



Phone: +32 (0)2 778 01 00
Fax: +32 (0)2 771 56 56
www.bdo.be

The Corporate Village
Da Vincilaan 9, Box E.6
Elsinore Building
B-1930 Zaventem

OXURION NV

Statutory auditor's report to the general meeting for the year ended 31 December 2021

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF OXURION NV FOR THE YEAR ENDED 31 DECEMBER 2021

In the context of the statutory audit of the annual accounts of Oxurion NV (“the Company”), we hereby present our statutory auditor’s report. It includes our report of the annual accounts and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 7 May 2019, following the proposal formulated by the board of directors and issued upon recommendation of the Audit Committee. Our statutory auditor’s mandate expires on the date of the general meeting deliberating on the annual accounts closed on 31 December 2021. We have performed the statutory audit of the annual accounts of the Company for twelve consecutive years.

REPORT ON THE ANNUAL ACCOUNTS

Unqualified opinion

We have audited the annual accounts of the Company, which comprise the balance sheet as at 31 December 2021, the profit and loss account for the year then ended and the notes to the annual accounts, characterised by a balance sheet total of 16.750.564 EUR and a profit and loss account showing a loss for the year of 36.694.421 EUR.

In our opinion, the annual accounts give a true and fair view of the Company’s net equity and financial position as at 31 December 2021, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the ‘Statutory

auditor’s responsibilities for the audit of the annual accounts’ section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

We have obtained from the administrative body and the officials of the Company the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to section 6.19 in the annual accounts, which indicates that the actual cash position of the Company is not sufficient to finance its operations during the next twelve months. The Company describes its action plan to safeguard its continuity during the next twelve months, and decided to maintain its valuation rules in the assumption of going concern.

This is only justified if the Company will be successful in the timely and effective realization of its action plan. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current year. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Issuance and valuation of convertible bonds under the Negma Group Ltd. issuance and subscription agreement

Description of the Matter

As described in the financial statements, the Company entered into an agreement whereby Negma Group Ltd. as investor can subscribe to, up to 12,000 mandatory convertible bonds with each a nominal value of 2,500 euro, in several tranches of minimum 200 and maximum 1,000 bonds for a total committed amount up to 30 million euro. The initial cash received amounted to 2.5 million euro of which a total of 1.350 million euro was converted into shares before December 31, 2021. The Company evaluated and determined that the convertible bonds described meets the definition of a financial liability, and presented it at issuance value.

We identified the accounting of the issuance of the convertible bonds as a key audit matter given the significance of the

amount and the auditors judgement with respect to (i) the Company's accounting assessment related to the financial instrument and (ii) the Company's disclosures relating to this financial instrument.

Procedures performed

Our audit procedures included, amongst others:

- We have analyzed and read the convertible transaction, issuance and subscription, agreement, to create an understanding of the impact on the Financial statements and its disclosures.
- We reviewed the appropriateness of the accounting treatment of the financial instrument as adopted by the Company.
- We assessed the completeness, accuracy and adequacy of the Company's disclosures in the notes of the Financial Statements.

Issuance and valuation of convertible bonds under the Kreos Capital VI Ltd and Pontifax Medison Finance LP loan facility agreement

Description of the Matter

As described in the financial statements, the Company entered into an agreement whereby Kreos Capital VI Ltd. together with Pontifax Medison Finance L.P. as investors can subscribe to convertible bonds with each a nominal value of 0.1 million euro, in two tranches of each 10 million euro for a total committed amount up to 20 million euro. The convertible bonds accrue interest in the amount of 7.95% per year. The initial cash received amounted to 10 million euro as per December 31, 2021.

The Company evaluated and determined that the convertible bonds described meets the definition of a financial liability, and presented it at issuance value.

We identified the accounting and the valuation of the issuance of the convertible bonds as a key audit matter given the significance of the amount and the auditors judgement with respect to (i) the Company's accounting assessment related to the financial instrument and (ii) the Company's disclosures relating to this financial instrument.

Procedures performed

Our audit procedures included, amongst others:

- We have analyzed and read the convertible transaction, issuance and subscription, agreement, to create an understanding of the impact on the Financial Statements and its disclosures.
- We reviewed the appropriateness of the accounting treatment of the financial instrument as adopted by the Company.
- We assessed the completeness, accuracy and adequacy of the Company's disclosures in the notes of the Financial Statements.

Responsibilities of administrative body for the drafting of the annual accounts

The administrative body is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the administrative body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the administrative body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of annual accounts in Belgium. However, a statutory audit does not guarantee the future viability of the Company, neither the efficiency and effectiveness of the management of the Company by the administrative body. Our responsibilities with respect to the administrative body's use of the going concern basis of accounting are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;
- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the content of the management report as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Code of companies and associations and with the Company's by-laws.

Responsibilities of the statutory auditor

In the context of our mission and in accordance with the Belgian standard (version revised 2020) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report and compliance with certain provisions of the Code of Companies and Associations and of the Company's by-laws, as well as to report on these elements.

Aspects related to the management report

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the annual accounts for the same financial year, and it is prepared in accordance with articles 3:5 and 3:6 of the Code of Companies and Associations.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report contains any material misstatement, i.e. any information which is inadequately

disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to the social balance sheet

The social balance sheet, to be deposited at the National Bank of Belgium in accordance with article 3:12, §1, 8° of the Code of companies and associations, includes, both in terms of form and content, the information required by the said Code, including that relating to information on wages and training and does not present any material inconsistencies with the information that we have at our disposition during the performance of our mission.

Statement related to independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of annual accounts and our audit firm remained independent of the Company during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit of annual accounts as referred to in article 3:65 of the Code of companies and associations, were duly itemised and valued in the notes to the annual accounts.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

- The appropriation of results proposed to the general meeting complies with the legal provisions and the Company's by-laws.
- We do not have to report to you any transactions undertaken or decisions taken in breach of the by-laws or the Code of companies and associations.
- This report is in compliance with the contents of our additional report to the Audit Committee as referred to in article 11 of regulation (EU) No 537/2014.
- We have evaluated the property effects on the Company resulting from the administrative body's decision with

respect to the conflicts of interest as described in the conclusions of the administrative body's report.

Zaventem, 25 March 2022

BDO Réviseurs d'Entreprises SRL
Statutory auditor
Represented by Gert Claes
Auditor