Base Board Report or in the Atlas Subscription Agreement unless defined otherwise herein.

In this Report, the Board of Directors sets out the following: (i) a description of the authorised capital of the Company, (ii) a detailed description and justification of the proposed Amendment, (iii) the justification of the conversion price of the Convertible Bonds, (iv) the justification of the cancellation of the preferential subscription rights, (v) the identity of the beneficiary of the cancellation of the preferential subscription rights and (vi) the consequences of the Amendment, including the cancellation of the preferential subscription rights, on the economic and voting rights of the existing shareholders.

The statutory auditor of the Company, PwC Bedrijfsrevisoren, represented by Mr Didier Delanoye, was requested to draw up the report in accordance with articles 7:180, 7:191 and 7:193 of the BCCA (the **Auditor's Report**). This Report should be read together with the Auditor's Report.

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<sup>1</sup> This is a translation of a Dutch document into English. The Company has taken reasonable care to ensure that it is accurate. However, you should be aware that words and legal concepts used in one language may not have exact equivalents in another. The Company therefore cannot guarantee that the translation will have exactly the same meaning as the original.

## 2. AUTHORISED CAPITAL

### 2.1 Description of the authorised capital

In accordance with article 46 of the articles of association, the Board of Directors may increase the share capital of the Company in one or more instalments by a (cumulative) maximum amount equal to EUR 67,931,161.32. This authorisation was granted by the extraordinary general meeting of 24 May 2022 and is valid for a period of 5 years from the publication of that resolution in the Annexes to the Belgian Official Gazette on 30 May 2022.

The authorisation of the Board of Directors with respect to the authorised capital applies to capital increases by contribution in cash or in kind, by conversion of reserves, with or without the issuance of new shares. In addition, the Board of Directors is authorised to issue convertible bonds or subscription rights.

Within the framework of the authorised capital, the Board of Directors is authorised, acting in the interest of the Company and subject to compliance with the conditions stipulated in articles 7:191 and following of the BCCA, to cancel or limit the statutory preferential subscription rights of the existing shareholders, even if the cancellation or limitation of the preferential subscription rights is not to the benefit of employees of the Company or its subsidiaries.

The Board of Directors has the power to amend the articles of association of the Company in accordance with the capital increase resolved upon within the framework of the authorised capital.

In view of the issue of the Convertible Bonds, the Board of Directors wishes to use its authorisation with regard to the authorised capital and to cancel the preferential subscription rights of the existing shareholders.

### 2.2 Available amount of the authorised capital

The Board of Directors refers to the authorisation granted by the extraordinary general meeting of 24 May 2022, as mentioned under '2.1 Description of the authorised capital'. At the date of this Report, the Board of Directors has made use of the authorised capital:

- on 5 September 2022 when it resolved to issue 800 convertible bonds (each with a nominal value of EUR 2,500) for a total amount of EUR 2,000,000 against a contribution in cash under the issuance and subscription agreement entered into with Negma Group 26 August 2021, as amended from time to time (the **Negma Issuance and Subscription Agreement**);
- on 5 September 2022 when it resolved to issue 280 commitment fee convertible bonds (each with a nominal value of EUR 2,500) for a total amount of EUR 700,000 against a contribution in kind under the Negma Issuance and Subscription Agreement;
- on 21 October 2022 when it resolved to issue 520 convertible bonds (each with a nominal value of EUR 2,500) for a total amount of EUR 1,300,000 against a contribution in cash under the Negma Issuance and Subscription Agreement;
- on 28 November 2022 when it resolved to issue 540 convertible bonds (each with a nominal value of EUR 2,500) for a total amount of EUR 1,350,000 against a contribution in cash under the Negma Issuance and Subscription Agreement;
- on 25 January 2023 when it resolved to issue 540 convertible bonds (each with a nominal value of EUR 2,500) for a total amount of EUR 1,350,000 against a contribution in cash under the Negma Issuance and Subscription Agreement;

- on 14 March 2023 when it resolved to issue 112 Convertible Bonds (each with a nominal value of EUR 25,000) for a total amount of EUR 2,800,000 against a contribution in cash under the Atlas Subscription Agreement (as defined below);
- on 25 April 2023 when it resolved to issue 80 Convertible Bonds (each with a nominal value of EUR 25,000) for a total amount of EUR 2,000,000 against a contribution in cash under the Atlas Subscription Agreement;
- on 22 May 2023 when it resolved to issue 80 Convertible Bonds (each with a nominal value of EUR 25,000) for a total amount of EUR 2,000,000 against a contribution in cash under the Atlas Subscription Agreement;
- on 15 June 2023 when it resolved to issue 40 Convertible Bonds (each with a nominal value of EUR 25,000) for a total amount of EUR 1,000,000 against a contribution in cash under the Atlas Subscription Agreement;
- on 10 August 2023 when it resolved to issue 40 Convertible Bonds (each with a nominal value of EUR 25,000) for a total amount of EUR 1,000,000 against a contribution in cash under the Atlas Subscription Agreement;
- on 15 September 2023 when it resolved to issue 40 Convertible Bonds (each with a nominal value of EUR 25,000) for a total amount of EUR 1,000,000 against a contribution in cash under the Atlas Subscription Agreement.

Pursuant to these issuances, the authorised capital was reduced with an aggregate amount of EUR 16,500,000 from EUR 67,931,161.32 to EUR 51,431,161.32.

### 3. PROPOSED AMENDMENT

#### 3.1 Amendment

The Board of Directors refers to the subscription agreement which was entered into by the Company on 1 March 2023 with Atlas Special Opportunities, LLC, an exempted company, having its registered office at Maples Corporate Services LTD, P.O.BOX 309, Uglund House, Grand Cayman, KY1 – 1104, Cayman Islands (the **Investor** or **Atlas**) (the **Atlas Subscription Agreement**). Under and subject to the terms and conditions of the Atlas Subscription Agreement, the Company agreed to issue and the Investor agreed to subscribe to up to 832 zero coupon automatically convertible bonds (the **Convertible Bonds**), each with a nominal value of EUR 25,000, through several tranches (each a **Tranche**), to be called by the Company at its discretion (such call/request to the Investor for subscription, a **Notification of Exercise**), for a total amount of up to EUR 20,000,000 (the **Total Commitment Amount**) (and EUR 800,000 as Transaction Commission) before 1 March 2025 (the **Long Stop Date**) (the **Atlas Funding Programme**).

Currently the Investor has already subscribed to 392 Convertible Bonds, of which 202 have been exercised by the Investor in exchange of a total of 2,083,068,864 shares of the Company. 190 Convertible Bonds are already issued but not yet converted and 440 Convertible Bonds can still be issued under the original Atlas Subscription Agreement.

The Board of Directors further refers to an amendment to the Atlas Subscription Agreement entered into on 10 September 2023 with Atlas (the **First Amendment**), pursuant to which (a) Atlas has agreed to waive the Market Capitalization Condition and the Liquidity Condition (as defined below) for an amount of up to EUR 3,500,000, (b) Atlas and the Company have agreed to amend the Conversion Price of all 190 outstanding and 472 to be issued Convertible Bonds (including the 32 Convertible Bonds issued as additional commission – see (c) hereinafter) and (c) the Company has agreed to issue 32 Convertible Bonds, each with a denomination of EUR 25,000, and a principal aggregate amount of EUR 800,000, as additional commission to Atlas, as

further described below. The Atlas Subscription Agreement as amended by the First Amendment is referred to herein as the “**Amended Agreement**”.

(a) ***Waiver of the Market Capitalization Condition and the Liquidity Condition***

The right for the Company to draw a Tranche of Convertible Bonds and the undertaking by the Investor to subscribe to Convertible Bonds under the Atlas Subscription Agreement is subject to certain conditions, including the fulfilment (or waiver thereof by the Investor) of certain conditions precedent relating to (i) the Company’s average market capitalization over the thirty days preceding the Issue Date has not fallen below two times the amount of the Tranche, provided that, if the Company's average market capitalization is between EUR 2,000,000 and 4,000,000, the Company shall be entitled to draw a Tranche of Euro 1,000,000, and as soon as the Investor converts those Convertible Bonds, the Company shall be entitled to draw another Tranche without a cool down period provided the other conditions for drawing a Tranche are met (the **Market Capitalization Condition**) and (ii) the total trading value of the Company’s shares during the preceding 22 trading days is at least equal to EUR 1,500,000 (the **Liquidity Condition**).

Atlas has agreed to waive the Market Capitalization Condition and the Liquidity Condition for an amount of up to EUR 3,500,000 in the Company’s equity through up to 140 zero coupon automatically convertible bonds, each with a nominal value of EUR 25,000, through three Tranches, to be paid by the Investor at the latest on 15 September 2023 for a principal aggregate amount of EUR 1,000,000, and on 15 October 2023 for a principal aggregate amount of EUR 1,500,000 and, respectively, on 15 November 2023 for a principal aggregate amount of EUR 1,000,000 provided regulatory approvals have been obtained.

The Investor and the Company further agreed that, for the avoidance of doubt:

1. all other conditions precedent in Article 4 (*Conditions Precedent*) of the Atlas Subscription Agreement, and all other provisions of the Atlas Subscription Agreement, will continue to apply to the abovementioned three Tranches;
2. the abovementioned three Tranches will count towards the EUR 20,000,000 maximum aggregate principal amount of the Facility;
3. the entering into of the First Amendment constituted the Notification of Exercise for the first abovementioned Tranche, and thereafter five days’ Notification of Exercise shall be required for the two other Tranches and the Investor and the Company shall agree a schedule for these Notifications of Exercises; and
4. once the abovementioned three Tranches have been issued, the Market Capitalization and Liquidity Conditions shall apply.

(b) ***Amendment of the Conversion Price***

Pursuant to the First Amendment, for purposes of the Terms and Conditions of all 662 outstanding and to be issued Convertible Bonds, the Investor and the Company have agreed to replace the definition of “Conversion Price” as follows:

***“Conversion Price”***

*means 92% of the lowest one-day Volume Weighted Average Price of the ordinary shares of OXURION NV, as published by Bloomberg, selected by the Holder over the Pricing Period, except that to the extent that where the Principal Market is open on local holidays, these days shall be excluded;*

In the definition of Conversion Price,

- ‘Volume Weighted Average Price’ means in relation to the ordinary shares of the Company, the trading benchmark calculated by dividing the total value traded (sum of price times traded size) by the total volume (sum of trade sizes), as published by Euronext;
- ‘Holder’ means the holder of the Convertible Bonds for the time being;
- ‘Pricing Period’ means 10 consecutive Trading Days prior to the receipt by the Company of the Conversion Notice;
- ‘Principal Market’ means Euronext Brussels organized and managed by Euronext N.V.;

Similarly, the second paragraph of Article 9 (*Final Mandatory Conversion*) of the Terms and Conditions of all outstanding and to be issued Convertible Bonds will be replaced as follows:

*“The number of Conversion Shares to be issued following the mandatory conversion of the Unconverted Bonds under this Article 9 shall be determined by dividing the Principal Amount of the Unconverted Bonds by 92% of the lowest one-day Volume Weighted Average Price of the ordinary shares of the Company as published by Bloomberg selected by the Holder over a period of ten consecutive Trading Days prior to the Maturity Date.”*

In that paragraph, ‘Maturity Date’ means the last day of the 24-month period beginning on the date of issuance of the relevant Convertible Bonds.

Further to the First Amendment, the conversion price shall be equal to 92% of the lowest one-day volume weighted average price of the Shares of the Company, as published by Bloomberg, selected by the holder over the 10 consecutive trading days prior to the receipt by the Company of the Conversion Notice, rather than 92% of the average of the lowest three one-day volume weighted average price as was the case under the original Atlas Subscription Agreement.

(c) ***Amendment Commission***

In consideration of the agreement by the Investor to waive the Market Capitalization and Liquidity Condition, the Company agreed to issue 32 Convertible Bonds, each with a denomination of EUR 25,000, and a principal aggregate amount of EUR 800,000 on the first Issue Date following the FSMA’s approval of the supplement to the prospectus of 29 March 2023 related to the First Amendment (the **First Amendment Commission**).

For the avoidance of doubt, the Convertible Bonds issued in connection with the conversion of the First Amendment Commission receivable will not count towards the EUR 20,000,000 maximum aggregate principal amount of the Facility.

The Investor and the Company agreed that until the necessary approvals or *nihil obstat* from the FSMA for the Board Report and the approval of the supplement to the prospectus of 29 March 2023 related to the amendment of the Terms and Conditions and for the Listing of Conversion Shares (the **Required Approvals**) have been obtained, the (i) the Convertible Bonds and (ii) the Conversion Shares will continue to be issued under the terms of the unamended Atlas Subscription Agreement.

The Board of Directors proposes, on the basis of the authorised capital, (a) to amend the terms and conditions applicable to the 190 already issued but not yet converted Convertible Bonds under the Atlas Subscription Agreement, (b) to issue within the framework of the authorised capital of the Company, up to 440 Convertible Bonds (each with a nominal value of EUR 25,000) on the amended terms, which had previously been authorized by the Board of Directors on the terms set out in the Atlas Base Board Report, for a total amount

of EUR 11,000,000, (c) to issue within the framework of the authorised capital of the Company, up to 32 Convertible Bonds (each with a nominal value of EUR 25,000) on the amended terms for the First Amendment Commission and (d) to cancel the statutory preferential subscription rights of the existing shareholders to the benefit of the Investor in accordance with articles 7:198 juncto articles 7:180, 7:191 and 7:193 of the BCCA in respect of this proposed issue of Convertible Bonds, provided that the effective issuance of these Convertible Bonds shall be subject to the extent of the subscription to (Tranches of) these Convertible Bonds by the Investor, subject to the terms and conditions of the Amended Agreement (except for the Convertible Bonds for the First Amendment Commission that will be issued as set out above). As set out in the Atlas Subscription Agreement, the Investor shall subscribe to the (Tranches of) Convertible Bonds by contribution in cash (to be fully paid-up) (except for the subscription price for 32 Convertible Bonds, each with a denomination of EUR 25,000 that will not be paid in cash but by conversion of the receivable for receipt of the First Amendment Commission).

The Board of Directors acknowledges that the statutory preferential subscription rights are cancelled in favour of one or more specified persons, as referred to in article 7:193 BCCA.

### **3.2 Terms and conditions**

The Convertible Bonds shall constitute convertible bonds within the meaning of articles 7:65 and following of the BCCA and shall be convertible into new ordinary shares of the Company (the **Shares**), which in turn shall be listed on Euronext Brussels.

The characteristics of the Convertible Bonds shall be as set out in the Atlas Base Board Report, subject to the amendments to the terms and conditions pursuant to the First Amendment, as set out above.

## **4. JUSTIFICATION OF THE WAIVER OF THE MARKET CAPITALIZATION AND LIQUIDITY CONDITIONS AND OF THE FIRST AMENDMENT COMMISSION**

The issuance of the Convertible Bonds to the Investor is not a public offering and does not require the publication of a listing or offering prospectus, in accordance with the EU Prospectus Regulation 2017/1129.

The main purposes of the First Amendment are to enhance the Company's ability to subscribe to three new Tranches (up to an amount of EUR 3.5 million) and hence to finance its activities, in particular to fund the KALAHARI trial and to secure sufficient funding to progress to top-line results expected by the end of 2023.

The Board of Directors notes that the undertaking of the Investor to subscribe to a new Tranche upon request of the Company is subject to compliance with the Atlas Subscription Agreement and in particular subject to the fulfilment of (or waiver thereof by the Investor) conditions precedent, including the Market Capitalization Condition and the Liquidity Condition, that are beyond the Company's control.

Regarding the Liquidity Condition, it should be noted that the total trading value of the Company's shares between 10 August 2023 and 11 September 2023 amounted to EUR 1,989,783. However, there is a significant risk, in particular without trading by the Investor itself, that the Company will not fulfil the Liquidity Condition (for example, the total trading value of the Company's shares between 19 June 2023 and 18 July 2023 amounted to EUR 762,038).

Regarding the Market Capitalization Condition, it should be noted that the Company's average market capitalisation between 8 May 2023 and 6 June 2023 amounted to EUR 3,468,733 and between 11 July 2023 and 9 August 2023 to EUR 2,933,968. As a consequence, the Company's issued EUR 1,000,000 tranches on 15 June 2023 and 8 August 2023, rather than two tranches of EUR 2,000,000 each. Between 17 August 2023 and 15 September 2023, the Company's average market capitalisation amounted to EUR 3,831,225.

The Board of Directors points out that the First Amendment eliminates part of the risk for the Company not being able to issue new Tranches (up to an amount of EUR 3.5 million), which enables the Company to obtain financial resources within a short period of time (i.e. EUR 3.5 million by 15 November 2023), which is critical

for the Company to obtain the top-line data of KALAHARI trial. The Board of Directors proposes for the issue of the Convertible Bonds to be carried out within the framework of the authorised capital, which also allows the Company to have access to the funds more quickly.

The Company's primary asset is THR-149. THR-149 is a novel therapy for the up to 50% of patients who respond suboptimally to the current standard of care treatment for DME, a disease afflicting millions of people worldwide that is the leading cause of blindness for working-age people. The Company is currently engaged in Phase 2, Part B KALAHARI trial of THR-149 in Diabetic Macular Edema (DME), with top-line results expected before the end of the year. The Amendment should enable the Company's ability to obtain the top-line data from the KALAHARI trial before the end of the year.

As mentioned, the decision to effectively draw down one or more Tranches is at the discretion of the Company. Therefore, each time the Company shall evaluate when and insofar it deems opportune to issue a Tranche, considering the relative opportunities and implications at the time of such decision. This includes the conditions of other access to capital (either in equity or equity-linked, or in debt), the effect on the trading volume, etc.

The Company's cash position on 31 December 2022 was approximately EUR 3.6 million. The Company's cash position on 30 June 2023 was approximately EUR 2.2 million.

The Company considers that, absent further sources of funds than the Atlas Funding Programme, as amended, it would run out of working capital in November 2023.

With the Amendment, the Company enhance the right to access to committed equity funding without application of the Market Capitalization and the Liquidity Conditions of EUR 3,500,000 by 15 November 2023, which should enable to Company to obtain top-line data from the KALAHARI trial as discussed below in Section 6. Thereafter, it will have access to a further EUR 8,500,000 until March 2025, subject to the realization of all conditions precedent for the drawdown of subsequent Tranches as set out in the Atlas Subscription Agreement, including the realization (or waiver of) the Market Capitalization and the Liquidity Conditions.

In consideration of the Investor's agreement to waive the Market Capitalization and Liquidity Condition, the Company agreed to issue 32 Convertible Bonds to the Investor, as the First Amendment Commission.

Under the First Amendment, the First Amendment Commission is payable in convertible bonds. The Board of Directors takes the view that the contribution in kind of the claim in exchange for mandatory convertible bonds is in the Company's best interest as it is expected to reduce the Company's debt for the same amount upon conversion of the bonds.

For the above reasons, the Board of Directors is of the opinion that the waiver of the Market Capitalization and Liquidity Conditions and granting the First Amendment Commission is in the interest of the Company.

## **5. JUSTIFICATION OF THE AMENDMENT OF THE CONVERSION PRICE**

In accordance with their terms, the holder of the Convertible Bonds shall have the right to convert all or any of the Convertible Bonds during the Conversion Period into new Shares issued by the Company, representing the share capital of the Company and having the same rights as the existing Shares of the Company.

Under the First Amendment, the issue price of the Shares upon conversion of the Convertible Bonds shall be equal to the conversion price of the Convertible Bonds (the **Conversion Price**), which shall be equal to 92% of the lowest one-day Volume Weighted Average Price of the ordinary shares of the Company, as published by Bloomberg, selected by the Holder over the Pricing Period, rather than 92% of the average of the lowest three one-day volume weighted average price as was the case under the original Atlas Subscription Agreement.

This revised method of calculation of the Conversion Price will lead to lower conversion prices than under the original Atlas Subscription Agreement and, hence, shall cause higher dilution of the Company's shareholders.

This amendment to the Conversion Price has been negotiated and commercially agreed upon with the Investor in the First Amendment, taking into account the increasingly difficult access to capital markets due to the current geopolitical circumstances and the difficult market conditions on the one hand, and the illiquidity of the Company's stock and the reduced share price on the other hand. For this reason and considering the current position in the market of the Company, the Company and the Investor have agreed to an eight percent discount to the lowest one-day volume weighted average price of the shares of the Company over the ten consecutive trading days prior to the conversion notice (rather than 92% of the average of the lowest three one-day volume weighted average price) to enable the Company to continue to raise significant amounts of new funds by issuing automatically convertible bonds to the Investor notwithstanding the limited liquidity of the Company's stock and the reduced stock price.

The amount of the actual Conversion Price shall be determined on the basis of a reference to the volume weighted average of the ordinary shares of the Company, as set out above, and, hence be subject to market dynamics.

For these reasons (including the reasons set out in section 4 of this Report), the Board of Directors is of the opinion that the Conversion Price (as amended by the First Amendment) is justified as it reasonably balances between the interests of the existing shareholders and the holders of the Convertible Bonds.

## **6. JUSTIFICATION FOR THE CANCELLATION OF THE PREFERENTIAL SUBSCRIPTION RIGHTS IN RESPECT OF THE ISSUANCE OF 32 CONVERTIBLE BONDS**

The cancellation of the preferential subscription rights will allow the Company to issue to the Investor and for the Investor to subscribe to 32 Convertible Bonds in accordance with the terms and conditions of the Amended Agreement. These 32 Convertible Bonds will be issued as the First Amendment Commission to the Investor.

The Board of Directors points out that the cancellation of the preferential subscription rights enables the Company to execute the First Amendment and to obtain additional financial resources within a short period of time, which should allow the Company to obtain the top-line data from the KALAHARI trial and to obtain the benefits outlined in section 4 of this Report.

In particular, the Investor agreed to waive the Market Capitalization and Liquidity Condition, which enables the Company to enhance the right to access to committed equity funding of EUR 3,500,000.

In consideration of the agreement by the Investor to waive these conditions, the Company agreed to issue 32 Convertible Bonds to the Investor, as the First Amendment Commission.

Although the conversion of the outstanding or still to be issued Convertible Bonds will result in an additional dilution of the financial, voting and dividend rights attached to the existing Shares of the Company (and of the related rights of the shareholders of the Company), the Board of Directors is of the opinion that this additional dilution of the financial, voting and dividend rights attached to the existing Shares will be outweighed by the benefits of the Amendment to the Company and its shareholders, in particular the enhanced right to access committed equity funding of EUR 3,500,000 which should allow the Company to obtain the top-line data from the KALAHARI trial and to obtain the benefits outlined in section 4 of this Report.

Therefore, Board of Directors is of the opinion that the proposed issue of 32 Convertible Bonds within the framework of the authorised capital with cancellation of the preferential subscription rights serves the interests of the Company and its shareholders.



## **7. CONSEQUENCES FOR THE ECONOMIC- AND VOTING RIGHTS OF THE SHAREHOLDERS**

### **7.1 General**

The following sections provide an overview of the effects of the proposed Amendment on the economic and voting rights of the existing shareholders of the Company. As described above, the proposed Amendment concerns the amendment of the terms and conditions of the outstanding Convertible Bonds and the terms applicable to the issue of up to 472 Convertible Bonds, each with a nominal value of EUR 25,000, the effective issuance of these Convertible Bonds shall be subject to the extent of the subscription to these Convertible Bonds by the Investor pursuant to the terms and conditions of the amended Atlas Subscription Agreement (except for the Convertible Bonds for the First Amendment Commission that will be issued as set out above).

During the Conversion Period, the holder of the Convertible Bonds shall have the right to convert all or any of the Convertible Bonds into new Shares issued by the Company against the Conversion Price.

### **7.2 Evolution of the capital and profit share**

On the date of this Report, the Company's share capital amounts to EUR 82,756,161.32 and is represented by 2,667,771,604 ordinary Shares. The par value is therefore EUR 0.031 per Share (rounded). On 6 September 2023, the Company has 2,974,655 outstanding subscription rights, of which 2,759,655 have been granted and accepted but unexercised, and 215,000 remain to be offered.

On the date of this Report, each Share in the Company represents an equal portion of the share capital of the Company and carries economic and voting rights in proportion to the share capital it represents. The issuance of the Shares upon conversion of the Convertible Bonds will result in the dilution of the financial, voting and dividend rights attached to the of the existing Shares of the Company.

The financial consequences and the dilutive effect of the capital increase resulting from a potential conversion of the Convertible Bonds can be illustrated, on an indicative basis only, by means of the overview provided for in [Appendix 1](#) (in that Appendix 1, the amount of net equity refers to the statutory accounts).

This overview reflects the three following scenarios in terms of conversion price :

1. dilution calculations based on the Reference Conversion Price (as defined hereunder);
2. dilution calculations based on a Conversion Price higher than the Reference Conversion Price;
3. dilution calculations based on a Conversion Price lower. than the Reference Conversion Price ;

and, for each of these scenarios, the overview shows the dilutions based on :

1. the original Atlas Subscription Agreement (no change in the Conversion Price and no additional commission paid to Atlas as First Amendment Commission);
2. the amended Conversion Price pursuant to the First Amendment (but without taking into account the issuance of 32 additional convertible bonds as First Amendment Commission); and
3. the amended Conversion Price pursuant to the First Amendment and taking into account the issuance of 32 additional convertible bonds as First Amendment Commission.

Further, this overview is based on the following hypotheses:

- all 472 Convertible Bonds that have yet to be subscribed for by the Investor will be subscribed in the future and all 662 Convertible Bonds will be effectively converted into new Shares in the Company;

- the hypothetical Conversion Prices mentioned in the simulation are as follows:
  - 92% of the average\_of (a) the lowest three one-day or (b) respectively, the lowest one-day volume weighted average price of the ordinary shares of the Company, as published by Bloomberg, selected by the holder of the Convertible Bonds over the 10 consecutive trading days prior to 27 September 203 (the **Reference Conversion Price**), being EUR 0.001196 ((EUR 0.0013+ EUR 0.0013 + 0.0013)/3)\*92%) and, respectively, EUR 0.001196 (EUR 0.0013\*92%);
  - a Conversion Price higher than the Reference Conversion Price, *i.e.* EUR 0.001625 and, respectively, EUR 0.001564;
  - a Conversion Price lower than the Reference Conversion Price, *i.e.* EUR 0.001073 and, respectively, EUR (0.001012; and
- the number of Shares issued by the Company to the relevant holder of the Convertible Bonds upon conversion of the Convertible Bonds is equal to the Conversion Amount divided by the applicable Conversion Price.

By issuing new Shares as a result of the conversion of the Convertible Bonds, the profit shares and the voting rights of the existing shareholders will be diluted as set out in Appendix 1. The Company notes that the First Amendment causes additional dilution relating only to (i) the 32 Convertible Bonds issued for the First Amendment Commission and (ii) the amendment of the Conversion Price, the rest of the dilution is as a result of the original Atlas Subscription Agreement, which was previously authorized by the Board of Directors.

### **7.3 Economic consequences of the conversion of the Convertible Bonds**

From an accounting perspective, the aggregate amount of the capital increase (with issue premium) resulting from a conversion of the Convertible Bonds shall be allocated in full to the Company's equity capital. Where the Conversion Price of the Convertible Bonds is respectively higher or lower than the Company's equity capital per Share prior to conversion, this shall result respectively in an increase or a dilution of the equity capital per Share from an accounting perspective.

Taking into account the above, it is not yet certain when the Convertible Bonds will eventually be converted prior to their Maturity Date. However, if and when the Convertible Bonds are converted into new Shares, the existing shareholders will be subject a financial dilution, given that a holder of Convertible Bonds will only convert a Convertible Bond if the Conversion Price is lower than the prevailing market price of the Shares at the time of conversion (except in case of automatic conversion on the Convertible Bonds at the Maturity Date where a holder of Convertible Bonds does not have the choice in terms of timing of conversion, being however understood that the automatic conversion on the Convertible Bonds at the Maturity Date will also occur at the Conversion Price).

Drawn up in Leuven on 2 October.

**On behalf of the Board of Directors,**

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Name: Tom Graney  
Title: CEO

**APPENDIX 1  
DILUTION OVERVIEW**

# 1. Voting-dividend rights

1. Voting-dividend rights dilution									
Excluding shares resulting from the exercise of subscription rights and shares resulting from the conversion of Kreos convertible bonds (CBs)									
Scenario	Conversion Price at the date of the report			Higher Conversion Price			Lower Conversion Price		
	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's
Working hypothese									
Hypothetical conversion prices (based on actual stock price of July, August and September 2023)	€ 0,001196	€ 0,001196	€ 0,001196	€ 0,001625	€ 0,001564	€ 0,001564	€ 0,001073	€ 0,001012	€ 0,001012
Number of existing shares prior to the start of the Atlas Funding	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740
Number of already issued New Shares under the Atlas Funding	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864
Conversion of the already issued but not yet converted Atlas CBs	3.971.571.906	3.971.571.906	3.971.571.906	2.922.477.441	3.037.084.399	3.037.084.399	4.425.465.839	4.693.675.889	4.693.675.889
Conversion amount of the remaining Atlas CBs (including as the case may be the amendment commission)	11.000.000	11.000.000	11.800.000	11.000.000	11.000.000	11.800.000	11.000.000	11.000.000	11.800.000
New Shares to be issued upon 100% conversion of the remaining Atlas CBs	9.198.000.000	9.198.000.000	9.867.000.000	6.768.000.000	7.034.000.000	7.545.000.000	10.249.000.000	10.870.000.000	11.661.000.000
Total shares after 100% conversion of new Atlas CBs	15.837.343.510	15.837.343.510	16.506.343.510	12.358.249.045	12.738.856.003	13.249.856.003	17.342.237.443	18.231.447.493	19.022.447.493
<b>Dilution</b>	96,31%	96,31%	96,46%	95,27%	95,41%	95,59%	96,63%	96,79%	96,93%
Including shares resulting from the exercise of subscription rights (SRs)									
Scenario	Conversion Price at the date of the report			Higher Conversion Price			Lower Conversion Price		
	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's
Working hypothese									
Hypothetical conversion prices (based on actual stock price of July, August and September 2023)	€ 0,001196	€ 0,001196	€ 0,001196	€ 0,001625	€ 0,001564	€ 0,001564	€ 0,001073	€ 0,001012	€ 0,001012
Number of existing shares prior to the start of the Atlas Funding	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740
Number of already issued New Shares under the Atlas Funding	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864
Conversion of the already issued but not yet converted Atlas CBs	3.971.571.906	3.971.571.906	3.971.571.906	2.922.477.441	3.037.084.399	3.037.084.399	4.425.465.839	4.693.675.889	4.693.675.889
Conversion amount of the remaining Atlas CBs	11.000.000	11.000.000	11.800.000	11.000.000	11.000.000	11.800.000	11.000.000	11.000.000	11.800.000
New Shares to be issued upon 100% conversion of the remaining Atlas CBs	9.198.000.000	9.198.000.000	9.867.000.000	6.768.000.000	7.034.000.000	7.545.000.000	10.249.000.000	10.870.000.000	11.661.000.000
Shares to be issued upon 100% exercise of SRs	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655
Total number of new (dilutive) shares	15.255.400.425	15.255.400.425	15.924.400.425	11.776.305.960	12.156.912.918	12.667.912.918	16.760.294.358	17.649.504.408	18.440.504.408
Total shares after 100% conversion of new Atlas CBs and exercise subscription rights	17.923.172.029	17.923.172.029	18.592.172.029	14.444.077.564	14.824.684.522	15.335.684.522	19.428.065.962	20.317.276.012	21.108.276.012
<b>Dilution</b>	96,74%	96,74%	96,86%	95,95%	96,06%	96,19%	96,99%	97,12%	97,23%
Including shares resulting from the exercise of SRs and shares resulting from the conversion of Kreos CBs									
Scenario	Conversion Price at the date of the report			Higher Conversion Price			Lower Conversion Price		
	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's
Working hypothese									
Hypothetical conversion prices (based on actual stock price of July, August and September 2023)	€ 0,001196	€ 0,001196	€ 0,001196	€ 0,001625	€ 0,001564	€ 0,001564	€ 0,001073	€ 0,001012	€ 0,001012
Number of existing shares prior to the start of the Atlas Funding	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740
Number of already issued New Shares under the Atlas Funding	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864	2.083.068.864
Conversion of the already issued but not yet converted Atlas CBs	3.971.571.906	3.971.571.906	3.971.571.906	2.922.477.441	3.037.084.399	3.037.084.399	4.425.465.839	4.693.675.889	4.693.675.889
Conversion amount of the remaining Atlas CBs	11.000.000	11.000.000	11.800.000	11.000.000	11.000.000	11.800.000	11.000.000	11.000.000	11.800.000
New Shares to be issued upon 100% conversion of the remaining Atlas CBs	9.198.000.000	9.198.000.000	9.867.000.000	6.768.000.000	7.034.000.000	7.545.000.000	10.249.000.000	10.870.000.000	11.661.000.000
Shares to be issued upon 100% exercise of SRs	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655	2.759.655
Shares to be issued upon 100% conversion Kreos CBs	862.068	862.068	862.068	862.068	862.068	862.068	862.068	862.068	862.068
Total number of new (dilutive) shares	15.256.262.493	15.256.262.493	15.925.262.493	11.777.168.028	12.157.774.986	12.668.774.986	16.761.156.426	17.650.366.476	18.441.366.476
Total shares after 100% conversion of all CBs and exercise subscription rights	17.924.034.097	17.924.034.097	18.593.034.097	14.444.939.632	14.825.546.590	15.336.546.590	19.428.928.030	20.318.138.080	21.109.138.080
<b>Dilution</b>	96,74%	96,74%	96,86%	95,95%	96,06%	96,19%	96,99%	97,12%	97,23%

## 2. Equity

2. Net equity									
Excluding shares resulting from the exercise of SRs									
Scenario	Conversion Price at the date of the report			Higher Conversion Price			Lower Conversion Price		
	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's
Working hypothese									
Hypothetical conversion prices (based on actual stock price of July, August and September 2023)	€ 0,001196	€ 0,001196	€ 0,001196	€ 0,001625	€ 0,001564	€ 0,001564	€ 0,001073	€ 0,001012	€ 0,001012
<u>Before</u>									
Net equity as per 30-06-2023 (statutory accounts)	-€ 5.909.148,89	-€ 5.909.148,89	-€ 5.909.148,89	-€ 5.909.148,89	-€ 5.909.148,89	-€ 5.909.148,89	-€ 5.909.148,89	-€ 5.909.148,89	-€ 5.909.148,89
Number of existing shares prior to the start of the Atlas Funding	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740
Intrinsic value/share (in EUR)	-€ 0,0101	-€ 0,0101	-€ 0,0101	-€ 0,0101	-€ 0,0101	-€ 0,0101	-€ 0,0101	-€ 0,0101	-€ 0,0101
<u>Conversion new Atlas CBs</u>									
Shares to be issued upon 100% conversion of CBs	15.252.640.770	15.252.640.770	15.921.640.770	11.773.546.305	12.154.153.263	12.665.153.263	16.757.534.703	17.646.744.753	18.437.744.753
Cash	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00
<u>After</u>									
Net equity (in EUR)	14.090.851,11	14.090.851,11	14.090.851,11	14.090.851,11	14.090.851,11	14.090.851,11	14.090.851,11	14.090.851,11	14.090.851,11
Outstanding shares	15.837.343.510	15.837.343.510	16.506.343.510	12.358.249.045	12.738.856.003	13.249.856.003	17.342.237.443	18.231.447.493	19.022.447.493
Intrinsic value/share (in EUR)	€ 0,0009	€ 0,0009	€ 0,0009	€ 0,0011	€ 0,0011	€ 0,0011	€ 0,0008	€ 0,0008	€ 0,0007

### 3. Financial dilution

3. Financial dilution									
Excluding shares resulting from the exercise of SRs or shares resulting from the conversion of Kreos Bonds									
Scenario	Conversion Price at the date of the report			Higher Conversion Price			Lower Conversion Price		
	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's	Original Atlas Funding	Amended Conversion Price (without new 32 CB's)	Amended Conversion Price and 32 news CB's
Working hypothese									
Hypothetical conversion prices (based on actual stock price of July, August and September 2023)	€ 0,001196	€ 0,001196	€ 0,001196	€ 0,001625	€ 0,001564	€ 0,001564	€ 0,001073	€ 0,001012	€ 0,001012
<u>Before</u>									
Number of existing shares prior to the start of the Atlas Funding	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740	584.702.740
Hypothetical share price	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017
Market cap	€ 993.994,66	€ 993.994,66	€ 993.994,66	€ 993.994,66	€ 993.994,66	€ 993.994,66	€ 993.994,66	€ 993.994,66	€ 993.994,66
Market cap per share	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017	€ 0,0017
<u>Conversion new Atlas CBs</u>									
Shares to be issued upon 100% conversion of new Atlas CBs	15.252.640.770	15.252.640.770	15.921.640.770	11.773.546.305	12.154.153.263	12.665.153.263	16.757.534.703	17.646.744.753	18.437.744.753
Cash	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00	€ 20.000.000,00
<u>After</u>									
Market cap	€ 20.993.994,66	€ 20.993.994,66	€ 20.993.994,66	€ 20.993.994,66	€ 20.993.994,66	€ 20.993.994,66	€ 20.993.994,66	€ 20.993.994,66	€ 20.993.994,66
Number of shares	15.837.343.510	15.837.343.510	16.506.343.510	12.358.249.045	12.738.856.003	13.249.856.003	17.342.237.443	18.231.447.493	19.022.447.493
Market cap per share	€ 0,0013	€ 0,0013	€ 0,0013	€ 0,0017	€ 0,0016	€ 0,0016	€ 0,0012	€ 0,0012	€ 0,0011
Dilution	28,55%	28,55%	28,60%	4,18%	7,63%	7,65%	35,62%	39,17%	39,23%