

OXURION¹
Limited liability company
Gaston Geenslaan 1
3001 Heverlee
Registered enterprise number: 0881.620.924
LER Leuven

(the **Company**)

**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**

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 the proposed issue, within the framework of the authorised capital of the Company and pursuant to the ACM Issuance and Subscription Agreement (as defined below), of up to 832 Convertible Bonds (as defined below), and to cancel the preferential subscription rights of the existing shareholders of the Company in respect of this proposed issue of the Convertible Bonds to the benefit of a specified person provided that the effective issuance of these Convertible Bonds shall be to the extent of the Company's subscription to (Tranches (as defined below) of) these Convertible Bonds, which is in turn subject to the terms and conditions of the ACM Issuance and Subscription Agreement (the **Transaction**).

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 Transaction, (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 Transaction, 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 BV, 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.

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.

¹ This is a translation of a Dutch document into English. Oxurion NV 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. Oxurion NV therefore cannot guarantee that the translation will have exactly the same meaning as the original.

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 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.

Pursuant to these issuances, the authorised capital was reduced with an aggregate amount of EUR 6,700,000 from EUR 67,931,161.32 to EUR 61,231,161.32.

3. PROPOSED TRANSACTION

3.1 Transaction

The Board of Directors refers to the issuance and subscription agreement which was entered into by the Company on 1 March 2023 with Atlas Special Opportunities, LLC (the **Investor**), an exempted company, having its registered office at Maples Corporate Services LTD, P.O.BOX 309, Ugland House, Grand Cayman, KY1 – 1104, Cayman Islands (the **ACM Issuance and Subscription Agreement**).

The Board of Directors proposes, on the basis of the authorised capital, to issue up to 832 Convertible Bonds (each with a nominal value of EUR 25,000) for a total amount of EUR 20,800,000, with cancellation of 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, 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 ACM Issuance- and Subscription Agreement. As set out in the ACM Issuance and 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, issued as part of the First Tranche Part A (as defined below), that will not be paid in cash but by conversion of the receivable for receipt of the Transaction Commission (as defined below)).

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. Therefore, a nihil obstat of the FSMA with respect to this Transaction will be required in accordance with article 7:193 § 2 of the BCCA.

(a) General description of the ACM Funding Programme

Under and subject to the terms and conditions of the ACM Issuance and Subscription Agreement, the Company has agreed to issue and the Investor has 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 composed of 80 Convertible Bonds, for a principal aggregate amount equal to EUR 2,000,000 (each a **Tranche**), to be called by the Company in up to nine tranches 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 **ACM Funding Programme**).

The first Tranche shall consist of (A) No. 112 Convertible Bonds, each with a denomination of EUR 25,000, with a principal aggregate amount equal to EUR 2,800,000 (the **First Tranche Part A**) and (B) No. 80 Convertible Bonds, each with a denomination of EUR 25,000, with a principal aggregate amount equal to EUR 2,000,000 (the **First Tranche Part B** and, together with the First Tranche Part A, the **First Tranche**).

Any subsequent Tranche shall normally consist of up to No. 80 Convertible Bonds, each with a denomination of EUR 25,000 and a principal aggregate amount equal to EUR 2,000,000.

The amounts received by the Company under the ACM Funding Programme will be used as working capital and for general corporate purposes (see Section 4 of this Report).

(b) Cool down period

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 ACM Issuance and Subscription Agreement is subject to the expiry of a cool down period since the previous Tranche. The standard cool down period is twenty-two trading days as from the closing (issuance) of the previous Tranche, but the duration of the cool down period may be extended, e.g. if the shares issued by the Company following a conversion request

(the **Conversion Shares**) by the Investor are not delivered to the Investor and listed within five trading days after the Conversion Notice (as defined below).

As an exception, the First Tranche Part A may be issued as of the date of signature of the ACM Issuance and Subscription Agreement (*i.e.* 1 March 2023) and the First Tranche Part B may be issued, without cool down Period, as soon as evidence is available that the Conversion Shares that would be issued in case of conversion of the Convertible Bonds will be permitted to be listed under a listing prospectus (and subject to the other conditions of the ACM Issuance and Subscription Agreement).

(c) ***Conditions precedent***

The undertaking of the Investor to subscribe to a new Tranche upon request of the Company is subject to compliance with the ACM Issuance and Subscription Agreement and in particular subject to the fulfilment of (or waiver thereof by the Investor) conditions precedent relating to:

- (i) prior to the issue date of the First Tranche Part A, the termination of the Negma Issuance and Subscription Agreement;
- (ii) the confirmation of representations and warranties;
- (iii) on or before the issue date of the First Tranche, the delivery of certain corporate documents and evidence of regulatory authorization;
- (iv) no Event of Default (as defined below) or Material Adverse Effect (as defined below) being outstanding;
- (v) no change in ownership caused by or causing a public takeover bid occurred;
- (vi) the absence of circumstances prohibiting or substantially inhibiting the Company to consummate the transactions contemplated in the ACM Issuance and Subscription Agreement;
- (vii) the listing not being suspended;
- (viii) the average market capitalisation of the Company the over a period of 30 (thirty) days preceding the issue date, as shown on Bloomberg, has not fallen below two times the amount of the Tranche. If the Company's average market capitalisation falls below Euro 4,000,000, the Company shall be entitled to draw a Tranche of Euro 1,000,000, provided that its average market capitalisation is at least Euro 2,000,000, and as soon as the Investor converts those 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;
- (ix) the total trading value of the Company's Shares (as defined below) during the preceding 22 trading days is at least equal to EUR 1,500,000;
- (x) the Company being in good standing under the laws of its jurisdiction of incorporation.

(d) Furthermore, the Company may not call any additional Tranches if (y) there is insufficient unused authorised capital available to do so (which is currently not the case nor will it be the case during the ACM Issuance and Subscription Agreement except if the Company uses the authorized capital for another transaction) or (z) the Investor expects that part or all of the Conversion Shares that would be issued in case of conversion of such additional Tranche will not be permitted to be listed under a listing prospectus or the exemption under article 1,

paragraph 5 of Regulation (EU) 2017/1129 (except that for the First Tranche Part A evidence that approximately 95 million Shares are authorised to be listed under the exemption under article 1, paragraph 5 of Regulation (EU) 2017/1129 is sufficient).

(e) ***Transaction commission and expenses***

In consideration of the agreement by the Investor to subscribe and pay for the Convertible Bonds, a commission equal to EUR 800,000 (the **Transaction Commission**) shall be due by the Company to the Investor on the issue date for the First Tranche Part A, by way of issuance of 32 Convertible Bonds, each with a denomination of EUR 25,000.

Further, the Company shall reimburse the Investor for its reasonable and documented legal expenses incurred in connection with the negotiation and execution of the ACM Issuance and Subscription Agreement within a limit of EUR 20,000 (plus VAT or any similar taxes and mandatory bar contributions).

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 below.

(a) ***Form***

The Convertible Bonds shall be in registered form and fractions of Convertible Bonds cannot be issued. Evidence of the rights of the Investor as holder of the Convertible Bonds shall be given by registration of its name in a register kept by the Company in accordance with the applicable laws and regulations.

(b) ***Nominal value***

Each Convertible Bond shall have a nominal value of EUR 25,000 and immediately payable in cash upon subscription in accordance with the terms, and subject to the conditions, of the ACM Issuance and Subscription Agreement (except for the subscription price for 32 Convertible Bonds, each with a denomination of EUR 25,000, issued as part of the First Tranche Part A, that will not be paid in cash but by conversion of the receivable for receipt of the Transaction Commission).

(c) ***Maturity Date***

The Convertible Bonds shall have a duration of twenty-four months as from the date of issuance (the **Maturity Date**) except in case of early redemption pursuant to the ACM Issuance and Subscription Agreement.

(d) ***Enjoyment***

Subject to the terms and conditions of the ACM Issuance and Subscription Agreement, the Convertible Bonds are each to be issued with full rights of enjoyment as from the date of their full subscription by the Investor.

(e) ***Assignment and transfer of the Convertible Bonds***

The Convertible Bonds may be assigned or transferred without the prior consent of the Company to any affiliates of the Investor that are located outside of the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended). ‘Affiliate’ means a person or an entity that directly

or indirectly controls, is controlled by, or is under common control with, another person or entity, including, among the others, executive officers, directors, large stockholders, subsidiaries (within the meaning of Article 1:15, 2° of the BCCA), parent entities and sister companies.

To be effective vis-à-vis the Company and third parties, any permitted transfer (i.e. a transfer to an Affiliate of the Investor or a transfer approved by the Company) of the Convertible Bonds shall be registered in the convertible bonds register and the transferor of any Convertible Bonds shall be deemed to be the holder of such Convertible Bonds until the name of the transferee is entered into such Company's bond register.

Any permitted transferee (i.e. an Affiliate of the Investor or transferee approved by the Company) that becomes a holder of the Convertible Bonds, by whatever means and for whatever reason, shall have the benefit of, and be subject to, all of the rights and obligations arising under the ACM Issuance and Subscription Agreement.

The Convertible Bonds shall not be admitted to trading on any financial market.

(f) Interest

The Convertible Bonds shall accrue no interest (except in case of default interest (calculated on the aggregate principal amount at a rate of 20 per cent. per annum) on the occurrence and during the continuance of any Event of Default, except if the Convertible Bonds are converted pursuant to the ACM Issuance and Subscription Agreement – see section 3.2(j) and (k)).

(g) Direct and unsubordinated obligations

The Convertible Bonds, if and when issued, shall constitute unconditional, unsubordinated and unsecured obligations of the Company ranking *pari passu*, without any preference among themselves, and equally with all other existing and future unsubordinated obligations of the Company from time to time outstanding, except for the Permitted Indebtedness (i.e. the loan facility entered into on 21 November 2021 with Kreos and Pontifax, as amended from time to time).

(h) Conversion

As of the issuance of the Convertible Bonds and up until their respective Maturity Date (the **Conversion Period**), the holders of Convertible Bonds are entitled to request the conversion of all or a part of the outstanding Convertible Bonds into the Conversion Shares. The number of Conversion Shares to be issued shall be determined by dividing the aggregate principal amount of the outstanding Convertible Bonds to be converted by the applicable Conversion Price (as defined below).

No fractions of Share will be issued.

Such conversion shall not require the payment of any fee or charge by the relevant holder of Convertible Bonds.

Any Convertible Bonds not converted into Shares prior to the Maturity Date shall convert automatically into Conversion Shares on the Maturity Date.

(i) Issued Shares upon conversion

The Conversion Shares upon conversion of the relevant Convertible Bonds shall be subject to all provisions of the articles of association and to decisions of the shareholders' meeting of the Company. The Conversion Shares shall be admitted to trading on Euronext Brussels, shall carry immediate and current dividend rights and shall be fully assimilated to, and fungible with, the existing Shares of the Company.

(j) **Redemption**

Early redemption at the option of the Company (Issuer Call). The Company will have the option to redeem all (but not part) of the Convertible Bonds at the issued amount of Convertible Bonds plus a premium of ten per cent calculated by reference to the nominal amount of the then outstanding Convertible Bonds.

Early redemption at the option of the Investor following an Event of Default (Investor Put). Please see section (k) hereunder.

(k) **Events of default**

The following events shall constitute an event of default (the **Events of Default**):

1. non-delivery of the Conversion Shares within 20 (twenty) days following the sending of the relevant Conversion Notice;
2. material breach by the Company of its material obligations or undertakings under the ACM Issuance and Subscription Agreement, which is incapable of remedy or is not remedied within 15 (fifteen) business days after notice given to the Company or after the Company becomes aware thereof;
3. any of the representations and warranties given by the Company under the ACM Issuance and Subscription Agreement is inaccurate or untrue in any material respect at the time it was given, which is incapable of remedy or is not remedied within 15 (fifteen) business days after receipt of notice or after the Company becomes aware thereof;
4. cross default regarding other financial indebtedness of the Company, except if such event of cross default (A) is being disputed in good faith and (B) is discharged or stayed within 60 (sixty) days;
5. enforcement on or against any part of the property, assets or revenues of the Company or any of its subsidiaries having an aggregate value of at least EUR 1,000,000 or its equivalent except if such enforcement (A) is being disputed in good faith and (B) is discharged or stayed within 60 (sixty) days;
6. enforcement of a security having an aggregate value of more than EUR 1,000,000, except if such enforcement action (A) is being disputed in good faith and (B) is discharged or stayed within 60 (sixty) days;
7. insolvency of the Company or of one of its subsidiaries or insolvency proceeding in relation to the Company or one of its subsidiaries or other defined insolvency related events;
8. suspension or cessation by the Company of all or a material part of its business, it being understood that the decision not to proceed with a trial shall not be considered to be a suspension or cessation of its business or a Material Adverse Effect;
9. suspension or limitation of trading in the Company's Shares for an uninterrupted period longer than 10 (ten) consecutive trading days, provided that the market is otherwise trading;
10. any refusal by the Auditor to approve the annual accounts of the Company (*opinion d'abstention / onthoudende verklaring*) or (ii) any adverse opinion (*opinion négative (défavorable) / afkeurende verklaring*) by the Auditor; or
11. occurrence of an event or circumstance which is reasonably likely to have an effect on the business, operations, properties, financial condition or prospects of the Company that is material and adverse to the Company and its subsidiaries and affiliates, taken as a whole and/or any condition, circumstance or situation, that would prohibit or otherwise interfere with the ability of the Company to enter into

and perform any of its obligations under the ACM Issuance and Subscription Agreement in any material respect (**Material Adverse Effect**).

In case of occurrence of an Event of Default as set forth above, then all or part of the Convertible Bonds held by the Investor may be converted at 80 (eighty) per cent of the Conversion Price.

Furthermore, in case of occurrence of the Events of Defaults numbered 1, 4, 5, 6, 7, 8 or 9 above then the Investor has the right in the alternative to declare the outstanding Convertible Bonds immediately due and payable at their outstanding aggregate principal amount, together with default interest at a rate of at a rate of 20 (twenty) per cent. per annum (instead of being converted at 80 (eighty) per cent of the Conversion Price).

4. JUSTIFICATION OF THE TRANSACTION

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 Transaction are the support of the growth and development of the Company and to strengthen its working capital and to finance its activities, in particular to fund the further development of THR-149 including the KALAHARI trial. In this respect, the Board of Directors points out that the issue of the Convertible Bonds enables the Company to obtain financial resources within a short period of time (*i.e.* 24 months as from the date of signature of the ACM Issuance and Subscription Agreement). 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.

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.

In addition, the Board of Directors notes that, except upon exercise of the Investor Put, the Convertible Bonds will be converted into Shares in the Company, representing the share capital of the Company, which will increase the equity capital of the Company.

In its annual report the Company reported that it had cash and cash equivalents (including investments) of 10.0 million euro at the end of 2021 in comparison with 24.8 million euro at December 31, 2020. In its half-year report (regarding interim results as at 30 June 2022), the Company reported that it had cash and cash equivalents (including investments) of 3.9 million euro. The Company's cash position on 31 December 2022 was approximately 3.6 million euro.

The Board of Directors refers to the issuance and subscription agreement entered into with Negma on 26 August 2021, under and subject to the terms and conditions of which, the Company could call up to 30 million euro (the **Negma Funding Programme**). As of the date of this Report, the Company has called 11 million euro under the Negma Funding Programme. The Negma Funding Programme has been amended for a second time on 25 January 2023. Pursuant to this second addendum, Negma and the Company have agreed to reduce the total commitment amount under the Negma Funding Programme to a maximum total amount of 4 million euro (instead of 19 million euro).

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

With the current Transaction the Company has secured access to committed equity funding for a total amount of EUR 20,000,000 until March 2024, subject to the realization of the conditions precedent for the drawdown of subsequent Tranches as set out in the ACM Issuance and Subscription Agreement. Certain of the conditions

precedents are not within the Company's control (eg. minimum average market capitalisation and total trading value of the Company's Shares during the period preceding a Notification of Exercise).

The Board of Directors finally notes that the objectives sought by the Investor are two-fold: (A) its primary motivation is to make profit through conversion of the Convertible Bonds at the Conversion Price (discounted compared to the actual stock price of the Company's Shares) and (B) it also seeks to support the Company by subscribing to bonds in excess of the amount that it intends to convert and/or by converting shares in excess of the amount that it intends to sell during the relevant cool down period, the effect of which is that it expects to invest in the Company by providing debt and equity financing over the course of the program.

5. JUSTIFICATION OF THE CONVERSION PRICE

In accordance with the terms of issue of the Convertible Bonds, 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.

The second addendum to the Negma funding program reduced the amount of the committed funding by 15 million Euros to 4 million euros. After the second addendum was entered into, the Company has made an evaluation of the various alternative funding options available taking into account its current market cap. It has based its decision on the basis of a thorough selection procedure whereby multiple possible funding options were considered, and a number of similar providers of flexible equity-linked financing submitted a term sheet.

The issue price of the Shares upon conversion of the Convertibles Bonds shall be equal to the conversion price of the Convertible Bonds, which shall be equal to 92% of the average of the lowest three one-day volume weighted average prices of the Shares of the Company, as published by Bloomberg, selected by the holder of Convertible Bonds over the 10 consecutive trading days prior to the receipt by the Company of the Conversion Notice (the **Conversion Price**).

In exceptional circumstances, upon occurrence of an Event of Default, the Investor is entitled to convert the Convertible Bonds at 80% of the Conversion Price.

The Conversion Price has been negotiated and commercially agreed upon with the Investor under the ACM Funding Programme, taking into account the current position in the market of the Company with a view to ensuring sufficient liquidity of the Convertible Bonds. The amount of the actual Conversion Price shall be determined on the basis of a reference to the volume weighted average on Euronext Brussels, 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 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

The cancellation of the preferential subscription rights will allow the Company to issue to the Investor and for the Investor to subscribe to the Convertible Bonds in accordance with the terms and conditions of the ACM Issuance and Subscription Agreement. The Investor is an investment entity specialised in providing flexible equity-linked financing and has been selected in advance by the Company on the basis of a thorough selection procedure whereby multiple similar providers of flexible equity-linked financing submitted a term sheet.

The Board of Directors points out that the cancellation of the preferential subscription rights enables the Company to execute the Transaction and to obtain additional financial resources within a short period of time, which allows the Company to finance its activities and to obtain the benefits outlined in section 4 of this Report.

Although the issue of the Convertible Bonds will result in a substantial financial and voting rights dilution of the existing Shares of the Company upon conversion of the Convertible Bonds, the Board of Directors is of the opinion that the financial and voting rights dilution will be outweighed by the benefits of the Transaction to the Company and its shareholders, in particular the increased working capital and stable cash generation.

Therefore, Board of Directors is of the opinion that the proposed issue of the 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 Transaction on the economic- and voting rights of the existing shareholders of the Company. As described above, the proposed transaction concerns the issue of up to 832 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 ACM Issuance and Subscription Agreement.

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 77,706,161.32 and is represented by 584,702,740 ordinary Shares. The par value is therefore EUR 0.13 per Share (rounded). The Company has also issued 3,169,030 outstanding subscription rights, of which 2,954,030 are accepted but unexercised, and 215,000 remain to be assigned.

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 financial dilution 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](#).

This overview is based on the following hypotheses:

- all 832 Convertible Bonds will be subscribed for by the Investor and be effectively converted into new Shares in the Company;
- the Conversion Price mentioned in the simulation is equal to ninety-two percent (92%) of the average of the lowest three one-day volume weighted average prices of the ordinary Shares of the Company, as published by Bloomberg, selected by the holder of Convertible Bonds over the 10 consecutive trading days prior to the receipt by the Company of the conversion notice issued by the Investor to exercise its right to receive a number of Conversion Shares in accordance with the terms of the ACM Issuance and Subscription Agreement (the **Conversion Notice**); and
- the number of Conversion 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 Conversion 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](#).

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 (*i.e.* EUR 0.13, rounded), 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 7 March 2023.

On behalf of the Board of Directors,

Name: Tom Graney
Title: CEO and special proxyholder

APPENDIX 1 DILUTION OVERVIEW

1. Voting-dividend rights

Excluding shares resulting from the exercise of subscription rights and shares resulting from the conversion of Kreos convertible bonds (CBs)				
Hypothetical VWAP - Pricing Period	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Hypothetical conversion price	€ 0,0092	€ 0,0460	€ 0,1840	€ 0,4600
Number of existing shares	584.702.740	584.702.740	584.702.740	584.702.740
Conversion amount of the new ACM CBs	20.800.000	20.800.000	20.800.000	20.800.000
Shares to be issued upon 100% conversion of new ACM CBs	2.260.869.565	452.173.913	113.043.478	45.217.391
Total shares after 100% conversion of new ACM CBs	2.845.572.305	1.036.876.653	697.746.218	629.920.131
Dilution	79,45%	43,61%	16,20%	7,18%
Including shares resulting from the exercise of subscription rights (SRs)				
Hypothetical VWAP - Pricing Period	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Hypothetical conversion price	€ 0,0092	€ 0,0460	€ 0,1840	€ 0,4600
Number of existing shares	584.702.740	584.702.740	584.702.740	584.702.740
Conversion amount of the new ACM CBs	20.800.000	20.800.000	20.800.000	20.800.000
Shares to be issued upon 100% conversion of new ACM CBs	2.260.869.565	452.173.913	113.043.478	45.217.391
Shares to be issued upon 100% exercise of SRs	3.169.030	3.169.030	3.169.030	3.169.030
Total number of new (dilutive) shares	2.264.038.595	455.342.943	116.212.508	48.386.421
Total shares after 100% conversion of new ACM CBs and exercise subscription rights	2.848.741.335	1.040.045.683	700.915.248	633.089.161
Dilution	79,48%	43,78%	16,58%	7,64%
Including shares resulting from the exercise of SRs and shares resulting from the conversion of Kreos CBs				
Hypothetical VWAP - Pricing Period	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Hypothetical conversion price	€ 0,0092	€ 0,0460	€ 0,1840	€ 0,4600
Number of existing shares	584.702.740	584.702.740	584.702.740	584.702.740
Conversion amount of the new ACM CBs	20.800.000	20.800.000	20.800.000	20.800.000
Shares to be issued upon 100% conversion of new ACM CBs	2.260.869.565	452.173.913	113.043.478	45.217.391
Shares to be issued upon 100% exercise of SRs	3.169.030	3.169.030	3.169.030	3.169.030
Shares to be issued upon 100% conversion Kreos CBs	2.413.793	2.413.793	2.413.793	2.413.793
Total number of new (dilutive) shares	2.266.452.388	457.756.736	118.626.301	50.800.214
Total shares after 100% conversion of all CBs and exercise subscription rights	2.851.155.128	1.042.459.476	703.329.041	635.502.954
Dilution	79,49%	43,91%	16,87%	7,99%

2. Equity

Excluding shares resulting from the exercise of SRs				
Hypothetical VWAP - Pricing Period	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Hypothetical conversion price	€ 0,0092	€ 0,0460	€ 0,1840	€ 0,4600
Before				
Net equity as per 31-12-2022 (unaudited)	-€ 5.746.000,00	-€ 5.746.000,00	-€ 5.746.000,00	-€ 5.746.000,00
Number of existing shares as per 24-02-2023	584.702.740	584.702.740	584.702.740	584.702.740
Intrinsic value/share (in EUR)	-€ 0,0098	-€ 0,0098	-€ 0,0098	-€ 0,0098
Intrinsic value/share (in EUR) (rounded)	-€ 0,0098	-€ 0,0098	-€ 0,0098	-€ 0,0098
Conversion new ACM CBs				
Shares to be issued upon 100% conversion of CBs	2.260.869.565	452.173.913	113.043.478	45.217.391
Cash / Contribution in kind	€ 20.800.000,00	€ 20.800.000,00	€ 20.800.000,00	€ 20.800.000,00
After				
Net equity (in EUR)	15.054.000,00	15.054.000,00	15.054.000,00	15.054.000,00
Outstanding shares	2.845.572.305	1.036.876.653	697.746.218	629.920.131
Intrinsic value/share (in EUR)	€ 0,0053	€ 0,0145	€ 0,0216	€ 0,0239
Intrinsic value/share (in EUR) (rounded)	€ 0,01	€ 0,01	€ 0,02	€ 0,02
Including shares resulting from the exercise of SRs				
Hypothetical VWAP - Pricing Period	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Hypothetical conversion price	€ 0,0092	€ 0,0460	€ 0,1840	€ 0,4600
Before				
Net equity as per 31-12-2022 (unaudited)	-€ 5.746.000,00	-€ 5.746.000,00	-€ 5.746.000,00	-€ 5.746.000,00
Number of existing shares as per 24-02-2023	584.702.740	584.702.740	584.702.740	584.702.740
Intrinsic value/share (in EUR)	-€ 0,0098	-€ 0,0098	-€ 0,0098	-€ 0,0098
Intrinsic value/share (in EUR) (rounded)	-€ 0,0098	-€ 0,0098	-€ 0,0098	-€ 0,0098
Conversion new ACM CBs				
Shares to be issued upon 100% conversion of CBs	2.260.869.565	452.173.913	113.043.478	45.217.391
Cash / Contribution in kind	€ 20.800.000,00	€ 20.800.000,00	€ 20.800.000,00	€ 20.800.000,00
Exercise of SRs				
Shares to be issued upon 100% exercise of SRs	3.169.030	3.169.030	3.169.030	3.169.030
Cash	€ 7.504.914,00	€ 7.504.914,00	€ 7.504.914,00	€ 7.504.914,00
After				
Net equity (in EUR)	22.558.914,00	22.558.914,00	22.558.914,00	22.558.914,00
Outstanding shares	2.848.741.335	1.040.045.683	700.915.248	633.089.161
Intrinsic value/share (in EUR)	€ 0,0079	€ 0,0217	€ 0,0322	€ 0,0356
Intrinsic value/share (in EUR) (rounded)	€ 0,01	€ 0,02	€ 0,03	€ 0,04

3. Financial dilution

Excluding shares resulting from the exercise of SRs or shares resulting from the conversion of Kreos Bonds				
Hypothetical VWAP - Pricing Period	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Hypothetical conversion price	€ 0,0092	€ 0,0460	€ 0,1840	€ 0,4600
Before				
Number of existing shares	584.702.740	584.702.740	584.702.740	584.702.740
Share price - 02-03-2023	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Market cap	€ 5.847.027,40	€ 29.235.137,00	€ 116.940.548,00	€ 292.351.370,00
Market cap per share	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Conversion new ACM CBs				
Shares to be issued upon 100% conversion of new ACM CBs	2.260.869.565	452.173.913	113.043.478	45.217.391
Cash / Contribution in kind	€ 20.800.000,00	€ 20.800.000,00	€ 20.800.000,00	€ 20.800.000,00
After				
Market cap	€ 26.647.027,40	€ 50.035.137,00	€ 137.740.548,00	€ 313.151.370,00
Number of shares	€ 2.845.572.305,00	€ 1.036.876.653,00	€ 697.746.218,00	€ 629.920.131,00
Market cap per share	€ 0,01	€ 0,05	€ 0,20	€ 0,50
Dilution	6,36%	3,49%	1,30%	0,57%