SECURITIES NOTE

This Securities Note (the "**Securities Note**") has been prepared by Celyad Oncology SA (the "**Company**" or "**Celyad**") in relation to the admission to trading of up to 2,777,777 new shares with ISIN number BE0974260896-XBRU (the "**New Shares**") on Euronext Brussels and Euronext Paris. This Securities Note has been approved by the Belgian Financial Services and Markets Authority (*Autorité des services et marches financiers*, the "**FSMA**") on 9 September 2020, and consequently notified to the French Financial Markets Authority (*Autorité des Marchés Financiers*, the "**AMF**"), and should be read in conjunction with the following documents:

- The Company's registration document as approved by the FSMA on 30 June 2020 (the "**Registration Document**"); and
- the Company's summary note in relation to the admission to trading of up to 2,777,777 new shares on Euronext Brussels and Euronext Paris, as approved by the FSMA on 9 September 2020 and as subsequently notified to the AMF (the "**Summary Note**").

The Registration Document and the Summary Note, together with this Securities Note, constitute a prospectus within the meaning of article 10 of the Prospectus Regulation 2017/1129 (the "**Prospectus Regulation**"). This Securities Note contains the minimal disclosure requirement for a share securities note in accordance with Annex 3 of the Prospectus Regulation.

Investing in the New Shares involves a high degree of risk. An investor is exposed to the risk to lose all or part of his/her investment. Celyad is a biotech company which undertakes clinical trials that have not led to the commercialisation of any products yet and which has never been profitable. Previous positive results are no guarantee for success in subsequent studies, for regulatory approval and for market acceptance. The outbreak of the novel coronavirus (COVID-19) or any other infectious disease outbreak or other serious public health concern could result in delays to Celyad's clinical studies and could adversely affect its supply chain and work force. Investors are advised to carefully consider the information contained in the whole prospectus and, in particular, the risks described in the section "Risk Factors". Investors must be able to bear the economic risk of an investment in shares and should be able to sustain a partial or total loss of their investment.

Pursuant to article 21.8 of the Prospectus Regulation, this prospectus has a 12 months validity and will expire on 8 September 2021. In accordance with article 23 of the Prospectus Regulation, the obligation to supplement a prospectus does not longer apply when a prospectus is no longer valid.

No offer to the public of the New Shares will be made in Belgium, France or in any other member state of the European Economic Area that has implemented the Prospectus Regulation and no one has taken any action that would, or is intended to, permit an offer to the public of the New Shares in any country or jurisdiction where any such action for such purpose is required.

The Board of Directors of Celyad assumes responsibility for the content of the Prospectus. The Board of Directors declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

On behalf of the Board of Directors,

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Filippo Petti
Managing Director

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1. RISK FACTORS RELATED TO THE SHARES

1.1 The market price of the Shares may fluctuate widely in response to various factors

A number of factors may significantly affect the market price of the Celyad's shares (the "**Shares**"). The main factors are changes in the operating results of the Company and its competitors, announcements of technological innovations or results concerning the product candidates, changes in earnings estimates by analysts.

Other factors which could cause the price of the Shares to fluctuate or could influence the reputation of the Company include, amongst other things:

- developments concerning intellectual property rights, including patents;
- public information regarding actual or potential results relating to products and product candidates under development by the Company's competitors;
- actual or potential results relating to products and product candidates under development by the Company itself;
- regulatory and medicine pricing and reimbursement developments in Europe, the United States and other jurisdictions;
- any publicity derived from any business affairs, contingencies, litigation or other proceedings, the Company's assets (including the imposition of any lien), its management, or its significant Shareholders or collaborative partners;
- Divergences in financial results from stock market expectations;
- Changes in the general conditions in the pharmaceutical industry and general economic, financial market and business conditions in the countries in which the Company operates.

In addition, stock markets have from time to time experienced extreme price and volume volatility which, in addition to general economic, financial and political conditions, could affect the market price for the Shares regardless of the operating results or financial condition of the Company.

The Company estimates the probability of occurrence of this risk as medium and its negative impact is considered as high.

1.2 If securities or industry analysts do not publish research or publish inaccurate research or unfavourable research about its business, the price of the securities and trading volume could decline

The trading market for the securities depends in part on the research and reports that securities or industry analysts publish about the Company or its business. At the date of this Securities Note the Company is followed by nine analysts (Bryan Garnier, KBC Securities, Kempen, Kepler Cheuvreux, H.C. Wainwright, Jones Trading, Portzamparc, Wells Fargo and William Blair). If no more or few securities or industry analysts cover the Company, the trading price would be negatively impacted. If one or more of the analysts who covers the Company downgrades the securities or publishes incorrect or unfavourable research about its business, the price of the securities would likely decline. If one or

more of these analysts ceases coverage of the Company or fails to publish reports on the Company regularly, or downgrades the securities, demand for the securities could decrease, which could cause the price of the securities or trading volume to decline.

1.3 The market price of the Shares could be negatively impacted by actual or anticipated sales of substantial numbers of Shares

Sales of a substantial number of Shares in the public markets, notably by one of its two major shareholders (TOLEFI SA [holding 16.47% of the Shares] and Victory Capital Management Inc [holding 7.12% of the Shares]), or the perception that such sales might occur, might cause the market price of the Shares to decline. The Issuer cannot make any prediction as to the effect of any such sales or perception of potential sales on the market price of the Shares. The Company estimates the probability of occurrence of this risk as medium and its negative impact is considered as low.

1.4 Sustainability of a liquid public market

The Company cannot guarantee the extent to which a liquid market for the Shares will be sustained. In the absence of such liquid market for the Shares, the price of the Shares could be influenced. The liquidity of the market for the Shares could be affected by various causes, including the factors identified in the next risk factor (below) or by a reduced interest of investors in biotechnology sector. The Company estimates the probability of occurrence of this risk as low and its negative impact is considered as medium

1.5 The Company has no present intention to pay dividends on its Shares in the foreseeable future

The Company has no present intention to pay dividends in the foreseeable future. Any recommendation by its board of directors to pay dividends will depend on many factors, including its financial condition (including losses carried-forward), results of operations, legal requirements and other factors. Furthermore, pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of its non-consolidated statutory accounts prepared in accordance with Belgian accounting rules. In addition, in accordance with Belgian law and its Articles of Association, the Company must allocate each year an amount of at least 5% of its annual net profit under its non-consolidated statutory accounts to a legal reserve until the reserve equals 10% of its share capital. Therefore, the Company is unlikely to pay dividends or other distributions in the foreseeable future. If the price of the securities or the underlying ordinary Shares declines before the Company pays dividends, investors will incur a loss on their investment, without the likelihood that this loss will be offset in part or at all by potential future cash dividends. The Company estimates the probability of occurrence of this risk as low and its negative impact is considered as low

2. GENERAL INFORMATION

2.1 Introduction

2.1.1 *The Prospectus – No offer to the public in Belgium, France or through Euronext*

This Securities Note is to be read together with the Registration Document and the Summary Note, which together constitute a prospectus (the "**Prospectus**"), prepared by the Company in accordance with article 10 of the Prospectus Regulation. This Securities Note contains the minimum disclosure requirements for a share securities note in accordance with Annex III of the Prospectus Regulation.

The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

On 3 September 2020, the Company conditionally issued up to 2,777,777 new Shares, such issue being conditional upon the effective placement and subscription of the new Shares (the "**New Shares**"). The placement of the New Shares will be organised under the responsibility of the board of directors of the Company. With respect to this placement of the New Shares, the Company entered into a sale agency agreement with Jefferies LLC (the "**Sale Agency Agreement**") pursuant to which the Company may from time to time and over a limited period of time of up to 36 months (i.e. until 2 September 2023) sell the New Shares through at-the-market ("**ATM**") offerings, with Jefferies acting as sales agent. The ATM offerings will be offerings to the public of American Depositary Shares ("**ADS**") conducted in the United States through the Nasdaq Market or any other existing U.S. trading market for the ADS. No sales will be conducted in Belgium, France or through Euronext.

The New Shares will be subscribed at the market price of the share, without any discount. The subscriptions and the effective issuance of the New Shares will be acknowledged, from time to time and over a limited period of time of up to 36 months, by the Company through notarial deeds, as prescribed by the BCCA. Appropriate information formalities will be implemented by the Company in that respect.

This Prospectus has been prepared for the purpose of the admission to trading of the New Shares on Euronext Brussels and Euronext Paris. It is expected that the admission to trading will become effective and that the dealing of these New Shares on Euronext Brussels and Euronext Paris will commence around the second trading day following the date of reception by the Company of the notifications of subscription issued by Jefferies. It is contemplated that the acknowledgement of subscription of the New Shares will take place in front of a Notary public, from time to time (and over a limited period of time of up to 36 months) on the date of reception of the notifications of subscription. It is contemplated that settlement and listing of the New Shares will take place on T + 2 (T being the date of the Notary deed acknowledging the subscription of the New Shares).

The distribution of this Prospectus in any country other than Belgium or France may be restricted by law. We do not represent that this Prospectus may be lawfully distributed in compliance with any applicable registration or other requirements in any jurisdiction other than Belgium or France, or pursuant to any exemption available thereunder, or assume any responsibility for facilitating such distribution or offering. In particular, no action has been taken by the Company which is intended to permit an offering to the public of any Shares or distribution of this Prospectus. Persons in whose possession this Prospectus or any Shares may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus. Any person that, for any reason whatsoever,

circulates or allows circulation of this Prospectus, must draw the addressees' attention to the provisions of this section.

2.1.2 *Language of the Prospectus*

This Prospectus has been prepared and approved in English and the Summary Note has been translated in French. The Company is responsible for verifying the consistency between the language versions of the Prospectus.

2.1.3 *Availability of the Prospectus*

The Prospectus consists of the Summary Note, this Securities Note and the Registration Document. The Summary Note and the Securities Note can only be distributed together, in combination with the Registration Document. To obtain a copy of the Prospectus free of charge, please contact:

CELYAD ONCOLOGY SA
Attn. Philippe Dechamps
2 rue Edouard Belin
1435 Mont-Saint-Guibert
Phone : +32(0) 10 39 41 00
Fax : +32(0) 10 39 41 41
E-mail : investors@celyad.com

Pursuant to Article 21 of the Prospectus Regulation, an electronic version of the Prospectus is also available on the website of Celyad (www.celyad.com). The posting of the Prospectus on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the New Shares to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Company or on another website does not form part of the Prospectus.

Finally, in accordance with Article 21, §5 of the Prospectus Regulation, the FSMA will publish the approved version of the Prospectus on its website www.fsma.be.

2.2 Persons responsible for the contents of the Prospectus

The Company, with registered office at rue Edouard Belin 2, 1435 Mont-Saint-Guibert, Belgium, represented by its Board of Directors, assumes responsibility for the completeness and accuracy of the content of the Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to its knowledge, in accordance with the facts and contains no omission which would affect its import.

At the date of this Securities Note, the Board of Directors is composed of the following persons:

Name	Position	Term	Board Committee Membership
Michel Lussier	Chairman Non-Executive	2024	Chairman of the Nomination and Remuneration Committee
Filippo Petti	Executive	2024	
Serge Goblet	Non-executive director	2024	
Chris Buyse	Independent director	2024	Member of the Nomination and Remuneration Committee Chairman of the Audit Committee

R.A.D Lifesciences BV(*), rep. Rudy Dekeyser	Independent director	2024	Member of the Nomination and Remuneration Committee
Hilde Windels	Independent director	2022	Member of the Audit Committee
Maria Koehler	Independent director	2024	
Dominic Piscitelli	Independent director	2024	Member of the Audit Committee

(*) R.A.D. Lifesciences BV is a Belgian company with registered office located at 9840 De Pinte, Klein Nazareth 12, registered with the Crossroads Bank for Enterprises under number 0541.871.395.

2.3 Approval of the Prospectus

The English version of the Registration Document, the Summary Note and this Securities Note were approved by the FSMA in accordance with article 20 of the Prospectus Regulation, and subsequently notified to the AMF, for the purposes of the admission to trading of the New Shares on Euronext Brussels and Euronext Paris.

The FSMA's approval of the Prospectus does not imply any judgment on the situation of the Company. The FSMA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the New Shares.

2.4 Other available information

The Company has filed its deed of incorporation and must file its restated Articles of Association and all other deeds and resolutions that are to be published in the Belgian Official Gazette (Moniteur belge) with the clerk's office of the commercial court of Nivelles (Belgium), where such documents are available to the public. A copy of the most recent restated Articles of Association, the reports of the Board of Directors and the minutes of the shareholders' meeting are also available on the Company's website (www.celyad.com).

The Company prepares annual audited and consolidated financial statements. All financial statements, together with the reports of the Board of Directors and the statutory auditors are filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a company with shares listed and admitted to trading on Euronext Brussels and Paris, the Company published an annual financial report (including its financial statements and the reports of the Board of Directors and the statutory auditors) and an annual announcement prior to the publication of the annual financial report, as well as a half-yearly financial report on the first six months of its financial year and quarter business updates. Copies of these documents are available on the Company's website (www.celyad.com) and STORI, the Belgian central storage platform which is operated by the FSMA and can be accessed via its website (www.fsma.be).

The Company must also disclose price sensitive information and certain other information relating to the public. In accordance with the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market such information and documentation will be made available through the Company's website, press release and the communication channels of Euronext Brussels.

2.5 Notice to investors

2.5.1 *Decision to invest*

In making an investment decision, investors must rely on their own examination of the Company, including the merits and risks involved as described in this Prospectus, including the information incorporated by reference. The information appearing in this Prospectus is provided as of the date shown on the front cover of this Prospectus only. Its business, financial condition, results of operations and the information set forth in this Prospectus may have changed since that date.

None of the information in this Prospectus should be considered investment, legal or tax advice. Investors should consult their own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing any Shares.

The Prospectus is intended to provide information in the context of the admission to trading of the New Shares. It contains selected and summarised information, does not express any commitment or acknowledgement or waiver and does not create any right expressed or implied towards anyone other than a potential investor. The content of the Prospectus is not to be construed as an interpretation of its rights and obligations, of the market practices or of contracts entered into by the Company.

2.5.2 *Forward looking statements*

The Prospectus contains forward-looking statements and estimates made by the Company with respect to the anticipated future performance of Celyad and the market in which it operates. Certain of these statements, forecasts and estimates can be recognized by the use of words such as, without limitation, “believes”, “anticipates”, “expects”, “intends”, “plans”, “seeks”, “estimates”, “may”, “will”, “predicts”, “projects” and “continue” and similar expressions. They include all matters that are not historical facts. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct. Actual events are difficult to predict and may depend upon factors that are beyond the Company’s control. Therefore, actual results, the financial condition, performance or achievements of Celyad, or industry results, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements, forecasts and estimates. Factors that might cause such a difference include, but are not limited to, those discussed in the section “Risk Factors”. Furthermore, forward-looking statements, forecasts and estimates only speak as of the date of the publication of the Prospectus.

All statements are made and all information is provided as of the date of the Prospectus, except when explicitly mentioned otherwise.

2.5.3 *Market and Industry Information*

Information relating to markets and other industry data pertaining to the Company’s business included in the Prospectus has been obtained from internal surveys, scientific publications, section association studies and government statistics. The Company accepts responsibility for having correctly reproduced information obtained from publications or public sources, and, in so far as the Company is aware and has been able to ascertain from information published by those industry publications or public sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company has not independently verified information obtained from industry and public sources. Certain other information in this registration document regarding the industry reflects the

Company's best estimates based on information obtained from industry and public sources. Information from Company's internal estimates and surveys has not been verified by any independent sources.

2.5.4 *Rounding of financial and statistical information*

Certain numerical figures included in the Prospectus have been subject to rounding adjustments and currency conversion adjustments. Accordingly, the sum of certain data may not be equal to the expressed total.

3. ESSENTIAL INFORMATION

3.1 Selected financial information

The Securities Note shall be read and construed in conjunction with the full interim financial report H1.2020 of the Company prepared in accordance with the IFRS for the period ended 30 June 2020, hereby incorporated by reference.

Copy of the document incorporated by reference in this Securities Note may be obtained without charge from the registered offices of the Company or the website of the Company (www.celyad.com). This document is also accessible on the following link: https://celyad.com/investors/regulated-information/

3.2 Capitalisation and indebtedness

The following table sets forth the capitalisation and indebtedness of the Company as of 30 June 2020. This information presented as of 30 June 2020 should be read in conjunction with the Company's financial statements and the information in the Registration Document. There have been no material changes to Celyad Oncology's consolidated capitalisation and net financial indebtedness since 30 June 2020.

(€'000)	June 30, 2020
TOTAL CURRENT DEBT	**10,798**
Guaranteed	0
Secured[1]	1,104
Unguaranteed / Unsecured	9,694
TOTAL NON-CURRENT DEBT (excluding current portion of long – term debt)	34,644
Guaranteed	0
Secured[1]	**2,509**
Unguaranteed / Unsecured	32,135
SHAREHOLDER'S EQUITY	121,339
Share capital	48,513
Legal Reserve	36
Other Reserves	29,441
TOTAL	**75,898**

The following table sets out the net financial indebtedness of Celyad Oncology as of 30 June 2020.

(€'000)		June 30, 2020	December 31, 2019	December 31, 2018
A.	CASH	**26,692**	**39,338**	**40,542**
B.	CASH EQUIVALENT (DETAIL)	0	0	8,559
C.	TRADING SECURITIES	0	0	639
D.	**LIQUIDITY (A) + (B) + (C)**	26,692	39,338	49,740
E.	**CURRENT FINANCIAL RECEIVABLE**	841	1,686	0
F.	CURRENT BANK DEBT	91	192	281
G.	CURRENT PORTION OF NON-CURRENT DEBT	**1,717**	**1,513**	**760**

[1] Composed by the Lease liabilities secured by the assets they are contracted for

H.	OTHER CURRENT FINANCIAL DEBT	0	0	0
I.	**CURRENT FINANCIAL DEBT (F) + (G) + (H)**	1,808	1,705	1,041
J.	**NET CURRENT FINANCIAL INDEBTEDNESS (I) – (E) – (D)**	-25,725	-39,320	-48,699
K.	NON-CURRENT BANK LOANS	0	37	229
L.	BONDS ISSUED	0	0	0
M.	OTHER NON-CURRENT LOANS	34,246	31,860	28,703
N.	**NON-CURRENT FINANCIAL INDEBTEDNESS (K) + (L) + (M)**	34,246	31,897	28,932
O.	**NET FINANCIAL INDEBTEDNESS (J) + (N)**	**8,521**	**-7,423**	**-19,767**

The Company's treasury position[2] amounts to €26.7 million at half year 2020 which accounts for a decrease of 12.6 million compared to 31 December 2019. The cash used in the Company's operations of €16.4 million has been partly compensated by the €2.7 million of proceeds from Walloon Region's grants. The Company's treasury position amounted to €39.3 million as of 31 December 2019 which represented a decrease of 10.4 million compared to 31 December 2018. The cash used in the Company's operations of €28.2 million had been partly compensated by the €16.4 million of net proceeds (gross proceeds €18.2 million reduced by all transactions costs associated with the capital increase) from capital raise occurred in September 2019. Given the level of market interest rates of corporate deposits of short-term maturities, the Group had reduced the amounts invested in short-term deposits over 2019. As of 31 December 2018, the trading securities were related to Mesoblast equity shares received in settlement of the upfront payment for the C-Cath$_{ez}$ licensing agreement and had been settled during the first semester 2019.

As of 30 June 2020, current financial receivable are related to current grant receivables which relate to acquired revenue not yet proceeds in 2020 on government grants and RCAs contract numbered 8066 (CYAD-01 Deplethink) and 8087 (CYAD-211 & CYAD-221) for total amount €0.8 million. As of 31 December 2019, current grant receivables related to acquired revenue not yet proceeds in 2019 on government grants and RCAs contract numbered 8066 (CYAD-01 Deplethink), 8087 (CYAD-211 & CYAD-221) and 1910028 (CYAD-03) for total amount €1.7 million.

The contingent consideration and other financial liabilities refer to the acquisition of the Group's immune-oncology platform and corresponds to the fair value of the risk-adjusted future payments due to Celdara Medical, LLC and Dartmouth College. Its net increase as of 30 June 2020 for €2.4 million is mainly due to the update in WACC used for fair value measurement purposes at interim reporting date and time accretion (which reflects the development of the Group's product candidates using CAR-T technology and their progress towards market approval in both autologous and allogeneic programs, as well as the update of its underlying business plans and revenue forecast).

3.3 Working capital statement

The Company is of the opinion that it has sufficient working capital to cover its working capital needs for a period of at least 12 months following the date of publication of the Prospectus.

3.4 Reason for the capital increase and use of proceeds

[2] 'Treasury position' is an alternative performance measure determined by adding Short-term investments and Cash and cash equivalents from the statement of financial position prepared in accordance with IFRS.

The net proceeds to the Company resulting from the issue and subscription of the New Shares will be approximately EUR 21.5 million (based on the share price at the date of issuance of this Prospectus and taking into account the total expenses of the issue of around EUR 1.3 million).

The Company intends to use the net proceeds to advance the development of its allogeneic CAR T candidates including CYAD-101 for the treatment of metastatic colorectal cancer and other solid tumors, CYAD-211 for the treatment of multiple myeloma, and additional candidates from its CYAD-200 series generated from its non-gene edited shRNA platform as well as its autologous CAR T candidates CYAD-01 and CYAD-02 for the treatment of acute myeloid leukemia and myelodysplastic syndromes and to support its growth globally by expanding general, administrative and operational functions in its headquarters in Belgium and in the United States, and general corporate purposes, which may include working capital, acquisitions or investments in businesses, products or technologies, and capital expenditures.

The Company may also use a portion of the net proceeds to in-license, acquire or invest in complementary technologies, products or assets, either alone or together with a collaboration partner. However, the Company has no current plan, commitments or obligations to do so.

This expected use of the net proceeds represents its intentions based upon its current plans and business conditions. As of the date of this Prospectus, the Company cannot predict with certainty all of the particular uses for the net proceeds received. The amounts and timing of its actual expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the progress of its development efforts, the status of and results from preclinical studies and any ongoing clinical trials or clinical trials the Company may commence in the future, as well as any collaborations that the Company may enter into with third parties for its drug product candidates and any unforeseen cash needs. As a result, its management will retain discretion over the allocation of the net proceeds from this transaction.

Based on its current operational plans and assumptions, the Company expects that the net proceeds from this transaction, combined with its current cash and cash equivalent available prior the transaction, will be sufficient to support the advancement of its research and development programs into third quarter 2021. However, changing circumstances may cause the Company to increase its spending significantly faster than the Company currently anticipates, and the Company may need to spend more money than currently expected because of circumstances beyond its control. The Company may require additional capital for the further development and commercialization of its drug product candidates and may need to raise additional funds sooner if the Company chooses to expand more rapidly than it presently anticipates. The Company cannot be certain that additional funding will be available on acceptable terms, or at all. The Company has no committed source of additional capital and if the Company is unable to raise additional capital in sufficient amounts or on terms acceptable to it, the Company may have to significantly delay, scale back or discontinue the development or commercialization of its drug product candidates or other research and development initiatives. Its licenses may also be terminated if the Company is unable to meet the payment obligations under the agreements. The Company could be required to seek collaborators for its drug product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available or relinquish or license on unfavorable terms its rights to its drug product candidates in markets where the Company otherwise would seek to pursue development or commercialization ourselves. Any of these events could significantly harm its business, prospects, financial condition and results of operations and cause the price of its securities to decline.

Pending its use of the net proceeds from this transaction, the Company intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade and interest-bearing instruments.

The Company currently has no specific plans as to how the net proceeds from this transaction will be allocated beyond the uses specified above and therefore management will retain discretion to allocate the remainder of the net proceeds of this transaction among these uses.

3.5 Interest of natural and legal persons involved in the issue

Save for the fees payable to the underwriters and counsels in the context of the issuance of the New Shares, so far as the Company is aware, no person involved in the issue of the New Shares has an interest that could be material to the issue.

3.6 Significant change in the financial position of Celyad since 30 June 2020

To date, COVID-19 has had no impact on the Company's financial statements and corporate cash flow, and the Company expects that its existing treasury position will be sufficient, based on the current scope of activities, to fund operating expenses and capital expenditure requirements into third quarter 2021.

As previously disclosed on March 24, 2020, the coronavirus pandemic has led to enrolment delays in the Company's Phase 1 clinical trials within its relapsed/refractory acute myeloid leukaemia and myelodysplastic syndromes program. Principally, for several weeks between March and April 2020, the Company experienced a delay in enrolment in the CYAD-01 THINK and DEPLETHINK trials as multiple clinical trial sites, both in Belgium and the United States, paused activities associated with new patient enrolment to prioritize resources to patients with COVID-19. By the end of the second quarter, recruitment in the CYAD-01 THINK and DEPLETHINK trials had recovered and overall in the second quarter, six patients were enrolled in the CYAD-01 program across both trials. In comparison, enrolment in the CYAD-02 CYCLE-1 dose-escalation trial was less affected by the coronavirus pandemic, partially due to the staggered enrolment associated with the trial. Overall, three patients were enrolled in the CYAD-02 CYCLE-1 trial during the second quarter. The Company remains on track to provide a clinical update on the relapsed/refractory acute myeloid leukaemia and myelodysplastic syndromes franchise, including data from both CYAD-01 and CYAD-02, during the second half of 2020.

Operations and timelines associated with the Company's allogeneic programs, CYAD-101 and CYAD-211, have been insignificantly impacted by the coronavirus pandemic given activities over the first half of 2020 were primarily focused on non-clinical workstreams, including the technology transfer of CYAD-101 into its manufacturing facility in Mont-Saint-Guibert, Belgium and the submission of the Investigational New Drug (IND) application for CYAD-211. The Company is currently finalizing the technology transfer of CYAD-101 into its manufacturing facility and a chemistry, manufacturing, and control (CMC) amendment associated with the production of clinical CYAD-101 cells to be used in the planned expansion segment of the alloSHRINK trial evaluating CYAD-101 for the treatment of metastatic colorectal cancer is expected to filed by the end of the third quarter of 2020. In addition, on July 14, 2020, the Company announced that the IND application for CYAD-211 is in effect with the U.S. Food and Drug Administration (FDA), and the Company plans to proceed to begin enrolment in the CYAD-211 Phase 1 dose-escalation trial by year-end 2020.

The Company is continuing to monitor the impact of COVID-19 on both its clinical and non-clinical planned milestones for its CAR T programs and will adjust these timelines accordingly as the pandemic continues to evolve.

In light of the outbreak of the novel coronavirus, COVID-19, the Company has implemented strong measures to help prevent the spread of the virus and protect its employees. In addition, the Company has put into practice its business continuity plan to minimize the impact on the Company's operations. In mid-March, the Company implemented a work-from-home policy for all employees whose job function can be accomplished remotely. For critical work, particularly for cell therapy manufacturing processes, the Company has instituted the establishment of small, mirrored teams that can be deployed on non-overlapping days to accomplish tasks required to fulfil its responsibilities to those patients enrolled in ongoing clinical trials. The Company plans to maintain the ongoing work-from-home policy to the end of third quarter 2020, however depending on how the coronavirus pandemic evolves, the Company may extend the policy to year-end 2020 or potentially first half 2021.

The long-term impact of COVID-19 on the Company's operations will depend on future developments, which are highly uncertain and cannot be predicted, including a potential second wave of the pandemic, new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among other things, but potential prolonged closures or other business disruptions may negatively affect its operations and the operations of its agents, contractors, consultants or collaborators, which could have a material adverse impact its business, results of operations and financial condition.

4. DESCRIPTION OF NEW SHARES TO BE ADMITTED TO TRADING

4.1 Authorised Capital

Subject to the same quorum and majority requirements as for a capital increase decided by the shareholders' meeting, the latter can authorise the board of directors, within certain limits, to increase its share capital without any further approval of the shareholders being required. This authorisation needs to be limited in time (i.e., it can only be granted for a renewable period of maximum five years as from the date of the publication of the authorisation in the Annexes to the Belgian Official Gazette), and in scope (i.e., the authorised capital may not exceed the amount of the share capital at the time of the authorisation).

On 8 June 2020, the extraordinary shareholders' meeting authorised the board of directors to increase its share capital in one or more transactions with a maximum amount € 48,512,614.57. The board of directors has already used the authorized capital as follows:

- On 3 September 2020, the board of directors of the Company approved the issuance of up to 2,777,777 New Shares, representing an amount of authorised capital of EUR 9,666,663.96 (based on a par value of EUR 3.48 per share).

Therefore, the remaining authorized capital, currently amounts to € 38,845,950.5.

If the capital is increased within the limits of the authorised capital, the board of directors will be authorised to request payment of an issuance premium. This issuance premium will be booked on a non-available reserve account, which may only be decreased or disposed of by a resolution of a shareholders meeting taken in accordance with the provisions relating to amendments of the articles of association.

This board of directors' authorisation will be valid for capital increases subscribed for in cash or in kind, or made by capitalisation of reserves and issuance premiums, with or without issue of new Shares. The board of directors is authorised to issue convertible bonds, warrants or a combination thereof within the limits of the authorised capital.

The board of directors is authorised, within the limits of the authorised capital, to limit or cancel the preferential subscription rights granted by law to the holders of Shares if in doing so it is acting in its interests and in accordance with Article 7:191 and following of the BCCA. The board of directors is authorised to limit or cancel the preferential subscription rights in favour of one or more specified persons, even if such persons are not members of its personnel.

4.2 The issue of the New Shares

On 3 September 2020, the Board of Directors conditionally increased the share capital of the Company in a maximum amount of EUR 9,666,663.96 (excluding issuance premium), using the authorised capital, through the conditional issuance of up to 2,777,777 new Shares at a subscription price of no less than the accounting par value (i.e. EUR 3.48), subject to and to the extent of subscription of these New Shares (until 3 September 2023).

The placement of the New Shares will be organised under the responsibility of the board of directors of the Company. With respect to this placement of the New Shares, the Company entered into a Sale Agency Agreement with Jefferies LLC pursuant to which the Company may from time to time (and over a period of up to 36 months) sell the New Shares through at-the-market ("**ATM**") offerings, with

Jefferies acting as sales agent. Each time the Company wishes to activate a subscription of ADSs under the Sales Agency Agreement, the Company will notify Jefferies of the number of ADS to be offered to subscription, the dates on which such subscriptions are anticipated to be made (such dates being defined unilaterally by the Company on the basis of several factors such as the absence of closed period, the volatility of the market or other signs appearing in the market), any limitation on the number of New Shares to be subscribed in any one day and any minimum price below which subscriptions may not be made (to be understood as an instruction to Jefferies not to offer the New Shares to investors if the share price falls below a determined price). Once Company has so instructed Jefferies, unless Jefferies declines to accept the terms of such notice, Jefferies has agreed to use its commercially reasonable efforts consistent with its normal trading and sales practices to offer such shares to subscription up to the amount specified on such terms.

The ATM offerings will be offerings to the public of ADS conducted in the United States through the Nasdaq Market or any other existing U.S. trading market for the ADS. No sales will be conducted in Belgium, France or through Euronext.

The New Shares will be subscribed at the market price of the share, without any discount. The subscriptions and the effective issuance of the New Shares will be acknowledged, from time to time, by the Company through notarial deeds, as prescribed by the BCCA. The acknowledgement of subscription of the New Shares is anticipated to occur in front of a Notary public on the day of reception of notices of subscription issued by Jefferies. Appropriate information formalities will be implemented by the Company in that respect.

The settlement of the New Shares and ADS between the Company and Jefferies is generally anticipated to occur on the second trading day following the date on which the subscription was notified (T + 2). The settlement will take place through the facilities of Citibank as depositary or by such other means as the Company and Jefferies may agree upon. It is also contemplated that the listing of the New Shares will occur on settlement date, i.e. the second trading day following the day where the subscription is notified to the Company by Jefferies.

The Company will pay Jefferies a commission equal to 4% of the aggregate gross proceeds received by the Company from each subscription of ADS.

The New Shares will be subscribed for and effectively issued and traded on Euronext Brussels and Euronext Paris under the symbol “CYAD” with the International Security Identification Number (ISIN) BE0974260896-XBRU.

4.3 Standstill and lock-up

In the framework of the issue of the New Shares, no standstill nor lock-up engagement was taken by the Company.

The Company is not aware of any lock-up arrangements signed by its shareholders or directors in connection with the issuance of the New Shares.

4.4 Issue price of the New Shares

The total issue price of the New Shares (accounting par value plus issuance premium) at which the New Shares will be issued and subscribed is unknown on the date of this Prospectus. The total issue price of the New Shares will correspond to the number of New Shares effectively subscribed multiplied by their

subscription price, being noted that this subscription price will be equal to the market price of the share on the date of subscription.

For illustration purposes, should all the New Shares be subscribed at the price of EUR 8.2 (which corresponds to around the share price on the date of this Securities Note), the total issue price of the New Shares would be EUR 23 million.

The portion of the issue price per New Share up to the accounting par value of EUR 3.48 will be recorded on the "share Capital" Account. The balance will be recorded on the "Issuance Premium" account, which in the same manner as the Company's share capital serves as guarantee for third parties and which, save for the possibility of conversion into capital, can only be decided on in accordance with the conditions required for an amendment of the Articles of Association.

4.5 Description of the New Shares

The New Shares are being issued under Belgian law in the form of dematerialized shares without nominal value, having the same rights and advantages as the existing Shares, it being understood, for the avoidance of doubt, that these New Shares will be entitled to dividends as from the first date of the financial year during which they are issued.

Where applicable, distributed dividends on the New Shares will be subject to a Belgian withholding tax at the applicable ordinary rate which currently amount to 25%, save for any reduction or exemption. See sections 4.9 "Taxation in Belgium and 4.10 "Taxation in France" for more information.

All of the Company's Shares are fully paid-up and freely transferable. Likewise, all of the New Shares effectively subscribed will be fully paid-up and freely transferable.

Every shareholder may request conversion of its Shares, at its own costs, either into registered Shares, or into dematerialised Shares. Conversion of dematerialized Shares into registered Shares will be done by entering them in the related register of registered Shares.

For a more detailed description of the rights attached to the Shares of the Company, reference is made to section 4.6 "Rights attached to the Shares of the Company" below.

4.6 Rights attached to the Shares of the Company

4.6.1 *Preferential subscription rights*

In the event of a capital increase in cash with issue of new Shares, or in the event of an issue of convertible bonds or warrants exercisable in cash, the shareholders have a preferential right to subscribe for the new Shares, convertible bonds or warrants, pro rata to the part of the share capital represented by the Shares that they already hold. The Shareholders' Meeting may decide to limit or cancel such preferential subscription right, subject to specific substantive and reporting requirements. Such decision must satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders can also decide to authorise the Board of Directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Companies and Associations Code ("**BCCA**"). In principle, the authorisation of the Board of Directors to increase the share capital of the Company through contributions in cash with

cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid on the Shares. The Shareholders' Meeting can, however, authorise the Board of Directors to increase the share capital by issuing further Shares, not representing more than 10% of the Shares of the Company at the time of such a public takeover bid

4.6.2 *Voting rights attached to Shares*

Each shareholder of the Company is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described below in "—Right to attend and vote at Shareholders' Meetings—Voting by proxy or remote voting". However, registered Shares held for more than two years under the registered form by a shareholder is entitled to two votes per Share.

Voting rights can be mainly suspended in relation to Shares:

- which are not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant Shareholders' Meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 days prior to the date of the Shareholders' Meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court.

Pursuant to the BCCA, the voting rights attached to Shares owned by the Company, as the case may be, are suspended.

Generally, the Shareholders' Meeting has sole authority with respect to:

- the approval of the annual financial statements of the Company;
- the distribution of profits (except interim dividends (see "Rights attached to the Shares—Dividends");
- the appointment and dismissal of directors and the statutory auditor of the Company;
- the granting of release from liability to the directors and the statutory auditor of the Company;
- the determination of the remuneration of the directors and of the statutory auditor for the exercise of their mandate;
- the approval of the remuneration report included in the annual report of the Board of Directors and the determination of the following features of the remuneration or compensation of directors, members of the executive management and certain other executives (as the case may be): (i) in relation to the remuneration of executive and non-executive directors, members of the

executive management and other executives, an exemption from the rule that share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, members of the executive management and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, (iii) in relation to the remuneration of independent directors, any variable part of the remuneration, and (iv) any provisions of service agreements to be entered into with executive directors, members of the executive management and other executives providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the Remuneration and Nomination Committee, 18 months' remuneration);

- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganisations of the Company; and
- the approval of amendments to the Articles of Association.

4.6.3 *Right to attend and vote at shareholders' meetings*

- Annual meetings of Shareholders

The annual Shareholders' Meeting is held at the registered office of the Company or at the place determined in the notice convening the Shareholders' Meeting. The meeting is held every year on the 5th May at 11 a.m. (Brussels time). If this date is a legal holiday the meeting is held the next business day at the same time. At the annual Shareholders' Meeting, the Board of Directors submits the audited annual financial statements and the reports of the Board of Directors and of the statutory auditor with respect thereto to the Shareholders.

The Shareholders' Meeting then decides on the approval of the statutory annual financial statements, the proposed allocation of the Company's profit or loss, the release from liability of the directors and the statutory auditor, the approval of the remuneration report included in the annual report of the Board of Directors and, when applicable, the (re-)appointment or dismissal of the Statutory Auditor and/or of all or certain directors. In addition, as relevant, the Shareholders' Meeting must also decide on the approval of the remuneration of the Directors and Statutory Auditors for the exercise of their mandate, and on the approval of provisions of service agreements to be entered into with executive directors, members of the executive management and other executives providing (as the case may be) for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the Remuneration and Nomination Committee, 18 months' remuneration) (see also "—Rights attached to the Shares—Voting rights attached to the Shares").

- Special and extraordinary Shareholders' Meetings

The Board of Directors or the Statutory Auditors (or the liquidators, if appropriate) may, whenever the interest of the Company so requires, convene a special or extraordinary Shareholders' Meeting. Such

Shareholders' Meeting must also be convened every time one or more Shareholders holding, alone or together, at least 10% of the Company's share capital so request. Shareholders that do not hold at least 10% of the Company's share capital do not have the right to have the Shareholders' Meeting convened.

- Right to put items on the agenda of the Shareholders' Meeting and to table draft resolutions

Shareholders who hold alone or together with other Shareholders at least 3% of the Company's share capital have the right to put additional items on the agenda of a Shareholders' Meeting that has been convened and to table draft resolutions in relation to items that have been or are to be included in the agenda. This right does not apply to Shareholders' Meetings that are being convened on the grounds that the quorum was not met at the first duly convened meeting (see "—Quorum and majorities"). Shareholders wishing to exercise this right must prove on the date of their request that they own at least 3% of the outstanding share capital. The ownership must be based, for dematerialised Shares, on a certificate issued by the applicable settlement institution for the Shares concerned, or by a certified account holder, confirming the number of Shares that have been registered in the name of the relevant Shareholders and, for registered Shares, on a certificate of registration of the relevant Shares in the share register book of the Company. In addition, the Shareholder concerned must register for the meeting concerned with at least 3% of the outstanding share capital (see also "—Formalities to attend the general shareholders' meeting"). A request to put additional items on the agenda and/or to table draft resolutions must be submitted in writing, and must contain, in the event of an additional agenda item, the text of the agenda item concerned and, in the event of a new draft resolution, the text of the draft resolution. The request must reach the Company at the latest on the twenty second day preceding the date of the Shareholders' Meeting concerned. If the Company receives a request, it will have to publish at the latest on the fifteenth day preceding the Shareholders' Meeting an update of the agenda of the meeting with the additional agenda items and draft resolutions.

- Notices convening the Shareholders' Meeting

The notice convening the Shareholders' Meeting must state the place, date and hour of the meeting and must include an agenda indicating the items to be discussed. The notice needs to contain a description of the formalities that Shareholders must fulfil in order to be admitted to the Shareholders' Meeting and exercise their voting right, information on the manner in which Shareholders can put additional items on the agenda and table draft resolutions, information on the manner in which Shareholders can ask questions during the Shareholders' Meeting, information on the procedure to participate to the Shareholders' Meeting by means of a proxy or to vote by means of a remote vote, and, as applicable, the registration date for the Shareholders' Meeting. The notice must also mention where Shareholders can obtain a copy of the documentation that will be submitted to the Shareholders' Meeting, the agenda with the proposed resolutions or, if no resolutions are proposed, a commentary by the Board of Directors, updates of the agenda if Shareholders have put additional items or draft resolutions on the agenda, the forms to vote by proxy or by means of a remote vote, and the address of the webpage on which the documentation and information relating to the Shareholders' Meeting will be made available. This documentation and information, together with the notice and the total number of outstanding voting rights, must also be made available on the Company's website at the same time as the publication of the notice convening the meeting, for a period of five years after the relevant Shareholders' Meeting.

The notice convening the Shareholders' Meeting has to be published at least 30 days prior to the Shareholders' Meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper that is published nation-wide in Belgium and in media that can be reasonably relied upon for the dissemination of information within the EEA in a manner ensuring fast access to such information

on a non-discriminatory basis. A publication in a nationwide newspaper is not needed for annual Shareholders' Meetings taking place on the date, hour and place indicated in the Articles of Association of the Company if the agenda is limited to the treatment of the financial statements, the annual report of the Board of Directors, the remuneration report and the report of the statutory auditor, the discharge from liability of the directors and statutory auditor, and the remuneration of directors. (See also "— Rights attached to the Shares—Voting Rights attached to the Shares"). In addition to this publication, the notice has to be distributed at least 30 days prior to the meeting via the normal publication means that the Company uses for the publication of press releases and regulated information. The term of 30 days prior to the Shareholders' Meeting for the publication and distribution of the convening notice can be reduced to 17 days for a second meeting if, as the case may be, the applicable quorum for the meeting is not reached at the first meeting, the date of the second meeting was mentioned in the notice for the first meeting and no new item is put on the agenda of the second meeting.

At the same time as its publication, the convening notice must also be sent to the holders of registered Shares, holders of registered bonds, holders of registered warrants, holders of registered certificates issued with the co-operation of the Company (if any), and, as the case may be, to the directors and statutory auditor of the Company. This communication needs to be made by letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication.

- Formalities to attend the Shareholders' Meeting

All holders of Shares, warrants, profit-sharing certificates, non-voting Shares, bonds, subscription rights or other securities issued by the Company, as the case may be, and all holders of certificates issued with the co-operation of the Company (if any) can attend the Shareholders' Meetings insofar as the law or the Articles of Association entitles them to do so and, as the case may be, gives them the right to participate in voting.

In order to be able to attend a Shareholders' Meeting, a holder of securities issued by the Company must satisfy two criteria: being registered as holder of securities on the registration date for the meeting, and notify the Company:

- Firstly, the right to attend Shareholders' Meetings applies only to persons who are registered as owning securities on the fourteenth day prior to the Shareholders' Meeting at midnight (Central European Time) via registration, in the applicable register book for the securities concerned (for registered securities) or in the accounts of a certified account holder or relevant settlement institution for the securities concerned (for dematerialised securities or securities in book-entry form).

- Secondly, in order to be admitted to the Shareholders' Meeting, securities holders must notify the Company at the latest on the sixth day prior to the Shareholders' Meeting whether they intend to attend the meeting and indicate the number of Shares in respect of which they intend to do so. For the holders of dematerialised securities or securities in book-entry form, the notice should include a certificate confirming the number of securities that have been registered in their name on the record date. The certificate can be obtained by the holder of the dematerialised securities or securities in book-entry form with the certified account holder or the applicable settlement institution for the securities concerned.

The formalities for the registration of securities holders, and the notification of the Company must be further described in the notice convening the Shareholders' Meeting.

- Voting by proxy or remote voting

Each Shareholder has, subject to compliance with the requirements set forth above under "—Formalities to attend the Shareholders' Meeting", the right to attend a Shareholders' Meeting and to vote at the Shareholders' Meeting in person or through a proxy holder, who does not need to be a Shareholder. A Shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding the meeting. The appointment of a proxy holder must be made in accordance with the applicable rules of Belgian law, including in relation to conflicts of interest and the keeping of a register.

The notice convening the meeting may allow Shareholders to vote remotely in relation to the Shareholders' Meeting, by sending a paper form or, if specifically allowed in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. The original signed paper form must be received by the Company at the latest on the sixth calendar day preceding the date of the meeting. Voting through the signed electronic form may occur until the last calendar day before the meeting.

The Company may also organise a remote vote in relation to the Shareholders' Meeting through other electronic communication methods, such as, among others, through one or several websites. The Company shall specify the practical terms of any such remote vote in the convening notice.

Holders of securities who wish to be represented by proxy or vote remotely must, in any case comply with the formalities to attend the meeting, as explained under "—Formalities to attend the Shareholders' Meeting".

- Quorum and majorities

In general, there is no attendance quorum requirement for a Shareholders' Meeting and decisions are generally passed with a simple majority of the votes of the Shares present or represented. However, capital increases (other than those decided by the Board of Directors pursuant to the authorised capital), decisions with respect to the Company's dissolution, mergers, de-mergers and certain other reorganisations of the Company, amendments to the Articles of Association (other than an amendment of the corporate purpose), and certain other matters referred to in the BCCA do not only require the presence or representation of at least 50% of the share capital of the Company but also a majority of at least 75% of the votes cast. An amendment of the Company's corporate purpose requires the approval of at least 80% of the votes cast at a Shareholders' Meeting, which can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second Shareholders' Meeting may validly deliberate and decide regardless of the number of Shares present or represented. The special majority requirements, however, remain applicable.

- Right to ask questions

Within the limits of article 7:139 of the BCCA, Shareholders have a right to ask questions to the directors in connection with the report of the Board of Directors or the items on the agenda of such Shareholders' Meeting. Shareholders can also ask questions to the statutory auditor in connection with its report. Such questions can be submitted in writing prior to the meeting or can be asked at the meeting. Written questions must be received by the Company no later than the sixth day prior to the meeting. Written and oral questions will be answered during the meeting concerned in accordance with applicable law. In addition, in order for written questions to be considered, the Shareholders who submitted the written questions concerned must comply with the formalities to attend the meeting, as explained under "— Formalities to attend the Shareholders' Meeting".

4.6.4 *Dividend rights*

The tax legislation of the investor's Member State and of the Company's country of incorporation (Belgium) may have an impact on the income received from the Shares. See sections 4.8 "Taxation in Belgium" and 4.9 "Taxation in France" for more information.

All Shares entitle the holder thereof to an equal right to participate in the Company's profits (if any). Pursuant to the BCCA, the Shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual Shareholders' Meeting, based on the most recent statutory audited financial statements, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Company's Board of Directors. The Company's Articles of Association also authorise the Board of Directors to declare interim dividends without Shareholder approval subject to the terms and conditions of the BCCA.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's statutory financial statements. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory financial statements (i.e., summarised, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), decreased with the non-amortised costs of incorporation and extension and the non-amortised costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Company's share capital.

4.6.5 *Rights regarding liquidation*

In the event of dissolution of the Company, for any reason or at any time, the liquidation shall be effected by liquidators appointed by the Shareholders' Meeting. Unless decided otherwise, the liquidators shall act jointly. To this end, the liquidators have the broadest powers under articles 2:70 and following of the BCCA, subject to restrictions imposed by the Shareholders' Meeting. The Shareholders' Meeting determines the remuneration of the liquidators.

After settlement of all debts, charges and expenses, the net assets are first used to, in cash or in kind, repay the fully paid and not yet repaid amount of the Shares. Any surplus shall be divided equally among all Shares.

If the net proceeds are not sufficient to repay all the Shares, the liquidators shall pay the Shares that have been paid to a greater extent until they are on a par with the Shares paid up to a lesser extent or they make an additional call for capital at the expense of the latter.

4.6.6 *Changes to the share capital*

- Changes to the share capital decided by the shareholders

The shareholders meeting can at any given time decide to increase or decrease its share capital. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described above under section 4.6.3.

- Capital increases by the board of directors

Subject to the same quorum and majority requirements as for a capital increase decided by the shareholders' meeting, the latter can authorise the board of directors, within certain limits, to increase its share capital without any further approval of the shareholders being required. This authorisation needs to be limited in time (i.e., it can only be granted for a renewable period of maximum five years as from the date of the publication of the authorisation in the Annexes to the Belgian Official Gazette), and in scope (i.e., the authorised capital may not exceed the amount of the share capital at the time of the authorisation).

For more information please see section 4.1 "Authorised Capital" above.

4.6.7 *Purchase and sale of own Shares*

In accordance with its Articles of Association and the BCCA, the Company can only purchase and sell its own Shares by virtue of a special shareholders' resolution approved by at least 75% of the votes validly cast at a shareholders meeting where at least 50% of the share capital (and at least 50% of the profit certificates, if any) are present or represented. The prior shareholders' approval is not required if the Company purchases its own Shares to offer them to its personnel.

In accordance with the BCCA, an offer to purchase its own Shares must be made to all shareholders under the same conditions. This does not apply to (i) the acquisition of Shares by companies listed on a regulated market and companies whose Shares are admitted to trading on a multilateral trading facility (an "**MTF**"), provided that the company ensures equal treatment of shareholders finding themselves in the same circumstances by offering an equivalent price (which is assumed to be the case: (a) if the transaction is executed in the central order book of a regulated market or MTF; or (b) if it is not so executed in the central order book of a regulated market or MTF, in case the offered price is lower than or equal to the highest actual independent bid price in the central order book of a regulated market or (if not listed on a regulated market) of the MTF offering the highest liquidity in the share); or (ii) the acquisition of Shares that has been unanimously decided by the shareholders at a meeting where all shareholders were present or represented.

A company can only acquire its own Shares with funds that would otherwise be available for distribution to its shareholders pursuant to Article 7:212 of the BCCA.

At the date of this Securities Note, the Board of Directors was not authorised by the shareholders meeting to purchase Celyad's own Shares and neither do the Articles of Association authorise the board of

directors to purchase own Shares in case of imminent serious harm to the Company in accordance with Article 7:215 of the BCCA.

4.6.8 *Relevant legislation*

- Notification of significant shareholdings

Pursuant to the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions (*Loi relative à la publicité des participations importantes dans des émetteurs dont les actions sont admises à la négotiation sur un marché règlementé et portant dispositions diverses/Wet op de openbaarmaking van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten to de verhandeling op een gereglementeerde markt en houdende diverse bepalingen*) (the Transparency Law), implementing in Belgian law Directive 2004/109/EC, a notification to the Company and to the FSMA is required by all natural and legal persons in the following instances:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;

- the holding of voting securities upon first admission of them to trading on a regulated market;

- the passive reaching of a threshold;

- the reaching of a threshold by persons acting in concert or a change in the nature of an agreement to act in concert;

- where a previous notification concerning the voting securities is updated;

- the acquisition or disposal of the control of an entity that holds the voting securities; and

- where the Company introduces additional notification thresholds in its Articles of Association, in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on at intervals of 5% or, as the case may be, the additional thresholds provided in the Articles of Association.

The notification must be made as soon as possible and at the latest within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the threshold. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification. No shareholder may cast a greater number of votes at a Shareholders' Meeting of the Company than those attached to the rights or securities it has notified in accordance with the Transparency Law at least 20 days before the date of the Shareholders' Meeting, subject to certain exceptions.

The form on which such notifications must be made, as well as further explanations, can be found on the website of the FSMA (www.fsma.be).

- Short positions disclosure obligations

Pursuant to EU Regulation No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of the Company must report it to the FSMA. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of the Company and any subsequent increase of that position by 0.1% will be made public via the FSMA short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the Shares sold can actually be delivered, which requires confirmation of a third party that the Shares have been located.

- Public takeover bids

Public takeover bids on the Shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Any public takeover bids must be extended to all of the Company's voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) in the Belgian law of 1 April 2007 relating to public tender offers (*loi relative aux offres publiques d'acquisition/Wet op de openbare overnamebiedingen*) (Takeover Law) and the Belgian Royal Decree of 27 April 2007 on public takeover bids (*Arrêté royal sur les offres publiques d'acquisition/Koninklijk besluit op de openbare overnamebiedingen*) (the Takeover Royal Decree). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for its account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Royal Decree.

The mere fact of exceeding the relevant threshold through the acquisition of Shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in case of an acquisition if it can be shown that a third party exercises control over the Company or that such party holds a larger stake than the person holding 30% of the voting securities.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligations to disclose significant shareholdings and merger control, that may apply to the Company and which may make an unsolicited tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that other Shareholders may consider to be in their best interest and could adversely affect the market price of the Shares. These provisions may also have the effect of depriving the Shareholders of the opportunity to sell their Shares at a premium.

In addition, the board of directors of Belgian companies may in certain instances, and subject to prior authorisation by the Shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (pursuant to the authorised capital) or through share buy-backs (i.e., purchase of own Shares).

The Articles of Association of the Company do not provide specific protective mechanisms against public takeover bids or change of control.

- Squeeze-outs

Pursuant to article 7:82 of the BCCA or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who, together with the company, own 95% of the securities with voting rights in a listed company, are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a listed company, unless bonds issued by the company are still distributed amongst the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring Shareholders.

A squeeze-out offer is also possible upon completion of a public takeover, provided that the bidder holds 95% of the voting capital and 95% of the voting securities of the listed company. In such case, the bidder may require that all remaining Shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The Shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure. The bidder needs to reopen his/her public takeover offer within three months following the expiration of the offer period.

- Sell-out rights

Within three months following the expiration of an offer period, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns 95% of the voting capital and 95% of the voting securities in a listed company following a takeover bid, to buy its securities from it at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

4.6.9 *American Depositary Shares*

Citibank, N.A. as depositary, registers and delivers American Depositary Shares, also referred to as ADSs. Each ADS represents the right to receive one ordinary share deposited with the principal office of Citibank International Limited, located at EGSP 186, 1 North Wall Quay, Dublin 1 Ireland or any successor, as custodian for the depositary.

An ADS holder will not be treated as one of its shareholders and will not have shareholder rights. The depositary will be the holder of the ordinary Shares underlying ADSs. A holder of ADSs will have ADS holder rights. A deposit agreement among the Company, the depositary and all persons directly and indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADRs.

The depositary has agreed to pay ADS holders the cash dividends or other distributions it or the custodian receives on ordinary Shares or other deposited securities, after deducting its fees and expenses.

An ADS holder may surrender his ADSs at the depositary's corporate trust office. Upon payment of the depository's fees and expenses and of any taxes or charges, such as stamp taxes or share transfer taxes or fees, the depositary will deliver the ordinary Shares and any other deposited securities underlying the

ADSs to the ADS holder or a person designated by him at the office of the custodian or through a book-entry delivery.

The ADS holder may instruct the depositary to vote the number of whole deposited ordinary Shares his ADSs represent. The depositary will notify the ADS holder of shareholders' meetings or other solicitations of consents and arrange to deliver its voting materials to ADS holders if the Company asks it to. Those materials will describe the matters to be voted on and explain how the ADS holder may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary.

The depositary will try, as far as practical, and subject to the laws of Belgium and to its articles of association, to vote or to have its agents vote the ordinary Shares or other deposited securities as instructed by ADS holders. If the Company requested the depositary to act at least 30 days prior to the meeting date and the depositary does not receive voting instructions from the ADS holder by the specified date, it will consider the ADS holder to have authorized and directed it to vote or cause to be voted the number of deposited securities represented by his ADSs in favor of all resolutions set out in the notice of meeting that are endorsed by the Company's board of directors and against all resolutions of that kind that are not so endorsed. The depositary will vote or cause to be voted the deposited securities in accordance with the above unless the Company notifies the depositary that the Company does not wish the deposited securities to be so voted. The depositary will only vote or attempt to vote as the ADS holder instructs or as described above.

4.7 Takeover bids instigated by third parties during the previous financial year and the current financial year

No takeover bid has been instigated by third parties in respect of the Company's equity during the previous financial year and the current financial year.

4.8 Taxation in Belgium

4.8.1 *Overview*

The paragraphs below present a summary of certain material Belgian federal income tax consequences of the ownership and disposal of Shares in the Company. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Securities Note, all of which are subject to change, including changes that could have retroactive effect.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the investment in, ownership in and disposal of the Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, the Shares as a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the local taxes that may be due in connection with an investment in the Shares, other than Belgian local surcharges which generally vary from 0% to 9% of the investor's income tax liability.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (i.e. an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (i.e. a corporate entity that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium), an Organisation for Financing Pensions subject to Belgian corporate income tax (i.e. a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (i.e. a legal entity other than a company subject to Belgian corporate income tax, that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

Investors should consult their own advisers regarding the tax consequences of an investment in the Shares in light of their particular circumstances, including the effect of any state, local or other national laws.

4.8.2 *Taxation on dividends on Shares*

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to shares is generally treated as a dividend distribution and will therefore normally be subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. As of 1st January 2018, repayment of capital carried out in accordance with BCCA would be deemed to derive proportionally from paid-up capital and from taxed reserves (incorporated and non-incorporated into capital) and exempted reserves incorporated into the capital. The portion stemming from the reserves is considered as a dividend distribution and will be treated as such from a tax perspective.

Upon redemption of the shares, the redemption distribution (after deduction of the portion of fiscal capital represented by the redeemed shares) will in principle be treated as a dividend subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if such redemption is carried out on Euronext or a similar stock exchange and meets certain conditions.

In case of liquidation of the company, any amounts distributed in excess of the fiscal capital will in principle be subject to withholding tax at a rate of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions.

(a) Belgian resident individuals

For Belgian resident individuals who acquire and hold the shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report (the gross amount of) the dividends in their personal income tax return. Where such individual opts to report them, dividends will normally be taxable at the lower of the generally applicable 30% withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall declared income. In addition, if the dividends are reported, the Belgian dividend withholding tax levied at source may, in both cases, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the shares. This condition is not applicable if the individual can demonstrate that he has held the shares in full legal ownership for an uninterrupted period of twelve months prior to the payment or attribution of the dividends.

For Belgian resident individuals who acquire and hold shares for professional purposes, the Belgian withholding tax does not fully discharge their personal income tax liability. Dividends received must be reported by the investor and will, in such case, be taxable at the investor's personal income tax rate increased with local surcharges. The Belgian dividend withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, subject to two conditions: (1) the taxpayer must own the shares in full legal ownership at the time the dividends are paid or attributed and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the shares. The latter condition is not applicable if the investor can demonstrate that he has held the full legal ownership of the shares for an uninterrupted period of twelve months prior to the payment or attribution of the dividends.

(b) Belgian resident companies

(i) Corporate income tax

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. For such companies, the gross dividend income (including the Belgian withholding tax) must be declared in the corporate income tax return and will be subject to the standard corporate income tax rate of currently 25%, unless the reduced corporate income tax rates for qualifying companies with limited profits apply.

Belgian resident companies can generally (subject to certain limitations) deduct 100% of gross dividends received from their taxable income (dividend received deduction), provided that at the time of a dividend payment or attribution:

(1) the Belgian resident company holds shares representing at least 10% of the share capital of the Company or a participation in the Company with an acquisition value of at least EUR 2,500,000;

(2) the shares have been held or will be held in full ownership for an uninterrupted period of at least one year;

(3) the "subject-to-tax" conditions described in Article 203 of the Belgian Income Tax Code relating to the taxation of the underlying distributed income and the absence of abuse are met;

(together, "the Conditions for the application of the dividend received deduction regime").

The Conditions for the application of the dividend received deduction regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (1) the taxpayer must own the shares in full legal ownership at the time the dividends are paid or attributed; and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the shares. The latter condition is not applicable (a) if the company can demonstrate that it has held the shares in full legal ownership for an uninterrupted period of twelve months prior to the payment or attribution of the dividends; or (b) if, during said period, the shares have never been held in full legal ownership at any point in time by a taxpayer other than a company subject to Belgian corporate tax or a

non-resident company which has, in an uninterrupted manner, invested the shares in a Belgian establishment.

(ii) Belgian withholding tax

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the share capital of the Company and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian resident company must provide the Company or its paying agent at the latest upon the attribution or payment of the dividend with a certificate confirming its qualifying status and the fact that it meets the two required conditions. If the Belgian resident company holds the required minimum participation for less than one year, at the time the dividends are paid on or attributed to the shares, the Company will levy the Belgian withholding tax but will not transfer it to the Belgian Treasury provided that the Belgian resident company certifies its qualifying status, the date from which it has held such minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year. The Belgian resident company must also inform the Company or its paying agent when the one-year period has expired or if its shareholding will drop below 10% of the share capital of the Company before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the Belgian resident company.

The above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements (*rechtshandeling of geheel van rechtshandelingen/acte juridique ou un ensemble d'actes juridiques*) for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine (*kunstmatig/non authentique*) and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the EU Parent-Subsidiary Directive of November 30, 2011 (2011/96/EU) (Parent-Subsidiary Directive) in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

(c) Belgian resident organisations for financing pensions

For organisations for financing pensions (OFPs), i.e. Belgian pension funds incorporated under the form of an OFP (*organismes de financement de pensions/organismen voor de financiering van pensioenen*) within the meaning of article 8 of the Belgian Act of October 27, 2006, the dividend income is generally tax exempt.

Subject to certain limitations, any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

(d) Other Belgian resident legal entities subject to Belgian legal entities tax

For taxpayers subject to the Belgian income tax on legal entities, the Belgian dividend withholding tax in principle fully discharges their Belgian income tax liability in this respect.

(e) Non-resident individuals or non-resident companies

(i) Non-resident income tax

For non-resident individuals and companies, the Belgian dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds the shares in connection with a business conducted in Belgium through a Belgian establishment.

If the shares are acquired by a non-resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable Belgian non-resident personal or corporate income tax rate, as appropriate. Belgian dividend withholding tax levied at source may be credited against Belgian non-resident personal or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (1) the taxpayer must own the shares in full legal ownership at the time the dividends are paid or attributed and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the shares. The latter condition is not applicable if (a) the non-resident individual or the non-resident company can demonstrate that the shares were held in full legal ownership for an uninterrupted period of twelve months prior to the payment or attribution of the dividends or (b) with regard to non-resident companies only, if, during said period, the shares have never been held in full legal ownership at any point in time by a taxpayer other than a company subject to Belgian corporate tax or a non-resident company which has, in an uninterrupted manner, invested the shares in a Belgian establishment.

Non-resident companies of which the shares are attributable to a Belgian establishment may deduct up to 100% of the gross dividends included in their taxable income if, at the date the dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met. See "Belgian resident companies". Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

(ii) Belgian dividend withholding tax relief for non-residents

Under Belgian tax law, Belgian withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) it is a non-resident saver in the meaning of Article 227, 3° of the Belgian Income Tax Code (ITC) which implies that it has separate legal personality and fiscal residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its corporate purpose, without any profit making aim; (iv) which is exempt from income tax in its country of residence; and (v) except in specific circumstances provided that it is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the shares, nor obligated to pay a manufactured dividend with respect to the shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the shares and that the above conditions are satisfied. The foreign pension fund must then forward that certificate to the Company or its paying agent.

Dividends distributed to non-resident qualifying parent companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause, will, under certain conditions, be exempt from Belgian withholding tax provided that the shares held by the non-resident company, upon payment or attribution of the dividends,

amount to at least 10% of the share capital of the Company and such minimum participation is held or will be held during an uninterrupted period of at least one year. A company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the Parent-Subsidiary Directive, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty, it has a legal form similar to the ones listed in such annex; (ii) it is considered to be a tax resident of the country where it is established according to the tax laws of such country and the double tax treaties concluded between such country and third countries; and (iii) it is in such country subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime.

In order to benefit from this exemption, the non-resident company must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions.

If the non-resident company holds a minimum participation for less than one year at the time the dividends are paid or attributed to the shares, the Company must levy the Belgian withholding tax but does not need to transfer it to the Belgian Treasury provided that the non-resident company provides the Company or its paying agent at the latest upon the attribution of the dividends with a certificate confirming, in addition to its qualifying status, the date as of which it has held the minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year. The non-resident company must also inform the Company or its paying agent if the one-year period has expired or if its shareholding drops below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year holding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the non-resident company.

The above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements (*rechtshandeling of geheel van rechtshandelingen/acte juridique ou un ensemble d'actes juridiques*) for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine (*kunstmatig/non authentique*) and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

Dividends distributed to non-resident companies benefit from a Belgian withholding tax exemption in case (i) the non-resident company is established in the European Economic Area or in a country with which Belgium has concluded a tax treaty that includes a qualifying exchange of information clause, (ii) the non-resident company is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime, (iii) the non-resident company does not satisfy the 10% participation threshold but has a participation in the Company with an acquisition value of at least EUR 2,500,000 on the date the dividend is paid or attributed, (iv) the dividends relate to shares which are or will be held in full ownership for at least one year without interruption; (v) the non-resident company has a legal form as listed in the annex to the Parent-Subsidiary Directive, as amended by Directive 2014/86/EU of July 8, 2014, or, has a legal form similar to the ones listed in such annex that is governed by the laws of another Member State of the EEA, or, has a legal form similar to the ones listed in such annex in a country with which Belgium has concluded a qualifying double tax treaty, (vi)

the dividends are not paid or attributed by a company which falls within the scope of Article 203 ITC (i.e., the Article 203 ITC "subject-to-tax" Condition must be met; see above), and (vii) the anti-abuse provision is not applicable. This withholding tax exemption only applies if and to the extent that the ordinary Belgian withholding tax is, in principle, neither creditable nor reimbursable in the hands of the non-resident company.

In order to benefit from the above withholding tax exemption, the investor must provide the Company or its paying agent with a certificate confirming (i) it is established in another EEA Member State or in a State with which Belgium has concluded a tax treaty, provided that the tax treaty or any other treaty provides for the exchange or information which is necessary to give effect to the provisions of the domestic laws of the Contracting States, (ii) it has a legal form as listed in the Annex I, part A of the Parent-Subsidiary Directive, as amended by Directive 2014/86/EU of July 8, 2014, or a legal form similar to the ones listed in said Annex and governed by the laws of the EEA Member State, or a legal form similar to the ones listed in said Annex in a country with which Belgium has concluded a tax treaty, (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary domestic tax regime, (iv) it holds a participation of less than 10% in the capital of the Company but with an acquisition value of at least EUR 2,500,000 on the date the dividend is paid on or attributed, (v) the dividends relate to shares in the Company which it has held or will hold in full legal ownership for an uninterrupted period of at least one year, (vi) it cannot in principle credit the Belgian withholding tax paid on the dividends or obtain a refund thereof according to the legal provisions in force on December 31 of the year preceding the year of the payment or attribution of the dividends. The Company or the paying agent may also request confirmation from the investor that the investor commits to keep the participation with an acquisition value of at least EUR 2,500,000 until the completion of the minimum holding period of one year and that the investor immediately notifies the Company or the paying agent of the completion of said one year holding period. The investor must furthermore provide on the certificate its full name, legal form, address and tax identification number, if applicable.

Belgium has concluded tax treaties with more than 90 countries, reducing the Belgian dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable tax treaty rate.

Prospective holders should consult their own tax advisers to determine whether they qualify for a reduction of Belgian withholding tax and, if so, to understand the procedural requirements for obtaining a reduced rate of Belgian withholding tax upon the payment of dividends or for making claims for reimbursement.

4.8.3 *Taxation on capital gains and losses on shares*

(a) Belgian resident individuals

In principle, Belgian resident individuals acquiring and holding the shares as a private investment should not be subject to Belgian capital gains tax on the disposal of the shares and capital losses will not be tax deductible.

However, capital gains realised by a Belgian resident individual on the disposal of the shares are taxable at 33% (plus local surcharges) if the capital gain on the shares is deemed to be speculative or to be

realised outside the scope of the normal management of the individual's private estate. Capital losses are, however, generally not tax deductible.

Capital gains realised by Belgian resident individuals on the disposal of the shares for consideration, outside the exercise of a professional activity, to a non-resident company (or a body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned, directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Company (i.e., a shareholding of more than 25% in the Company). This capital gains tax does not apply if the shares are transferred to the above-mentioned persons provided that they are established in the EEA. Capital losses are, however, not tax deductible.

Capital gains realised by Belgian resident individuals upon redemption of the shares or upon liquidation of the Company will generally be taxable as a dividend (see "Taxation of dividends on shares—Belgian resident individuals").

Belgian resident individuals who hold the shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realised upon the disposal of the shares, except for the shares held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on the shares incurred by Belgian resident individuals who hold the shares for professional purposes are in principle tax deductible.

(b) Belgian resident companies

Belgian resident companies are exempted from capital gains taxation on gains realised upon the disposal of the shares provided that: (i) the Article 203 ITC "subject-to-tax" Condition is met and (ii) the shares have been held in full legal ownership for an uninterrupted period of at least one year and (iii) it holds a participation of at least 10% in the capital of the company or at least EUR 2,500,000 of investment value in capital.

In case the holding threshold and/or the Article 203 ITC "subject-to-tax" Condition are not met, the capital gains is subject to the standard corporate tax rate of 25%.

Capital losses on the shares incurred by Belgian resident companies (both non-SMEs and SMEs) are as a general rule not tax deductible.

Capital gains realized by Belgian resident companies upon the redemption of shares or upon the liquidation of the Company will in principle be taxed as dividends (see above). However, the income received by Belgian resident companies upon a redemption of shares in accordance with the Belgian Company Code is treated as a capital gain on shares (taxed in accordance with the rules described above) if certain conditions are fulfilled.

Shares held in the trading portfolios of Belgian qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different tax regime. The capital gains on such shares are taxable at the ordinary corporate income tax rates and the capital losses on such shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realisation.

(c) Belgian resident organisations for financing pensions

Capital gains on the shares realised by OFPs within the meaning of article 8 of the Belgian Act of October 27, 2006 are in principle exempt from corporate income tax and capital losses are not tax deductible.

However, in general, capital gains realised by Belgian resident OFPs upon redemption of the shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

(d) Other Belgian resident legal entities subject to Belgian legal entities income tax

Capital gains realised upon disposal of the shares by Belgian resident legal entities are in principle not subject to Belgian income tax and capital losses are not tax deductible.

Capital gains realised upon disposal of (part of) a substantial participation in a Belgian company (i.e., a participation representing more than 25% of the share capital of the Company at any time during the last five years prior to the disposal) may, however, under certain circumstances be subject to income tax in Belgium at a rate of 16.5%.

Capital gains realised by Belgian resident legal entities upon redemption of the shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

(e) Non-resident individuals

Capital gains realized on the shares by a non-resident individual that has not acquired and held the shares in connection with a business conducted in Belgium through a Belgian establishment are in principle not subject to taxation, unless in the following cases if such capital gains are obtained or received in Belgium:

- the gains are deemed to be realized outside the scope of the normal management of the individual's private estate (Article 90, 1° ITC or Article 90, 9°, first indent ITC). In such case, if the gain is taxable under Article 90, 1°, ITC and Article 228, §2, 9°, a), ITC, it is subject to a final professional withholding tax of 30.28% (to the extent that Article 248 ITC is applicable). If the gain is taxable under Article 90, 9°, first indent ITC and Article 228, § 2, 9°, h), ITC, it must be reported in a non-resident tax return for the income year during which the gain has been realised, in which case the capital gain will be taxable at the rate of 33% (plus local surcharges of currently 7%); or,

- the gains originate from the disposal of (part of) a substantial participation in a Belgian company (being a participation representing more than 25% of the share capital of the Company at any time during the last five years prior to the disposal). Then, the realised capital gains may, under certain circumstances, give rise to a 16.5% tax (plus local surcharges of currently 7%).

However, Belgium has concluded tax treaties with more than 95 countries which generally provide for a full exemption from Belgian capital gains taxation on such gains realized by residents of those countries. Capital losses are generally not tax deductible.

Capital gains realized by Belgian non-resident individuals upon the redemption of shares or upon the liquidation of the Company will generally be taxable as a dividend (see above).

Capital gains will be taxable at the ordinary progressive income tax rates and capital losses will be tax deductible, if those gains or losses are realized on shares by a non-resident individual that holds shares in connection with a business conducted in Belgium through a Belgian establishment.

(f) Non-resident Companies or Entities

Capital gains realized on the shares by non-resident companies or non-resident entities that have not acquired the shares in connection with a business conducted in Belgium through a Belgian establishment are in principle not subject to taxation and losses are not tax deductible.

Capital gains realized by non-resident companies or other non-resident entities that hold the shares in connection with a business conducted in Belgium through a Belgian establishment are generally subject to the same regime as Belgian similar entities (see above).

4.8.4 *Tax on stock exchange transactions*

The purchase and the sale and any other acquisition or transfer for consideration of existing shares (secondary market transactions) is subject to the Belgian tax on stock exchange transactions (*tax op de beursverrichtingen/taxe sur les opérations de bourse*) if (i) it is executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a Belgian Investor).

The tax on stock exchange transactions is levied at a rate of 0.35% of the purchase price, capped at EUR 1,600 per transaction and per party.

A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian stock exchange tax representative (Stock Exchange Tax Representative), which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary. If the Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in article 2,9° and 10° of the Belgian Law of August 2, 2002; (ii) insurance companies described in article 2, §1 of the Belgian Law of July 9, 1975; (iii) professional retirement institutions referred to in article 2,1° of the Belgian Law of October 27, 2006 concerning the supervision on institutions for occupational pension; (iv) collective investment institutions; (v) regulated real estate companies; and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

The EU Commission adopted on February 14, 2013 the Draft Directive on a Financial Transaction Tax (FTT). The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or

VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive regarding the FTT is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

4.9 Taxation in France

The description below presents a summary of the main French tax consequences of the ownership and disposal of Shares by investors, individuals or legal entities, which are fiscally domiciled or resident in France. Such summary is based on current law as at the date hereof. Please note that the tax regime described hereafter may evolve in case of changes in law or the interpretation thereof.

The tax regime described hereafter is provided for general information purposes only and should by no means be considered as an exhaustive analysis of all tax consequences that may apply to the ownership and disposal of Shares. Holders of Shares should contact their usual tax advisor in order to determine the tax regime applicable to their respective situation.

The summary does not describe the French tax aspects for (i) individual shareholders holding their shares in the Company through an equity savings plan (*plan d'épargne en actions ("PEA"), including PEA PME-ETI)* provided the Shares are eligible to such plan, or who conduct stock market transactions under conditions similar to those which define an activity carried out by a person conducting such operations on a professional basis, and (ii) shareholders who are legal entities which hold 5 per cent or more of the capital of the Company or for which the Shares qualify as a long term investment (*titres de participation*) or assimilated securities within the meaning of the provisions of article 219 I-a quinquies of the FTC.

4.9.1 *Dividends*

Individual shareholders (other than shareholders holding their shares through a PEA or who conduct stock market transactions under conditions similar to those which define an activity carried out by a person conducting such operations on a professional basis)

(a) Non final 12.8% levy

Upon payment, dividends are in principle subject to a mandatory (non-final) withholding tax at a rate of 12.8%. The 12.8% withholding tax constitutes an advance payment of income tax (*see (iii) below*) that can be offset against the income tax due in respect of the year in which the 12.8%. levy applies, the surplus, if any, being refunded to the taxpayer.

The levy is paid either (a) by withholding at source where the paying agent is established in a European Union member State or in a State that is a party to the European Economic Area Agreement that has signed a tax agreement with France that contains an administrative assistance clause with a view to combating tax fraud or tax evasion, provided, in the latter case, that the taxpayer instructs the paying agent in this respect, or - if not - (b) by the taxpayer himself or herself, within fifteen days from the end of the month during which the dividends are paid out. If the paying agent is established in France, the tax is always levied by the paying agent.

By exception, where the paying agent is established in France, individuals belonging to a tax household whose reference income for the last year was less than EUR 50,000 for taxpayers who are single, divorced or widowed, or EUR 75,000 for couples filing jointly, may request to be exempted from this

levy by providing to the paying agent, no later than November 30 of the year preceding the year of the payment of the dividends, a sworn statement that the reference income shown on the tax notice (*avis d'imposition*) issued in respect of the second year preceding the year of payment was below the above-mentioned taxable income thresholds (Article 242 quarter of the FTC). According to administrative guidelines, taxpayers who acquire shares after the deadline for providing the exemption request can, subject to certain conditions, provide such exemption request to the paying agent upon acquisition of such shares (BOI-RPPM-RCM-30-20-10, n°320).

When the paying agent is established outside France, only individuals belonging to a tax household whose reference income of the year before last, was equal or superior to the amounts mentioned in the previous paragraph are subject to this tax.

(b) Social contributions

Upon payment, the gross amount of the dividends paid by the Company (before deduction of any Belgian withholding tax) is also subject to social contributions at an overall rate of 17.2%, which is made up of:

- the *contribution sociale généralisée* (the "CSG") at a rate of 9.9%;
- the *contribution pour le remboursement de la dette sociale* (the "CRDS") at a rate of 0.5%;
- the *prélèvement social* at a rate of 4.5%;
- the *contribution additionnelle au prelèvement social* at a rate of 0.3%.; and
- the *prelevement de solidarite* at a rate of 2%.

These social contributions are levied in the same manner as described above for the 12.8% levy (if applicable) making an effective rate of 30% (12.8% + 17.2%). Specific rules, which vary depending on whether the paying agent is established in France or not, apply where the 12.8%. levy is not applicable.

(c) Final assessment of personal income tax and additional contribution on high-income

As a rule, the gross amount of the dividends received is subject to a 12.8% flat income tax rate (equal to the non-final 12.8% levy). However, taxpayers have the possibility to renounce to the flat income tax rate to be taxed according to the progressive income tax rates (0 to 45%). In the latter case, dividends are subject to personal income tax after deduction of an allowance equal to 40% of the gross amount of the dividends and the CSG is partly deductible (share of 6.8%) from the income tax base of the year of its payment (n+1).

The option for the taxation according to the rules of the progressive income tax scale (if relevant) is given each year at the time of tax return filing and applies globally to all income from investment in securities entering in the field of the flat rate taxation.

Irrespective of the tax regime (flat tax or progressive scale), the gross amount of the dividends received (before application of the 40% allowance if the taxpayer has opted for taxation at progressive income tax rates) enters in the taxpayer's reference income (*revenu fiscal de référence*), based on which the additional contribution on high-income (the Contribution on High Income) is assessed at a rate of 3 or 4% where the reference income exceeds EUR 250,000 for a single taxpayer or EUR 500,000 for a married or cohabiting couple.

The non-final 12.8% levy paid at source is chargeable against the final income tax due.

Furthermore, according to article 19-B, 1-a of the of the double tax treaty entered into between France and Belgium (the "Treaty"), any withholding tax levied in Belgium on such dividends in accordance with the Treaty, entitles the taxpayer to a tax credit in France equal to the Belgian withholding tax that can be offset against French income tax.

(d) General remarks

Shareholders are advised to consult their usual tax advisor in particular with regard to filing obligations in respect of the dividends, the payment of the 12.8% levy and the applicable social contributions, and to assess the most favourable tax regime for their respective situation (i.e. the interest to opt (or not) for the taxation at the progressive scale).

Legal entities subject to corporate income tax under standard conditions and owning less than 5% of the share capital of the Company

The gross dividends paid by the Company to holders who are legal entities subject to corporate income tax in France enter in their taxable income subject to corporate income tax at the standard rate (see below).

The standard rate of corporate income tax in 2020 is 28%. However, companies with an annual turnover exceeding EUR 250 million are subject to a 31% rate on the fraction of their profits exceeding EUR 500,000 (and 28% up to EUR 500,000). Corporate income tax may be increased by a social contribution of 3.3 per cent. (Article 235 ter ZC of the FTC), which is based on the amount of corporate tax reduced by a discount that cannot exceed €763,000 per twelve-month period.

The standard corporate income tax rate will be gradually lowered to 26.5% (or 27.5% for large companies) in 2021 and ultimately to 25% in 2022.

Small and medium sized enterprises (i.e., enterprises whose turnover is lower than EUR 7,630,000) are subject to a reduced corporation tax rate of 15% on profits up to EUR 38,120 and at the standard rate on any excess. They are exempt from the 3.3% social surtax.

Under Article 19-B, 1-a of the Treaty, any withholding tax levied in Belgium on such dividends in accordance with the Treaty, entitles the taxpayer to a tax credit in France equal to the Belgian withholding tax that can be offset against French corporate income tax.

4.9.2 *Capital gains*

Individual shareholders (other than shareholders holding their shares through a PEA or who conduct stock market transactions under conditions similar to those which define an activity carried out by a person conducting such operations on a professional basis)

Net capital gains realized upon the sale of the Shares acquired as from 1 January 2018 are subject to a 12.8% flat income tax rate.

For capital gains on the disposal of Shares acquired before 1st January 2018 only, taxpayers have the possibility to renounce to the flat income tax rate to be taxed according to the progressive income tax rates (0 to 45%). In that case, net capital gains realized upon the sale of the Shares during a given year

will be subject to personal income tax at the progressive scale, after application, as the case may be, of a rebate on the amount of the capital gains which depends on the holding period of the Shares (article 150-0 D of the FTC).

The rebate amounts to (i) 50% of the net capital gains when the shares sold have been held for at least two (2) years and for less than eight (8) years as at the date of the sale, or (ii) 65% of the net capital gains when the shares sold have been held for at least eight (8) years as at the date of the sale. No rebate is applicable where the sale is realized during the first two (2) years of holding of the shares or for shares acquired since 1st January 2018.

The option for the taxation according to the rules of the progressive income tax scale (if relevant) is given each year at the time of tax return filing and applies globally to all income from investment in securities entering in the field of the flat-rate taxation.

Irrespective of the tax regime, the gross amount of the net capital gains (before application of the rebates) enters in the taxpayer's reference income (*revenu fiscal de référence*), based on which is assessed the additional contribution on high-income (the Contribution on High Income) at a rate of 3% or 4% where the reference income exceeds EUR 250,000 for a single taxpayer or EUR 500,000 for a married or cohabiting couple. contribution on high-income taxpayers (the Contribution on High Income).

In addition, capital gains arising on the sale of the shares will also be subject to social contributions at an overall rate of 17.2%.

Capital losses incurred in a given year may be offset against capital gains of the same kind realised during that year and during the ten following years (article 150-0 D of the FTC). The 50%/65% rebates do not apply to capital losses but to the net amount of capital gains (i.e. to the amount obtained after deduction of any offsettable capital losses) and provided that the taxpayer opts for the taxation at progressive income tax rates.

Legal entities subject to corporate income tax under standard conditions which do not hold their shares as long-term investments (titres de participation) or assimilated securities within the meaning of the provisions of article 219 I -a quinquies of the FTC

Net capital gains realized upon the sale of the shares of the Company enter in the taxable income subject to corporate income tax at the standard rate, increased, as the case may be, by the 3.3% social tax, under the same conditions described hereinabove for dividends received by corporate shareholders.

Operating losses are deductible from taxable income in the year they are incurred.

4.9.3 *Wealth Tax*

The Finance Bill for 2018 has abolished the former the wealth tax (ISF) and replaced it by a real property wealth tax (IFI) as of 1st January 2018.

For the purpose of the real property wealth tax, shares in companies (regardless of their legal status and localisation), may only be included in the tax base for the share of their value represented by real estate properties or real property rights other than exempt business assets ; minority shareholdings (< 10%) in operating companies are in any case out of scope.

4.9.4 *Financial transactions tax*

The Shares do not fall within the scope of the French financial transactions tax set out under Article 235 ter ZD of the FTC.

4.9.5 *Registration duties (droits d'enregistrement)*

No registration tax will be payable by a shareholder upon the issue, subscription or acquisition or upon the disposal of the Company's shares unless the sale is recorded in a deed signed in France or, if signed outside France, unless the deed is voluntarily registered before the French tax authorities. In the latter cases, the sale of shares is subject to a transfer tax at the proportional rate of 0.1% based on the higher of sale price or fair market value of the shares, subject to certain exceptions provided for by II of Article 726 of the FTC. Pursuant to Article 1712 of the FTC, the registration duties that would be due if the sale were recorded in a deed will be borne by the transferee (unless otherwise contractually agreed by the parties). However, by virtue of Articles 1705 and seq. of the FTC, all parties to the deed will be jointly and severally liable to the tax authorities for the payment of the taxes.

5. ADMISSION TO TRADING

The Prospectus has been prepared for the purpose of the admission to trading of the New Shares on Euronext Brussels and Euronext Paris pursuant to and in accordance with Article 20 of the Prospectus Regulation. No offering of the New Shares will be made and no one has taken any action that would, or is intended to, permit an offering in any country or jurisdiction where any such action for such purpose is required, including in Belgium and in France.

An application will be made for the admission to trading of the New Shares on Euronext Brussels and Euronext Paris. It is expected that the admission to trading become effective and that dealings in the New Shares on Euronext Brussels and Euronext Paris will commence on or around the second trading day following the reception by the Company of the notification of subscription issued by Jefferies.

The New Shares will be traded as are the existing shares of the Company under international code ISIN BE0974260896-XBRU and symbol "CYAD" on Euronext Brussels and Euronext Paris.

The New Shares will also be traded, through ADSs on the NASDAQ Global Market under the symbol "CYAD".

6. DILUTION

The financial consequences of the issuance of the New Shares for the existing shareholders immediately prior to such issuance are summarised below. The admission to trading of the New Shares does, as such, not cause any additional dilution nor has it had any other direct consequences for the shareholders of the Company.

6.1 Evolution of the share capital of the Company

The Company has been incorporated on July 24, 2007 with a share capital of €62,500 by the issuance of 409,375 class A shares. On August 31, 2007, the Company has issued 261,732 class A shares to Mayo Clinic by way of a contribution in kind of the upfront fee that was due upon execution of the Mayo License for a total amount of €9,500,000.

Round B Investors have participated in a capital increase of the Company by way of a contribution in kind of a convertible loan (€2,387,049) and a contribution in cash (€4,849,624 of which €1,949,624 uncalled) on December 23, 2008; 204,652 class B shares have been issued at the occasion of that capital increase. Since then, the capital is divided in 875,759 shares, of which 671,107 are class A shares and 204,652 are class B shares.

On October 29, 2010, the Company closed its third financing round resulting in a capital increase totaling €12,100,809. The capital increase can be detailed as follows:

- capital increase in cash by certain existing investors for a total amount of €2,609,320.48 by the issuance of 73,793 class B shares at a price of €35.36 per share;

- capital increase in cash by certain existing investors for a total amount of €471,240 by the issuance of 21,000 class B shares at a price of €22.44 per share;

- capital increase in cash by certain new investors for a total amount of €399,921.60 by the issuance of 9,048 class B shares at a price of €44.20 per share;

- exercise of 12,300 warrants ("Warrants A") granted to the Round C investors with total proceeds of €276,012 and issuance of 12,300 class B shares. The exercise price was €22.44 per Warrant A;

- contribution in kind by means of conversion of the loan C for a total amount of €3,255,524.48 (accrued interest included) by the issuance of 92,068 class B shares at a conversion price of €35.36 per share;

- contribution in kind by means of conversion of the loan D for a total amount of €2,018,879.20 (accrued interest included) by the issuance of 57,095 class B shares at a conversion price of €35.36 per share. The loan D is a convertible loan granted by certain investors to the Company on 14 October 2010 for a nominal amount of €2,010,000.

- contribution in kind of a payable towards Mayo Foundation for Medical Education and Research for a total amount of €3,069,911 by the issuance of 69,455 class B shares at a price of €44.20 per share. The payable towards Mayo Clinic was related to (i) research undertaken by Mayo Clinic in the years 2009 and 2010, (ii) delivery of certain materials, (iii) expansion of the Mayo Clinical Technology License Contract by way the Second Amendment dated October 18, 2010.

On May 5, 2011, pursuant the decision of the Extraordinary General Meeting, the capital was reduced by an amount of €18,925,474 equivalent to the outstanding net loss as of December 31, 2010.

On May 31, 2013, the Company closed its fourth financing round, the 'Round D financing'. The convertible loans E, F, G and H previously recorded as financial debt were converted in shares which led to an increase in equity for a total amount of €28,645k of which € 5,026k is accounted for as capital and € 6,988k as share premium. The remainder (€ 16,613k) is accounted for as other reserves. Furthermore, a contribution in cash by existing shareholders of the Company led to an increase in share capital and issue premium by an amount of €7,000k.

At the Extraordinary Shareholders Meeting of June 11, 2013 all existing classes of shares of the Company have been converted into ordinary shares. Preferred shares have been converted at a 1 for 1 ratio.

On July 5, 2013, the Company completed its Initial Public Offering. The Company issued 1,381,500 new shares at €16.65 per shares, corresponding to a total of €23,002k.

On July 15, 2013, the over-allotment option was fully exercised for a total amount of €3,450k corresponding to 207,225 new shares. The total IPO proceeds amounted to €26,452k and the capital and the share premium of the Company increased accordingly. The costs relating to the capital increases performed in 2013 amounted to €2.8 million and are presented as a deduction of share premium.

On June 11, 2013, the Extraordinary General Shareholders' Meeting of Celyad authorized the Board of Directors to increase the share capital of the Company, in one or several times, and under certain conditions set forth in extenso in the articles of association. This authorization is valid for a period of five years starting on July 26, 2013 and until July 26, 2018. The Board of Directors may increase the share capital of the Company within the framework of the authorized capital for an amount of up to €21,413k.

Over the course of 2014, the capital of the Company was increased in June 2014 by way of a capital increase of €25,000k represented by 568,180 new shares fully subscribed by Medisun International Limited.

In 2014, the capital of the Company was also increased by way of exercise of Company warrants. Over four different exercise periods, 139,415 warrants were exercised resulting in the issuance of 139,415 new shares. The capital and the share premium of the Company were therefore increased respectively by €488k and €500k.

In January 2015, the shares of Oncyte LLC were contributed to the capital of the Company, resulting in a capital increase of €3,452k and the issuance of 93,087 new shares.

In 2015, the Company conducted two fund raisings. A private placement was closed in March resulting in a capital increase of €31,745k represented by 713,380 new shares. The Company also completed an IPO on Nasdaq in June, resulting in a capital increase of €87,965k represented by 1,460,000 new shares.

Also, in 2015, the capital of the Company was also increased by way of exercise of Company warrants. Over three different exercise periods, 6,749 warrants were exercised resulting in the issuance of 6,749

new shares. The capital and the share premium of the Company were therefore increased respectively by €23k and €196k.

Over 2017 the capital of the Company was also increased by way of exercise of Company warrants. Over four different exercise periods, 225,966 warrants were exercised resulting in the issuance of 225,966 new shares. The capital of the Company was therefore increased by €625k.

In August 2017, pursuant to the amendment of the agreements with Celdara Medical LLC and Dartmouth College, the CAR-T technology inventors, the capital of the Company was increased by way of contribution in kind of a liability owed to Celdara Medical LLC. 328,275 new shares were issued at a price of €32.35 (being Celyad share's average market price for the 30 days preceding the transaction) and the capital and the share premium of the Company were therefore increased respectively by €1,141k and €9,479k without this had an impact on the cash and cash equivalents, explaining why such transaction is not disclosed in the consolidated statements of cashflows.

In May 2018, the Company completed a global offering of $54.4 million (€46.1 million), resulting in cash proceeds for an amount of €43.0 million net of bank fees and transaction costs.

In May 2019, share premium decreased as a result of the absorption of accounting losses for an amount of €172.3 million, with a counterpart in the financial statements line item 'Accumulated Deficit'. The absorption of the accumulated deficit into share premium is a non-cash accounting transaction.

In September 2019, the Company completed a global offering of $20.0 million (€18.2 million), resulting in cash proceeds for an amount of €16.4 million net of bank fees and transaction costs.

As of December 31, 2019, all shares issued have been fully paid.

The following share issuances occurred since the incorporation of the Company:

Category	Transaction date	Description	# of shares	Par value (in €)
Class A shares	24 July 2007	Company incorporation	409,375	0.15
Class A shares	31 August 2007	Contribution in kind (upfront fee Mayo License)	261,732	36.30
Class B shares	23 December 2008	Capital increase (Round B)	137,150	35.36
Class B shares	23 December 2008	Contribution in kind (Loan B)	67,502	35.36
Class B shares	28 October 2010	Contribution in cash	21,000	22.44
Class B shares	28 October 2010	Contribution in kind (Loan C)	92,068	35.36
Class B shares	28 October 2010	Contribution in kind (Loan D)	57,095	35.36
Class B shares	28 October 2010	Contribution in cash	73,793	35.36
Class B shares	28 October 2010	Exercise of warrants	12,300	22.44
Class B shares	28 October 2010	Contribution in kind (Mayo receivable)	69,455	44.20
Class B shares	28 October 2010	Contribution in cash	9,048	44.20
Class B shares	31 May 2013	Contribution in kind (Loan E)	118,365	38.39
Class B shares	31 May 2013	Contribution in kind (Loan F)	56,936	38.39
Class B shares	31 May 2013	Contribution in kind (Loan G)	654,301	4.52
Class B shares	31 May 2013	Contribution in kind (Loan H)	75,755	30.71
Class B shares	31 May 2013	Contribution in cash	219,016	31.96
Class B shares	4 June 2013	Conversion of warrants	2,409,176	0.01
Ordinary shares	11 June 2013	Conversion of Class A and Class B shares in ordinary shares	4,744,067	-

Ordinary shares	5 July 2013	Initial Public Offering	1,381,500	16.65
Ordinary shares	15 July 2013	Exercise of over-allotment option	207,225	16.65
Ordinary shares	31 January 2014	Exercise of warrants issued in September 2008	5,966	22.44
Ordinary shares	31 January 2014	Exercise of warrants issued in May 2010	333	22.44
Ordinary shares	31 January 2014	Exercise of warrants issued in January 2013	120,000	4.52
Ordinary shares	30 April 2014	Exercise of warrants issued in September 2008	2,366	22.44
Ordinary shares	16 June 2014	Capital increase	284,090	44.00
Ordinary shares	30 June 2014	Capital increase	284,090	44.00
Ordinary shares	4 August 2014	Exercise of warrants issued in September 2008	5,000	22.44
Ordinary shares	4 August 2014	Exercise of warrants issued in October 2010	750	35.36
Ordinary shares	3 November 2014	Exercise of warrants issued in September 2008	5,000	22.44
Ordinary shares	21 January 2015	Contribution in kind (Celdara Medical LLC)	93,087	37.08
Ordinary shares	7 February 2015	Exercise of warrant issued in May 2010	333	22.44
Ordinary shares	3 March 2015	Capital increase	713,380	44.50
Ordinary shares	11 May 2015	Exercise of warrant issued in May 2010	500	22.44
Ordinary shares	24 June 2015	Capital increase	1,460,000	60.25
Ordinary shares	4 August 2015	Exercise of warrant issued in May 2010	666	22.44
Ordinary shares	4 August 2015	Exercise of warrant issued in October 2010	5,250	35.36
Ordinary shares	1 February 2017	Exercise of warrant issued in May 2013	207,250	2.64
Ordinary shares	2 May 2017	Exercise of warrant issued in May 2013	4,900	2.64
Ordinary shares	1 August 2017	Exercise of warrant issued in May 2013	7,950	2.64
Ordinary shares	23 August 2017	Contribution in kind (Celdara Medical LLC)	328,275	32.35
Ordinary shares	9 November 2017	Exercise of warrant issued in May 2013	5,000	2.64
Ordinary shares	9 November 2017	Exercise of warrant issued in October 2010	866	35.36
Ordinary shares	7 February 2018	Exercise of warrant issued in May 2013	4,500	2.64
Ordinary shares	22 May 2018	Capital increase	2,070,000	22.29
Ordinary shares	16 Sept 2019	Capital increase	2,000,000	9.08

The total number of shares issued and outstanding at the date of this Securities Notes is 15,546,500 ordinary common shares[3].

6.2 Financial consequences for the existing shareholders

Immediately prior to the issuance of the New Shares the share capital of the Company amounted to EUR 48,512,614.57 represented by 13,942,344 shares, without nominal value, each representing 1/13,942,344th of the share capital. The net asset value per share, based on the latest balance sheet available, is EUR 2.17.

Upon the issuance and subscription of the New Shares, the share capital of the Company will be increased by the Board of Directors, acting within the framework of the authorised capital with cancellation of the preferential subscription rights of the existing shareholders, with EUR 9,666,663.96 (excluding issuance premium) through the issuance of 2,777,777 new shares. Therefore, immediately following the issue of the New Shares, the share capital of the Company will amount to EUR 58,179,278.4 represented by 16,720,121 shares.

[3] Without taking into account the New Shares

In addition, at the date of this Securities Note, there are 1,604,156 granted and outstanding subscription rights entitling the subscription by their holders of up to 1,604,156 new shares of the Company.

Leaving the 1,604,156 subscription rights aside and only taking into account the number of shares that were outstanding immediately prior to the issuance of the New Shares, the issuance and subscription of the 2,777,777 New Shares will result in a dilution of the existing shares in the profits of the Company of (rounded-off) 16.61 %.

In case, in addition to the number of shares that were outstanding immediately prior to the issuance of the New Shares, also the maximum number of shares that can be issued upon exercise of the outstanding subscription rights is taken into account, the issuance of the 2,777,777 New Shares will result in a dilution of up to (rounded-off) 15.16 %.

The dilution relating to the shares in the Company's profits also applies, mutatis mutandis, to other rights attached to the shares of the Company (except voting rights – see below), as well as to the share in the liquidation proceeds, if any, and the preferential subscription rights.

Taking into account the fact that some registered shares of the Company give the right to double voting rights and also taking into account the maximum number of shares that can be issued upon exercise of the outstanding subscription rights, the issuance of the 2,777,777 New Shares will result in a dilution of the voting rights of up to (rounded-off) 15.09 %.