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Biotalys
Limited liability company
Buchtenstraat 11, 9051 Ghent
0508.931.185
(the *Company*)

Special report of the board of directors of the Company (the *Board of Directors*) pursuant to Article 7:198 in conjunction with Articles 7:179, 7:191 and 7:193 of the Belgian Code of Companies and Associations regarding the capital increase of the Company

1. INTRODUCTION

This special report has been prepared by the Board of Directors of the Company pursuant to Article 7:198 in conjunction with Articles 7:179, 7:191 and 7:193 of the Belgian Code of Companies and Associations (the *BCCA*) in the context of the proposed increase of capital of the Company by way of contribution in cash under the authorised capital for an amount of EUR 14,999,996.16 (including issue premium) through the issuance of 5,300,352 new shares with, in the interest of the Company, cancellation of the statutory preferential right of the existing shareholders of the Company in favour of certain specified persons who are not members of the Company's personnel (the *Capital Increase*).

The Capital Increase will take place pursuant to a placement by, and the new shares will be issued in favour of, (i) Agri Investment Fund BV, with registered office address at Diestsevest 32 bus 5b, 3000 Leuven, with company number 0893.885.781, RPR Leuven, existing holder of 2,969,606 shares of the Company (*A.I.F.*), (ii) Ackermans & Van Haaren, with registered office address at Begijnenvest 113, 2000 Antwerpen, with company number 0404.616.494, existing holder of 4,016,281 shares of the Company (*AvH*) and (iii) ASR Nederland NV, with registered office address at Archimedeslaan 10, letter box 2072, 3584 BA Utrecht, The Netherlands, with company number 30070695, who currently holds no shares of the Company (*A.S.R.*) (hereinafter together the *Beneficiaries*).

Within the framework of the Capital Increase, the Company has appointed KBC Securities NV, Belfius Bank NV acting jointly with its subcontractor Kepler Cheuvreux SA (and its affiliates Kepler Cheuvreux Suisse and Kepler Capital Markets Inc) and Coöperatieve Rabobank U.A. as Joint Global Coordinators and, together with Degroof Petercam SA/NV and Piper Sandler & Co., as Joint Bookrunners (hereinafter together the *Joint Global Coordinators*).

In accordance with Articles 7:198 in conjunction with Articles 7:179, 7:191 and 7:193 of the BCCA, the Board of Directors has prepared this report on the Capital Increase, in which, in particular, it justifies in detail the transaction and the issue price in the corporate interest, taking into account, in particular, the financial situation of the Company, the identity of the Beneficiaries, the nature and extent of their contribution, and it describes and justifies the consequences of the transaction, including the cancellation of the preferential subscription rights, on the shareholders' ownership and membership rights and expressly describes and justifies the reasons for the limitation or cancellation of the preferential subscription rights.

This special report should be read together with the report prepared, as far as needed and applicable, by the Company's statutory auditor, Deloitte Bedrijfsrevisoren BV, a company with limited liability organised and existing under the laws of Belgium, with registered office at

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Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, Belgium, represented by Mr Pieter-Jan Van Durme, in accordance with Articles 7:198 *in conjunction with* Articles 7:179, 7:191 and 7:193 of the BCCA with respect to the Capital Increase.

2. DESCRIPTION OF THE CAPITAL INCREASE

2.1 Notes to authorised capital

On 23 April 2024, the extraordinary general meeting of the Company granted an authorisation to the Board of Directors under the authorised capital for a period of five years and set the amount of the authorised capital under that general authorisation at 100% of the capital, i.e. EUR 4,755,005.78. This decision was published in the Annexes to the Belgian Official Gazette on 26 April 2024. Accordingly, Article 6 (*Authorised Capital*) of the Company's Articles of Association reads as follows:

§1. The board of directors may increase the company's capital on one or more occasions by a (cumulative) amount not exceeding four million seven hundred and fifty-five thousand and five euros and seventy-eight cents (€4,755,005.78). This authorisation may be renewed in accordance with the applicable legal provisions. The board of directors may exercise this authorisation for a period of five (5) years from the date of publication in the Annexes to the Belgian Official Gazette of the authorisation approved by the extraordinary general meeting of 23 April 2024.

§The capital increases which may be decided pursuant to this authorisation shall be carried out in accordance with the modalities to be determined by the Board of Directors and may be realised by means of contributions in cash or in kind or by conversion of reserves into capital, whether or not available or unavailable for distribution and issue premiums, with or without the issuance of new shares and with or without payment of an issue premium.

The board of directors may also use this authorisation to issue convertible bonds, subscription rights or bonds to which subscription rights or other movable securities are attached, or other securities.

When using its authorisation within the framework of the authorised capital, the board of directors may, in the interest of the company, within the limits and in accordance with the conditions prescribed by the Companies and Associations Code, limit or cancel the shareholders' preferential right. This restriction or cancellation may also be done in favour of members of the personnel of the company or its subsidiaries or in favour of one or more certain persons other than members of the personnel of the company or its subsidiaries.

§3. If, on the occasion of a capital increase decided on within the framework of the authorised capital, an issue premium is paid, it shall be recorded in the account "Issue premiums", which shall constitute a guarantee for third parties to the same extent as the company's capital and which, subject to the possibility of converting this reserve into capital, may only be disposed of in accordance with the conditions laid down by the Companies and Associations Code for amendments to the articles of association.

§4. The board of directors is hereby expressly authorised to proceed with a capital increase in any form, including but not limited to a capital increase accompanied by a

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limitation or cancellation of preferential subscription rights, even after the company receives the communication from the Financial Services and Markets Authority (FSMA) that it has been notified of a public takeover bid for the company's shares. This authorisation is valid in relation to public takeover bids for which the company receives the aforementioned notification not more than three years after 23 April 2024. This authorisation may be renewed for an additional period of three years by resolution of the general meeting, which deliberates and decides in accordance with the applicable provisions. The capital increases decided under this authorisation will be allocated to the remaining part of the authorised capital referred to in the first paragraph.

§5. The board of directors shall be authorised, with the possibility of substitution, to amend the articles of association after any capital increase, which has come about within the limits of the authorised capital, in order to bring them into line with the new capital and share situation.

The report pursuant to Article 7:199 of the BCCA explained that the Board of Directors intended to make use of its authorisation under the authorised capital in circumstances where, in the interest of the Company, convening a general meeting of shareholders would not be desirable or expedient, with such a situation arising, for example, where:

- a) it proves necessary to respond quickly to market opportunities;
- b) there is a need for financing where market conditions do not lend themselves to an issuance to all shareholders;
- c) a prior convocation of a general shareholders' meeting would result in too early an announcement of the transaction in question, which could be to the Company's disadvantage;
- d) the costs associated with convening a general meeting of shareholders are disproportionate to the amount of the proposed capital increase; or
- e) because of the urgency of the situation, it appears that implementing a capital increase in accordance with the authorised capital procedure is necessary in the interest of the Company.

The same report explained that the Board could use its authorisation under the authorised capital, among other things:

- a) for the purpose of strengthening the capital or equity of the Company including investments by one or more specified persons (whether or not current shareholders) or cornerstone investors;
- b) to finance the Company's business activities or new business initiatives;
- c) to finance or achieve (in whole or in part) acquisitions or acquisitions of companies, businesses or assets, corporate partnerships, in-licensing transactions or other forms of mergers, partnerships or strategic alliances;
- d) to create or honour (from time to time) share-based compensation plans for members of staff, independent consultants and other service providers of the Company and/or its subsidiaries (e.g. by issuing share subscription rights or issuing share units);
- e) to avert an unwanted public takeover bid for the Company's securities; and/or

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f) for other general working capital needs.

The Board of Directors has not yet used its authorisation under the authorised capital. Consequently, the Board of Directors has the authorisation under the authorised capital to increase the Company's capital with a maximum amount of EUR 4,755,005.78.

2.2 Structure of the Capital Increase and cancellation of existing shareholders' preferential rights in favour of the Beneficiaries

In accordance with Article 6 of the Company's Articles of Association, the Board of Directors intends to increase the Company's capital under the authorised capital by a cash contribution in the amount of EUR 14,999,996.16 (including issue premium) against the issuance of 5,300,352 new shares. As a result of the Capital Increase, the Company's capital will increase with an amount of EUR 783,749.72 to EUR 5,538,755.50 (excluding issue premium) and 37,457,562 shares will have been issued. The amount of the capital increase of EUR 783,749.72 takes into account the fractional value of a share of (rounded) EUR 0.1479. The remainder of the issue price i.e. EUR 14,216,246.44 will be booked as unavailable issue premium.

Pursuant to Article 6 of the Company's Articles of Association, the Board of Directors is authorised, in accordance with the BCCA, as amended from time to time, when it increases the capital, to limit or cancel the preferential subscription right, including for the benefit of one or more specified persons (whether or not employees of the Company or its subsidiaries). In light of the foregoing, the Board of Directors proposes, in accordance with Article 6 of the Company's Articles of Association and Article 7:193 of the BCCA, to cancel the preferential subscription right in favour of the Beneficiaries.

As a result of the Capital Increase and the cancellation of the statutory preferential rights, after the Capital Increase, A.I.F. will hold 4,736,390 shares (consisting of 1,766,784 new shares and 2,969,606 current, previously held shares) (12.64%) in the Company, AvH will hold 5,783,065 shares (consisting of 1,766,784 new shares and 4,016,281 current, previously held shares) (15.44%) in the Company after the Capital Increase and A.S.R. will hold 1,766,784 shares (all new shares) (4.72%) in the Company after the Capital Increase.

2.3 Issue price of the new shares

The issue price is the result of (i) negotiations and/or discussions between the Company, the Joint Global Coordinators and the Beneficiaries with reference to relevant stock market prices of the Company's shares on Euronext Brussels and (ii) a market sounding performed by the Joint Global Coordinators with institutional, qualified, professional and/or other investors to assess their interest in subscribing for the shares based on applicable private placement exemptions.

The issue price for the new shares to be issued in the context of the Capital Increase is EUR 2.83. This issue price equals the volume weighted average price of the Company's share on Euronext Brussels during the period of 30 days from (and including) 11 September 2024 till (and including) 10 October 2024 minus a discount of 10%.

This issue price is approximately 14.76% lower than the closing price of the Company's shares on Euronext Brussels on 10 October 2024, i.e. the date prior to the date of this special report. The issue price of the new shares is EUR 2.83 per new share amounting to a total issue price of EUR 14,999,996.16 of which an amount of EUR 783,749.72 will be allocated to the capital of the Company (taking into account a fractional value of the shares of EUR 0.1479 (rounded) and the remainder, i.e. EUR 14,216,246.44, will be booked as unavailable issue premium). This

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issue premium will be recorded on the liability side of the Company's balance sheet as net equity. The account in which the issue premiums will be booked will, like the capital, serve as a guarantee for third parties and, subject to the possibility of capitalisation of these reserves, can only be reduced based on a valid resolution of the general meeting of shareholders, passed in the manner required for an amendment to the Company's Articles of Association.

2.4 Admission to trading of the new shares

The new shares will have to be admitted to trading on the regulated market of Euronext Brussels. To this end, the Company will file the necessary documents, as required by applicable regulations, to enable an admission to trading on the regulated market of Euronext Brussels after the issuance of the new shares (see also section 2.6).

2.5 The rights attached to the new shares

As at the date of this report, all shares of the Company entitle their holders to one vote and all shares of the Company share equally in the profits of the Company in the same proportion. In addition, all shares of the Company are equally entitled to preferential rights to capital increases in cash (to the extent not cancelled or restricted in accordance with statutory provisions), and are entitled to an equal share in the net proceeds following any distribution.

The new shares to be issued will have the same rights and benefits as, and will in all respects have the same (*pari passu*) rank, including entitlement to dividends and distributions for the full current financial year and all future financial years, as the current and outstanding shares of the Company at the time of their issuance and will be entitled to distributions for which the relevant record date or maturity date is on or after the date of issuance of the new shares.

2.6 No prospectus

In accordance with Article 1(5)(a) of 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 (the *Prospectus Regulation*), no prospectus is required for the admission to trading of the new shares as the relevant new shares, over a 12-month period, represent less than 20% of the number of shares of the Company already admitted to trading.

As the new shares are offered only to the Beneficiaries and there has been no "public offering" within the meaning of the Prospectus Regulation, no issue prospectus is required.

3. JUSTIFICATION**3.1 Justification of the envisaged Capital Increase and cancellation of preferential rights**

The Board believes that the Capital Increase is in the best interest of the Company because, if completed, the transaction will further improve the Company's equity position and working capital and support the Company's going concern taking also into account that without the Capital Increase the Company expects its cash runway to expire in Q2 of 2025. In general, the proposed Capital Increase will allow the Company to strengthen its capital structure, enabling a greater proportion of its funding requirements to be met with equity. Also, the proposed Capital Increase will allow the Company to raise the additional funds in a fast and (cost) efficient manner that will support the further development and growth of the Company's business.

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In particular, the Company currently intends to use the net proceeds:

- To further develop and advance the Company's pipeline, including research and development, to increase the number of programmes within crop protection and the food value chain, possibly also through partnerships;
- To fund the ongoing platform development and intellectual property capture to maintain competitiveness and increase the efficiency of Biotalys' 2.0 AGROBODY Foundry™ platform;
- To support the regulatory process of its first product candidate EVOCA™ and to support the further development of EVOCA NG including through field trials and regulatory approvals;
- To support the recruitment and retention of key talent; and
- For general business purposes.

The investment of the Beneficiaries demonstrates their support of the Company's business and strategy and allows the Company to strengthen its relationship with these investors, which may enable the Company to further strengthen its image with investors, which is in the interest of the further development of the Company's business and any future capital market transactions. Moreover, a participation by a new investor, i.e. A.S.R., provides additional incentive in future capital market transactions.

Indeed, the Beneficiaries are investors with a good reputation in the capital markets and with a history of long-term and supportive shareholdings in Belgian companies. A.I.F. is also the private equity and venture capital fund of the Belgian Boerenbond that focuses on Ag-Tech and Agro-Food companies that contribute to stronger and more sustainable agriculture and horticulture. A.I.F.'s participation in the proposed Capital Increase is thus in line with its ambition to support companies to bring their innovations to the agricultural market. AvH is an entrepreneurial investment group focused on creating value through long-term partnerships. The knowledge and expertise AvH has gained over the years in various sectors, will be beneficial for both the further growth and development of the Company. By participating in this Capital Increase, A.I.F. and AvH strengthen their position as a shareholder of the Company, solidifying their long-term partnership with the Company. A.S.R. is one of the largest insurers in the Netherlands. ASR Vermogensbeheer NV manages the investments of A.S.R.. In its investment policy sustainability is a top priority and it is based on the Sustainable Development Goals. As one of its strategies it manages an impact investment whereby the sustainable investment objective is to invest in companies with which the asset manager aims to achieve a measurable and positive environmental and social impact. The Company believes that such investment strategy fits with its own objectives and activities and that A.S.R. will be a valuable shareholder.

The Board of Directors proposes to cancel the preferential right of the Company's shareholders in favour of the Beneficiaries. The cancellation of the preferential right in favour of the Beneficiaries allows the Company to raise a significant amount of funds through an accelerated process, without high transaction risk, to further strengthen its equity and working capital, thereby, among other things, freeing up space for the Company to fund its operations. These activities require further investment and funding and, if successful, the Company could use the net proceeds of the proposed Capital Increase for these activities.

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Second, the Capital Increase, through the participation of the Beneficiaries, may improve the stability of the Company's shareholder structure. This is in the interest of both the Company and the Company's shareholders.

Third, proceeding at this stage to raise funds through a public issue with or without preferential rights would be difficult to achieve. A public issue is not only very costly for the Company, it also requires significantly longer preparation time, and favourable market conditions while the ability to raise capital may change during that period. Reverting to a public fundraising requires not only more time but is also accompanied by uncertainty as to whether, in such a longer and more expensive process, a capital increase can ultimately be realised on acceptable terms. In contrast, the Capital Increase subscribed to by the Beneficiaries enables the Company to raise new funds quickly and cost-efficiently.

Fourth, it is also noted that due to macroeconomic factors such as the geopolitical situation in Eastern Europe and the Middle East capital markets have been extremely volatile. Consequently, the Capital Increase, if successful, gives the Company the opportunity, and it is in the latter's interest, to raise new funds quickly and efficiently in these circumstances.

For all these reasons, the Board of Directors is of the opinion that the proposed Capital Increase, even with the cancellation of the preferential subscription right in favour of the Beneficiaries and notwithstanding the resulting shareholder dilution, is in the interest of both the Company and its existing shareholders, as it may enable the Company to raise the new funds required to further implement its strategy in a rapid and cost-effective manner..

3.2 Justification of the issue price of the new shares

The Issue Price is determined by the Board of Directors based on negotiations and/or discussions with the Beneficiaries and in consultation with the Joint Global Coordinators, based on the results of the market sounding procedure organised by the Joint Global Coordinators. During this procedure, interested investors were able to express to the Joint Global Coordinators their interest in subscribing to the new shares, as well as the number of shares and the issue price at which they are willing to subscribe to the new shares.

The issue price for the new shares to be issued pursuant to the Capital Increase is approximately 14.76% lower than the closing price of the Company's shares on Euronext Brussels on 10 October 2024, being the day before this special report.

A discount to the share price is not uncommon in private placements by listed companies and the proposed discount here is in line with the range of discounts that applied during the past five years to private placements for Euronext listed companies active in life sciences. For the Capital Increase, the share price has been set following negotiations with the Beneficiaries and the Joint Global Coordinators following a market sounding with institutional investors. The discount is not uncommon and reflects, inter alia, investor interest in participating in a new fundraising by the Company taking into account the risk profile of the Company including in connection with the ongoing regulatory process for the approval of the Company's first product-candidate Evoca™. The potential adverse consequences of not having sufficient financial resources to fund the Company's operations if the Company is unable to raise new funds to support its operations and its continuity are outweighed, in particular, by the other benefits of the Capital Increase as mentioned in section 3.1.

Based on the above, the Board acknowledges that the issue price is determined based on objective and market-based methods through a competitive and at arm's length process with

different relevant investors and thus reflects a fair and market conform value which is the same for all the Beneficiaries.

4. EFFECTS OF THE CAPITAL INCREASE AND CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS IN FAVOR OF THE BENEFICIARIES ON THE FINANCIAL AND MEMBERSHIP RIGHTS OF EXISTING SHAREHOLDERS

4.1 Introductory remarks

The effects of the Capital Increase and the cancellation of the preferential right in favour of one or more specified persons who are not personnel of the Company on the shareholders' financial and membership rights pursuant to Articles 7:179, 7:191 and 7:193 of the Companies Code are discussed in more detail below.

The following parameters and assumptions were used to illustrate some of the financial implications and in particular the dilution to shareholders:

- (a) On the date of this report, the capital of the Company amounts to EUR 4,755,005.78, represented by 32,157,210 shares without nominal value, each representing the same fraction of the capital, i.e. EUR 0.1479 (rounded). The capital is fully and unconditionally subscribed and paid up;
- (b) As at the date of this report, subscription rights exist under the Company's existing incentive plans for employees and management and share units granted to the independent directors which, upon exercise of all subscription rights granted and conversion of all share units, would give rise to issuance of 2,126,724 new shares which would represent additional dilution to shareholders; and
- (c) The issue price of the new shares to be issued under the Capital Increase (determined as set forth in section 2.3 of this report), is EUR 2.83 per new share (representing a discount of approximately 14.76% to the closing price of the Company's shares on Euronext Brussels on 10 October 2024, being the day before the date of this special report and 10% to the volume weighted average price of the Company's shares on Euronext Brussels during the period of 30 days from (and including) 11 September 2024 to (and including) 10 October 2024.

4.2 Evolution of the Company's capital and rights attached to shares

Each share of the Company currently represents an equal portion of the capital of the Company and entitles it to one vote. The issuance of new shares in connection with the Capital Increase will result in a dilution of the shareholders of the Company and of the relative voting rights attached to each share in the Company, as the current shareholders do not have the right to participate in the Capital Increase (except for the Beneficiaries who are already a shareholder).

The dilution with regard to voting rights applies *mutatis mutandis* to the participation of each share in profits and liquidation proceeds and other rights attached to the Company's shares, such as the statutory preferential right in the event of a capital increase in cash by issuing new shares or in the event of the issuance of new subscription rights or convertible bonds.

More specifically, prior to the Capital Increase, each share of the Company shall share equally in the profits and liquidation proceeds of the Company and each shareholder shall have a statutory preferential right in case of a capital increase in cash or in case of the issuance of new

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subscription rights or convertible bonds. Upon issuance of the new shares pursuant to the Capital Increase, the new shares to be issued will have the same rights and benefits as, and be of equal rank in all respects with, the current and outstanding shares of the Company at the time of their issuance and delivery, and will be entitled to distributions for which the relevant record date or maturity date falls on or after the date of issuance and delivery of the shares. As a result (and to the extent that the new shares are issued and subscribed for), the participation by shareholders in the profits and liquidation proceeds of the Company and the statutory preferential right in the event of a cash capital increase will be diluted accordingly.

The evolution of the Company's capital and number of voting shares as a result of the proposed Capital Increase is simulated below.

The table below shows the evolution of the number of outstanding shares, assuming 5,300,352 new shares to be issued under the Capital Increase.

For the calculation of the dilution effect the subscription by the Beneficiaries as existing shareholders for the new shares is not included (maximum dilution).

Evolution of the number of outstanding shares

	Issue price
	EUR 2.83 per new share
Number of shares outstanding before the Capital Increase	
(A) Shares outstanding	32,157,210
Capital increase	
(B) New number of shares to be issued under the Capital Increase	5,300,352
Number of shares outstanding after the Capital Increase	
(C) Total number of shares outstanding after the Capital Increase (A+B).....	37,457,562
(D) Dilution under the Capital Increase (B/C)	14.15% ¹

The table below shows the impact of the Capital Increase, on the evolution of the capital. The issue price is recorded as capital to the extent of the current fractional value of the existing shares (rounded EUR 0.1479), with the balance per new share to be recorded as unavailable share premium.

¹ On a fully basis, in case of exercise of all outstanding subscription rights and conversion of all outstanding share units, which would give rise to the issuance of 2,126,724 new shares, the dilution under the Capital Increase would be 13.39%.

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	<u>Issue price</u> <u>EUR 2.83 per</u> <u>new share</u>
Capital before the Capital Increase	
(A) Capital (in EUR)	4,755,005.78
(B) Shares outstanding.....	32,157,210
(C) Fractional value (in EUR, rounded)	0,1479
Capital increase	
(D) New number of shares to be issued under the Capital Increase	5,300,352
(E) Increase in capital (in EUR)	783,749.72
Capital after the Capital Increase	
(F) Capital (in EUR, rounded) (A+E)..	5,538,755.50
(G) Shares outstanding (B+D).....	37,457,562
(H) Fractional value (in EUR, rounded) (F/G)	0.1479

4.3 Impact on the equity of the Company's shares

The evolution of the Company's consolidated equity as a result of the Capital Increase is simulated below.

The simulation is based on the following elements:

- The Company's statutory financial statements for the financial year ended 31 December 2023 (which were prepared in accordance with the accounting reference system applicable in Belgium). The Company's equity position as of 31 December 2023 was EUR 22,751,230.29 or (rounded) EUR 0.71 per share (based on 32,094,711 shares outstanding as of 31 December 2023). For further information on the Company's equity position as at the aforementioned date, please refer to the statutory financial statements for the financial year 2023, which are available on the Company's website.
- The consolidated financial statements of the Company for the financial year ended 31 December 2023 (which were prepared in accordance with IFRS as approved in accordance with Regulation (EC) 1606/200). The Company's consolidated equity as of 31 December 2023 was EUR 25,569,000 or EUR 0.80 per share (based on 32,094,711 shares outstanding as of 31 December 2023). For more information on the Company's consolidated equity position as at the aforementioned date, please refer to the consolidated financial statements for the financial year 2023, which are available on the Company's website.
- The Company's condensed consolidated interim financial statements on 30 June 2024 (which were prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting)). The company's equity as of 30 June 2024 was EUR

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19,576,000 or EUR 0.61 per share (based on 32,157,210 shares outstanding as of 30 June 2024). For more information on the Company's consolidated equity position as of the aforementioned date, please refer to the condensed consolidated interim financial statements in the Half-Year Report 2024, which is available on the Company's website.

- The simulation does not take into account any changes in consolidated equity since 30 June 2024.
- Upon issue of new shares in the context of the Capital Increase, the amount of the subscription price of the new shares will be allocated to equity (in the form of capital and, if applicable, share premium). The amount that will be recorded as capital will, per share, be at most equal to the amount of the fractional value of the Company's shares (currently rounded at EUR 0.1479 per share). The balance will be recorded as issue premium.

Based on the assumptions set out above, as a result of the Capital Increase, the equity of the Company on a standalone and consolidated basis would be increased as shown below:

Evolution of standalone equity

	<u>Issue price</u> EUR 2.83 per <u>new share</u>
Equity for FY 2023	
(A) Shareholders' equity (in EUR, rounded).....	22,751,230.29
(B) Shares outstanding	32,094,711
(C) Shareholders' equity per share (in EUR, rounded) (A/B)	0.71
Capital increase	
(D) New number of shares to be issued under the Capital Increase	5,300,352
(E) Increase in equity (in EUR).....	14,999,996.16
Equity for FY 2023 after the Capital Increase	
(F) Shareholders' equity (in EUR, rounded) (A+E)	37,751,226.45
(G) Shares outstanding (B+D).....	37,395,063
(H) Equity per share (in EUR, rounded) (F/G)	1.01

*Unofficial English translation – For convenience purposes only***Evolution of consolidated equity as of 31 December 2023**

	<u>Issue price</u> <u>EUR 2.83 per</u> <u>new share</u>
Consolidated equity for FY 2023	
(A) Shareholders' equity (in EUR, rounded).....	25,569,000
(B) Shares outstanding	32,094,711
(C) Shareholders' equity per share (in EUR, rounded) (A/B)	0.80
Capital increase	
(D) New number of shares to be issued under the Capital Increase	5,300,352
(E) Increase in equity (in EUR).....	14,999,996.16
Consolidated equity for FY 2023 after the Capital Increase	
(F) Shareholders' equity (in EUR, rounded) (A+E)	40,568,996.16
(G) Shares outstanding (B+D).....	37,395,063
(H) Shareholders' equity per share (in EUR, rounded) (F/G).....	1.08

Evolution of consolidated equity as of 30 June 2024

	<u>Issue price</u> <u>EUR 2.83 per</u> <u>new share</u>
Consolidated equity for the six months ended 30 June 2024	
(A) Shareholders' equity (in EUR, rounded)	19,576,000
(B) Shares outstanding	32,157,210
(C) Shareholders' equity per share (in EUR, rounded) (A/B)	0.61
Capital increase	
(D) New number of shares to be issued under the Capital Increase	5,300,352
(E) Increase in equity (in EUR).....	14,999,996.16
Consolidated equity for the six months ended 30 June after the Capital Increase	
(F) Shareholders' equity (in EUR, rounded) (A+E)	34,575,996.16
(G) Shares outstanding (B+D).....	37,457,562

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	<u>Issue price</u> <u>EUR 2.83 per</u> <u>new share</u>
(H) Shareholders' equity per share (in EUR, rounded) (F/G).....	0.92

The above table shows that, from a purely accounting perspective, the Capital Increase will result in a dilution of the amount each share represents in the Company's consolidated equity.

4.4 Financial dilution of existing shareholders

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

The table below shows the impact of the Capital Increase (assuming 5,300,352 new shares and a capital increase amount of EUR 14,999,996.16 (including issue premium)) on the market capitalisation and the resulting financial dilution at the issue price of EUR 2.83.

As at 10 October 2024, being the business day before the date of this special report, the market capitalisation of the Company was EUR 106,761,973.20, based on a closing price of EUR 3.32 per share. Assuming that, after the Capital Increase, the market capitalisation increases solely with the funds raised based on the parameters set out above, the new market capitalisation will be EUR 3.25 per share (rounded).

This would represent a (theoretical) dilution of 2.09% per share at an issue price of EUR 2.83.

Evolution of the market capitalisation and financial dilution

	<u>Issue price</u> <u>EUR 2.83 per</u> <u>new share</u>
Market capitalisation before the Capital Increase	
(A) Market capitalisation (in EUR)	106,761,937
(B) Shares outstanding.....	32,157,210
(C) Market capitalisation per share (in EUR, rounded) (A/B)	3.32
Capital increase	
(D) New number of shares to be issued under the Capital Increase	5,300,352
(E) Increase in market capitalisation (in EUR) (D* issue price)	14,999,996.16
Market capitalisation after the Capital Increase	
(F) Market capitalisation (in EUR) (A+E)...	121,761,933
(G) Shares outstanding (B+D)	37,457,562
(H) Market capitalisation per share (in EUR,	

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%	rounded) (F/G).....	3.2507
	(I) Financial dilution (in %) ($+[C-H]/C$) ..	2.09%

4.5 Report of the statutory auditor of the Company

The Board also refers to the report prepared by the Company's statutory auditor in this regard.

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Unofficial English translation – For convenience purposes only

Done on 11 October 2024,

On behalf of the Board of Directors,

_____	_____	_____
Simon E. Moroney	Kevin Helash	Laura Meyer
Chairman	CEO and Director	Chair of the Audit Committee