SEQUANA MEDICAL

Limited Liability Company

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VAT BE 0707.821.866 Register of Legal Entities Ghent, section Ghent

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REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:198 *JUNCTO* ARTICLES 7:179, 7:180 AND 7:191 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

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1. INTRODUCTION

This report has been prepared by the board of directors of Sequana Medical NV (the "**Company**") in accordance with Article 7:198 *juncto* Articles 7:179, 7:180 and 7:191 of the Belgian Companies and Associations Code (as defined below) and relates to the proposal of the board of directors of the Company to, within the framework of the authorised capital, (i) increase the share capital of the Company in cash with a maximum amount of up to EUR 30,000,000.00 (including issue premium) through the issuance of new shares, the maximum number and the issue price of which are still to be determined (the "**Share Issuance**"), (ii) to issue new subscription rights for shares of the Company at a ratio of one new subscription right per four new shares to be issued in the aforementioned capital increase (or any other ratio determined by or on behalf of the board of directors or the Placement Committee (as defined below)), the maximum number and the exercise price of which are still to be determined (the "**Subscription Right Issuance**"), and (iii) to dis-apply, in the interest of the Company, the statutory preferential subscription right of the Company's existing shareholders and, insofar as required, of the Company's existing holders of subscription rights (stock options), in connection with the proposed Share Issuance and Subscription Right Issuance. The new shares and subscription rights mentioned in section (i) and (ii) above shall be offered via a private placement, through an accelerated bookbuilding procedure, to a broad currently not yet determined group of Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions, including (i) qualified investors in the member states of the European Union (as defined in Regulation 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 "**EU Prospectus Regulation**")), (ii) qualified investors in the United Kingdom (as defined in the EU Prospectus Regulation and the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of retained EU law as defined in the EU (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**")), (iii) "professional clients" in Switzerland (as defined in the Swiss Federal Act on Financial Services (*Finanzdienstleistungsgesetz*) of 15 June 2018, as amended (the "**FinSa**")), (iv) "Qualified Institutional Buyers" (QIBs) in the United States, and (v) subject to applicable securities law rules and regulations, natural and legal persons other than those mentioned in (i) to (iv), in and outside of Belgium, to whom the shares and subscription rights may be offered.

In accordance with Article 7:198 *juncto* Article 7:179 of the Belgian Companies and Associations Code, the board of directors provides in this report a justification of the proposed Share Issuance, with notably a justification of the proposed issue price of the new shares to be issued and a description of the consequences of the proposed Share Issuance for the financial and shareholder rights of the shareholders of the Company.

In accordance with Article 7:180 of the Belgian Companies and Associations Code, the board of directors provides in this report a justification of the proposed Subscription Right Issuance, being a justification of the proposed issue and exercise price of the new subscription rights to be issued and a description of the consequences of the proposed Subscription Right Issuance for the financial and shareholder rights of the shareholders of the Company.

In accordance with Article 7:198 *juncto* Article 7:191 of the Belgian Companies and Associations Code, the board of directors also provides in this report a justification of the proposed dis-application of the statutory preferential subscription right of the existing shareholders and, insofar as required, of the existing holders of subscription rights (stock options) in connection with the proposed Share Issuance and Subscription Right Issuance, and a description of the consequences thereof for the financial and shareholder rights of the shareholders.

The board of directors also notes that the statutory preferential subscription right is not dis-applied in favour of one or more specified persons within the meaning of Article 7:193 of the Belgian Companies and Associations Code.

This report must be read together with the report prepared in accordance with Article 7:198 *juncto* Articles 7:179, 7:180 and 7:191 of the Belgian Companies and Associations Code by the Company's statutory auditor, PwC Bedrijfsrevisoren BV, a private company with limited liability organised and existing under the laws of Belgium, with registered office at Culliganlaan 5, 1831 Diegem, Belgium, represented by Mr. Peter D'hondt, auditor.

This report has been prepared in accordance with the Belgian Companies and Associations Code of 23 March 2019 (as amended) (the "**Belgian Companies and Associations Code**").

2. AUTHORISED CAPITAL

By virtue of the resolution of the extraordinary general shareholders' meeting of the Company held on 27 May 2022, as published by excerpt in the Annexes to the Belgian Official Gazette on 13 June 2022 under number 22337629, the board of directors of the Company has been granted certain powers to increase the Company's share capital within the framework of the authorised capital. The powers under the authorised capital have been set out in Article 8 of the Company's Articles of Association.

Pursuant to the authorisation granted by the extraordinary general shareholders' meeting, the board of directors is authorised to increase the share capital of the Company in one or more transactions with a maximum amount of EUR 2,460,486.98 (excluding issue premium, as the case may be). The authorisation is valid for a period of five years as from 13 June 2022.

The capital increases that can be effected in accordance with the aforementioned authorisation can take place by means of contributions in cash or in kind, by capitalisation of reserves, whether available or unavailable for distribution, and capitalisation of issue premiums, with or without the issuance of new shares, with or without voting rights, that will have the rights as will be determined by the board of directors. The board of directors is also authorised to use this authorisation for the issuance of convertible bonds or subscription rights (stock options), bonds with subscription rights or other securities.

The board of directors is authorised, when exercising its powers within the framework of the authorised capital, to restrict or cancel, in the interest of the Company, the preferential subscription rights of the shareholders. This restriction or cancellation of the preferential subscription rights can also be done in favour of members of the personnel of the Company or of its subsidiaries, or in favour of one or more persons other than members of the personnel of the Company or of its subsidiaries.

To date, the board of directors has not yet used its powers under the authorised capital. As a result, the board of directors still has the authority under the authorised capital to increase the share capital of the Company with an aggregate amount of EUR 2,460,486.98 (excluding issue premium, as the case may be).

3. PROPOSED TRANSACTIONS

3.1. Structure of the proposed Share Issuance and Subscription Right Issuance

In accordance with Article 8 of the Company's Articles of Association, the board of directors envisages, within the framework of the authorised capital:

- through the Share Issuance, increase the share capital of the Company through a contribution in cash of a maximum amount of EUR 30,000,000.00 (including issue premium) through the issuance of new shares, the maximum number and the issue price of which are still to be determined. The aforementioned capital increase in cash occurs subject to the condition precedent of, and to the extent of, the completion of the offering and the allocation of the new shares as further provided below;

- through the Subscription Right Issuance, to issue new subscription rights for new shares at a ratio of one new subscription right per four new shares to be issued within the framework of the Share Issuance provided for in section (a) above (or any other ratio determined by or on behalf of the board of directors or the Placement Committee), whereby the maximum number of new subscription rights to be issued will be so determined as a function of the number of new shares to be issued in the Share Issuance and the applicable ratio, with rounding to the nearest lower whole number of subscription rights if otherwise a fraction of a subscription right would have to be issued for an individual subscriber for the subscription rights. The aforementioned issuance of subscription rights occurs subject to the condition precedent of, and to the extent of, the completion of the offering and the allocation of the new shares and subscription rights as provided below.

The new shares and subscription rights are to be offered by means of a private placement through an accelerated bookbuilding procedure, as further described below in section 3.3.

Partners in Equity V B.V. ("**PiE**") and Rosetta Capital VII, LP ("**Rosetta**") as well as a number of other investors (together, the "**Pre-Committing Investors**"), have committed to submit subscription orders for new shares in the Share Issuance. Both PiE as Rosetta have committed to submit subscription orders for new shares in the Share Issuance for a number of new shares such that at least their existing shareholding percentage in the Company shall remain the same upon the settlement of the Share Issuance. Pursuant to the most recent transparency notifications, PiE and Rosetta currently hold, respectively, 15.31% and 5.97% of the shares in the Company.

The chairman notes that the Company also agreed that, provided the closing of the Share Issuance has occurred, and PiE and Rosetta have complied with their respective commitments, the Company will propose to the Company's general shareholders' meeting to be held on 30 October 2023 at the latest to appoint respectively Ids Van der Weij (who currently is PiE's observer to the board of directors of the Company) and Kenneth Macleod (representative of Rosetta) as director of the Company. PiE and Rosetta acknowledged that as soon as they cease to own 4% of the outstanding shares in the Company, they shall cause their representatives to resign from any and all of their corporate functions and mandates within the Company when so requested by the Company's board of directors. Ids Van der Weij will remain an observer to the

Company's board as long as PiE owns 4% of the Company's outstanding shares, until his appointment as director. Provided that the closing of the Share Issuance has occurred and Rosetta has complied with its commitment, and for as long as Rosetta owns 4% of the outstanding shares in the Company and the director referred to above has not yet been appointed by the Company's general shareholders' meeting, Rosetta will have the right to have a non-voting board observer to the board of directors of the Company.

The board of directors notes that the Share Issuance and Subscription Right Issuance are open to institutional, qualified, professional and/or other investors, as permitted under applicable private placement exemptions, and any final allocation to investors, as the case may be, will be made based on customary objective and pre-identified criteria. No guarantee will be or has been given as to the final allocation to the Pre-Committing Investors nor any other investors, shareholders or persons, that any allocation will be made to them, or as to the size of any such allocation.

If not all of the offered new shares and subscription rights are subscribed for, the proposed capital increase can nevertheless be completed for up to all or part of the subscriptions for shares and subscription rights that the Company will have received and accepted at the applicable issue price of the new shares and the exercise price of the subscription rights, which will be determined as set forth below, provided that the board of directors, or the placement committee that shall be established by the board of directors (the "**Placement Committee**"), so resolves on one or more occasions, through one or more successive notarial deeds establishing the capital increase concerned and the issuance of new shares or subscription rights. Shares or subscription rights issued at different times and/or in different notarial deeds will continue to belong to the same nature and class of shares or subscription rights, and all subscription rights will have the same conditions and end date. The board of directors or Placement Committee will also have the power to offer initially only a number of offered shares and subscription rights that is less than the maximum number of new shares and subscription rights that can be offered on the basis of the foregoing. In addition, it may also be provided that investors who have committed to submit a subscription order to the Underwriters (as defined below) and to whom new shares and subscription rights will ultimately be allocated (as the case may be) will have the opportunity to subscribe directly for the new shares and subscription rights at the time of completion of the offering.

Even if all offered new shares and subscription rights are subscribed for, the capital increase and issuance of new shares and subscription rights can be completed by issuing less shares and subscription rights than the number of subscriptions received by the Company at the applicable issue price and exercise price, which will be determined as set forth below, provided that the board of directors or the Placement Committee so decides. The board of directors or the Placement Committee may, for the avoidance of doubt, also decide not to complete the contemplated issuance of new shares and subscription rights, even if all or part of the offered new shares and subscription rights are subscribed for.

The subscription period shall start at the earliest on the day of the board meeting approving the contemplated capital increase, and shall end at the latest thirty (30) days after the opening of the subscription period. The board of directors or the Placement Committee is, however, authorised to already increase the share capital of the Company at any time during the subscription period up to the number of subscriptions that the Company will already have received and accepted at that time via one or more notarial deeds. The board of directors or the Placement Committee is also authorised to lengthen or shorten the subscription period and/or to prematurely end the subscription period, at its sole discretion, even if the offered new shares have not or have only partially been subscribed for.

3.2. Dis-application of the preferential subscription right of the existing shareholders within the framework of the Share Issuance and Subscription Right Issuance

Within the framework of the contemplated Share Issuance and Subscription Right Issuance, the board of directors proposes to dis-apply the preferential subscription right of the Company's existing shareholders and, insofar as required, of the Company's existing holders of subscription rights (stock options), in accordance with Article 7:198 *juncto* Article 7:191 of the Belgian Companies and Associations Code, in order to allow KBC Securities NV ("**KBC Securities**"), Bank Degroof Petercam SA/NV ("**Bank Degroof Petercam**") and Van Lanschot Kempen N.V. ("**Van Lanschot Kempen**", and together with KBC Securities and Bank Degroof Petercam, the "**Underwriters**"), to offer the new shares and subscription rights in the framework of a private placement through an accelerated bookbuilding procedure to a broad currently not yet determined group of Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions (as further described in section 1).

While the Pre-Committing Investors may have indicated an interest to subscribe for the contemplated issuance of securities, no investors (including the Pre-Committing Investors) have received nor will receive any commitment or undertaking from the Company or the Underwriters as regards allocation of the new shares or subscription rights before the closing of the bookbuilding.

3.3. Characteristics of the Share Issuance

(a) <u>Issue price of the new shares</u>

The Underwriters shall be instructed by the Company to proceed with a so-called accelerated bookbuilding procedure with a broad currently not yet determined group of Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions (as further described in section 3.2).

The board of directors or the Placement Committee shall determine the amount of the issue premium, as the case may be, in consultation with, or upon the proposal by, the Underwriters, and shall consequently determine the final issue price (consisting of share capital, up to the amount of the fractional value, plus issue premium, as the case may be), *inter alia* taking into account the results of the above mentioned accelerated bookbuilding procedure.

The new shares are to be subscribed for in cash. The issue price of the new shares is to be paid in full upon issuance of the new shares.

The issue price of each new share shall be booked as share capital. However, the amount by which the issue price of the new shares (on a per share basis) shall exceed the fractional value of the existing shares of the Company at that time (*i.e.*, currently rounded EUR 0.1036) shall be booked as issue premium, as the case may be. This issue premium will be booked on a separate account as net equity on the liabilities side of the Company's balance sheet and will be formed by actually paid contributions in cash at the occasion of the issuance of new shares. These issue premiums can only be reduced in execution of a valid decision of the Company in accordance with the Belgian Companies and Associations Code.

(b) <u>Admission to listing and trading of the new shares</u>

The new shares shall need to be admitted to listing and trading on the regulated market of Euronext Brussels (the "**Listing**"). For this purpose, the Company is to make the necessary filings and applications, and, as the case may be, prepare a listing prospectus, all as required by applicable regulations, in order to permit an admission to listing and trading on the regulated market of Euronext Brussels following the issue of the new shares.

Following the settlement of the Share Issuance, the Company will apply for the admission to Listing of all new shares that can be admitted to Listing upon their issuance pursuant to and in reliance on the so-called "sub 20%" exemption to publish a listing prospectus (the "**Prospectus Exemption**") provided for by article 1(5)(a) the EU Prospectus Regulation, provided, however, that the Company shall be entitled not to use the Prospectus Exemption in full in order to maintain such Prospectus Exemption for the admission to Listing of new shares issuable by the Company upon issuance, exercise or conversion pursuant to outstanding rights, warrants, and convertible instruments or similar financing arrangements of the Company.

To the extent the Prospectus Exemption is not used or is not sufficient (taking into account the number of new shares issuable upon issuance, exercise or conversion pursuant to outstanding rights, warrants and convertible instruments and similar financing arrangements of the Company) for the purpose of the Listing of the new shares, the Company undertakes to (i) apply to the regulated market of Euronext Brussels for the admission to Listing, as soon as practicable after the settlement of the Share Issuance and in any event within 90 days after the closing, and (ii) prepare as soon as reasonably possible after the date of the settlement of the Share Issuance, and submit as soon as practicable after the settlement of the Share Issuance to the Belgian Financial Services and Markets Authority (FSMA), a listing prospectus in relation to such new shares in accordance with article 3(3) of the EU Prospectus Regulation. If applicable, the listing prospectus will also serve for the admission to listing of the shares to be issued upon exercise of subscription rights to be issued in the Subscription Right Issuance.

While the preparation of a listing prospectus would entail additional costs and expenses, the opportunity of the Company to raise additional funds through the issuance of a larger number of new shares in the Share Issuance (as the case may be) would be expected to outweigh the costs and expenses related to the preparation of a listing prospectus.

The board of directors notes that certain Pre-Committing Investors already agreed and accepted that the Company and Underwriters will have the right and ability to allocate to the Pre-Committing Investors registered new shares that shall not be immediately admitted to listing and trading upon their issuance.

The Company reserves the right and ability to allocate registered new shares that shall not be immediately admitted to listing and trading upon their issuance to investors that are willing to accept such shares. The Company, in consultation with the Underwriters, might also decide to swap certain new shares to be issued against existing shares that are already admitted to trading on the regulated market of Euronext Brussels and that are currently held by existing shareholders of the Company, who agree to such swap. This would allow to deliver to subscribers in the Share Issuance for shares that are already admitted to trading on the regulated market of Euronext Brussels.

(c) <u>The rights attached to the new shares</u>

The new shares to be issued will be without nominal value, will be of the same nature as the existing and outstanding shares of the Company, and will have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlement to dividends and other distributions, with, the existing and outstanding shares of the Company at the moment of their issuance, and will be entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of issuance of the new shares.

3.4. Characteristics of the Subscription Right Issuance

(a) Exercise price and main terms of the new subscription rights

As cited, the possibility is foreseen to offer additional subscription rights to subscribers for the new shares in the Share Issuance. In this context, the board of directors proposes to also issue new subscription rights for shares of the Company at a ratio of one new subscription right per four new shares to be issued within the framework of the Share Issuance (or any other ratio determined by or on behalf of the board of directors or the Placement Committee), the maximum number and exercise price of which are still to be determined. The Subscription Right Issuance occurs subject to the condition precedent of, and to the extent of, the completion of the offering and allocation of the new shares within the framework of the share issuance.

The terms and conditions of the new subscription rights are as set forth as Annex A to this report of the board of directors (the "**Terms and Conditions**"). The subscription rights will have the name "2023 Investor Warrants". The provisions of the Terms and Conditions will be finalised based on the results of the accelerated bookbuilding procedure mentioned in section 3.1 above. The main terms of the new subscription rights can, for information purposes, be summarised as follows:

- *Subscription right for ordinary shares:* Each subscription right entitles to subscribe for one (1) ordinary share to be issued by the Company.

- *Exercise Price:* The exercise price of the subscription rights (being the price in cash to be paid to subscribe for a new share of the Company upon exercise of the subscription rights) will be determined by the board of directors or the Placement Committee, which will have the authority to do so in consultation with, or upon the proposal of, the Underwriters (as further defined below), taking into account, inter alia, the results of the accelerated bookbuilding procedure referred to below in section 3.3. The board of directors and the Placement Committee also have the authority to determine the exercise price prior to the commencement of the accelerated bookbuilding procedure referred to in section 3.3 and this on the basis of indications received from potential investors. For the sake of completeness, the global exercise price of all subscription rights to be issued (excluding the part that will be recorded as issue premium) will not be higher than the global issue price of the shares to be issued within the framework of the Share Issuance (excluding the part of the issue price that will be recorded as issue premium). It may also be determined therewith whether an issue price has to be paid for the subscription rights by subscribers for the subscription rights. The issue price of each new share to be issued upon exercise of a subscription right will be recorded as capital. However, the balance of the issue price of the new shares (per share) that will exceed the fractional value of the Company's existing shares at that time (being at present EUR 0.1036) will be recorded as issue premium, as the case may be. This issue premium will be recorded in a separate account as equity on the liabilities side of the Company's balance sheet and will be constituted by actually paid contributions in cash at the occasion of the issue of new shares. These issue premiums can only be reduced in execution of a regular decision of the Company in accordance with the Belgian Companies and Associations Code.

- *Term:* The subscription rights have a term of five years expiring in the cases mentioned in the Terms and Conditions.

- *Exercisability:* The exercise of the subscription rights is subject to the terms and conditions contained in the Terms and Conditions. The subscription rights are exercisable from 30 October 2023 until the end of the term.

- *Transferability:* The subscription rights are in principle transferable, but will not be admitted to trading or listing.

- *Form:* The subscription rights will be issued in registered form and will not be able to be dematerialised.

The provisions regarding the Change of Control only take effect upon approval thereof by a general shareholders' meeting of the Company in accordance with Article 7:151 of the Belgian Companies and Associations Code. The Company undertakes to convene a general shareholders' meeting to be held no later than 30 October 2023.

(b) Admission to listing and trading of the new shares

The new shares to be issued upon exercise of the subscription rights will 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 and, as the case may be, prepare a listing prospectus, as required by the applicable regulations, with a view to admission to listing and trading on the regulated market of Euronext Brussels. See also section 3.3(b) above.

(c) The rights attached to the new shares

The subscription rights entitle the holder thereof to subscribe for new ordinary shares to be issued by the Company at the occasion of the exercise of the subscription rights. The new shares to be issued will be without nominal value, will be of the same nature as the existing and outstanding shares of the Company, and will have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlement to dividends and other distributions, with, the existing and outstanding shares of the Company at the moment of their issuance, and will be entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of issuance of the new shares.

4. JUSTIFICATION OF THE PROPOSED TRANSACTIONS

The board of directors believes that the proposed Share Issuance and Subscription Right Issuance are in the interest of the Company because, if completed, the Share Issuance and Subscription Right Issuance will further improve the net equity position and working capital of the Company. Notably, the Company currently envisages using the expected net proceeds from the Share Issuance and Subscription Right Issuance for the following:

1) **alfa**pump®:

   (i) Progressing the North American pivotal study in recurrent and refractory liver ascites (POSEIDON) towards secondary endpoint readout planned for Q2 2024. This includes the Patient Preference Study with top-line data expected in H2 2023, sponsorship of the NACSELD ascites registry and market access / reimbursement activities. The total cost is estimated at ca. EUR 15.2 million of which EUR 12.2 million has been spent up to YE 2022 with the remainder to be attributed over 2023/2024;

   (ii) Preparing the PMA (Pre-Market Approval) filing and review, with planned submission to the FDA in H2 2023. The total project cost is estimated at ca. EUR 9.9 million of which EUR 5.4 million has been spent up to YE 2022 with the remainder to be attributed over 2023/2024.

2) **DSR:**

(i) Initiating a US randomized controlled multi-center Phase 1/2a study using DSR 2.0 (MOJAVE), planned for Q2 2023 with initial results expected in H2 2023. The total study cost is estimated at ca. EUR 6.7 million of which EUR 1.7 million has been spent up to YE 2022 with the remainder to be spent from 2023 until 2025;

(ii) Completing DSR 2.0 development work which includes the development of a Quality Management System to be used in MOJAVE clinical study. The total project cost is estimated at ca. EUR 2.2 million of which EUR 0.7 million has been spent up to YE 2022 with the remainder to be spent from 2023 until 2025.

3) **Others:**

(i) Interest expense and a partial repayment of the loan facility with Kreos Capital (total loan cost of EUR 2.4 million up to Q1 2024), resulting from amendments to the above loan agreement, subject to certain conditions;

(ii) General corporate and working capital purposes.

The net proceeds from the Share Issuance and the Subscription Right Issuance, together with the amendments to the existing loan agreement, are expected to extend the current cash runway of the Company from mid-2023 into Q1 2024.

The proposed Share Issuance and the Subscription Right Issuance may furthermore allow the Company to additionally strengthen its image with investors, both on a national and on an international level, which may be in the interest of the further development of the Company's activities and any future capital markets transactions.

The Share Issuance and the Subscription Right Issuance may also allow the Company to broaden its shareholders' structure even further, both on a national and on an international level, which may improve both the stability of the shareholders' structure of the Company and, potentially, the liquidity of the Company's shares as traded on the regulated market of Euronext Brussels.

The proposed Share Issuance and the Subscription Right Issuance will in addition allow the Company to attract additional equity investments from the Pre-Committing Investors. These reputable and sophisticated investors have been successful investors in different industries, and have built a strong reputation. The board of directors believes that the fact that the Pre-Committing Investors are interested in making additional substantial investments in the Company is a validation of the Company's vision, strategy and business. The latter is an important feature that can be used in the solicitation of interest from other potential investors both on a national and an international level (which will allow the Company and the Underwriters to improve the likelihood of success of the Share Issuance). The board of directors believes that this may also help to improve both the stability of the shareholders' structure of the Company and the liquidity of the Company's shares as traded on the regulated market of Euronext Brussels. In any event, the board of directors notes that the Share Issuance and the Subscription Right Issuance will be open to institutional, qualified, professional and/or other investors as permitted under applicable private placement exemptions, and any final allocation to investors, as the case may be, will be made based on customary objective and pre-identified criteria. No guarantee will be or has been given as to the final allocation to any investors (including the Pre-Committing Investors), shareholders or other persons, that any allocation will be made to them, or as to the size of any such allocation.

Finally, the board of directors understands that there is an opportunity now to raise new equity and to strengthen its working capital position. The Company's activities are capital intensive and require further funding on the short term. If the Company is not able to raise new additional funds, in order to extend its cash runway, this might prejudice its going concern. This would not only be detrimental for the Company's staff and shareholders, but also for the patients that the Company believes to benefit from the Company's product. Hence, the board of directors believes that it is in the best interest of the Company, its shareholders, its staff, the patients using its product, and other stakeholders to make use of the opportunity to raise new funds.

The board of directors notes that during the preparation of the Company's statutory (non-consolidated) financial statements for the financial year ended on 31 December 2022, it has determined that the Company's (non-consolidated) accounting net assets (as defined in the Belgian Companies and Associations Code) have fallen below the thresholds of Articles 7:228 and 7:229 of the Belgian Companies and Associations Code, and has therefore initiated the procedure of Article 7:228 of the Belgian Companies and Associations Code. For more information on the measures the board of directors has taken and proposes to take to redress the Company's financial situation, and its proposal to continue the Company's operations, reference is made to the relevant report of the Board of Directors that will be submitted to the annual general meeting of shareholders on Thursday, 25 May 2023. The board of directors notes that after the completion of the Share Issuance and Subscription Right Issuance, the (non-consolidated) accounting net assets of the Company (as defined in the Belgian Companies and Associations Code) will again exceed the thresholds of Articles 7:228 and 7:229 of the Companies and Associations Code.

Finally, the board of directors notes that the possibility to grant additional subscription rights to subscribers for new shares in the Share Issuance (within the framework of the Subscription Right Issuance) will increase the likelihood of success of the Share Issuance (as the relevant investors receive an additional financial instrument in addition to the subscription for a new share). The board of directors received indications prior to this report that an issuance of new shares without the issuance of additional subscription rights would likely be very difficult, if not potentially impossible. By offering additional subscription rights, the interest of additional investors could be raised, and also, as the case may be, the discount that usually has to be granted in a capital increase could be limited. The board of directors is aware that the additional subscription rights may involve additional dilution for the shareholders. However, the dilution will depend on whether the subscription rights will be effectively exercised. Furthermore, the board of directors (or the Placement Committee to be appointed) will ensure to determine the exercise price of the subscription rights in such a way that the dilution remains somewhat limited, in particular by providing for an exercise price of the subscription rights that is at least equal to that of the shares to be issued in the Share Issuance, and possibly even higher. Efforts will also be made not to issue more subscription rights in the Subscription Right Issuance than the number of shares to be issued in the Share Issuance. In any case, this dilution does not outweigh the scenario in which the Company would no longer be able to finance its further operations and development.

For the sake of completeness, the board of directors stresses that due to macroeconomic reasons, in particular rising interest rates, the geopolitical situation in Eastern Europe and the general decline in the confidence of investors, the capital markets have been extremely volatile. The trading prices of many listed financial instruments have fallen significantly, and a number of financing sources that used to be available in the past, in particular for life science companies, are no longer available or only on less attractive terms.

For all of the above reasons, the board of directors believes that the Share Issuance and the Subscription Right Issuance are in the interest of the Company, its shareholders, and other stakeholders.

5. JUSTIFICATION OF THE ISSUE PRICE AND EXERCISE PRICES

5.1. Justification of the exercise price within the framework of the Share Issuance

The issue price of the new shares in the Share Issuance (consisting of share capital for the amount up to the fractional value of the Company's existing shares, plus issue premium, as the case may be) shall be determined by the board of directors or by the Placement Committee, in consultation with, or upon the proposal of, the Underwriters, on the basis of the results of the aforementioned accelerated bookbuilding procedure that is to be organised by the Underwriters. During this process, interested investors can indicate to the Underwriters their interest to subscribe for the new shares, as well as the number of shares and the issue price (and potentially other conditions) at which they are willing to subscribe for the new shares. In determining the issue price, the board of directors or Placement Committee can take into account the orders which were submitted during the bookbuilding procedure, taking into consideration several quantitative and qualitative elements as shall be deemed relevant by the board of directors or Placement Committee, including, but not limited to, the amounts or number of new shares for which subscriptions have been received, the number, type and quality of investors, the price and other conditions attached to such subscriptions, as well as market circumstances at that time. This will also take into account the interest shown by the investors for the subscription rights to be issued in the Subscription Right Issuance and the exercise price of the subscription rights.

Such bookbuilding procedure therefore constitutes, in the opinion of the board of directors, a fair and objective method on the basis of which a justified issue price can be determined through a competitive and at arm's length process with relevant investors. It is also noted that it is not unlikely that the issue price will represent a discount to the trading price of the Company's existing shares as currently traded. Such discount is not uncommon, and reflects, amongst other things, the willingness of the investors to participate in a new fund raising by the Company, as well as a compensation for the limited liquidity of the Company's shares notwithstanding the trading of the Company's shares on the regulated market of Euronext Brussels. This is, however, outweighed by the adverse consequences of not having sufficient financial means to fund the Company's activities if the Company is not able to raise new funds to support its business and its going concern, and the benefits of the Share Issuance as referred to in section 4. The issuance of subscription rights, if any, will also potentially be able to limit the magnitude of the discount, as set out above in section 4.

Hence, in view of all of the foregoing, the board of directors believes that the mechanism for determining the issue price of the new shares, can be sufficiently justified.

5.2. Justification of the exercise price and issue price within the framework of the Subscription Right Issuance

In accordance with the Terms and Conditions and as aforementioned, the new subscription rights will be granted to the investors in the Share Issuance.

The exercise price of the subscription rights (being the price in cash to be paid to subscribe for a new share of the Company upon exercise of the subscription rights) will be determined by the board of directors or the Placement Committee, which will have the authority to do so in consultation with, or upon the proposal of, the Underwriters, taking into account, inter alia, the results of the accelerated bookbuilding procedure referred to above. As mentioned, in the opinion of the board of directors, such bookbuilding procedure constitutes a fair and objective method on the basis of which a justified exercise price can be determined through a competitive and at arms' length procedure with the investors concerned.

As set out above in section 4, the board of directors expects the subscription rights to have a positive impact on the willingness of investors to participate in the Share Issuance. Notwithstanding the fact that the subscription rights will entail an additional dilution, the board of directors (or the Placement Committee to be appointed) will ensure to determine the exercise price of the subscription rights in such a way that the dilution remains somewhat limited, in particular by providing for an exercise price of the subscription rights that is at least equal to that of the shares to be issued in the Share Issuance, and possibly even higher. This would not be unusual in the context of an issuance of subscription rights.

For the sake of completeness, it is also recalled that, as the case may be, an issue price may be provided that has to be paid at the time of subscription for the subscription rights. However, it cannot be excluded that no subscription price will be requested. This will depend on the outcome of the accelerated bookbuilding procedure.

In view of the above, the board of directors is therefore of the opinion that the mechanism for determining the issue price and the exercise price of the new subscription rights can be sufficiently justified.

6. JUSTIFICATION OF THE DIS-APPLICATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT

The board of directors proposes to proceed with the contemplated increase of the share capital of the Company within the framework of the authorised capital and with the issuance of the new shares and subscription rights without preferential subscription right of the existing shareholders and, insofar as required, of the existing holders of subscription rights (stock options). The board of directors hence proposes to dis-apply the preferential subscription right of the existing shareholders and, insofar as required, of the existing holders of subscription rights (stock options), in connection with the contemplated Share Issuance and Subscription Right Issuance.

The dis-application of the preferential subscription right of the existing shareholders and, insofar as required, of the existing holders of subscription rights (stock options), allows the Underwriters to offer the new shares and subscription rights directly to a broad currently not yet determined group of Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions (as further described in section 1), that are to be contacted by the Underwriters during the subscription period in order to solicit their interest to subscribe for the new shares.

Firstly, the Share Issuance (in which the Subscription Right Issuance is linked) allows the Company to raise a significant amount of funds through an accelerated process to further strengthen its equity and working capital, and to finance its activities, as set out above. These activities require further investments and funding, and, if successful, the Company would be able to use the net proceeds of the contemplated Share Issuance for these activities, as well as its going concern. See also further in section 4.

Secondly, as indicated above, the structure may allow the Company to further broaden its shareholders' structure, both on a national and an international level, which may improve both the stability of the shareholders' structure of the Company and, potentially, the liquidity of the Company's shares as traded on the regulated market of Euronext Brussels. This is in the interest of both the Company and the existing shareholders of the Company.

Thirdly, as indicated above, this may allow the Company to additionally strengthen its image with investors, both on a national and on an international level. This is in the interest of the further development of the Company's activities and future fund raisings via the capital markets.

Fourthly, if the preferential subscription right of the shareholders is not dis-applied, the new shares and subscription rights would first need to be offered to the existing shareholders. As a result, it would be more difficult to achieve the foregoing objectives and benefits.

Furthermore, and taking into account the Company's experience at the occasion of the initial public offering completed on 12 February 2019 and the private placements completed on 27 January 2020, 15 February 2021 and 10 March 2022, the board of directors is not in favour of proceeding with a fund raising by means of a public offering at this stage, but rather again through a private placement. A public offering is not only costly for the Company, it also requires a considerably longer preparation, as a result of which the Company could miss a potential window of opportunity which according to the Company's financial advisors currently exists to attract additional funds on the capital markets. It is indeed uncertain that such a window of opportunity would still exist in the near future. The private placement, hence, allows the Company to raise new funds in a fast and cost efficient manner.

Finally, the board of directors notes that other financing possibilities have been considered by the Company's management, but that such alternatives were not available at conditions which were deemed acceptable or appropriate to the Company, and that it is proposed to proceed with the issuance of new shares and subscription rights within the framework of the contemplated Share Issuance and Subscription Right Issuance.

For all of the above reasons, the board of directors is of the opinion that the contemplated Share Issuance and Subscription Right Issuance, with dis-application of the preferential subscription right and notwithstanding the dilution following therefrom for the existing shareholders and, as the case may be, the holders of subscription rights (stock options), are in the interest of both the Company and the existing shareholders and holders of subscription rights (stock options) as these may allow the Company to swiftly and cost-efficiently attract the new funds that are necessary to further implement its strategy.

7. AMENDMENT OF REPAYMENT TERMS OF CERTAIN EXISTING LOAN AGREEMENTS

The board of directors notes that, prior to the Share Issuance, the Company also entered into amendment agreements in order to amend the repayment terms under (i) the EUR 10,000,000 loan with Kreos Capital VII (UK) Limited (the "**Kreos Loan**"), (ii) the EUR 4,300,000 partially convertible corona loan with PMV Standaardleningen NV (formerly known as PMV/z Leningen NV) (the "**PMV Loan**"), (iii) the EUR 2,000,000 loan with Belfius Insurance NV (the "**Belfius Loan**"), and (iv) the EUR 400,000 loan with Sensinnovat BV (the "**Sensinnovat Loan**").

The amendment agreement with Kreos Capital VII (UK) Limited aims at reducing, subject to certain conditions, the repayment of principal amounts that would otherwise be due during a specified period prior to 31 December 2023 or 31 March 2024, which period can be further increased with an additional term of six months. The final repayment date, however, remains 30 September 2025. The agreement is subject to a number of conditions, including an increase of the end of loan payment from 1.25% to 1.75%.

The amendment agreements with PMV Standaardleningen NV, Sensinnovat BV and Belfius Insurance NV provide for a rescheduling of the principal repayments due, whereby the principal amount outstanding under each of the relevant loans is to be repaid in four equal quarterly instalments starting on 30 September 2024 (instead of eight quarterly instalments starting on 30 September 2023), and the applicable interest rate is increased with a rate of 0.5%.

The board of directors notes that the aforementioned amendments were agreed to in the framework of the contemplated Share Issuance and that the amendments to the Kreos Loan become effective upon successful completion of the Share Issuance. In other words, the Share Issuance (to which the Subscription Right Issuance is linked) will allow the Company to proactively manage its short to mid-term repayment obligations (through the amendments of the repayment obligations) and to proactively optimize its capital structure. This would be in the interest of the Company.

8. CERTAIN FINANCIAL AND OTHER CONSEQUENCES

8.1. Introductory comments

The following paragraphs provide an overview of certain financial consequences of the proposed Share Issuance and the exercise of subscription rights to be issued in the framework of the Subscription Right Issuance (the "**Subscription Right Exercise**"). For further information with regard to the financial consequences of the proposed Share Issuance, Subscription Right Issuance and Subscription Right Exercise, reference is also made to the report prepared in accordance with Article 7:198 *juncto* Articles 7:179, 7:180 and 7:191 of the Belgian Companies and Associations Code by the statutory auditor of the Company, PwC Bedrijfsrevisoren BV.

The actual financial consequences resulting from the proposed Share Issuance, Subscription Right Issuance and Subscription Right Exercise cannot yet be determined with certainty, as the key financial parameters of the transaction such as the actual number and the issue price of the new shares to be issued in the Share Issuance and the actual number and the exercise price of the new subscription rights to be issued in the Subscription Right Issuance are unknown as at the date of this report, and will not be known until after the completion of the offering of the new shares and subscription rights, and the contemplated bookbuilding procedure. Furthermore, once started, and depending on the circumstances, the offering could still be postponed or cancelled.

Likewise, the actual financial consequences resulting from the exercise of the outstanding Share Options (as defined and further detailed below) and the issuance of new shares pursuant to the contribution in kind of the PMV/z Convertible Loan Payable (as defined and further detailed below) cannot yet be determined with certainty.

Accordingly, the discussion herein of the financial consequences of the proposed Share Issuance, Subscription Right Issuance and Subscription Right Exercise for existing shareholders is purely illustrative and hypothetical, and is based on purely indicative financial parameters (where relevant). The actual number of new securities to be issued in connection with the Share Issuance and Subscription Right Issuance, and their issue price and/or exercise price may vary significantly from the hypothetical values used in this report.

Subject to the foregoing reservations, for the purposes of the illustration of some of the financial consequences and notably the dilution for the shareholders, the following parameters and assumptions were used:

(a) At the date of this report, the share capital of the Company amounts to EUR 2,460,486.98, represented by 23,746,528 shares without nominal value, each representing the same fraction of the share capital, *i.e.*, rounded EUR 0.1036. The share capital is entirely and unconditionally subscribed for and is fully paid-up.

(b) In order to reflect the maximum dilution, it is assumed that none of the existing shareholders or holders of Share Options (as defined below) will subscribe for the new shares to be issued by the Company within the framework of the Share Issuance and consequently not to subscribe for new subscription rights to be issued in the Subscription Right Issuance.

(c) At the date of this report, 2,794,027 shares can still be issued by the Company, of which:

(i) up to 261,895 new shares can be issued upon the exercise of 90,780 share options that are still outstanding (at the date of this report) under the "Executive Share Options" plan for staff members and consultants of the Company, entitling the holder thereof to acquire ca. 2.88 shares when exercising one of his or her share options (the "**Executive Share Options**");

(ii) up to 1,067,924 new shares can be issued upon the exercise of 1,067,924 share options (each share option having the form of a subscription right) that are still outstanding (at the date of this report) under the "2018 Share Options" plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new share when exercising one of his or her share options (the "**2018 Share Options**");

(iii) up to 1,000,000 new shares can be issued upon the exercise of 1,000,000 share options (each share option having the form of a subscription right) that are still outstanding (at the date of this report) under the "2021 Share Options" plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new share when exercising one of his or her share options (the "**2021 Share Options**");

(iv) up to 302,804 new shares can be issued to Bootstrap Europe S.C.SP. upon the exercise of 10 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this report) that have been issued by the extraordinary shareholders meeting of 27 May 2022 (the "**Bootstrap Warrants**"). For the purpose of the full-dilution scenario calculations further below (in order to reflect the maximum dilution), it has been assumed that the Bootstrap Warrants are exercised through the "cash exercise" mechanism (and not through the "cashless exercise" or "net exercise" mechanisms) provided for in the relevant terms and conditions; and

(v) up to 161,404 new shares can be issued to Kreos Capital VII Aggregator SCSp. upon the exercise of 875,000 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this report) that have been issued by the extraordinary shareholders meeting of 10 February 2023 (the "**Kreos Warrants**"). For the purpose of the full-dilution scenario calculations further below (in order to reflect the maximum dilution), it has been assumed that the Kreos Warrants are exercised through the "cash exercise" mechanism (and not through the "net issuance exercise" mechanisms) provided for in the relevant terms and conditions

The Executive Share Options, the 2018 Share Options, the 2021 Share Options, the Bootstrap Warrants and the Kreos Warrants are hereinafter jointly referred to as the "**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) 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 been exercised and have not yet expired. For the purpose of the full-dilution scenario calculations further below, it is assumed that all of the 3,033,714 existing Share Options (i.e., outstanding and still to be granted) were granted, have vested, are immediately exercisable (regardless of their terms and conditions), and have been fully exercised prior to the completion of the Share Issuance and Subscription Right Issuance.

(d) In July 2020, the Company entered into the aforementioned subordinated PMV Loan with PMV Standaardleningen NV (formerly known as PMV/z Leningen NV) ("**PMV/z**"), which was amended in December 2021 and March 2023 (see section 7 above), for an aggregate principal amount of up to EUR 4.3 million, of which a loan for a principal amount of EUR 0.8 million can still be converted by PMV/z for new ordinary shares of the Company in the event of a future equity financing or sale of the Company. The conversion can be carried out by means of a contribution in kind of the respective payables due by the Company under the loan (whether as principal amount or as interest) (the "**PMV/z Convertible Loan Payable**") to the share capital of the Company. The loan has a term of 60 months, and is repayable in four equal quarterly instalments starting on 30 September 2024. The loan bears an interest of 7% per annum, except that the convertible portion of the loan bears an interest of 6% per annum. The price per share at which the PMV/z Convertible Loan Payable can be converted through a contribution in kind in the event of an equity financing or sale of the Company will be equal to 75% of the price of the Company's shares as will be reflected in the relevant equity financing or sale. The proposed Share Issuance would qualify as a relevant equity financing that triggers the right, but not the obligation, for PMV/z to contribute its PMV/z Convertible Loan Payable. PMV/z can exercise this right until 30 days as from the completion of the Share Issuance. For the purpose of the full-dilution scenario calculations further below, the following is assumed:

(i) the PMV/z Convertible Loan Payable is contributed in full to the share capital of the Company (taking into account, however, that PMV/z is not obliged to contribute its PMV/z Convertible Loan Payable as a result of the Share Issuance);

(ii) for the purpose of the interest calculation, the contribution in kind is effected on 21 April 2023; and

(iii) in accordance with the relevant provisions set out in the loan, the PMV/z Convertible Loan Payable will be contributed into the share capital of the Company at a subscription price per share of 75% of the issue price of the new shares to be issued in the framework of the Share Issuance.

This would lead to the following amounts for the PMV/z Convertible Loan Payable to be contributed in kind:

	Principal Amount (in EUR)	**Accrued Interests (in EUR)**(1)	**Amount to be contributed (in EUR)** (2)	**New Shares to be issued upon contribution**		
				Subscription price of EUR 1.88 (3)	**Subscription price of EUR 2.25** (4)	**Subscription price of EUR 3.00** (5)
PMV/z	800,000.00	132,533.33	932,533.33	496,028	414,459	310,844

Notes:

(1) Carries an interest of 6% per annum (360-day period) as from 31 July 2020 and until 21 April 2023.

(2) Sum of the principal amount of the relevant PMV/z Convertible Loan Payable and the accrued interests.

(3) Assuming a subscription price of EUR 1.88, representing a 25% discount to the assumed issue price in the Share Issuance of EUR 2.50.

(4) Assuming a subscription price of EUR 2.25, representing a 25% discount to the assumed issue price in the Share Issuance of EUR 3.00.

(5) Assuming a subscription price of EUR 3.00, representing a 25% discount to the assumed issue price in the Share Issuance of EUR 4.00.

(e) It is assumed that the maximum amount of the capital increase (including issue premium) will be raised within the framework of the Share Issuance (namely, EUR 30,000,000.00). If the relevant new shares were to be issued at a hypothetical issue price per share of EUR 2.50 (implying a 50% discount to the trading price on Euronext Brussels on 21 April 2023) ("**Scenario A**"), EUR 3.00 (implying a 40% discount to the trading price on Euronext Brussels on 21 April 2023) ("**Scenario B**") and EUR 4.00 (implying a 20% discount to the trading price on Euronext Brussels on 21 April 2023), ("**Scenario C**"), this would mean that, respectively, 12,000,000, 10,000,000 and 7,500,000 new shares would have to be issued.

(f) It is also assumed that new subscription rights for shares of the Company are issued in the Subscription Right Issuance at a ratio of one new subscription right per every four new shares to be issued in the Share Issuance. Accordingly, based on the hypothetical number of new shares to be issued mentioned in section (e) above, respectively 3,000,000, 2,500,000, and 1,875,000 new subscription rights should be issued. For the simulations below, it is assumed that the aforementioned subscription rights can be exercised in one ordinary share per subscription right at the following exercise prices: EUR 3.50 (implying a discount of 30% to the trading price on Euronext Brussels on 21 April 2023) ("**Scenario A**"), EUR 4.50 (implying a discount of 10% to the trading price on Euronext Brussels on 21 April 2023) ("**Scenario B**"), and EUR 5.50 (implying a premium of 10% to the trading price on Euronext Brussels on 21 April 2023) ("**Scenario C**"). For the sake of completeness, it is assumed that no issue price is paid upon issuance of the subscription rights. It is also assumed that all subscription rights will eventually be exercised. Whether such exercise will take place will depend on the trading of the share of the Company at the time of exercise. A holder of subscription rights is generally expected that he will only exercise if he can realise a capital gain. It is further envisaged that there is no buy-out of subscription rights following a change of control.

8.2. Evolution of the share capital, voting power, and participation in the results and other shareholder 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 part of the capital it represents. The issuance of the new shares within the framework of the Share Issuance and the Subscription Right Issuance 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.

Specifically, prior to the Share Issuance and the Subscription Right Issuance (and the issuance of new shares pursuant to the outstanding Share Options and the issuance of new shares pursuant to the contribution in kind of the PMV/z Convertible Loan Payable), each share of the

Company participates equally in the profit and liquidation proceeds of the Company and each shareholder has a statutory preferential subscription right in case of a capital increase in cash or in case of the issuance of new subscription rights or convertible bonds. Upon the issuance of the new shares within the framework of the Share Issuance and upon the exercise of subscription rights issued within the framework of the Subscription Right Issuance, 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 dividends and other 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 the new shares will be issued and subscribed for), the participation by the existing shareholders in the profit and liquidation proceeds of the Company and their holder's statutory preferential subscription right in case of a capital increase in cash, shall be diluted accordingly.

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 Share Issuance and the Subscription Right Issuance is simulated below. Subject to the methodological reservations noted in section 8.1, the table below reflects the evolution of the number of outstanding shares, assuming the maximum amount of the capital increase (including issue premium) to be raised in the framework of the Share Issuance.

The table below assumes for the sake of the theoretical computation of the dilutive effect that existing shareholders would subscribe for none of the new shares or subscription rights (maximal dilution).

A similar dilution occurs upon the exercise of existing Share Options and upon contribution in kind of the PMV/z Convertible Loan Payable.

Evolution of the number of outstanding shares

	Share Issuance and Subscription Right Exercise		
	Scenario A	**Scenario B**	**Scenario C**
Before exercise of outstanding Share Options and the contribution of PMV/z Convertible Loan Payable and after Share Issuance and Subscription Right Exercise			
Outstanding shares	23,746,528	23,746,528	23,746,528
New shares to be issued in the Share Issuance	12,000,000	10,000,000	7,500,000
New shares to be issued in the Subscription Right Exercise	3,000,000	2,500,000	1,875,000
Total shares outstanding	38,746,528	36,246,528	33,121,528
Dilution	38.71%	34.49%	28.30%
After exercise of outstanding Share Options and the contribution of PMV/z Convertible Loan Payable, but prior to Share Issuance and Subscription Right Issuance			
Outstanding shares	23,746,528	23,746,528	23,746,528

	Share Issuance and Subscription Right Exercise		
	Scenario A	Scenario B	Scenario C
New shares to be issued upon exercise of the Executive Share Options..................	261,895	261,895	261,895
New shares to be issued upon exercise of the 2018 Share Options..........................	1,067,924	1,067,924	1,067,924
New shares to be issued upon exercise of the 2021 Share Options..........................	1,000,000	1,000,000	1,000,000
New shares to be issued upon exercise of the Bootstrap Warrants	302,804	302,804	302,804
New shares to be issued upon exercise of the Kreos Warrants	161,404	161,404	161,404
New shares to be issued upon contribution of the PMV/z Convertible Loan Payable	496,028	414,459	310,844
Total shares after exercise of existing Share Options and after contribution of the PMV/z Convertible Loan Payable	27,036,583	26,955,014	26,851,399
Dilution..	12.17%	11.90%	11.56%
After exercise of outstanding Share Options, after the contribution of the PMV/z Convertible Loan Payable and after the Share Issuance and Subscription Right Exercise			
Outstanding shares.................................	23,746,528	23,746,528	23,746,528
Total shares after exercise of outstanding Share Options and after contribution of the PMV/z Convertible Loan Payable	27,036,583	26,955,014	26,851,399
New shares to be issued in the Share Issuance	12,000,000	10,000,000	7,500,000
New shares to be issued in the Subscription Right Exercise	3,000,000	2,500,000	1,875,000
Total shares outstanding, after exercise of outstanding Share Options, after contribution of the PMV/z Convertible Loan Payable, and after the Share Issuance and Subscription Right Exercise	42,036,583	39,455,014	36,226,399
Dilution..	35.68%	31.68%	25.88%

Subject to the methodological reservations noted in section 8.1, the table below reflects the evolution of the share capital, assuming the maximum amount of the capital increase (including issue premium) to be raised in the framework of the Share Issuance (namely, EUR 30,000,000.00).

The maximum amount of share capital increase (excluding issue premium) is computed by multiplying the number of new shares to be issued (within the framework of the Share Issuance and Subscription Right Exercise) with the fractional value if the shares of the Company, *i.e.,* currently rounded EUR 0.1036 per share.

Evolution of the share capital[1]

	Share Issuance and Subscription Right Exercise		
	Scenario A	**Scenario B**	**Scenario C**
Before the Share Issuance and Subscription Right Exercise			
Share capital (in EUR)	2,460,486.98	2,460,486.98	2,460,486.98
Outstanding shares	23,746,528	23,746,528	23,746,528
Fractional value (in EUR) (rounded)	0.1036	0.1036	0.1036
Share Issuance and Subscription Right Exercise			
Increase of share capital (in EUR)[2]	1,554,000.00	1,295,000.00	971,250.00
Number of new shares to be issued	15,000,000	12,500,000	9,375,000
After the Share Issuance and Subscription Right Exercise			
Share capital (in EUR)	4,014,486.98	3,755,486.98	3,431,736.98
Outstanding shares	38,746,528	36,246,528	33,121,528
Fractional value (in EUR) (rounded)	0.1036	0.1036	0.1036

Notes:

(1) This simulation does not take into account the exercise of the outstanding Share Options, nor the contribution in kind of the PMV/z Convertible Loan Payable.

(2) A portion of the issue price that is equal to the fractional value of the existing shares of the Company (being currently rounded EUR 0.1036 per share) shall be booked as share capital. The portion of the issue price in excess of the fractional value shall be booked as issue premium.

8.3. Participation in the consolidated accounting net equity

The evolution of the consolidated accounting net equity of the Company as a result of the Share Issuance and Subscription Right Exercise is simulated below. The simulation is based on the following elements:

(a) The audited consolidated annual financial statements of the Company for the financial year ended on 31 December 2021 (which have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**")) and which have been approved by the annual general shareholders' meeting of 27 May 2022. The consolidated accounting net equity of the Company as at 31 December 2021 amounted to EUR -786,919.00. The simulation does not take into account any changes in the consolidated accounting net equity since 31 December 2021, except, however, that for the purpose of the simulation, the impact of the private placement completed on 10 March 2022, on the consolidated net equity (per share) will be taken into account.

As a result of the aforementioned completion of the private placement on 10 March 2022 (not taking into account possible effects of accounting items other than the share capital and the issuance premium (for example the expenses of said private placement)):

(i) the share capital of the Company was increased as a result of which the Company's net equity was increased by an amount of EUR 28,419,974.00, whereby an amount of EUR 535,328.96 was booked as share capital and an amount of EUR 27,884,645.04 was booked as share premium; and

(ii) the number of outstanding shares of the Company following the private placement completed on 10 March 2022 amounted to 23.746.528 shares (as 5.167.268 new shares were issued).

Consequently, for the purposes of the simulations below, the adjusted consolidated accounting net equity as at 31 December 2021 will be assumed to amount to EUR 27,633,055.00.

(b) The non-audited consolidated interim financial statements of the Company for six months ended on 30 June 2022 (which have been prepared in accordance with the IAS 34 (Interim Financial Reporting), as adopted by the European Union ("**IAS 34**")). The consolidated accounting net equity of the Company as at 30 June 2022 amounted to EUR 12,987,657. This number does not take into account any changes in the consolidated accounting net equity since 30 June 2022.

(c) The Company's non-audited consolidated financial information for the financial year ended on 31 December 2022 as published by the Company on 9 February 2023. According to that information, the Company's consolidated accounting equity as at 31 December 2022 amounted to EUR -2,153,000.00. This number does not take into account changes in the consolidated accounting equity since 31 December 2022.

For further information regarding the Company's net equity position on the aforementioned dates, reference is made to the financial statements of the Company, which are available on the Company's website.

Based on the assumptions set out above, as a result of the Share Issuance and Subscription Right Issuance, without taking into account the Share Options, the Company's accounting net equity on a consolidated basis, would be increased as indicated below:

Evolution of the consolidated accounting net equity

	Share Issuance and Subscription Right Exercise		
	Scenario A	**Scenario B**	**Scenario C**
Consolidated net equity for FY 2021 (adjusted)			
Before the Share Issuance and Subscription Right Exercise			
Net equity (in EUR) (rounded) .	27,633,055.00	27,633,055.00	27,633,055.00
Outstanding shares	23,746,528	23,746,528	23,746,528
Net equity per share (in EUR) (rounded)	1.16	1.16	1.16
Share Issuance			
Increase of net equity (in EUR)(1)	30,000,000.00	30,000,000.00	30,000,000.00
Number of new shares to be issued...	12,000,000	10,000,000	7,500,000

	Share Issuance and Subscription Right Exercise		
	Scenario A	**Scenario B**	**Scenario C**
Subscription Right Exercise			
Increase of net equity (in EUR)(1)	10,500,000.00	11,250,000.00	10,312,500.00
Number of new shares to be issued..	3,000,000.00	2,500,000.00	1,875,000.00
After Share Issuance and Subscription Right Exercise			
Net equity (in EUR) (rounded)..	68,133,055.00	68,883,055.00	67,945,555.00
Outstanding shares....................	38,746,528	36,246,528	33,121,528
Net equity per share (in EUR) (rounded)	1.76	1.90	2.05
Consolidated net equity for H1 2022 (adjusted)			
Before the Share Issuance and Subscription Right Exercise			
Net equity (in EUR) (rounded)..	12,987,657.00	12,987,657.00	12,987,657.00
Outstanding shares....................	23,746,528	23,746,528	23,746,528
Net equity per share (in EUR) (rounded)	0.55	0.55	0.55
Share Issuance			
Increase of net equity (in EUR)(1)	30,000,000.00	30,000,000.00	30,000,000.00
Number of new shares to be issued..	12,000,000	10,000,000	7,500,000
Subscription Right Exercise			
Increase of net equity (in EUR) (1)	10,500,000.00	11,250,000.00	10,312,500.00
Number of new shares to be issued..	3,000,000	2,500,000	1,875,000
After Share Issuance and Subscription Right Exercise			
Net equity (in EUR) (rounded)..	53,487,657.00	54,237,657.00	53,300,157.00
Outstanding shares....................	38,746,528	36,246,528	33,121,528
Net equity per share (in EUR) (rounded)	1.38	1.50	1.61
Consolidated net equity for FY 2022			
Before the Share Issuance and Subscription Right Issuance			
Net equity (in EUR) (rounded)	-2,153,000.00	-2,153,000.00	-2,153,000.00
Outstanding shares…………..	23,746,528	23,746,528	23,746,528
Net equity per share (in EUR) (rounded)……………………..	-0.09	-0.09	-0.09

	Share Issuance and Subscription Right Exercise		
	Scenario A	**Scenario B**	**Scenario C**
Share Issuance			
Increase of net equity (in EUR) (1)……………………………..	30,000,000.00	30,000,000.00	30,000,000.00
Number of new shares to be issued…………………………	12,000,000	10,000,000	7,500,000
Subscription Right Exercise			
Increase of net equity (in EUR) (1)……………………………..	10,500,000	11,250,000	10,312,500
Number of new shares to be issued…………………………	3,000,000.00	2,500,000	1,875,000
After Share Issuance and Subscription Right Exercise			
Net equity (in EUR) (rounded)..	38,347,000.00	39,097,000.00	38,159,500.00
Outstanding shares …………...	38,746,528	36,246,528	33,121,528
Net equity per share (in EUR) (rounded) …………………….	0.99	1.08	1.15

Notes:

(1) Consisting of the amount of the capital increase and the amount of the increase of issue premium, as the case may be, but not reflecting that the accounting of this amount may be subject to further adjustments pursuant to IFRS or IAS 34.

The table above demonstrates that the Share Issuance and Subscription Right Exercise will, from a pure accounting point of view, lead to an increase of the amount represented by each share in the consolidated accounting net equity of the Company.

8.4. Financial dilution

The evolution of the market capitalisation as a result of the proposed Share Issuance and Subscription Right Exercise is simulated below.

Subject to the methodological reservations noted in section 8.1, the table below reflects the impact of the Share Issuance and Subscription Right Exercise on the market capitalisation and the resulting financial dilution at various price levels, assuming the maximum amount of the capital increase (including issue premium) to be raised in the framework of the Share Issuance (namely, EUR 30,000,000.00).

After close of trading on 21 April 2023, the Company's market capitalisation was EUR 118,732,640.00, on the basis of a closing price of EUR 5.00 per share. Assuming that, following the Share Issuance and Subscription Right Exercise, the market capitalisation increases exclusively with the funds raised (*i.e.*, EUR 30,000,000.00 funds raised in the Share Issuance at an issue price of EUR 2.50, EUR 3.00 and EUR 4.00, as well as EUR 10,500,000.00, EUR 11,250,000.00 and EUR 10,312,500.00 funds raised in the Subscription Right Exercise at an exercise price of respectively EUR 3.50, EUR 4.50 and EUR 5.50).

This would represent a (theoretical) financial dilution of respectively 17.80%, 11.80% and 4.00% per share in the three scenarios set forth in section 8.1 and the table below.

Evolution of the market capitalisation and financial dilution

	Share Issuance and Subscription Right Exercise		
	Scenario A	**Scenario B**	**Scenario C**
Before the Share Issuance and Subscription Right Exercise[1]			
Market capitalisation (in EUR)	118,732,640.00	118,732,640.00	118,732,640.00
Outstanding shares	23,746,528	23,746,528	23,746,528
Market capitalisation per share (in EUR)	5.00	5.00	5.00
Share Issuance and Subscription Right Exercise			
Funds raised (in EUR)	40,500,000.00	41,250,000.00	40,312,500.00
Number of new shares to be issued	15,000,000	12,500,000	9,375,000
After the Share Issuance and Subscription Right Exercise [1]			
Market capitalisation (in EUR)	159,232,640.00	159,982,640.00	159,045,140.00
Outstanding shares	38,746,528	36,246,528	33,121,528
Market capitalisation per share (in EUR) (rounded)	4.11	4.41	4.80
Dilution	17.80%	11.80%	4.00%

Notes:

(1) At the date of this report and not taking into account the potential issuance of new shares upon exercise of outstanding Share Options or upon contribution in kind of the PMV/z Convertible Loan Payable.

* * *

Done on 24 April 2023.

On behalf of the board of directors,

By: ________________________