ASIT biotech

REGISTRATION DOCUMENT
JULY 2019

Investors' attention is drawn to the two following risk factors :

The Company has a history of operating losses and an accumulated deficit and may never become profitable.

The Company has incurred significant operating losses since it was founded in 1997. The net loss in 2016, 2017, 2018 and Q1 2019 under IFRS rules was respectively M€ 12.3, M€ 12.0, M€ 14.3 and M€ 3.0. Its accumulated deficit in the statement of financial position as at 31 December 2018 under IFRS rules amounts to M€ 43.2 and at 31 March 2019 to M€ 46.2. These losses reflect the investments in research and development, for the establishment of manufacturing capacities, in pre-clinical testing, in clinical development of product candidates and the costs incurred from general and administrative expenses. The Board of Directors applied several times the procedure prescribed under article 633 of the Belgian Companies Code. If a company's net assets book value is lower than half of its share capital amount, article 633 of the Belgian Companies Code requires the convening of a shareholders' meeting within two months after the date at which the loss was (or should have been) determined. This meeting would then decide on the going concern or winding up of the company.

In the near future, the Company's main investments will be in the clinical development and regulatory filing of its lead asset gp-ASIT+™ and in finalizing the pre-clinical development of hdm-ASIT+™ and pnt-ASIT+™. At the same time the Company will actively investigate the opportunity to partner this lead asset once approved for marketing and sales activities and will scale up production to be ready at commercial launch. This strategic approach will likely result in the Company incurring further significant losses for at least the next three years.

There can be no assurance that the Company will generate positive clinical data, receive market authorization, earn revenues or achieve profitability, which could impair the Company's ability to sustain operations or obtain any required additional funding.

The Company will need substantial additional funding, which may not be available on acceptable terms when needed, if at all.

The cash position of the Company amounted to M€ 5.9 at 31 March 2019.

At the date of this Registration Document, the Company is of the opinion that it does not have sufficient working capital to cover its working capital needs for a period of at least 12 months following the date of publication of this Registration Document. The level of the working capital shortfall depends on the amount of actual expenses and the expected funding Would the Company not be able to raise additional funds while maintaining its strategic approach , it could run short of working capital by end of July 2019. Over the next 12 months after the publication of this Registration Document the working capital need coud reach up to M€ 12.0.

The expected funding could consist of :

- The effective amounts raised under the ongoing Equity Line. The Company can force the drawdown of the Equity Line CBs as long as the share price remains above EUR 1.1368, so there is a risk that the Equity Line is not fully available. In case of a full draw down the cash need is reduced to M€ 6.0.

- The exercise of the Warrants 2 before year end for a total amount of M€ 4.2. The exercise price of these warrants is at € 3.83 with the closing share price on the day prior to the date of this Registration Document at € 1.140. There is a risk that the share price at year end, even with positive phase III data, will not reach this level of at least € 3.83. In case of a full exercise the cash need is further reduced to M€ 1.8. There are also warrants of the 2014 Warrant plan that should be exercised before 30/10/2019 at a price of € 3.00 that could further reduce the shortfall to M€ 1.2. The same risk as for the Warrants 2 applies.

- The launch of a private placement between M€ 9.0 and M€ 12.0 of convertible notes. As this transaction needs to be approved by the shareholders in an extra-ordinary shareholders meeting, there is a risk that the majority of the shareholders would not approve the transaction.

In case the warrants would not be exercised the reduced cash needs of M€ 6.0 could be covered in case the private placement is fully subscribed.Nevertheless the Company's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which it may have no or limited control, and the Company cannot guarantee that additional funds will be available to it when necessary on commercially acceptable terms, if at all.

If the necessary funds are not available, the Company may need to seek funds through forced partnership arrangements that may require it to reduce or relinquish significant rights to its research programs and product candidates, to grant licenses on its technologies to partners or third parties or enter into new types of collaboration agreements. The terms and conditions of these arrangements and agreements could be less favorable to the Company than those it might have obtained in a different context.

If adequate funds are not available on commercially acceptable terms when needed, the Company may be forced to delay, reduce or terminate the development or commercialisation of all or part of its research programs or product candidates or it may be unable to take advantage of future business opportunities.

In addition, even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. It is likely that the Company will experience fluctuating revenues, operating results and cash flows. As a result, period-to-period comparisons of financial results are not necessarily meaningful and results of operations in prior periods should not be relied upon as an indication of future performance.

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1. RISK FACTORS

The risks and uncertainties that the Company believes are material are described below. However, these risks and uncertainties may not be the only ones faced by the Company and are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known, or those that management currently believes to be immaterial, may also affect the Company's business, financial condition and results of operations. The Registration Document also contains forward-looking statements that involve risks and uncertainties.

If any of the risks described below materializes, the Company's business, results of operations, financial condition and prospects could be materially adversely affected and the Company's ability to continue as a going concern could even be endangered. In that case, the value of the Company's shares could decline, and Shareholders could lose all or part of their investment. The Company has taken - and will continue to take - measures to control these risks as most efficiently as possible. However, there is no guarantee that these measures are adequate and complete to deal with all eventualities. Therefore, it cannot be completely excluded that some of these risks will occur and could affect, among others, the Company's business, turnover, financial position and results.

Risks Related to Financial Position

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There can be no assurance that the Company will generate positive clinical data, receive market authorization, earn revenues or achieve profitability, which could impair the Company's ability to sustain operations or obtain any required additional funding.

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In addition, even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. It is likely that the Company will experience fluctuating revenues, operating results and cash flows. As a result, period-to-period comparisons of financial results are not necessarily meaningful and results of operations in prior periods should not be relied upon as an indication of future performance.

Risks Related to Product Development

The Company's future commercial potential depends to a material extent on the success of its lead product candidate, gp-ASIT+™, for the treatment of rhinoconjunctivitis induced by grass pollen. If the Company is unable to obtain marketing authorisation for gp-ASIT+™, or experiences significant delays in doing so, this would have a material adverse effect on its business.

Currently, the Company does not have marketing authorisation for any of its product candidates. The Company has invested a significant portion of its financial and other resources in the development of its lead product candidate gp-ASIT+™. The Company has completed a Phase III clinical study for gp-ASIT+™ in Europe (BTT-gpASIT009) and submitted the results to the German regulatory authroity, the Paul-Ehrlich-Institute ("PEI") in view of its marketing authorisation application for commercialisation of gp-ASIT+™ in Germany. The PEI considered the results of the BTT-gpASIT009 study as supportive and required an additional compelling pivotal study be completed before considering marketing authorisation application.

Accordingly, the Company is completing a second Phase III clinical study with gp-ASIT+™ in Europe (ABT-gpASIT011) before submitting a marketing authorisation application in Germany, which the Company expects to submit in Q3 2020. This second Phase III clinical study was initiated in April 2018 and at the date of this Registration Document all patients are already treated with no major safety issues encountered. Top line results are expected by the end of December 2019.

Any delay in the commercialization of gp-ASIT+™ could negatively affect the development and commercialization of Company's other product candidates, which in turn would have a material adverse effect on the Company's business, results of operations and/or financial condition.

The second Phase III clinical study with gp-ASIT+™ could fail to reach the required endpoints if the grass pollen season is abnormally atypical or if the population recruited is not severe enough.

For the second Phase III clinical study (ABT-gpASIT011), the Company has recruited patients from geographically dispersed areas in order to minimize the risk related to the level of the pollen season in a specific area. Selection criteria of patients have also been structured to ensure the recruitment of moderate to severe sensitive patients. Compared to BTT-gpASIT009 that was conducted in 57 centers spread over 6 countries in Europe (Belgium, Czech Republic, Germany, France, Italy and Spain) with 554 patients recruited, ABT-gpASIT011 will be conducted in about 70 centers spread over 6 countries (Belgium, Czech Republic, Germany, Hungary, Poland and France) aiming to recruit at least 624 patients. This higher number of sites is meant to ensure the planned number of patients are included and treated in a relatively short period of time prior to the grass pollen season. An additional factor should be that each center will be limited to a maximum of 30 patients, to ensure that the overall study is not unduly dependent of the local pollen concentration affecting a small number of over-recruiting centers.

Clinical studies are highly uncertain and any failure or delay in completing such studies for any of the Company's product candidates may prevent it from obtaining regulatory authorization or commercializing product candidates on a timely basis, or at all, which would require the Company to incur additional costs and would delay the generation of any product revenue.

Preclinical and clinical trials are expensive and time-consuming, and their results are highly uncertain. The Company, its collaborative partners or other third parties may not successfully complete product candidate development and, in particular, the manufacturing, the preclinical development and clinical development of the product candidates.

Several factors could result in the failure or delay in completion of a clinical study, or require amendments to the initially designed clinical study protocol, including, but not limited to:

- delays in obtaining regulatory approval to launch clinical studies for its new ASIT+ product candidates;
- delays in reaching agreement on acceptable terms with prospective contract research organisations and contract manufacturing organisations;
- delays in securing clinical trial sites;

- inability to monitor patients adequately during or after treatment;
- problems with investigators or patient compliance with study protocol;
- difficulties in obtaining supply of clinical trial materials, including skin prick test and conjunctival provocation test solutions;
- delay in recruiting patients to participate in the study before natural exposure to allergens;
- difficulties in obtaining appropriate clinical trial insurances;
- lack of intensity of the pollen season, which may impact the outcome of clinical trials and reduce the conclusiveness of results;
- screening of patients not fully in line with inclusion criteria; and

In particular, additional risk factors specific to clinical studies in the field of respiratory and food allergy indications could result in the failure or delay in completion of a clinical study, such as (i) difficulty in predicting real life effectiveness from individual provocation tests used in early stage clinical development, (ii) difficulty to recruit patients participating in the study in due time in case of requirement of natural exposure to allergens, (iii) variability of the patients' natural exposure to allergens during late stage clinical development of product candidates and (iv) difficulty to define the most appropriate inclusion criteria for the patients.

In addition, Competent Regulatory Authorities may in certain circumstances, as is the case with gp-ASIT+™ in Germany, impose on the Company the requirement to conduct additional clinical trials before obtaining registration of a product. Based on the results for BTT-gpASIT009, the first Phase III study, the German regulatory authority required that an additional, compelling pivotal study be completed before considering marketing authorization application. The first patient in study ABT-gpASIT011 was screened on 2 January 2019.

Such delays and difficulties result in increased costs and delay the Company's ability to obtain regulatory approval and commence product sales as anticipated.

If serious adverse side effects are identified for any product candidate, the Company may need to abandon or limit its development of that product candidate, which may delay or prevent marketing approval, or, if approval is received for the product candidate, require it to be taken off the market, require it to include safety warnings or otherwise limit its sales.

Serious rare unforeseen side effects from any of the Company's product candidates could arise either during clinical development or, if approved by Competent Regulatory Authorities, after commercialising the products. All of the Company's product candidates are still in clinical or preclinical development or discovery. While the Company's preclinical and clinical studies for gp-ASIT+™ have demonstrated an acceptable safety profile, the results from future trials or from trials with other product candidates may not support this conclusion. The results of future clinical studies may show that the Company's product candidates cause undesirable or unacceptable side effects or even death, which could interrupt, delay or halt clinical studies, and result in delay, or failure to obtain, marketing approval from Competent Regulatory Authorities, or result in marketing authorisation from Competent Regulatory Authorities with restrictive label warnings impacting sales and increasing risk of potential product liability claims. Moreover, as larger numbers of patients are enrolled in late-stage clinical studies for the Company's product candidates, the risk that uncommon or low frequency but significant side effects are identified may exist. Finally, it cannot be excluded that side-effects, which had not materialised during clinical development, do not arise upon commercialisation of the Company's product candidate and affect such commercialisation.

If any of the Company's product candidates receive marketing approval and the Company or others identify undesirable or unacceptable side effects caused by such products afterwards:

- Competent Regulatory Authorities may withdraw approvals of such product;
- Competent Regulatory Authorities may require the addition of labelling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies;
- the Company may be required to conduct additional clinical studies;
- the Company may be subject to limitations on how it may promote the product;
- the Company may be subject to litigation or product liability claims; and
- the Company's reputation may be impaired.

Any of these events could prevent the Company or any potential future partners from achieving or maintaining market acceptance of the relevant product or could substantially increase commercialisation costs and expenses, which in turn could delay or prevent the Company from generating significant revenue from the sale of its products.

Failure to successfully identify, develop and commercialise additional products could impair the Company's ability to grow. In particular, the Company may not be successful in efforts to use and expand its technology platform, ASIT+, to build a pipeline of product candidates and develop marketable products.

A key element of the Company's long-term growth strategy is the capacity to develop and market additional products arising out of the same ASIT+ technology platform. The success of this strategy depends partly upon the Company's ability to develop promising product candidates. Recently, new strategic directions have been defined by the Company, clearly referring to initiation of additional product development other than gp-ASIT+™ if a third-party partner has shown interest for co-development.

With support of partner(s), the Company believes its ASIT+ technology would allow it to develop new product candidates for various allergies. At this stage, the Company has:

- one product candidate for allergic rhinoconjunctivitis due to grass pollen (gp-ASIT+™) in Phase III that could be out-licensed for marketing and sales purposes;
- product candidates for house dust mite (hdm-ASIT+™) and peanut allergy (pnt-ASIT+™) in early stage preclinical development, for which the Company will provide potential partners with solid data for co-development;
- a peptide-based platform approach (ASIT+) to design next generation immunotherapy treatments for allergies induced by proteinic allergens, upon request of a partner.

The Company may not be successful in its efforts to use and expand ASIT+ to build a pipeline of product candidates through partnerships or to develop approved or marketable products. In addition, all product candidates are prone to risks of failure typical of pharmaceutical product development, including the possibility that a product candidate may not be suitable for clinical development as a result of its harmful side effects, limited efficacy or other characteristics that indicate that it is unlikely to be a product that will receive approval by Competent Regulatory Authorities and achieve market acceptance.

If the Company does not successfully develop and commercialize product candidates based upon its ASIT+ technology platform, the Company may not be able to create or market a product or generate revenues in the future, which would adversely affect its business, prospects, financial condition and results of operations.

Risks Related to Product Commercialisation

Even if the Company obtains regulatory approval, the commercial success of the Company's product candidates will depend on the degree of market acceptance of its products among physicians, patients, payers and the medical community.

Market acceptance will depend on a variety of factors, many of which are beyond the Company's control, including, but not limited to:

- the wording of the product label;
- the acceptance by physicians, patients and payers of products as safe, effective and cost-effective;
- the relative convenience, ease of use, ease of administration and other perceived advantages over alternative products;
- the prevalence and severity of side effects;
- the limitations, precautions or warnings listed in the summary of product characteristics, patient information leaflet, package labelling or instructions for use;
- the cost of treatment compared to alternative treatments, and the extent to which the Company's products are approved for inclusion and reimbursed by managed care organisations;
- the designation as first-line, second-line, third-line or last-line therapy;
- the slow implementation by EU Member States other than Germany of 2001/83/EC on the Community code relating to medicinal products for human use (the ***Medicinal Products Directive***), organising the shift of industrially manufactured AIT products from named patient products (NPPs) to products authorised on the basis of a marketing authorisation based on a fully documented file;
- the level of preference for sublingual administration;
- the shift from use of self-prepared AIT products to approved ones requiring fewer injections; and
- the preference by physicians to mix several allergens to treat polysensitised allergic patients.

The commercial success of the Company's product candidates could be negatively affected if the allergy immunotherapy market does not develop as foreseen by the Company.

A material change in either the addressable patient population or in the treatment approach for immunotherapy could introduce an element of uncertainty or even result in a candidate pool for ASIT+ products that is lower than the Company's conservative projections. This could negatively affect the commercial success of the Company. Furthermore, the anticipated use of innovative new agents such as the novel ASIT+ products may not garner physician preference share as conveyed through extensive market research. The commercial success of the Company's product candidates could be impaired if the subcutaneous immunotherapy (SCIT) market does not develop well compared to the sublingual immunotherapy (SLIT) market, or if the Company's product candidates do not find a place within the market. In the event that physician prescribing patterns do not materially evolve, or if payers amend reimbursement and market access decision making to the detriment of new SCIT approaches, then the commercial opportunity and ASIT+ sales potential would be negatively impacted.

The Company may face significant competition and technological change which could limit or eliminate the market opportunity for its product candidates.

The market for pharmaceutical products is highly competitive. The Company may, amongst others, face the following competition challenges:

- the fields in which the Company operates are characterised by technological change and innovation; competitors of the Company include established pharmaceutical companies like ALK-Abello, Stallergènes, Allergopharma and Allergy Therapeutics, and other innovative biotechnology companies like Biomay, Anergis, and Aimmune Therapeutics, which are currently developing technologies and products that can be equally or more effective, and/or more economical than any current or future product candidates of the Company; for example, it cannot be excluded that technological advances such as new active ingredients like synthetic peptides or recombinant allergens or new administration routes like sublingual tablets or transdermal patches could have a higher market penetration;

- some of the Company's competitors have substantially greater financial, research and development resources than the Company and greater marketing and business power allowing them to accelerate the discovery and development of product candidates that could make the Company's product candidates less competitive;

- any new product that competes with an approved product must demonstrate, at the end of clinical development, compelling results in terms of efficacy, convenience, tolerability and safety in order to be commercially successful; accordingly, the Company's competitors may receive approval from Competent Regulatory Authorities prior to the Company; competitive advantages of competitors' products could limit the demand and the price of the Company's product candidates;

- the Company will not achieve its business plan if the acceptance of the Company's products is limited by price competition. The launch of competitive pharmaceutical products, particularly after the Company's intellectual property protection or data exclusivity period expires, may result in reduction in sales volumes or sales prices for the Company's products, which could materially adversely affect its business, prospects, financial condition and results of operations.

The price setting and the availability and level of adequate reimbursement by third parties, such as insurance companies, governmental and other payers is uncertain and may impede on the Company's ability to generate sufficient operating margins to offset operating expenses.

The Company's commercial performance will depend in part on the conditions for setting the sales price of its products by the relevant public commissions and bodies and the conditions of their reimbursement by the health agencies or insurance companies in the countries where the Company intends to market its products. Pressure on sales prices and reimbursement levels is intensifying owing in particular to:

- price controls imposed by many countries;

- the increasing reimbursement limitations of some products under budgetary policies, and

- the heightened difficulty in obtaining and maintaining a satisfactory reimbursement rate for medicines.

Obtaining adequate pricing decisions that would generate return on the investment incurred for the development of product candidates developed by the Company is therefore uncertain. The Company's ability to manage its expenses and cost structure to adapt to increased pricing pressure is untested and uncertain. All of these factors will have a direct impact on the Company's ability to make profits on the products in question. The partial/no reimbursement policy of medicines could have a material adverse effect on the business, prospects, financial situation, earnings and growth of the Company.

Risks Related to Regulatory Environment

Nearly all aspects of the Company's activities are subject to substantial regulation. No assurance can be given that any of the Company's product candidates will fulfil regulatory compliance. Failure to comply with such regulations could result in delays, suspension, refusals, fines and withdrawal of approvals.

The international pharmaceutical and medical technology industry is highly regulated by government bodies (the ***Competent Regulatory Authorities***) that impose substantial requirements covering nearly all aspects of the Company's activities. Competent Regulatory Authorities notably include the European Medicine Agency (EMA) and all national Competent Authorities in the EU, the Food and Drug Administration (FDA) in the US, and other Competent Authorities in other relevant markets.

There can be no assurance that product candidates of the Company will fulfil the criteria required to obtain necessary regulatory clearance to access the market. Also, at this time, the Company cannot guarantee or know the exact nature, precise timing and detailed costs of the efforts that will be necessary to complete the remainder of the development of its research programs and product candidates. Each Competent Regulatory Authority may impose its own requirements, may discontinue an approval, may refuse to grant approval, or may require additional data before granting approval, not-withstanding that approval may have been granted by one or more other Competent Regulatory Authorities. No assurance can be given that clinical trials will be approved by Competent Regulatory Authorities or that products will be approved for marketing by Competent Regulatory Authorities in any pre-determined indication or intended use. Competent Regulatory Authorities may disagree with the Company's interpretation of data submitted for their review. Even after obtaining approval for clinical trials or marketing, products will be subject to ongoing regulation and evaluation of their benefit/safety or risk/performance ratio.

Even if the Company completes the necessary preclinical and clinical studies, it cannot predict when or if it will obtain regulatory approval to commercialise any of its product candidates or if the conditions attached to such approval may be more stringent than the Company expects.

The Company cannot commercialise a product candidate for sale in a jurisdiction until the appropriate Competent Regulatory Authorities have reviewed and approved it. Even if the product candidates demonstrate safety and efficacy in clinical studies, such regulatory agencies may not complete their review processes in a timely manner, or the Company may not be able to obtain regulatory approval. Regulatory agencies also may approve a treatment candidate for fewer or more limited indications than requested or may grant approval subject to the performance of post-marketing studies. If the Company does not obtain regulatory approval to commercialise a product candidate, or if such approval is delayed, the Company's business, results of operations and/or financial condition could be materially adversely affected.

If the Company obtains regulatory approval for a product candidate, the product will remain subject to ongoing regulatory obligations.

If the Company obtains regulatory approval in a jurisdiction for a product, it will remain subject to ongoing regulatory obligations. In addition, Competent Regulatory Authorities may still impose significant restrictions on the indicated uses or marketing of the product or impose on-going requirements for potentially costly post-approval studies or post-market surveillance. If the Company would conduct clinical tests of its products with other therapeutic products (combination therapy), the Company's products would be exposed to any risk identified in relation to such other therapeutic products. Advertising and promotional

materials must comply with Competent Regulatory Authorities or other applicable rules and are subject to Competent Regulatory Authorities review, in addition to other potentially applicable laws and legislation globally. In addition, Competent Regulatory Authorities may not approve the labelling claims or advertisements that are necessary or desirable for the successful commercialisation of the Company's products.

The costs of compliance with applicable on-going regulations, requirements, guidelines or restrictions could be substantial, and failure to comply could result in sanctions, including fines, injunctions, civil penalties, denial of applications for marketing authorisation of its products, delays, suspension or withdrawal of approvals, licence revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly increase the Company's or its collaborative partners' costs or delay the development and commercialisation of its product candidates.

The occurrence of any event or penalty described above may delay commercialisation of the Company's products, increase costs and materially adversely affect the Company's business, prospects, financial condition and results of operation.

The Company is subject to inspection and shall be subject to market surveillance by Competent Regulatory Authorities for compliance with regulations that prohibit promotion of the Company's products for a purpose or indication other than those for which approval has been granted.

While a product manufacturer may not promote a product for such "off label" use, doctors are allowed, in the exercise of their professional judgment in the practice of medicine, to use a product in ways not approved by Competent Regulatory Authorities. Off-label marketing regulations are subject to varying evolving interpretations. Competent Regulatory Authorities have broad enforcement power, and a failure by the Company or its collaboration partners to comply with applicable regulatory requirements can, among other things, result in recalls or seizures of products, operating and production restrictions, withdrawals of previously approved marketing applications, total or partial suspension of regulatory approvals, refusal to approve pending applications, warning letters, injunctions, penalties, fines, civil proceedings, criminal prosecutions and imprisonment.

Risks Related to Intellectual Property

The Company may not be able to obtain, maintain, defend or enforce intellectual property rights covering its product candidates, which could adversely affect its ability to compete effectively.

The Company's commercial success depends, to a large extent, on its ability to obtain, maintain, defend and enforce its patents and other intellectual property rights covering its product candidates. The Company's research programs and product candidates are covered by several patents and patent applications, which are owned by the Company. The Company cannot guarantee that it will be in a position in the future to develop new patentable inventions or that the Company will be able to obtain patent rights from patent offices or maintain these patent rights against third-party challenges to their validity, scope and/or enforceability.

The Company cannot guarantee that it is or has been the first to conceive an invention and to file a patent or a patent application, notably given the fact that patent applications are not published in most countries before an 18-months period from the date of the filing. Because patent law in the biopharmaceutical industry is highly uncertain, there can be no assurance that the technologies used in the Company's research programs and product candidates are patentable, that patents will be granted from pending or future

applications, or that patents will be broad enough to provide adequate and commercially meaningful protection against competitors with similar technologies or products, or that patents granted will not be successfully challenged, circumvented, invalidated or rendered unenforceable by third parties, hence enabling competitors to circumvent or use them and depriving the Company from the protection it may expect against competitors. If the Company does not obtain patents in respect of its technologies or if the patents of the Company are invalidated (for example, as a result of the discovery of prior art), third parties may use the technologies without payment to the Company. In addition, a third party's ability to use unpatented technologies is enhanced by the fact that the published patent application contains a detailed description of the relevant technology. The Company cannot guarantee that third parties, contract parties or employees will not claim ownership rights over the patents or other intellectual property rights owned or held by the Company.

Finally, the enforcement of patents and other intellectual property is costly, time consuming and highly uncertain. The Company cannot guarantee that it will be successful in preventing the misappropriation of its patented inventions, know-how and other intellectual property rights, and failure to do so could significantly impair the ability of the Company to effectively compete.

The Company may not be able to protect its intellectual property rights throughout the world.

Filing, prosecuting and defending patents on all of the Company's product candidates throughout the world would be prohibitively expensive to the Company. Competitors may use the Company's technologies in jurisdictions where the Company has not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Company has patent protection but where enforcement is not as well developed as in the US or EU. These products may compete with the Company's products in jurisdictions where the Company does not have any issued patents and the Company's patent claims, or other intellectual property rights, may not be effective or sufficient to prevent them from so competing. Proceedings to enforce the Company's patent rights in foreign jurisdictions could result in substantial cost and divert the Company's efforts and attention from other aspects of its business. The inability of the Company to protect and/or enforce its intellectual property rights throughout the world could have a material adverse effect on its business, prospects, financial condition and results of operations. At the date of this Registration Document, the Company does not face proceedings regarding the enforcement of its intellectual property.

Intellectual property rights do not necessarily address all potential threats to the Company's competitive advantage.

The degree of future protection afforded by the Company's intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect the Company's business or permit it to maintain its competitive advantage. The following examples are illustrative:

- the Company relies on proprietary know-how to protect its research programs, product candidates and ASIT+ platform; know-how does not benefit from intellectual property rights protection and is difficult to maintain; the Company uses reasonable efforts to maintain its know-how, but it cannot assure that its partners, employees, consultants, advisors or other third parties will not willfully or unintentionally disclose proprietary information to competitors;
- others may be able to make products that are similar to the Company's product candidates but that are not covered by the claims of the Company's patents;
- others may independently develop similar or alternative technologies or duplicate any of the Company's technologies without infringing the Company's intellectual property rights;

- pending patent applications may not lead to issued patents;
- issued patents may not provide the Company with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by the Company's competitors;
- the Company's competitors might conduct research and development activities in countries where the Company does not have patent rights and then use the information learned from such activities to develop competitive products for sale in its major commercial markets;
- the Company may not develop or in-license additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on the Company's business.

Should any of these events occur, they could significantly harm the Company's business, prospects, financial condition and results of operation.

Intellectual property infringement claims from third parties would be time-consuming and costly to defend and may result in liability for damages or prevent the Company from commercialising its products.

The Company's success will depend in part on its ability to operate without infringing on or misappropriating the intellectual property rights of others. The Company cannot guarantee that its activities will not infringe on the patents or other intellectual property rights owned by others. The Company may expend significant time and effort and may incur substantial costs in litigation if it is required to defend against patent or other intellectual property right suits brought against the Company regardless of whether the claims have any merit. If the Company is found to infringe on the patents or other intellectual property rights of others, it may be subject to substantial claims for damages, which could materially impact the Company's cash flow and financial position. The Company may also be required to cease development, use or sale of the relevant research programme, product candidate or process or it may be required to obtain a licence on the disputed rights, which may not be available on commercially reasonable terms, if at all. Even if the Company is able to obtain a licence, it could be non-exclusive, thereby giving its competitors access to the same technologies licensed to the Company and could require the Company to make substantial royalty payments. The Company may be unable to develop or commercialise a product, product candidate or research programme, or may cease some of its operations, which may have a material adverse effect on the Company's business.

There can be no assurance that the Company's efforts to search for existing proprietary rights before embarking on a research and development programme with respect to a particular product candidate, method, process or technology will uncover all relevant third party rights relating to such product, method, process or technology. The Company may spend significant time and effort and may incur substantial costs if required to defend against any infringement claims or to assert its intellectual property rights against third parties. The risk of such a procedure by a third party may increase in view of the Company making public announcements regarding one or more of its research programs and product candidates. The Company may not be successful in defending its rights against such procedures or claims and may incur as a consequence thereof significant losses, costs or delays in its intended commercialisation plans as a result thereof.

If the Company is not able to prevent disclosure of its trade secrets, know-how or other proprietary information, the value of its technology and product candidates could be significantly diminished.

The Company relies on trade secret protection to protect its interests in its know-how or other proprietary information and processes for which patents are difficult to obtain or enforce or which are difficult to reverse engineer, all of which constitute confidential information. The Company may not be able to protect its confidential information adequately. The Company has a policy of requiring its consultants, employees, contract personnel, advisers and third-party partners to enter into invention transfer, non-disclosure and non-compete agreements. However, no assurance can be given that the Company has entered into appropriate agreements with all of its consultants, contract personnel, advisers, third-party partners or other parties that have had access to the Company's confidential information. There is also no assurance that such agreements will provide for a meaningful protection of confidential information in the event of any unauthorised use or disclosure of information.

Furthermore, the Company cannot provide assurance that any of its employees, consultants, contract personnel or third-party partners, either accidentally or through willful misconduct, will not cause serious damage to its programs and/or its strategy, by, for example, disclosing confidential information to its competitors. It is also possible that confidential information could be obtained by third parties as a result of breaches of physical or electronic security systems of the Company, its consultants, advisers, third-party partners or other parties that have had access to its confidential information. Any disclosure of confidential data into the public domain or to third parties could allow the Company's competitors to learn confidential information and use it in competition against the Company. In addition, others may independently discover the Company's confidential information. Any action to enforce the Company's rights against any misappropriation or unauthorised use and/or disclosure of confidential information is likely to be time-consuming and expensive, and may ultimately be unsuccessful, or may result in a remedy that is not commercially valuable.

Risks Related to Third Parties

The Company has obtained significant funding from the Brussels-Capital and Walloon Regions. The terms of the agreements signed with the Regions may hamper the Company to partner part or all its products and restrict the Company's ability to determine the location of its premises.

The Company has entered into funding agreements with the Brussels-Capital Region (the ***Brussels Grants***) and the Walloon Region (the ***Walloon Grants***) to finance its research and development programs.

According to the terms of the Brussels Grants, the Company would be required to ensure the industrial and commercial development is in the interest of the economy, employment and the environment in the Brussels-Capital Region. The sale of patents or know-how and licensing to companies located outside the Brussels-Capital Region must meet the same recovery goals. The Brussels-Capital Region may request the Company for partial or total repayment of subsidies received if the Company breached its commitment. The Company may not be able to reimburse these grants pursuant to the terms of these contracts, or such repayment could affect the funding of its clinical and scientific activities. The Company agreed to pursue activity on the territory of the Brussels-Capital Region in the 10 years following the end date of the agreements granting subsidies (i.e., until March 2018).

The Company has also decided to partially finance some of its development program of its house dust mite product candidate as well as food allergy product candidates with funding from the Walloon Region, and as a result, the Company is bound by the terms and conditions of the Walloon Grants. The Walloon Grants are dedicated to support specific research projects, and their terms may limit the Company's ability to conduct research with third parties in the field of such research projects and prohibit the granting of any

other rights relating to the Company's findings of such research projects to third parties. Also, the Company needs to obtain the consent of the Walloon Region for any transfer, out-licensing or sale to a third party of any or all of the research projects related results, which may reduce the Company's ability to partner or sell part or all of its products.

Furthermore, when research projects partially funded by the Walloon Region will enter into their phase of use (meaning the phase following the research phase and during which the Company will use the results of the research projects for commercial purposes), the Company will have to start reimbursing the funding received on an annual basis. Such phase of use of the results arising from the research project regarding house dust mite allergy started in 2017. The reimbursement will be divided into a fixed part (for an amount of € 13,240 for 2018) and a variable part dependent upon the Company's turnover. The Company may not be able to reimburse such funding under the terms of the agreements or such reimbursement may jeopardise the funding of its clinical and scientific activities.

In addition, if the Company decides not to enter into the phase of use with respect to the research projects, it must transfer all property rights relating to the findings of the research projects to the Walloon Region. In such case, the Company would also be prohibited from conducting any research for any third party relating to the research projects for a period of 72 months following the Company's decision not to enter into the phase of use.

The above commitments are binding contractual undertakings of the Company. If the Company does not respect its contractual undertakings, the Company could be held liable for breach of contract.

The Company currently relies on one CMO to supply and manufacture its active ingredients at a single manufacturing facility. The development and commercialisation of such product candidates could be stopped or delayed if such third party fails to provide the Company with sufficient quantities of product candidates, fails to do so at acceptable quality levels or prices, or fails to maintain or achieve satisfactory regulatory compliance.

The Company does not currently have the infrastructure or internal capability to manufacture its active ingredients (drug substance) for use in the conduct of its clinical studies or for future commercial supply after suitable conversion into formulated drug product, if its products are approved. Instead, the Company relies on a CMO. The Company has limited control on the manufacturing processes of such CMO and is dependent on it for the production of its active ingredients in accordance with relevant regulations (such as GMP).

The Company faces risks inherent in relying on a single CMO, as any disruption, such as a fire, natural hazards, vandalism at the CMO or any change of control or disruption in the management of the CMO. Any such disruption could significantly impair the Company's manufacturing capability. The Company may also experience an unexpected loss of supply, and if such supplier were unable to meet its demand for any of its product candidates, it could experience delays in research or planned clinical studies or commercialisation.

The Company has therefore initiated the design, installation and qualification of an internal capability that could, upon certification by national health authorities, provide a suitable mitigation for this risk. An inspection of its production facility is foreseen end of Q2 2019 by AFMPS and subject to the outcome the official notification could be obtained end of Q3 2019. Immediately upon GMP certification, the Company could use the capacity of its facility to produce any active ingredient for clinical application. Nevertheless for commercial use of gp-ASIT+™ equivalency with the active ingredient currently used in our phase III trials that were produced at our CMO should be demonstrated first. These studies could be realized in the first half of 2020.

The supply of formulated drug product is secured through a dual sourcing channel, from established CMO's based in the European Union and Switzerland, respectively, and covered by all relevant GMP certifications and manufacturing authorizations.

The Company relies on one supplier for certain clinical trial testing materials.

The Company relies on third party suppliers for its clinical trial testing materials. Regarding some of the clinical trial testing materials, including the skin prick test and the Conjunctival Provocation Test (CPT) solutions which have been used thus far throughout the clinical development of its product candidates, the Company is dependent upon a limited number of suppliers.

In addition to the unexpected loss of, or shortage in, supply, relying on a single supplier also exposes the Company to risks linked to disruption, such as a fire, natural hazards, vandalism at the supplier or any change of control or disruption in the management of the supplier. Any such disruption could significantly impair the clinical trials of the Company's product candidates.

The Company is currently considering strategies to limit the negative impacts related to the dependence upon one or a limited number of third-party suppliers. It is however very rare to set up back sites or options at this stage and the consciously selected suppliers have delivered as expected.

The Company has elected to mitigate these risks by securing well ahead of time the required inventory of all required products, while making sure the related products shelf lives completely cover the planned duration of the ABT-gpASIT011 Phase III study. The list of these products includes the gp-ASIT+™ clinical test material itself, as well as the corresponding placebo, but also the skin prick test components. Moreover, the clinical study design does no longer rely upon the use of a CPT, which is therefore no longer a risk factor.

The Company may be unable to purchase raw materials and process media such as natural sources of allergens provided by third party suppliers for the manufacturing of the product candidates.

Access to raw materials and process media necessary for active ingredients manufacturing is essential for sustainability and profitability of the Company's operations. Failure to obtain access to such raw materials and process media could have a negative impact on the development of the Company's activities.

The Company is dependent on its suppliers to secure the supply of the required raw materials and process media. No long-term renewable contracts and framework agreements have at this stage been executed with the suppliers. Should the Company's existing suppliers cease operations or reduce or eliminate production of these raw materials or process media, access to these materials may become impossible.

The Company may need to rely on partners for the commercialisation and distribution of its products in certain or all regions.

The Company's product candidates are being developed with the intention of a commercial launch in a number of key countries. The Company currently has no commercial, marketing and sales organisation in place and has never marketed a product and has therefore limited experience in the fields of sales, marketing and distribution. The Company has assessed the possibility to deploy its own sales and distribution organisation in key markets. However, it might be possible that the Company will need to rely for the commercial launch and distribution of its products on license and/or supply deals with partners in certain regions. Such partners have not been identified, and there can be no assurance that the Company will ever identify such partners or find a profitable agreement with such partners. Therefore, its products might not be commercialised in all markets that the Company currently targets. When the selected partners are not successful in commercialising the Company's products or the Company is not successful in

collaborating with an appropriate partner, it will suffer from a reduction in volumes sold, revenues and cashflows from the relevant product in the relevant market.

The Company's dependence on partners for the commercialisation of its products in certain or all the regions results in a number of risks, including, but not limited to, the following:

- the Company may not be able to control the amount or timing of resources that partners devote to the Company's products;
- the willingness or ability of the Company's partners to complete their obligations under the Company's collaboration arrangements may be materially adversely affected by business combinations or significant changes in a partner's business strategy; and/or
- the Company may experience delays in, or increases in the costs of, the marketing of the Company's products due to the termination or expiration of collaborative arrangements.

If any of these risks were to materialize, the Company's ability to commercialise one or more of its products could be impaired and its business, prospects, financial condition and results of operations could be materially adversely affected.

Risks Related to Structure & Operations

The Company could fail to achieve or maintain high standards of manufacturing in accordance with Good Manufacturing Practices and other manufacturing regulations.

The Company and key third-party suppliers on which it relies currently or in the future must continuously adhere to (current) Good Manufacturing Practices and corresponding manufacturing regulations of Competent Regulatory Authorities. In complying with these regulations, the Company and its third-party suppliers must expend significant time, money and effort in the areas of design and development, testing, pro-duction, record-keeping and quality control to assure that the products meet applicable specifications and other regulatory requirements. The Company may also be compelled to look for alternative suppliers that comply with such requirements. The failure to comply with these requirements could result in an enforcement action against the Company, including the seizure of products need to be expressed for sub-contracted manufacturing. Any of these third-party suppliers and the Company also may be subject to audits by the Competent Regulatory Authorities. In order to limit the risks in that respect the Company imposes very strict contractual obligations to suppliers and ensures a follow-up of their activities and respect of their regulatory requirements. In particular, a formal and systematic qualification process is enforced, including periodic on-site qualification audits and implementation of binding corrective action plans, under the terms of quality agreements or similar contractual terms. All material and services providers are currently operating under this model.

The Company's drug substance manufacturing contractor constantly maintains its level of registration. It is fully licensed for the production and release of investigational and commercial active pharmaceutical ingredients in Europe and for the production and release of active pharmaceutical ingredients for clinical development purposes in the United States.

The Company is highly dependent on its current management team, and failure to attract and retain senior management and skilled personnel could impair the Company's development and commercialisation efforts.

The services of the Company's management team are critical to the successful implementation of its business, research, product development and regulatory strategies. Members of the Company's management team may terminate their employment or services with the Company at any time. The loss of the services of any of the Company's management team, and especially of the CEO, and its inability to find suitable replacements could harm its business, financial condition, prospects and ability to achieve the successful development or commercialisation of its product candidates.

Recently there were important changes at the management team. The previous CEO and CFO were replaced by a new CEO and CFO. The new CEO has implemented a new strategic approach (see section STRATEGY & BUSINESS REVIEW – Key information).

The Company's success depends in part on its continued ability to attract, retain and motivate highly qualified clinical and scientific personnel and on its ability to develop and maintain important relationships with leading academic institutions, clinicians and scientists. If the Company loses the services of certain clinical and scientific personnel or members of its management team, its research and development efforts may be seriously and adversely affected. Although the Company generally has not experienced substantial problems retaining key employees, its employees can terminate their employment with the Company at any time with relatively short notice. There can be no assurance that the Company will be able to retain personnel, enforce non-competition undertakings or, where necessary, attract such personnel on acceptable terms, given the competition for experienced people from numerous specialised biotechnology firms and pharmaceutical companies. The Company's anticipated growth and expansion into areas and activities requiring additional expertise such as clinical trials in the US, registration, manufacturing and marketing, are expected to place increased demands on the Company's resources. These demands are expected to require the addition of new personnel and/or managers and the development of additional expertise by current personnel and/or managers. The failure to attract the needed personnel or to develop such needed expertise could have a materially adverse effect on the Company's prospects for success.

Competition for skilled personnel in the biotechnology and pharmaceutical industries is intense and the turnover rate can be high, which may limit the Company's ability to hire and retain highly qualified personnel on acceptable terms or at all.

To attract and retain senior management and skilled personnel, the Company has increased compensation, issued warrants to management and employees, and offered flexibility such as part-time employment or increased geographical flexibility.

The Company has limited experience in sales, marketing and distribution.

Since its inception, the Company's activities have mainly been limited to staffing, business planning, raising capital, developing products and technologies, identifying potential product candidates and undertaking preclinical and clinical studies. The Company has not yet demonstrated its ability to obtain marketing authorisation for its products or conduct sales and marketing activities necessary for successful product commercialisation, and no clear price strategy has yet been determined. In addition, given its limited operating history, the Company may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors.

The Company has currently neither marketing nor sales capacity. The Company is considering the possibility to set up its own marketing and sales force when clinical results confirm the possibility that a first product

candidate can be marketed. In such a case, the Company would have to acquire marketing skills and develop its own sales and marketing infrastructure, and would need to incur additional expenses, mobilise management resources, implement new skills and set up the appropriate organisational structure to market the relevant product(s). The Company may not be able to attract qualified sales and marketing personnel on acceptable terms in the future and therefore may experience constraints that will impede the achievement of its commercial objectives.

If the Company is not successful in transitioning its current research and development to the commercialisation of product candidates or incurs greater costs than expected in this respect, the Company's business, prospects, financial condition and results of operation could be materially adversely affected.

Growth may trigger significant demands on the Company's management and resources.

The Company expects to experience future growth in the number of its employees and the scope of its operations in connection with the continued development and commercialisation of its current and potential new product candidates. If the Company is unable to integrate successfully such additional employees or operations, or to hire the necessary additional qualified employees in a sufficient number and in a timely manner, this may have a material adverse effect on the Company's business, results of operations or financial condition.

The Company's employees, principal investigators, consultants and partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards.

Misconduct by employees, independent contractors, principal investigators, consultants, collaborative partners and vendors could include intentional failures to comply with Competent Regulatory Authorities' regulations, to provide accurate information to Competent Regulatory Authorities or to comply with manufacturing standards the Company has established.

In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements.

Misconduct could also involve scientific data fraud, or the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and serious harm to the Company's reputation. It is not always possible to identify and deter misconduct, and the precautions the Company takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company and the Company is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of significant fines or other sanctions, and its reputation.

Other Risks

If any product liability lawsuits are successfully brought against the Company or any of its partners, the Company may incur substantial liabilities and may be required to limit commercialisation of its product candidates.

The Company could face the risk of substantial liability for damages if its product candidates were to cause adverse side effects in clinical trials or once they are on the market. The Company may not be able to accurately predict the possible side effects that may result from the use of its product candidates. Product liability claims may be brought against the Company or its partners by participants enrolled in clinical trials, practitioners, researchers and other health/research professionals or others using, administering or selling any of the Company's future approved products. If the Company cannot successfully defend itself against any such claims, it may incur substantial liabilities. Regardless of their merit or eventual outcome, liability claims may result in:

- decreased demand for the Company's future approved products;
- injury to the Company's reputation;
- withdrawal of clinical trial participants;
- termination of clinical trial sites or entire trial programs;
- increased regulatory scrutiny;
- loss of funding and other financing;
- significant litigation costs;
- substantial monetary awards to or costly settlement with patients or other claimants;
- product recalls or a change in the indications for which they may be used;
- loss of revenue;
- diversion of management and scientific resources from the Company's business operations; and
- the inability to commercialise product candidates.

2.INTRODUCTION

Disclaimer & Company Information

Registration Document 2018

This registration document of ASIT biotech SA (also referred to herein as the "Company") is a registration document in accordance with article 28 of the Belgian Act of 16 June 2006 relating to public offerings of securities and the admission for trading on a regulated market. The English version of this Registration Document has been approved by the Financial Services and Markets Authority on 17 July 2019 according to article 23 of the aforementioned Act. The FSMA's approval of this registration document does not imply any judgment on the situation of the Company.

This registration document has not been submitted for approval to any supervisory body or governmental authority outside Belgium.

The annual report 2017, in the form of a registration document, is included by reference in the present document.

Language of this Registration Document

ASIT biotech SA has prepared its Registration Document in English.

In the event of differences of interpretation between English and French versions of the document, the English version shall prevail, without prejudice to the responsibility of the Company for inconsistencies between the different language versions of the document.

Availability of the Registration Document

To obtain a copy of the Registration Document free of charge, please contact:

ASIT biotech SA

Attn. Grégory Nihon

5 avenue Ariane

1200 Brussels

Phone : +32.2.264.03.90

Fax : +32.2.264.03.99

E-mail : investors@asitbiotech.com

This Registration Document is also available from the website of ASIT biotech (www.asitbiotech.com).

Forward Looking Statements

This Registration Document contains forward-looking statements and estimates made by the Company with respect to the anticipated future performance of ASIT biotech 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 ASIT biotech, 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 this Registration Document. ASIT biotech SA disclaims any obligation to update any such forward-looking statement, forecast or estimates to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement, forecast or estimate is based, except to the extent required by Belgian law.

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

Market and Industry Information

Information relating to markets and other industry data pertaining to the Company's business included in this Registration Document 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.

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 Brussels (Belgium), where such documents are available to the public. The Company is registered with the register of legal entities of Brussels under company number 0460.798.795. 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.asitbiotech.com).

The Company prepares annual audited and EU - IFRS 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. Copies of these documents are available on the Company's website (www.asitbiotech.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.

3. PERSONS RESPONSIBLE FOR THE CONTENT OF THIS REGISTRATION DOCUMENT

The Board of Directors of the Company assumes responsibility for the content of this registration document. The Board of Directors declares that, having taken all reasonable care to ensure that such is the case, the information contained in this registration document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its content.

On behalf of the Board of Directors

Michel BAIJOT

Chief Executive Officer

Yves DESIRONT

Director

4. STATUTORY AUDITORS

The Company has a College of Statutory Auditors composed of two Auditors:

- **Mazars-Réviseur d'Entreprises SCRL**, a civil company, having the form of a cooperative company with limited liability (société cooperative à responsabilité limitée / coöperatieve vennootschap met beperkte aansprakelijkheid) organized and existing under the laws of Belgium, with registered office at 77/4 avenue Marcel Thiry, 1200 Brussels, registered with the Crossroads Bank for Enterprises under number 428.837.889 and registered with the Institute of Statutory Auditors (Institut des Réviseurs d'Entreprises / Instituut van de Bedrijfsrevisoren) under number B00021, represented by Xavier Doyen, was appointed on 14 June 2018 for a term of 3 years, ending immediately after the closing of the shareholder's meeting to be held in 2021, that will have deliberated and resolved on the financial statements for the financial year ended on 31 December 2020; and
- **RSM Réviseurs d'Entreprises SCRL**, a civil company, having the form of a cooperative company with limited liability (société cooperative à responsabilité limitée / coöperatieve vennootschap met beperkte aansprakelijkheid) organized and existing under the laws of Belgium, with registered office at 1151 chaussée de Waterloo, 1180 Brussels, registered with the Crossroads Bank for Enterprises under number 429.471.656 and registered with the Institute of Statutory Auditors (Institut des Réviseurs d'Entreprises / Instituut van de Bedrijfsrevisoren) under number B00033, represented by Luis Laperal, was appointed on 30 June 2016 for a term of 3 years, ending immediately after the closing of the shareholder's meeting to be held in 2019, that will have deliberated and resolved on the financial statements for the financial year ended on 31 December 2018. The renewal of RSM Réviseurs d'Entreprises SCRL's mandate will be resolved during the annual general shareholders' meeting on 13 June 2019.

On 30 June 2016, the shareholders' meeting of the Company acknowledged the resignation of RSM Interaudit SCRL, represented by Luis Laperal, as Statutory Auditor. This resignation was justified by RSM Interaudit to the shareholders' meeting in accordance with Article 135 of the BCC. This resignation occurred for administrative and internal reasons to the RSM Network in Belgium, where mandates of Statutory Auditors for listed companies are exercised by RSM Réviseur d'Entreprises SCRL and not by RSM Interaudit SCRL (the latter exercising mandates of Statutory Auditors only for non-listed companies).

There have been no other auditors who have audited the financial statements in the past three years.

5. SELECTED CONSOLIDATED IFRS FINANCIAL INFORMATION

EU - IFRS statement of financial position (in € '000)

	31 December		
	2018	2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment	810	691	736
Other long-term receivables	1,588	1,146	1,034
	2,397	1,837	1,770
Current assets			
Trade receivables	-	-	3
Other receivables	280	244	323
Other current assets	418	78	72
Cash and cash equivalents	8,458	2,126	13,387
	9,157	2,448	13,785
Total assets	11,554	4,285	15,555
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	14,350	9,989	17,506
Share premium	37,034	21,957	21,957
Cost of capital increase	(2,317)	(2,102)	(2,102)
Share based payment reserve	344	270	216
Convertible bonds specific reserve	290		
Accumulated deficit	(43,233)	(28,915)	(24,445)
Total equity attributable to shareholders	6,468	1,199	13,132
LIABILITIES			
Non-current liabilities			
Financial debts	465	432	419
	465	432	419
Current liabilities			
Financial debts	25	34	12
Convertible bonds	1,616		
Trade payables	1,669	1,264	1,707
Other payables	1,311	1,357	285
	4,621	2,654	2,004
Total liabilities	5,086	3,086	2,423
Total equity and liabilities	11,554	4,285	15,555

EU - IFRS income statement and other comprehensive income (in € '000)

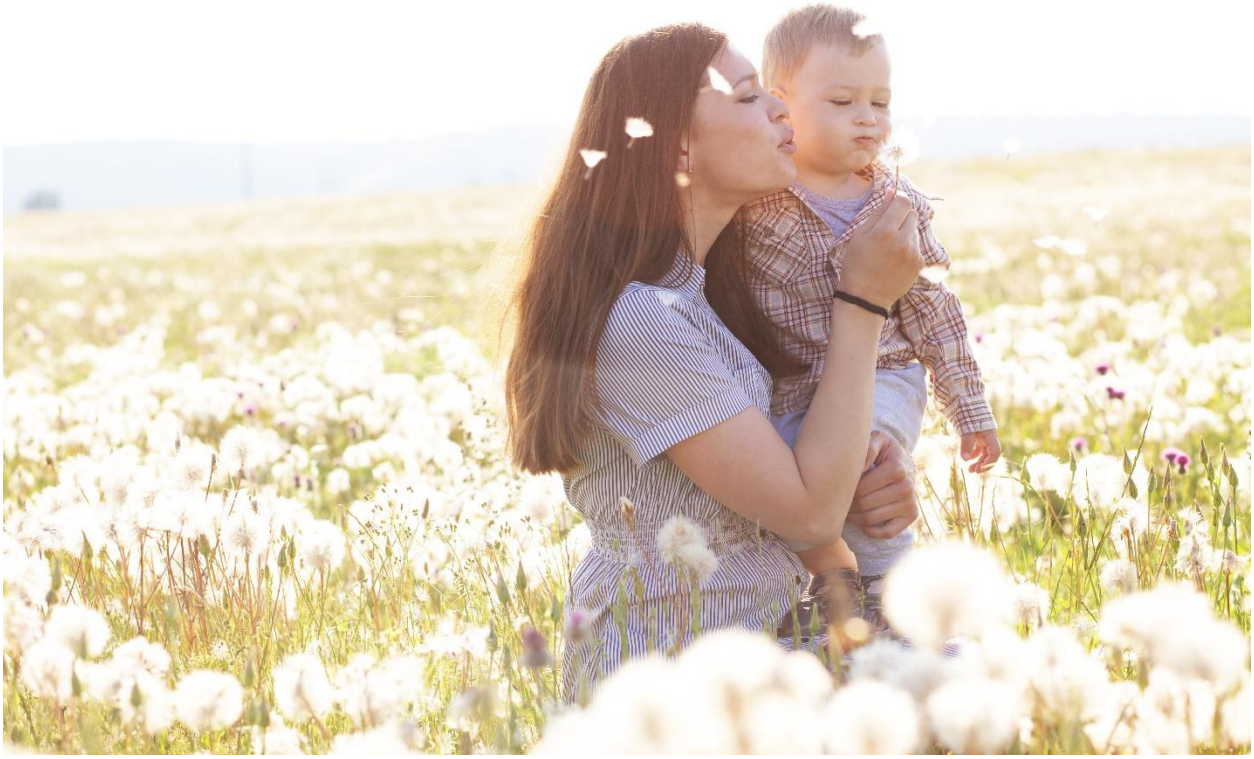
	31 December		
	2018	**2017**	**2016**
Other operating income / (expenses)	557	604	1,667
Research and development expenses	(10,856)	(10,903)	(12,123)
General and administrative expenses	(2,468)	(1,676)	(1,822)
Operating loss for the period	**(12,767)**	**(11,976)**	**(12,278)**
Financial income	13	36	42

	31 December		
	2018	**2017**	**2016**
Financial expense	(1,570)	(45)	(102)
Loss for the period before taxes	**(14,324)**	**(11,985)**	**(12,338)**
Taxes	3	(2)	(1)
Loss for the period	**(14,321)**	**(11,986)**	**(12,339)**
Other comprehensive income			
Comprehensive loss for the period	**(14,321)**	**(11,986)**	**(12,339)**
Loss for the year			
Attributable to owners of the Company	(14,321)	(11,986)	(12,339)
Losses per share (in € per share)			
- basic and diluted	(0,86)	(0,94)	(1,10)

EU - IFRS statement of cash flows (in € '000)

	2018	**2017**	**2016**
Cash flow from operating activities	**(13,018)**	**(12,835)**	**(13,697)**
Cash flow from investing activities	**(371)**	**(161)**	**(389)**
Cash flow from financing activities	**19,722**	**1,733**	**22,852**
Net increase / (decrease) in cash and cash equivalents	**6,332**	**(11,261)**	**8,766**
Cash and cash equivalents at the beginning of the period	**2,126**	**13,387**	**4,621**
Cash and cash equivalents at the end of the period	**8,458**	**2,126**	**13,387**

6.INFORMATION ABOUT THE COMPANY



General

The Company has the legal form of a company with limited liability, which makes appeal on or has made an appeal on public savings (société anonyme/naamloze vennootschap), organised under the laws of Belgium. The Company was incorporated on 23 May 1997 for an indefinite duration. Pursuant to the provisions of the BCC, the liability of the Shareholders of the Company is in principle limited to the amount of their respective committed contribution to the capital of the Company. The Company is registered with the Crossroads Bank for Enterprises under number 460.798.795 (RLP: Brussels).

The Company's registered office is located at Avenue Ariane 5, 1200 Brussels, Belgium and its telephone number is + 32 2 264 03 90. The Company's legal and commercial name was Biotech Tools until 5 August 2015. Since that date the legal and commercial name of the Company is ASIT biotech.

This section summarises information relating to the Company's share capital, the Articles of Association, certain material rights of its Shareholders under Belgian law. The contents of this section are derived primarily from the Articles of Association, that have last been amended on 4 July 2019.

The content provided herein is only a summary and does not intend to provide a complete overview of the Articles of Association or the relevant provisions of Belgian law. Neither should it be considered as legal advice regarding these matters.

Corporate Purpose

The corporate purpose of the Company is set forth in Article 3 of its Articles of Association. The corporate purpose reads (in translation from the French original text) as follows:

"The purpose of the Company is, as well in Belgium as abroad, as well in its own name and for its own accounts as in the name or for the account of third parties:

- to develop new medical technologies, including research and development of products and process in the pharmaceutical and biotechnology fields, including immunotherapy, allergy and autoimmune diseases;
- the production and manufacturing of the results obtained by the researches and development activities;
- the marketing of products and process in the above mentioned fields;
- the development, sale, exploitation, use of results, marketing, license grant, licensing and management of all intellectual rights directly or indirectly related to the activities of the Company;
- training, information, publication, communication and edition on any supports relating to the above mentioned activities.

The Company can perform all so-called financial, movable and immovable transactions that, directly or indirectly, relate to the Company's corporate purpose or which may benefit this corporate purpose.

The Company can participate directly or indirectly in any business, company, association or institutions with a similar or related purpose, or which may benefit this corporate purpose or the development of its operations.

The Company can grant guarantees to any related company or event to third parties."

Organisational structure

The company is not part to a group of companies and does not have an ownership stake in a subsidiary. The Company incorporated the subsidiary Biotech Tools Factory SA in 2009 but this subsidiary was liquidated on June 2015.

Share capital and shares

Share capital and shares

On the date of this Registration Document, the share capital of the Company amounts to €15,649,732.02 and is fully paid-up. It is represented by 20,063,759 Shares without nominal value and representing the same pro rata fraction of the share capital.

The Company is not controlled within the meaning of Article 5 of the BCC.

History of share capital

The changes in the Company's share capital since its incorporation can be summarised as follows:

Date	Transaction	Increase or reduction of share capital (EUR)	Share capital after transaction (EUR)	Aggregate number of shares after transaction
23 May 1997	Incorporation	29,747.22	29,747.22	1,200
30 September 1998	Capital increase in cash	278,88	308,627.43	5,460
24 October 2000	Capital increase in cash	2,032,736.82	2,341,364.26	12,529
20 May 2005	Capital increase through conversion of bonds	123,936.85	2,465,301.11	12,960
20 May 2005	Capital increase in cash	1,107,272.73	3,572,573.87	16,545
8 June 2006	Capital increase in cash	664,502.00	4,237,075.84	18,698
31 May 2007	Capital increase in cash	5,210,000.00	9,447,075.84	38,212
19 November 2009	Capital increase in cash	1,417,110.82	10,864,186.66	43,944
		+ 1,583,017.98 (issue premium)	+ 1,583,017.98 (issue premium)	
7 March 2011	Capital increase in cash	2,082,393.02	12,946,579.68	52,367
		+ 2,326,205.18 (issue premium)	+ 3,909,391.84 (issue premium)	
18 January 2012	Capital increase in cash	1,346,167.35	14,292,747.03	57,812
		+ 1,503,745.65 (issue premium)	+ 5,412,968.81 (issue premium)	
23 December 2014	Capital increase through incorporation of the issue premiums	5,412,968.81	19,705,715.84	57,812
23 December 2014	Capital reduction by absorbing carried forward losses	- 19,699,539.49	6,176.35	57,812
23 December 2014	Capital increase in cash	7,086,960.00	7,093,136.35	70,936
23 December 2014	Capital increase through conversion of 3,275 bonds issued on 28 April 2013	854,100.00	7,947,236.35	74,211

23 December 2014	Capital increase through conversion of 7,648 bonds issued on 23 May 2014	2,596,800.00	10,544,036.35	81,859
23 December 2014	Capital increase through conversion of 3,182 bonds issued on 15 October 2014	1,081,100.00	11,625,135.35	85,041
8 January 2016	Stock-split	-	-	8,504,100
12 May 2016	Capital increase in cash	4,579,462.46 + 18,870,537.54 (issue premium)	16,204,598.81	11,854,100
12 May 2016	Capital increase through conversion of 413 bonds issued on 5 August 2015	1,233,994 + 2,896,006 (issue premium)	17,438,592.81	12,756,800
28 December 2016	Capital increase through the exercise of 493 subscription rights	67,393.28 + 190,642.92 (issue premium)	17,505,986.09	12,806,100
8 June 2017	Capital reduction by absorbing carried forward losses	- 7,517,228.09	9,988,758.00	12,806,100
25 January 2018	Capital increase in cash and through subscription of 2,456,444 new shares	1,916,026.32 + 7,492,154.20 (issue premium)	11,904,784.32	15,262,544
23 February 2018	Capital increase in cash, subscription of 543,556 new shares and the exercise of 626,146 Warrants 1	912,367.56 + 3,567,591.1 (issue premium)	12,817,151.88	16,432,246
16 March 2018	Capital increase in cash further to the exercise of 41,726 Warrants 1	32,546.28 + 127,264.3 (issue premium)	12,849,698.16	16,473,972
15 June 2018	Capital increase in cash further to the exercise of 296,954 Warrants 1 and 56,097 Warrants 2	275,379.78 + 1,076,805.55 (issue premium)	13,125,077.94	16,827,023
4 July 2018	Capital increase in cash further to the exercise of 182,769 Warrants 1	142,559.82 +557,445.45 (issue premium)	13,267,637.76	17,009,792
13 July 2018	Capital increase through conversion of 38 bonds issued on 10 July 2018	22,565.40 +72,434.93 (issue premium)	13,290,203.16	17,038,722
2 August 2018	Capital increase through conversion of 63 bonds issued on 10 July 2018	41,779.14 +115,717.51 (issue premium)	13,331,982.30	17,092,285
6 September 2018	Capital increase through conversion of 482 bonds issued on 10 July 2018	323,303.76 +881,696.24 (issue premium)	13,655,286.06	17,506,777
4 October 2018	Capital increase through conversion of 253 bonds issued on 10 July 2018	172,488.42 +460,011.58 (issue premium)	13,827,774.48	17,727,916
8 November 2018	Capital increase through conversion of 254 bonds issued on 10 July 2018	254,616.18 +380,383.82 (issue premium)	14,082,390.66	18,054,347
29 November 2018	Capital increase through conversion of 130 bonds issued on 10 July 2018	145,731.30 +179,268.70 (issue premium)	14,228,121.96	18,241,182
6 December 2018	Capital increase through conversion of 115 bonds issued on 10 July 2018	121,419.48 +166,080.52 (issue premium)	14,349,541.44	18,396,848

10 January 2019	Capital increase through conversion of 148 bonds issued on 10 July 2018	190,075.86	14,539,617.30	18,640,535
		+179,924.14 (issue premium)		
7 February 2019	Capital increase through conversion of 358 bonds issued on 10 July 2018	562,007.16	15,101,624.46	19,361,057
		+332,992,84 (issue premium)		
7 March 2019	Capital increase through conversion of 38 bonds issued on 10 July 2018	37,736.40	15,139,360.86	19,409,437
		+17,263,60 (issue premium)		
4 April 2019	Capital increase through conversion of 325 bonds issued on 10 July 2018	510,371.16	15,649,732.02	20,063,759
		+302,128.84 (issue premium)		
2 May 2019	Capital increase through conversion of 67 bonds issued on 10 July 2018	97,602.18	15,747,334.20	20,188,890
		+69,897.82 (issue premium)		
6 June 2019	Capital increase through conversion of 145 bonds issued on 10 July 2018	228,244.38	15,975,578.58	20,481,511
		+134,255.62 (issue premium)		
4 July 2019	Capital increase through conversion of 27 bonds issued on 10 July 2018	46,177.56	16,021,756.14	20,540,713
		+ 21,322.44 (issue premium)		

Changes in share capital

In principle, changes to the share capital are decided by the Shareholders. The Shareholders' Meeting may at any time decide to increase or reduce the share capital of the Company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the Articles of Association.

Subject to the same quorum and majority requirements, the Shareholders' Meeting may authorise the Board of Directors, within certain limits, to increase the Company's share capital without any further approval of the Shareholders. This is the so-called authorised capital. This authorisation needs to be limited in time (i.e., it can only be granted for a renewable period of maximum five years) and in scope (i.e., the authorised capital may not exceed the amount of the registered capital at the time of the authorisation).

On 8 June 2017, the Company's Shareholders' Meeting authorised the Board of Directors to increase the share capital of the Company within the framework of the authorised capital with a maximum of € 9,988,758. Since then, the Board of Directors has used the authorised capital in the following circumstances (additional information can be found in Note 13 and Note 15.2 of the Financial Statements section):

- issue of 1,000,000 subscription rights (warrants) on 28 June 2017 for a capital amount of € 780,000 (excluding issue premium - the amount of the accounting par value being € 0.78 per share). These subscription rights were issued for the purpose of being allocated to employees, management and the Board of Directors as shareholding rights under the law of 26 March 1999. These 1,000,000 rights were canceled by decision of the Board of Directors of 15 June 2018;

- issue of 1,250,000 subscription rights (warrants) on 15 June 2018 for an amount of € 975,000 (excluding issue premium - the amount of the accounting par value being € 0.78 per share). These subscription rights were issued for the purpose of being allocated to employees, management and the Board of Directors as shareholding rights under the law of 26 March 1999. The exercise price of these warrants is the lowest between (a) the average course of the share during the 30 days preceding the offer of the Warrants and (b) the latest course of closing preceding the offer date, it being understood that the exercise price of the Warrants granted to the beneficiaries who are not members of staff may not be lower than the average share price during the 30 days preceding the day on which the emission started. At the date of this Audit Report, 345,000 of these warrants have been allocated; and
- issue of 240 bonds convertible into shares on 10 July 2018. A total amount of € 12,000,000 has been subscribed. At the date of this Registration Document, 3,053,967 new shares for a capital amount of € 2,382,094.26 were created (excluding issue premium - the amount of the accounting par value being € 0.78 per share) and the outstanding bonds for an amount of € 6,530,000 are able to give rise to the issue of a maximum of 5,744,194 new shares for a capital amount of € 4,480,471.5 (excluding issue premium - the amount of the accounting par value being € 0.78 per share);
- on 5 June 2019, cancellation of 579,999 warrants issued on 15 June 2018 for an amount of € 452,399.22;
- issue of 641,900 warrants on 5 June 2019 for an amount of € 500,682 (excluding issue premium - the amount of the accounting par value being € 0.78 per share). These subscription rights were issued for the purpose of being allocated to employees, management and the Board of Directors as shareholding rights under the law of 26 March 1999. The exercise price of these warrants is equal to the VWAP (« *volume-weighted average price* ») of the 30 days preceeding the issuance of the warrants. On the day before to the date of this Registration Document 1,320 of these warrants have been accepted.

At the date of this Registration Document, the balance of unused authorised capital is € 2,120,235.15.

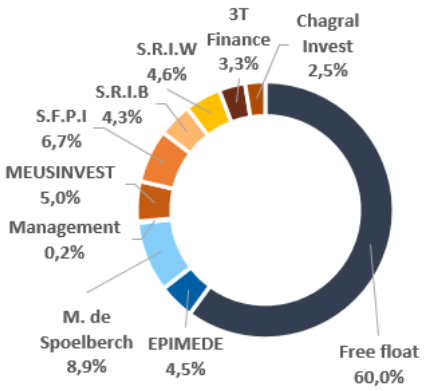
The Company's Shareholders' Meeting decided that the Board of Directors, when exercising its powers under the authorised capital, will be authorised to restrict or cancel the statutory preferential subscription rights of the Shareholders (within the meaning of article 592 and following of the BCC). This authorisation includes the restriction or suppression of preferential subscription rights for the benefit of one or more specific persons (whether or not employees of the Company). The authorisation is valid for a term of five years as from the date of the publication of the authorisation in the Annexes to the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad).

Shareholders

The chart below provides an overview of the Shareholders that have notified the Company of their ownership of securities of the Company. This overview is based on the most recent General Assembly of the Company [1, 2].

[1] SOFIPOLE SA is controlled by SRIW within the meaning of Article 5 of the BCC

[2] BRUSTART is a 100% subsidiary of SRIB



The Company has not been informed of the existence of any Shareholders' agreement between its Shareholders.

To the Company's best knowledge, based on the last General Assembly of the Company, the shareholders' structure is as follows:

Shareholder	Number of Shares declared in transparency declaration	Percentage of shares at time of transparency declaration
Rodolphe de Spoelberch	1,786,841	9.21 %
SFPI	1,353,243	6.97 %
SRIW SA and SOFIPOLE SA[3]	921,711	4.75 %
EPIMEDE SA	914,347	4.71 %
SRIB and BRUSTART[4]	861,114	4.44 %
3T Finance SA	671,074	3.46%
Chagral Invest SA	511,352	2.63%

The Company is not controlled within the meaning of Article 5 of the BCC.

The Company has not been informed of the existence of any shareholders' agreement relating to the Company (except as mentioned below regarding the appointment of directors).

On 30 November 2018, the Company has been informed of a concerted action agreement between two shareholders (3T Finance SA for 3.72% and Chagral Invest for 2.25%) who were acting in concert. The Company has also been informed, on 4 January 2019, that this concerted action agreement was finished.

Pursuant to the Company's Articles of Association, the Shareholders owning, individually or jointly, at least 15% of the share capital of the Company have the right to propose the names of two candidates for a position of director. Unless recommended otherwise by the Remuneration and Nomination committee of the Company, the Shareholders' Meeting shall appoint one of those two candidates as director. At the date of this Registration Document, two groups of shareholders owning jointly more than 15% of the share capital have proposed the appointment of directors. M. Everard van der Straten has been appointed as director upon the proposal of M. Rodolphe de Spoelberch, M. Marc Nollet, Mrs. Martine van der Rest,

[3] SOFIPOLE SA is controlled by SRIW within the meaning of Article 5 of the BCC

[4] BRUSTART is a 100% subsidiary of SRIB

Espad-Services SA (M. Everard van der Straten) and Teck-Finance SA (M. Everard van der Straten). SFPI SA (represented by M. François Fontaine) and Meusinvest SA (represented today by M. Philippe Degeer) have been appointed as directors upon the proposal of Société Fédérale de Participations et d'Investissement (SFPI) SA, Participation du Bassin de Liège (Meusinvest) SA, Spinventure SA, Brustart SA, Epimède SA and Société Régionale d'Investissement de Bruxelles (SRIB) SA. Pursuant to these agreements, these shareholders are not acting in concert as defined by Belgian law.

In January 2019, M. Everard van der Straten informed the Company that the agreement between M. Rodolphe de Spoelberch, M. Marc Nollet, Mrs. Martine van der Rest, Espad-Services SA (M. Everard van der Straten) and Teck-Finance SA (M. Everard van der Straten) was terminated.

Description of rights and benefits attached to shares

Preferential subscription rights

In the event of a capital increase for cash with the issue of new shares, or in the event of an issue of convertible bonds or warrants, the existing Shareholders have a preferential right to subscribe, pro rata, to the new shares, convertible bonds or warrants. These preferential subscription rights are transferable during the subscription period. The Shareholders' Meeting may decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision by the Shareholders' Meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The Shareholders may 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 BCC. On 8 June 2017, the Company's Shareholders' Meeting decided that, when exercising its powers under the authorised capital, the Board of Directors will be authorised to restrict or cancel the statutory preferential subscription rights of the Shareholders (within the meaning of article 592 and following of the BCC).

Normally, the authorisation of the Board of Directors under the authorised capital to increase the share capital through contributions in kind or in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended if the Company is notified by the FSMA of a public takeover bid on the financial instruments of the Company. The Shareholders Meeting can, however, authorise the Board of Directors to increase the share capital by issuing new shares in an amount of not more than 10% of the existing shares at the time of such a public takeover bid. The Board of Directors of the Company received such authorisation by the Shareholders Meeting on 8 June 2017, valid for three years (until 7 June 2020). It could then decide to issue new shares (in the abovementioned limit of 10% of the existing shares) after the reception of a public takeover by the FSMA.

Voting rights attached to shares

Each Shareholder is entitled to one vote per Share. Shareholders may vote by proxy, subject to the rules described in the sections below. 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;

- 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 or the FSMA.

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

Annual Shareholders' Meeting

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 second Thursday of the month of June at 3 p.m. CET. 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 Registration Document 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).

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 20% of the Company's share capital so request. Shareholders that do not hold at least 20% 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. 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. 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 nationwide 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.

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 cooperation 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, 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.

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 BCC 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 540 of the BCC, 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.

Dividend rights

All Shares, including the Shares offered in the Offering, entitle the holder thereof to an equal right to participate in the Company's profits (if any). Pursuant to the BCC, 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 BCC.

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.

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, and in the absence of such appointment, the liquidation shall be effected by the Board of Directors, acting as a liquidation committee. Unless decided otherwise, the liquidators shall act jointly. To this end, the liquidators have the broadest powers under articles 186 and following of the BCC, 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.

Acquisition of own shares

In accordance with the Articles of Association and the BCC, the Company can, on or outside the stock market, purchase and sell its own Shares, profit certificates or associated certificates by virtue of a special shareholders' resolution approved by at least 80% 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 approval by the Shareholders is not required if the Company purchases the shares to offer them to the Company's personnel.

In accordance with the BCC, an offer to purchase Shares must be made by way of an offer to all Shareholders under the same conditions. Shares can also be acquired by the Company without offer to all Shareholders under the same conditions, provided that the acquisition of the Shares is effected in the central order book of the regulated market of Euronext Brussels and Euronext Paris or, if the transaction is not effected via the central order book, provided that the price offered for the Shares is lower than or equal to the highest

independent bid price in the central order book of the regulated market of Euronext Brussels and Euronext Paris at that time. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the Shareholders. The total amount of Shares held by the Company can at no time be more than 20% of its share capital. Voting rights attached to Shares held by the Company as treasury Shares are suspended.

The Shareholders' Meeting can authorise the Board of Directors to acquire on or outside the stock exchange a number of the Company's Shares representing a maximum of 20% of the subscribed capital, determining the minimum and maximum price that the Board of Directors can pay for the Shares. This authorisation can also cover the acquisition on or outside the stock exchange by a direct subsidiary of the Company and can be valid for a term of up to five years as of the date of the approval of the proposed resolution.

The Board of Directors may, without prior authorisation by the Shareholders' Meeting, in accordance with article 622, §2 of the BCC, dispose of the Company's own Shares, profit certificates or associated certificates at a price it determines, on or outside the stock market or in the framework of its remuneration policy to employees, directors or consultants of the Company. This authorisation is valid without any restriction in time. This authorisation can also cover the disposal of the Company's Shares on or outside the stock market by a direct subsidiary of the Company within the meaning of article 627 of the BCC.

At the date of this Registration Document, the Shareholders' Meeting of the Company has not decided to proceed to an acquisition of its own shares and has not authorised the Board of Directors to proceed to such acquisition.

Warrants & Convertible Bonds

The Company has currently three active warrant plans (the ***2014 Plan***, the ***2018 Plan*** and the ***2019 Plan***).

Out of the 2014 Plan, there are four outstanding stock option plans (collectively the Stock Based Plans):

- the 2014 stock option plan (the ***2014 Incentive Plan***);
- the 2015 stock option plan (the ***2015 Incentive Plan***);
- the 2016 stock option plan (the ***2016 Incentive Plan***); and
- the 2018 stock option plan (the ***March 2018 Incentive Plan***).

The Company's General Meeting held on 28 June 2019 approved the cancellation of 2,549 existing unallocated warrants issued under the 2014 Plan.

Out of the 2018 Plan, there is one outstanding stock option plan (the ***June 2018 Incentive Plan***). On 5 June 2019, the Board of Directors cancelled 579,999 warrants issued under the 2018 Plan for an amount of € 452,399.22.

Out of the 2019 Plan, there is one outstanding stock option plan (the ***2019 Incentive Plan***).

The Company also issued, on 7 December 2017, 3 million of Warrants 1 and 3 million of Warrants 2 that were allocated, for free, to subscribers of shares. Furthermore, the Company issued, on 10 July 2018, 240 convertibles bonds (the ***CBs***) and 4,560 subscription rights on convertible bonds (the ***Bonds Warrants***).

The Company then issued, on 28 June 2019, 159 convertibles bonds (the ***New CBs***).

Finally the Extraordinary General Meeting held on 28 June 2019 resolved on :

- the extension of the exercise period of Warrants 2 and the modification of their terms and conditions to allow their free transfer;
- the issuance of 434.240 warrants and the subsequent capital increase for a maximum amount of € 338,707.20, with suppression of the preferential right of the current shareholders.

For more details, please refer to Note 13, Note 15.2, and Note 28 of the Financial Statements section and to the "expected funding" section.

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 obligation

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).

Squeeze-outs

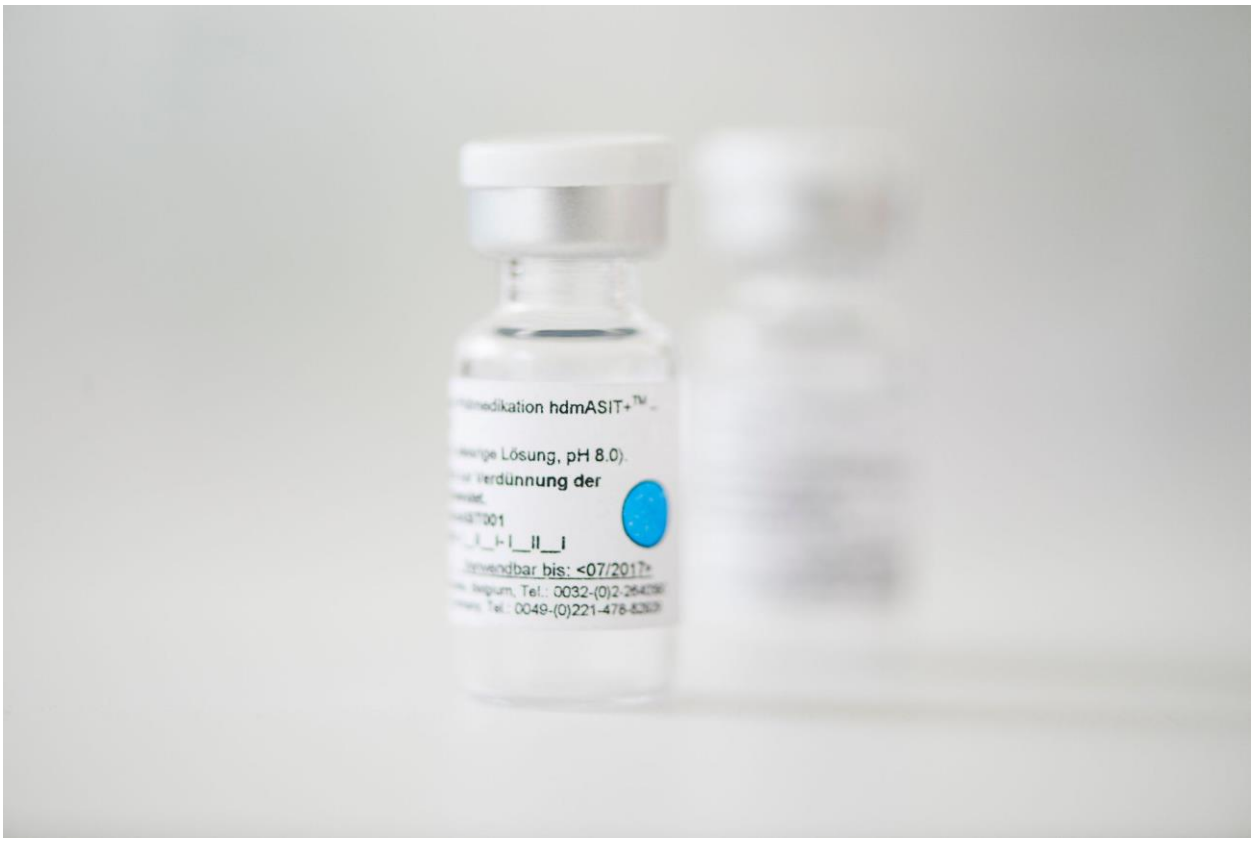
Pursuant to article 513 of the BCC or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who, together with the company, own 95% of the securities with voting rights in a listed company, are entitled to acquire the totality 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.

7.STRATEGY & BUSINESS REVIEW



Allergy

Allergy is one of the most important diseases in the world and represents a major public health problem in terms of quality of life, days of work or school missed, total healthcare cost, and even mortality[5]. Allergy is the immune system's excessive sensitivity and over-response to an otherwise harmless foreign substance. That substance, which is called an allergen, is usually a protein that could be from plant pollen, a house dust mite or other insect, animal danders, or even a variety of foods, like peanuts, shellfish, eggs, and even milk. It can also be another chemical, such as an ingredient used in soaps and detergents.

The physiological mechanism for responding to each allergen is similar. For a variety of reasons, an initial exposure to an allergen (e.g., grass pollen) induces the production of specific IgE antibodies. These antibodies bind to mast cells (immune cells involved in the response to allergens) in preparation for subsequent rapid response. Each time the affected person has exposure to the same allergen (or even some other cross-reactive allergens), the mast cells are activated and release pro-inflammatory molecules like histamine, resulting in the common symptoms of an allergic reaction. This immediate reaction is followed by a cascade of additional reactions, involving various types of cells and chemical substances, which are responsible for a variety of harmful symptoms.

Depending on the allergen, those symptoms can be restricted to specific organs or they can be systemic, resulting ultimately in a syndrome called anaphylactic shock. For example, respiratory allergens, such as grass pollen, may commonly cause or exacerbate conditions like allergic rhinitis or asthma, manifesting via respiratory symptoms affecting the nose, eyes, throat, and lungs. Other environmental allergens will cause contact dermatitis, and inflammatory response affecting the skin. In contrast, some food (e.g., peanut) or insect (e.g., bee) related allergens may exhibit a range of symptoms affecting only a limited set of organs (e.g., throat, skin or digestive tract) or the total body (i.e., anaphylactic shock).

Current allergy treatments

Currently, there are three main treatment options for allergy:

- **Allergen avoidance** represents the first stage of treatment. However, in most cases, avoidance of the relevant allergen is impractical. In the context of food allergies, the only way to prevent an allergic reaction is to avoid the food, which in some cases is very difficult to achieve, especially for children.
- **Symptomatic drugs** are prescribed as first line therapy for environmental allergies; for food allergies, there are no approved symptomatic treatments. Treatment for allergic rhinitis mainly consists of antihistamines and intranasal corticosteroids, which are primarily generic or over-the-counter (OTC)[6]. However, the value of symptomatic drugs is limited because:
    1. they only provide temporary relief of symptoms, and do not address the underlying cause of the disease nor prevent the progression from rhinitis to asthma;
    2. they need to be used daily throughout the exposure period, and due to limited compliance, patients may suffer from acute exacerbations that impact productivity and quality of life; and
    3. they may cause side effects such as drowsiness.

[5] World Allergy Organization, White Book on Allergy, Update 2013
[6] ARIA Guidelines, Management of Allergic Rhinitis and its Impact on Asthma, 2007

Key allergy facts and figures

About 30% to 40% of the world's population suffers from allergic diseases[7]	More than 1/3rd of allergic patients are sensitised to several allergens[8]	The global allergy treatment market is worth over $12 billion and growing

The most common causes of environmental allergy:

Grass Pollen
About 50% in US and EU

House Dust Mites
About 45% to 50% in US and EU

Tree Pollen
About 20% to 35% in US and EU

Weed Pollen (e.g., Ragweed)
About 10% to 25% in EU, but as much as 50% in US

The most common causes of food allergy:

Milk
Between 2% and 2.5% prevalence

Peanut
Between 2% and 2.5% prevalence

Shellfish
Between 1% and 2% prevalence

Egg
About 1% to 1.5% prevalence

[7] World Allergy Organization, World Allergy Week, April 16-22 2012
[8] Bauchau et al., Eur. Respir. J. 2004; 24: 758-764

Global sales of symptomatic drugs for allergic rhinitis were estimated at about $12.2 billion in 2017, and expected to increase to about $14.3 billion by 2022, a CAGR of about 3.3%[9].

- **Allergy immunotherapy (*AIT*)** is the only treatment that seeks to restore the normal functioning of the immune system, switching the immune response against allergens from 'abnormal' to 'normal'. AIT requires administration of multiple doses of allergen, to build tolerance of the immune system and to reduce the severity of allergy symptoms over time. AIT is well established, and its indications, contraindications, limits and practical aspects are well defined in numerous guidelines. AIT products are currently available in two forms:

    1. **subcutaneous immunotherapy (*SCIT*)** is injected under the skin during a lengthy and inconvenient administration schedule that typically requires weekly or bi-weekly injections for 4 to 6 months followed by monthly injections for up to 5 years; or

    2. **sublingual immunotherapy (*SLIT*)** is administered under the tongue every day, for a period of anywhere from 6 months (preseasonally for up to 3 years; for seasonal allergies) up to 3 years (continuously; for perennial allergies).

Current AIT utilizes crude and inconsistent whole allergen extracts from a variety of natural and recombinant sources. Their composition can vary significantly, and these extracts incorporate both the requisite allergens as well as an assortment of proteins, glycoproteins, carbohydrates and other substances that serve no purpose in the final product. Unfortunately, administration of these whole extracts carries the risk of systemic allergic reactions, which - in extreme cases - could lead to anaphylaxis and even death.

Consequently, as is the case with SCIT, AIT must be initiated in two phases: a careful dose escalation phase and a maintenance phase. The initial doses must be low, and the dose is progressively increased up to an efficacious maintenance dose. The maintenance dose is usually achieved after 18 to 27 weeks, at which point the maintenance dose must be administered every 4-6 weeks, with a maximum benefit after 2 to 5 years of treatment. This cumbersome and expensive treatment regimen is the reason why only 50% of patients accept AIT[10], and the reason that less than 25% of those starting a regimen complete the prescribed 3 years of treatment[11].

Worldwide, there are more than 4 million patients being treated with AIT, although the opportunity is much higher for a more convenient treatment regimen. About 3 million patients are treated in the US (of which, more than 95% is SCIT), and more than 1.3 million patients in Europe (which is equally split between SCIT and SLIT). Global sales of AIT are estimated at about €1 billion[12], and are expected to increase by about 10% per year.

Key information

ASIT biotech is a clinical-stage biopharmaceutical company whose mission is to lead an evolution in allergy therapeutics by creating a new generation of highly effective and efficient immunotherapy treatments for environmental and food allergies. Leveraging our proprietary ASIT+ platform, we intend to deliver a pipeline of best-in-class short course therapies that overcome the risks and limitations of current allergy

[9] Visiongain, Global Allergic Rhinitis Drugs Market 2018-2028, August 2018
[10] ALK-Abelló, Investor Relations Presentation, December 6 2014
[11] Menno A. et al, J. Allergy Clin. Immunol. August 2013
[12] Stallergènes, Annual Report 2015

immunotherapy treatments. Our breakthrough product candidates are intended to deliver recognizable improvement in the quality of life for patients, within weeks rather than months or years following treatment initiation.

End 2018 the Company has changed its strategy. Instead of developing several product candidates at the same time, the Company wants to have first a clinical proof of concept in one indication before leveraging the full potential of its proprietary ASIT+ platform in other indications.

As a result of this strategic change, the Company's main focus is on its lead asset gp-ASIT+™, a product candidate in clinic for the treatment of allergic rhinitis due to grass pollen. In the ongoing second phase III study (ABT-gpASIT11) all patients are already treated with no major safety issues and top line data are expected by year end 2019. Subject to the outcome of the data, the Company anticipates to file the dossier with the relevant regulatory authority in Germany, the PEI, in 2020 and will prepare the roadmap for market registration in other European countries and in the US of this lead asset. At the same time the Company will actively investigate the opportunity to partner this lead asset once approved for marketing and sales activities and will scale up production to be ready at commercial launch.

Nevertheless some limited ongoing pre-clinical efforts in the hdm-ASIT+™ product candidate for the treatment of allergic rhinitis caused by house dust mites and in the pnt-ASIT+™ product candidate for the treatment of peanut allergy are continued as well to be ready to develop, co-develop or partner these assets when and if needed.

The following table highlights the status of our development programs :

Product	Pre-Clinical	Phase I	Phase II	Phase III	Registration
gp-ASIT+™					
hdm-ASIT+™					
pnt-ASIT+™					
ASIT+ platform					

Key milestones

Year	Key milestones
1997	Foundation of the Company (formerly Biotech Tools)
1997 – 2007	The Company's main activity is to furnish diagnostics to biotech companies, and to start a drug discovery phase, with a very limited level of funding (mean yearly total budget of EUR 420,000)
2007	New strategy supported by new Shareholders: creation of the ASIT™ platform and filing of a number of key patents
2010	BTT-gpASIT004 Phase I study: Demonstration of safety and immunogenicity of subcutaneous injection of gp-ASIT+™
2013	BTT-gpASIT006 Phase IIa study: First data on long-term effect of subcutaneous injections gp-ASIT+™ on immune system
2014	▫ BTT-gpASIT007 Phase IIa study: Proof of concept of clinical effect of subcutaneous injections of gp-ASIT+™
	▫ BTT-gpASIT008 Phase IIb study: Determination of the optimal dose/regimen of gp-ASIT+™ to be used in phase III
	▫ Further development of the pipe-line with the initiation of the development of the second product candidate – hdm-ASIT+™
2015	▫ Successful production of 3 consecutive compliance batches of gp-ASIT+™ drug substance
	▫ BTT-gpASIT009 Phase III study: Approved by the Regulatory Authorities of six Eupean countries (France, Spain, Italy, Germany Belgium and Czech Republic).
	▫ Furher preclinical development of the second product candidate– hdm-ASIT+™
2016	▫ Launch of BTT-gpASIT009 Phase III study
	▫ Completion of the initial public offering on 10 May on Euronext Brussels and Euronext Paris. The final offer price was set at EUR 7 per share giving a Company market capitalization of approximately EUR 93.1 million.
	▫ Appointment of Dr. Mohamed Shamji an internationally recognized expert on allergy immunotherapy, as Scientific Advisor for the discovery of new drug candidates and for pre-clinical activities. Dr Mohamed Shamji has established the Immunomodulation and Tolerance Group within Allergy and Clinical Immunology Department at Imperial College of London lead by Professor Stephen Durham
	▫ BTT-gpASIT009 Phase III study: 512 attended the last visit planned in the study protocol, giving a global retention rate of 93% between enrolment and last visit.
	▫ BTT-hdmASIT001 Phase IIa clinical study: approved and launched in Germany in September 2016

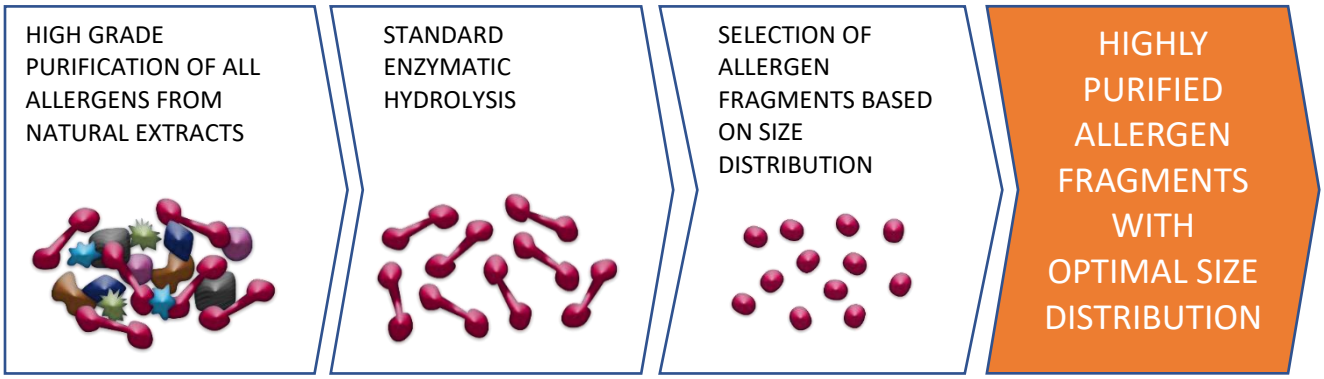
	▫ rag-ASIT+™: further preclinical development of the product candidate for ragweed rhinitis ongoing
2017……	▫ EUR 6 million recoverable cash advance received from the Walloon Region relating to food allergy research program ▫ Results of the BTT-hdmASIT001 Phase IIa clinical study ▫ Results of the BTT-gpASIT009 Phase III study
2018……	Capital increase of EUR 13.9 million in Q1 2018 Selection of (i) a first product candidate for the development of a treatment for peanut allergy and (ii) a new product candidate for the treatment of house dust mite allergy in June 2018 Private placement of EUR 12 million of commitments in a Convertible bond in July 2018 Second phase III study BTT-gpASIT011 launched in November 2018 3 high-profile scientific publications, the results of its Phase IIa as well as the results of the first Phase III are both published in the prestigious journal ALLERGY and the mode of action of gp-ASIT+™ is published in the well-known journal JACI. Changes at management and Board level with the replacement of the CEO and Chairman of the Board

ASIT Platform and product pipeline

The ASIT+ allergy immunotherapy platform offers a validated and scalable manufacturing process, and it provides substantial competitive advantages over existing treatments:

- **delivers a unique mixture of highly purified peptides** from different selected sizes, produced from natural sources of allergens, and **without adjuvants**
- **provides fast induction of blocking antibodies** while limiting the allergic reaction, resulting in an improved safety profile, a short course of treatment and improved patient acceptance, compliance, efficacy and satisfaction
- allows the production, characterization and quality control of active ingredients, providing **consistent & controllable product** at low COGS and high margins

In contrast to current AIT options, the ASIT+ platform leverages a proprietary extraction of soluble components from natural sources of allergens and a standardised enzymatic hydrolysis to deliver a unique mixture of highly purified peptides (shown in the figure below). Since the unnecessary extra matter is excluded, ASIT+ delivers a product with high efficacy and minimal side effects. This process is applicable to all protein-based allergens.



Due to its specificity, the ASIT+ platform provides fast induction of blocking antibodies, resulting in a much shorter course to achieve benefit. This mechanism enables:

- a rapid immune response without the need for an adjuvant
- a faster (i.e., up to 4 weeks for gp-ASIT+™) injection regimen of higher doses
- greater patient acceptance and compliance

Furthermore, the lack of an adjuvant and the use of highly purified natural allergen fragments results in a reduced risk of side effects and unwanted allergic reactions. Allergen fragments, unlike whole allergens, are significantly less capable of crosslinking IgE antibodies present on the surface of mast cells. As a result, allergen fragments have an inherently lower risk of triggering rapid degranulation of mast cells and subsequent release of proinflammatory mediators such as histamine.

The Company has demonstrated batch-to-batch reproducibility of the gp-ASIT+™ production process at a commercial scale. Currently, a single GMP batch of drug substance would allow for the treatment of more than 20,000 patients. As a result, we remain confident that we are be able to efficiently deliver the necessary supply to address market needs at launch.

Respiratory Allergies

Allergic rhinitis is a common inflammatory condition caused by an allergic reaction to an inhaled allergen. While it primarily affects the upper airways, it can also affect the nose (i.e., runny nose, sneezing), and in some case, the eyes (i.e., conjunctivitis). It can be caused by exposure to seasonal allergens (e.g., grass or ragweed pollen) or perennial allergens (e.g., house dust mites). In the US and Europe, close to 1/4th of the population suffers from allergic rhinitis[13,14]. In both geographies, grass pollen is the most prevalent allergen, accounting for about 60% of patients[13,15]. Other important allergens include house dust mite (HDM; 52% in EU and 45% in US) tree pollen (40% in EU and 23% in US), ragweed (34% in EU and 49% in US), and animal dander (31% in EU). About 1 in 3 patients is sensitised to at least one indoor and one outdoor allergen.

Allergic rhinitis has a significant socio-economic impact to the patient, the patient's family and society. It affects multiple parameters, including quality of life, physical, psychological and social functioning, and has important financial consequences[5]. For example, in the US, annual out-of-pocket patient costs of $1,000 or more are not uncommon. Also, on any given day, about 10,000 children are absent from school in the US because of allergies[5].

Overview of the allergic rhinitis market

M t

Pa with allergic rhinitis

Poo controlled patients

[13] Bauchau et al., Eur. Respir. J. 2004; 24: 758-64
[14] Nathan et al., Allergy Asthma Proc. 2008; 29: 600-8
[15] ALK-Abelló, Investors' Briefing, December 6 2012

Potential patients for grass pollen	2.8 million	42 million	France, Italy, Spain
Potential patients for HDM	1.4 million	7.2 million	23 million
	1.4 million	3.6 million	3.2 million
		3.6 million	1.6 million
11 million			1.6 million

The worldwide AIT market reached a value of EUR 1,3 Billion (Stallergènes, annual report 2018) and its annual growth rates is expected to amount to 10% (Visiongain allergic rhinitis drugs market forecast 2015-2025).

The current AIT market is mainly European with EUR 900 million representing 69% of the world market. Germany represents about 40% of the European AIT market in terms of sales, followed by France (30%), Spain (10%) and Italy (10%).

The industry revenue in the United States amounts to EUR 180 million, representing 14% of the worldwide market sales of immunotherapy products (Stallergènes, Annual Report 2018). However, the US market is the first market in terms of treated patients: circa 3 million patients are currently treated in the United States versus about 1.3 million patients in Europe.

The rest of the world represents the remaining 17% of the worldwide market sales (Stallergènes, Annual Report 2018).

Traditionally, allergen products have been marketed in Europe and in the United States as NPPs (Named Patient Program), that are vials being theoretically manufactured for a specific patient on purpose for subcutaneous injections (SCIT), in a “non-industrial” way and labelled with the patient’s name. Since both the drug product and the drug substance are prepared specifically for a small number of patients, their immunotherapy efficacy, quality and safety can only be determined on the basis of subjective assessments that rely on patient reporting. In addition, no requirement for independent evaluation of quality, efficacy and safety applies to such NPPs and the manufacturer does not have to notify adverse events.

In practice, many AIT products marketed as NPPs are industrially manufactured and provided in accordance with an individual medical prescription (A.R. Lorenz, D. Lüttkopf, R. Seitz and S. Vieths, “The Regulatory System in Europe with Special Emphasis on Allergen Products”, Int Arch Allergy Immunol, 2008, 271). However, over recent years, some European countries have restricted the pricing and reimbursement of NPPs, including AIT products. The German regulatory authorities (the PEI), issued in 2009 the Regulation for Therapy Allergens. Germany has decided that any AIT product “prepared industrially or manufactured by a method involving an industrial process” needs an authorisation based on a fully documented CTD application to be marketed in Germany, asking all manufacturers to conduct clinical trials during transition period. In 2014, new reimbursement reductions were introduced in Switzerland, while Italy saw a general decrease of NPPs’ reimbursement in several regions and the Netherlands continued its phase out of (NPP) AIT products not authorised on the basis of marketing authorisation based on a fully documented file. Despite these measures from authorities, SCIT products are still representing the majority of prescriptions and value in Europe and in the US where more than 90% of patients are treated with SCIT products prepared by specialists.

To date, SLIT-tablets are the only AIT products that have been authorised in Europe following a full and complete registration procedure. Their introduction was expected to change drastically the treatment paradigm and to remove SCIT products from the AIT market. However, figures show that this has not happened after numerous years on the market in Europe:

- the first SLIT-tablet, *Grazax*, developed by ALK-Abelló for grass pollen allergy, is authorised in Europe since 2006 and its sales, together with *Acarizax*, their new tablet for house dust mites, in Europe amounted to approximately EUR 80 million (ALK-Abelló Annual report 2018);

- the second oral product for grass pollen allergy, *Oralair*, developed by Stallergènes, is authorized in Europe since 2008. The sales of *Oralair* were approximately EUR 28 million in 2018 while their sales of Staloral (SLIT-drops) are still increasing to EUR 145 million, driven by the French market (Stallergènes, Annual Report 2018).

In the United States, on 14 April 2014, Merck & Co, ALK-Abelló's North American partner, announced approval by the FDA of their grass pollen SLIT-tablet, where it is sold under the name *Grastek*. On 17 April 2014, Merck & Co announced a further approval for their ragweed SLIT-tablet, also licensed from ALK-Abelló, and marketed under the name *Ragwitek. Grastek* and *Ragwitek* have also been launched by Merck & Co in Canada. In parallel, Stallergènes/Greer obtained the approval and launched their grass pollen SLIT tablet *Oralair*. After disappointing US sales of SLIT tablets, Merck gave the rights of the three sublingual allergy immunotherapy tablets back to ALK-Abello, according to an announcement released on July 27, 2016. SLIT tablet sales remains marginal in US. As a result, SCIT remains the dominantly used administration form in the market though current treatments have drawbacks, such as low acceptance and low compliance due to the long duration of the treament. The Company believes that safe and efficacious short-course treatment still represents a major market opportunity that would improve acceptance, ease of administration and compliance, resulting in better real-life efficacy and cost-effectiveness.

Allergic asthma is a form of asthma caused by the exposure of the bronchial mucosa to an inhaled allergen, such as HDM or grass pollen. Asthma can be a potentially life-threatening illness in which the respiratory airways become inflamed and swollen, limiting airflow and resulting in shortness of breath, chest pressure, coughing and wheezing. An estimated 300 million people around the world suffer from asthma[7]. Like allergic rhinitis, the monetary costs of asthma are substantial and include both direct medical costs and indirect costs (e.g., absenteeism, decreased productivity). Asthma is the leading cause of children's' hospitalisation and school absenteeism. Despite high diagnosis rates and effective management of episodic attacks, there is still a large unmet medical need for disease-modifying therapies that can reduce inflammation and prevent the irreversible airway remodeling.

About 90% of children with asthma have allergies, and about 50% of adults with asthma have allergies. Not surprisingly, AIT to certain allergens has been demonstrated to prevent the onset of allergic asthma. As a result of compelling data, in 2015, the European Medicines Agency (EMA) approved a SLIT by ALK-Abelló for the treatment of allergic asthma caused by HDM.

gp-ASIT+

Our lead product, **gp-ASIT+™** consists of a mixture of natural allergen fragments obtained from a purified specific protein extract from *Lolium perenne* (perennial ryegrass) pollen. The product has been optimized to omit larger peptide fragments, which might inadvertently bridge IgE and initiate an unwanted allergic reaction, while maintaining **smaller peptides that are capable of activating the immune system** to induce development of protective immunoglobulins specific to grass pollen (IgG4). Due to this specificity, gp-ASIT+™ can be administered via a very short treatment schedule, consisting of 4 treatment visits with 2 subcutaneous injections per visit, over a 3 week period, prior to allergen exposure. This results in rapid onset of action, improved acceptance and compliance, potentially leading to more patients being treated by immunotherapy than seen today with long-course treatments.

Our clinical program for gp-ASIT+™

Clinical trials to date have shown that gp-ASIT+™ is well-tolerated, with the ability to lower reactivity of patients to grass pollen on the conjunctival provocation test (***CPT***). We believe its short course regimen and the absence of an adjuvant make it convenient for patient use. We have tested gp-ASIT+™ in allergic rhinitis patients sensitised to grass pollen across 5 clinical trials, with a 6th trial (Phase III) expected to complete towards the end of 2019.

Phase 2b trial

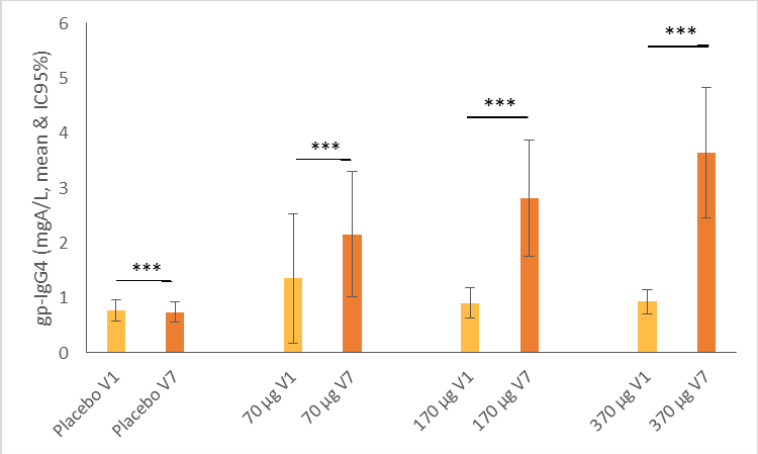
BTT-gpASIT008 (198 patients) was a Phase IIb double-blind, placebo-controlled dose-finding clinical trial conducted across 21 sites in Germany. The primary objective of the study was to assess the efficacy of three different cumulative doses of gp-ASIT+™ subcutaneously administered to adult patients suffering from moderate to severe allergic rhinoconjunctivitis due to grass pollen. gp-ASIT+™ was administered outside the pollen season through 10 subcutaneous injections (5 visits x 2 subcutaneous injections).

Although a cumulative dose of 370 µg did not show a statistically significant effect vs. placebo, a post-hoc analysis showed a statistically significant effect with a cumulative dose of 170 µg..

. While patients on placebo showed a 25.6% reduction in CPT reactivity (compared to baseline), those receiving a total of 70 µg of gp-ASIT+™ (3 treatment visits) showed a 37.2% reduction, and those receiving a cumulative 170 µg of gp-ASIT+™ (4 treatment visits) showed a **statistically significant 51.2% reduction in CPT reactivity** (p=0.023 vs. placebo).

Grass pollen specific IgG4 levels (a marker of desentitisation) increased in a clear dose-dependent manner. Patients receiving 70µg (1.6 fold increase), 170µg (3.1 fold increase) and 370µg (3.9 fold increase) all displayed a statistically significant increase in IgG4 compared to placebo (no effect; $p<0.001$).

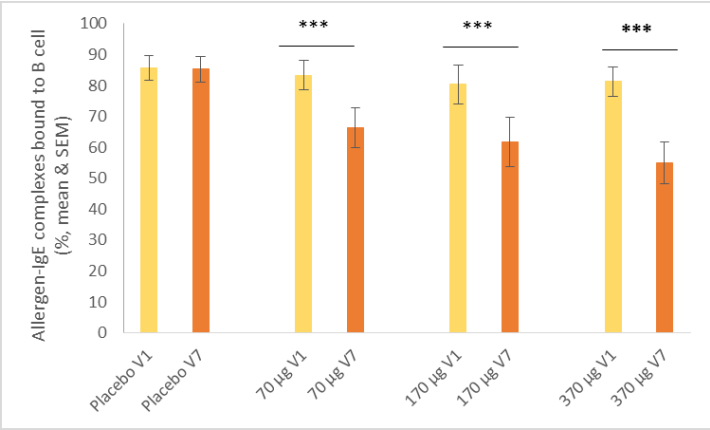
Change in specific IgG4 following treatment



*** p<0.001

Treatment with gp-ASIT+™ induced the production of functional blocking antibodies, as reflected by a decrease in the relative percentage of allergen-IgE complexes bound to B cells, which is indicative of a successful sensitisation process

Change in allergen-IgE complexes bound to B cells following treatment



*** p<0.001

No clinically relevant changes vs. baseline in laboratory parameters, vital signs, or physical signs at examination were observed during the study. The gp-ASIT+™ injections induced transient local reactions that resolved spontaneously, or with antihistamine treatment; although there were some systemic reactions, none of them were severe enough to require treatment with epinephrine injections, which is the treatment for anaphylactic reactions. This study confirmed that gp-ASIT+™ induces grass pollen-specific IgG4 antibodies and blocking antibodies in a dose-dependent manner, resulting in clear, statistically significant improvement in CPT reactivity following treatment. Based on this study, the optimal cumulative dose for gp-ASIT+™ was 170 µg; the higher dose of 370 µg was not more efficacious.

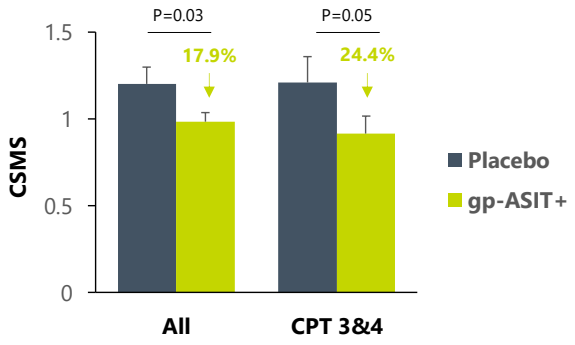
First Phase III trial

In 2017, we reported the results of BTT-gpASIT009 (554 patients), a Phase III double-blind, placebo-controlled clinical trial conducted across 57 sites in Belgium, Czech Republic, France, Germany, Italy and Spain. The primary objective of the study was to demonstrate the clinical efficacy of gp-ASIT+™ in real conditions, when administered prior to a grass pollen season. The primary endpoint was the reduction of the Combined Symptom and Medication Score (***CSMS***)[16] - over the peak of the pollen season - in patients treated with 170 µg of gp-ASIT+™ compared to patients treated with placebo.

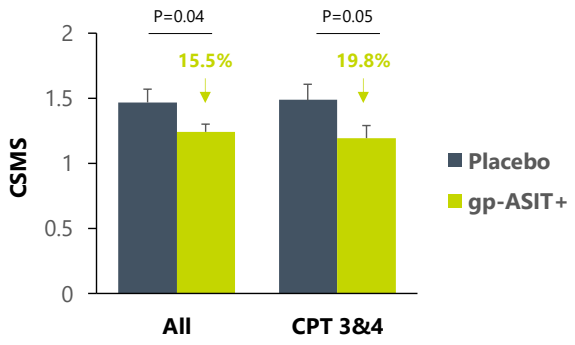
The results pointed to symptom improvement and medication intake reduction as well as a successful modulation of the immune system in patients that received 8 subcutaneous injections of gp-ASIT+™ during 4 treatment visits over a 3 week period.

With respect to the primary endpoint, treatment with gp-ASIT+™ showed a 15.5% (peak season) to 17.9% (entire season) reduction in CSMS compared to placebo. Upon review of our results, the Paul-Ehrlich-Institut (***PEI***; Germany) concluded that the primary endpoint had reached statistical significance ($p<0.05$). However, because it missed the predefined 20% CSMS reduction threshold, BTT-gpASIT009 could not be regarded as a confirmatory study for immediate registration based on a single Phase III study. PEI advised us that an additional compelling Phase III study would be needed prior to considering a Marketing Authorization Application (***MAA***) in Germany.

Change in CSMS during the entire season



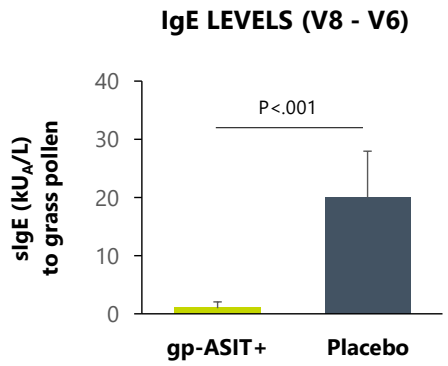
Change in CSMS during the peak season



Further post-hoc analysis of the data revealed that CSMS improvement was considerably higher (24.4% during entire season; 19.8% during peak season) in a patient subgroup with the highest CPT reactivity at baseline (CPT 3&4; represented more than ½ of patients). Likewise, it was apparent to us that the pollen season was unusually weak at certain clinical trial sites (i.e., Germany) and that the conduct of the trial was not optimal (e.g., 25% of patients without symptoms, significant missing data in paper diaries). When we assessed CSMS change among 32 patients in Belgium, where the pollen season was robust and patients were carefully selected with a proven history of grass pollen allergy, we observed a 35% reduction in CSMS during the peak season and a greater than 50% reduction in CSMS for the entire pollen season in the actively treated patients. Furthermore, IgE level increase during the season was blunted among patients receiving gp-ASIT+™ (see graph).

[16] Sum of the Rhinoconjunctivitis Total Symptom Score (RTSS) and the Rescue Medication Score (RMS)

IgE levels in 32 patients from Belgium



In addition to the primary endpoint, as we observed in the BTT-gpASIT008 (Phase 2b) trial, treatment with gp-ASIT+™ led to a statistically significant reduction in the reactivity score to the CPT ($p<0.01$), induction of grass pollen allergen-specific IgG4 (4-fold increase vs. baseline)[17] and a decrease in allergen-IgE complexes bound to B cells ($p=0.0003$ vs. baseline)[17]. Changes in either IgG4 or allergen-IgE binding to B cells were not observed in the placebo group.

Due to the overall set of encouraging data from BTT-gpASIT009, and the advice of the PEI, the Company initiated a second Phase III study in Europe in late 2018.

Second Phase III trial

Near the end of 2018, we initiated recruitment of ABT-gpASIT011 (targeting 624 randomised patients), a double-blind, placebo-controlled Phase III clinical trial conducted across 70 sites in 6 countries: Belgium, Czech Republic, France, Germany, Hungary and Poland. The primary objective of the study is to demonstrate the clinical efficacy of gp-ASIT+™ when administered prior to a grass pollen season. The primary endpoint is the reduction of the CSMS - over the peak of the pollen season - in patients treated with gp-ASIT+™ compared to patients treated with placebo. As in the first study, the PEI has determined that the change of the primary endpoint will be satisfactory if there is a difference of 0.30 (20%) between the mean CSMS in the Placebo group and the active group with an estimated mean CSMS of 1.2 in the active group and 1.5 in the Placebo group, assuming a standard deviation of 1.00, at a two-sided significance level of 5%.Although our second Phase III trial appears to be similar in design to the first Phase III trial, we have implemented several key improvements to maximize our chances of a successful outcome, including improved selection of the right clinical trial sites (e.g., based on pollen history), improved selection of the right patients (e.g., based on historical data and on-site allergy testing) and optimal data collection (e.g., via use of electronic patient diaries).

We expect to register the last patient last visit around end of September 2019 with top line results available prior to the end of the year. The study protocol can be found under the clinical trial identifier NCT03724240.

[17] Assessed on a subset of 32 patients (10 placebo and 22 gp-ASIT+™ treated patients)

Commercialisation plan

Over the past few years, the Company has commissioned several studies by independent third party consulting firms to assess the market opportunity, pricing and market access conditions, and commercialisation strategy in Europe, the US and China.

Germany has been repeatedly identified as the most significant European market, and as such, will be the first market targeted by ASIT biotech. In Germany, SCIT is the preferred route of administration for both adult and pediatric patients, accounting for about 75% of AIT. However, the long treatment regimen of currently available AIT results in a 3-year completion rate of less than 30%. Both the appreciation of SCIT and the need for a faster injection regimen match up nicely with the projected profile of gp-ASIT+™. Although a definitive pricing strategy has not been determined yet, we assume that - in order to be competitive - the price will be close to that of existing AIT products in Germany.

To commercialize gp-ASIT+™ in Germany, we expect a sales force of about 25 field-based personnel (sales representatives & medical science liaisons) are needed to reach approximately 5,000 allergists that are responsible for a bulk of the allergic rhinitis patients. The Company is actively investigating the opportunity to partner gp-ASIT+™ once approved for marketing and sales activities.

The United States represents a much larger opportunity with respect to the total number of allergic rhinitis patients, as well as the total number of AIT treated patients. However, more than 95% of treatments utilize SCIT solutions that are prepared by allergists themselves. US allergists believe that most allergy patients are polysensitised, so AIT formulations typically contain between 2 and 5 allergens. This is in contrast to other markets, such as Europe, where doctors prefer single allergen formulations. The US business model is closely controlled by allergists for whom SCIT provides an important revenue source. Allergists receive reimbursement in the US not only for the AIT supply but also for testing, preparation and injection of the mixture. Nevertheless, like the situation in Germany, less than 50% of patients accept the long-course treatment, and out of that group, less than 20% complete their 3-year regimen. Although SLIT tablets have been available since 2014 (Grastek®, Merck), market penetration is low.

In research sponsored by ASIT biotech, we learned that interested non-allergist physicians, such as pediatricians, pulmonologists and ENTs, in addition to the approximate 5,500 allergists in the US, could be important targets for the successful commercialisation of gp-ASIT+™. Some of them do not have extensive facilities and personnel required for preparation, storage and injection of SCIT, and are quite open to innovative technologies that would circumvent this requirement and allow them to treat patients for allergic rhinitis in a less complicated manner. That is a significant opportunity for ASIT biotech's short course injection regimen. In addition to targeting these non-allergists, we anticipate two other important sources of market share: patients who refuse the long commitment of classical SCIT and patients who have dropped out a SCIT treatment regimen.

To commercialize gp-ASIT+™ in the US, we expect a sales force of about 100 field-based personnel (sales representatives & medical science liaisons) are needed to reach approximately 5,500 allergists and other specialists interested in AIT that are responsible for a bulk of the allergic rhinitis patients. This is in line with the reported sales force size for other allergy-focused companies like ALK Abello and Allergy Therapeutics. The Company is actively searching for a commercialisation partner in the US that would either have a current sales force or expect to build one in the allergy space.

France, Spain and Italy are the other major European markets for AIT, with the UK having only a few hundred specialists treating with AIT. Although the usage pattern in Spain is comparable to Germany (e.g., 75% SCIT), France and Italy are markets where SLIT has been much more successful. In France, about 80% of the market uses SLIT, whereas in Italy it is closer to 50%. Regardless, both forms of AIT require a long-term commitment, and like Germany and US, compliance is quite low in all three countries. The 3-year completion rate is about 20% or less in France and Italy, and only a little higher in Spain.

To commercialize gp-ASIT+™ in France, Spain and Italy, we expect a sales force of about 40 field-based personnel (sales representatives & medical science liaisons) are needed to reach approximately 4,500 allergists that are responsible for a bulk of the allergic rhinitis patients. Also here, the Company is actively investigating the opportunity to partner gp-ASIT+™ once approved for marketing and sales activities.

hdm-ASIT+

Our **hdm-ASIT+™** product candidate consists of a mixture of natural allergen fragments obtained from a purified specific protein extract from *Dermatophagoïdes pteronyssinus* (house dust mite). The lead compound is being optimized to omit larger peptide fragments, which might inadvertently bridge IgE and initiate an unwanted allergic reaction, while maintaining **smaller peptides that are capable of activating the immune system** to induce development of immunoglobulins specific to house dust mites. In most respects, although it needs to be proven during clinical development, the features and competitive advantages of hdm-ASIT+™ are intended to be similar to those of gp-ASIT+™.

Our development program for hdm-ASIT+™

In 2017, we reported the results of hdm-ASIT001 (36 patients), a Phase I/IIa double-blind, placebo-controlled clinical trial to determine the maximum tolerated dose (***MTD***) of hdm-ASIT+™ in adult patients with a clinical history of HDM allergy. The trial's primary endpoint was achieved, insofar as hdm-ASIT+™ showed a good safety and tolerability profile. No serious or unexpected adverse treatment-related events were observed during the trial. The study was not powered to show statistical significance on immunogenicity parameters. A subsequent analysis at the Carl Gustav Carus University Hospital (Dresden, Germany) did not demonstrate an improvement on CPT reactivity or blood levels of HDM-specific antibodies (IgG, IgG4, IgE and blocking antibodies).

In 2018, we reported the selection of a new lead compound for hdm-ASIT+™ with an improved immunogenicity profile, similar to that of gp-ASIT+™. Preclinical screening of several candidates was conducted in collaboration with Dr. M. Shamji, Scientific Advisor at ASIT biotech and Associate Professor at Imperial College London. Furthermore, in December 2018, we finalized the industrialization process for the manufacturing of clinical batches of hdm-ASIT+™ at our manufacturing facility.

The commercial potential of hdm-ASIT+™ is similar to gp-ASIT+™. At this stage, the Company is actively searching for co-development and commercialization partners in the developed major markets (US & EU) as well as in important emerging markets like China, where HDM allergy is quite prevalent.

While today we are not actively developing the ASIT+ platform in other environmental allergies, it could be used to develop additional product candidates, together with a partner, for allergens such as ragweed, birch, and Japanese cedar, among others.

Food Allergies

Food allergy is an abnormal immune response to certain food substances that the body recognizes as harmful. Eight foods account for about 90% of all food-allergy reactions: cow's milk, eggs, peanuts, tree nuts, fish, shellfish, soybeans, and wheat[18]. The prevalence of IgE-mediated food allergies in the US is around 4% or at least 15 million people.[19] In Europe, between 11 and 26 million people are estimated to suffer from food allergy[20]. Allergic reactions are triggered following ingestion, inhalation or contact with foods, particularly during cooking and can occur at the level of skin, gastrointestinal tract and respiratory tract. The most severe manifestation of food allergy is anaphylaxis. In the USA, it has been estimated that food allergy is responsible for 30,000 anaphylactic episodes per year, resulting in 3,000 hospitalisations and 100 deaths per year[21]. The main treatment for these unpredictable reactions is the self-administration of epinephrine intramuscularly.

Unfortunately, there are currently no approved immunotherapy treatments to induce tolerance for food allergens. The first immunotherapy products were submitted for regulatory approval in 2018; those are Viaskin® Peanut by DBV Technologies and AR101 by Aimmune Therapeutics, both for the treatment of peanut allergy. Clinical trials have shown that immunotherapy for food allergens can lead to a high risk of systemic reaction, potentially leading to anaphylactic life-threatening reactions. Therefore, these first products are based on long administration schedules with a slow dose increase over time. And, like AIT, they rely on full-size allergen (peanut protein) extracts. It is anticipated that both products would need to be used chronically, and potentially life-long, to maximize therapeutic value.

The global market potential for peanut AIT is estimated to peak around $5 billion[22] and pnt-ASIT+™ could take a significant share of this market if we can confirm the potential to offer a much more convenient treatment schedule and higher protection than the first-generation products that are expected to reach the market within the next couple of years, and which are expected to require daily intake for at least 5 years.

pnt-ASIT+

Our **pnt-ASIT+™** product candidate consists of a mixture of natural allergen fragments obtained from a purified specific protein extract from *Arachis hypogaea* (peanut species Runner, Virginia and Spanish). The lead compound is being optimized to omit larger peptide fragments, which might inadvertently bridge IgE and initiate an unwanted allergic reaction, while maintaining **smaller peptides that are capable of activating the immune system** to induce development of immunoglobulins specific to peanut proteins. In most respects, although it needs to be proven during clinical development, the features and competitive advantages of pnt-ASIT+™ are intended to be similar to those of gp-ASIT+™.

Our development program for pnt-ASIT+™

In 2018, we reported the selection of a lead compound for pnt-ASIT+™, the first product candidate targeting against a food allergy to come from the ASIT+ platform. Preclinical screening of several candidates

[18] AAAAI, www.aaaai.org, Food Allergy
[19] Food Allergy Research & Resource Program (FARRP)
[20] Mills et al., Allergy. 2007; 62:717-22
[21] Sampson, N. Eng. J. Med. 2002: 346; 1294-9
[22] Global Data, Peanut Allergy, June 2018

was conducted in collaboration with Dr. M. Shamji, Scientific Advisor at ASIT biotech and Associate Professor at Imperial College London. The first *in vitro* tests showed that these peptides trigger less of an allergic reaction than full allergens, while rapidly stimulating the appropriate immune system regulating mechanisms. Furthermore, in November 2018, we finalized that the industrialization process for the manufacturing of clinical batches of its pnt-ASIT+™ at our manufacturing facility.

The global market potential for peanut AIT is estimated to peak around $5 billion[23] and pnt-ASIT+™ could take a significant share of this market if we can confirm the potential to offer a much more convenient treatment schedule and higher protection than the first-generation products that are expected to reach the market within the next couple of years, and which are expected to require daily intake for at least 5 years. At this stage, the Company is actively searching for co-development and commercialization partners to advance pnt-ASIT+™ into the clinic.

While today we are not actively developing the ASIT+ platform in other food allergies, it can be used to develop additional product candidates, together with a partner, for allergens such as cow's milk, egg white and shellfish, among others.

Material Contracts

Contracts with CMOs

The Company has entered into contracts with CMOs for the manufacturing, packing and labelling of its active pharmaceutical ingredients (***API***) and formulated products needed to carry out its clinical trials. The Company has granted free licenses over its IP rights, limited to the execution of the contracts with CMOs, and subject to IP rights clauses preserving the Company's IP rights.

The Company has entered into a framework service agreement (***FSA***) dated 28 April 2015 with a CMO for the manufacture of novel APIs, and for production process validation relating to these APIs. Considering the important exchange of know-how required for the execution of this agreement, the FSA includes the following clauses:

- a confidentiality clause, whereby the CMO is refrained from disclosing and using, for any other purpose than the execution of the FSA, any confidential information; this clause shall remain in force for a period of ten years after the termination of the FSA;
- an intellectual property rights clause, reserving to the Company all proprietary rights with respect to the products and the results of the execution of the contract;
- an exclusivity clause, preventing the CMO from performing any project in the Company's field as defined in the FSA for its own or any third party benefit; this prohibition shall remain in force until 31 December 2027;
- restrictions on subcontracting, whereby the CMO's option to subcontract all or part of its obligations under the contract with the Company is subject to the Company's prior written approval; and
- a change of control clause, that grants the Company the right to put an end to the contract in case of change of control affecting the CMO, subject to a three-month notice.

The FSA is valid for a fixed period of six years, and it can only be terminated without cause subject to a two-year prior written notice. Under the FSA, the CMO is granted, during the term of the FSA, an exclusive right to deliver (i) the services with respect to the APIs developed and commercialised by the Company in Europe

[23] Global Data, Penaut Allergy, June 2018

and (ii) services that are similar to those performed under the FSA for any other biological active ingredients developed and commercialised by the Company in Europe, unless the CMO is not capable of delivering these services against normal market conditions.

Contracts with CROs

The Company has entered into several contracts with CROs for the performance of different sets of work in the development of its product candidates. These contracts are most generally entered into for the duration of the study, with early termination options for the Company, even for convenience (but subject to the payment of some or part of the costs already, or to be, incurred by the CRO in view of the complete performance of the contract). The counterparties' early termination options are often limited to termination for cause. All the contracts contain confidentiality and intellectual property rights clauses. The confidentiality clause remains applicable for at least five years after termination of the contract, and in some cases 10 years, with a lump sum penalty in case of breach of the confidentiality clause. The intellectual property rights clause grants the Company all proprietary rights with respect to the results of the study or the execution of the agreement (with, for some agreements, an obligation for the CRO to provide its cooperation in obtaining patents to the benefit of the Company for the results of the research).

Research and development

Conducting a significant amount of research and development is central to the Company's business. In the past the Company has devoted most of its financial resources to research and development, including preclinical and clinical development activities of its lead product candidate gp-ASIT+ and preclinical development activities of its product candidates in hdm-ASIT+ and pnt-ASIT+. The Company will pursue the development of other potential product candidates (allergies to ragweed, egg white, cow milk, …) to broaden its product pipeline under development.

The Company outsources certain functions, tests and services to CRO's and investigation sites that conduct the Company's clinical trials.

Intellectual Property

ASIT biotech has a very strong intellectual property (***IP***) portfolio in the allergy immunotherapy space based on the ASIT+ proprietary platform. Currently, the portfolio includes 11 active patent families, granted or under prosecution, covering a broad range of compositions of matter (i.e., a variety of allergens), methods of preparing the compositions, formulations, dosage regimens and uses. Our patent portfolio and all IP-related matters are managed by an external patent counsel in close collaboration with the Company.

Based on the current IP portfolio, our expectation is that gp-ASIT+™, hdm-ASIT+™ and pnt- ASIT+™ should have patent protection until at least 2027 with some patents already extending to 2032. There may be additional possibilities to extend patent protection (e.g. a supplementary protection certificate) or to receive additional data exclusivity in Europe and the US for biologics; at the appropriate time, the Company will explore such possibilities to maximize IP protection. We regularly monitor all our research efforts in view of possible novel inventions and patent applications.

Grants, subsidies and recoverable advances

The Company benefited between 1998 and 2007 from subsidies granted by the Brussels-Capital Region for an aggregate amount of EUR 2,166,690.85 for its research project in the field of grass pollen-induced allergic rhinoconjunctivitis. Each of the Brussels Grants was awarded through several subsidies agreements, which all contained a condition to the effect that the Brussels-Capital Region should benefit from the results of the study projects on an economic, employment-related and environmental level. Grants and subsidies are subject to certain obligations. In case such obligations are not complied with, the grants and subsidies could be suspended, reviewed or reclaimed.

Pursuant to the latest official letters from the Brussels-Capital Region authorities dated 4 June 2014, the Company is considered to comply with its obligations under the subsidies agreements from the relevant authorities. The risk of reimbursement of the grants is therefore considered as remote by the Company.

The Company has been awarded in 2016 with funding from the Walloon Region. The Walloon Grant consists in a refundable advance for an amount of EUR 1,254,000 helping the Company's research project relating to the treatment of house dust mite allergy and the development of hdm-ASIT+TM. In January 2017 the Company has been awarded with funding from the Walloon Region for supporting the development of new drug candidates to treat food allergies (Peanut, Cow milk and Egg white). The Walloon Grant consists in a refundable advance for an maximum amount of EUR 6 million payable prorata temporis up to maximun 50 % of the research cost effectively incurred by the Company.

The Walloon Grants are subject to certain terms and conditions. The Company will have to start reimbursing the advances on an annual basis during the phase of use of the results arising from the research projects. The reimbursement is divided into a fixed part and a variable part dependent upon the Company's turnover. The Walloon Grants also set forth that the exploitation activities relating to the subsidised researches have to be performed within the European Union until the end of the phase of use.

The Company owns the results of the research projects subsidised by the Walloon Grant, but the Company will need to obtain the consent of the Walloon Region for any transfer, out-licensing or sale to a third party of any or all of the research projects related results. In addition, the Walloon Grants are dedicated to support specific research projects, and their terms and conditions may limit the Company's ability to conduct research with third parties in the field of such research projects and prohibit the granting of any other rights relating to the Company's findings of such research programmes to third parties.

In case the Company would decide not to use the results of the research projects, it will have to transfer its rights over the results (including the patents relating to the results of the research projects and which were filed or obtained during or following the research phase) to the Walloon Region. Furthermore, the Company would be prohibited from conducting any research on behalf of a third party relating to the research projects during 72 months. The results of the research projects will also become the property of the Walloon Region in case of bankruptcy of the Company.

Regulation of the business

Overview

As for any company involved in human research, in each country where the Company conducts its research and intends to market its products, it has to comply with regulatory laws and regulations (hereinafter, collectively the Regulatory Regulations), including regulations laid down by national or supra-

national Competent Regulatory Authorities, as well as industry standards incorporated by such Regulatory Regulations, that regulate nearly all aspects of the Company's activities. The Regulatory Regulations describe extensively how clinical trials need to be performed in compliance with internationally recognised standards of Good Manufacturing Practices (GMP) and Good Clinical Practices (GCP), as well as related implementing measures and applicable guidelines. The Competent Regulatory Authorities notably include the EMA in the EU or the individual national Competent Regulatory Authorities in Europe (i.e.; PEI, FAMHP; etc.) and the Food and Drug Administration (FDA) in the US.

Preclinical and clinical development

Competent Regulatory Authorities are aware of the specificities of biological product candidates, and give much attention to their upfront characterisation, including the development of assays to measure their biological activity. The preclinical and clinical development paths are broadly similar in the EU and in the US. Initially, preclinical studies are conducted to evaluate the mode of action (pharmacology) and safety (toxicology) either in vitro or in vivo. Upon successful completion of non-clinical studies, a request for a Clinical Trial Authorisation (CTA, in the EU) or an Investigational New Drug application (IND in US) must be approved by the relevant Competent Regulatory Authorities for studies in humans to be allowed to start. Clinical trials are typically conducted sequentially from phase 1, phase 2 and phase 3, to phase 4 studies conducted after marketing approval. These phases may be compressed, may overlap or may be omitted in some circumstances.

Competent Regulatory Authorities typically have between one and six months from the date of receipt of the CTA or IND application to raise any objections to the proposed trial. They may also require additional data before allowing studies to commence and could demand that studies be discontinued at any time, for example if there are significant safety issues. In addition to obtaining Competent Regulatory Authority approval, clinical trials must receive Ethics Committee (in the EU) or Institutional Review Board, "IRB" (in the US) approval in every hospital where the clinical trials are conducted.

➢ Phase 1 clinical studies

After a Clinical Trial Authorisation (CTA) in Europe or an Investigational New Drug (IND) application in the US, has been approved, a human clinical study may start.

Phase 1 clinical studies are initially conducted in a limited population to evaluate a drug candidate's safety profile, and the range of doses that can be administered, including the maximum tolerated dose that can be given to patients. In the case of products for allergic diseases, the initial human testing is conducted in patients with the target disease rather than in healthy volunteers. These studies may provide preliminary evidence of efficacy.

➢ Phase 2 clinical studies

As in phase 1 studies, relevant ethics committee and Competent Regulatory Authority approvals are required before initiating phase 2 clinical studies. These studies are conducted in a limited patient population to evaluate the efficacy of a drug candidate in specific indications, determine its optimal dosage and further describe the safety profile. The initial phase 2 studies of a development program, which is sometimes referred to as phase 2a, may be conducted in few patients to demonstrate safety and preliminary efficacy. Additional phase 2 studies, which may be termed phase 2b, may be conducted in a

larger number of patients to confirm the safety and efficacy data generated in the phase 2a studies and to select the optimal dosing.

➢ Phase 3 clinical studies

As in phase 1 and phase 2 studies, relevant ethics committee and regulatory authority approvals are required before initiating phase 3 clinical studies. These studies, which are sometimes referred to as registration or pivotal studies, are usually undertaken once phase 2 clinical trials suggest that the drug candidate is effective and has an acceptable safety profile and an effective dosage has been identified. The goal of phase 3 studies is to demonstrate evidence of clinical benefit, usually expressed as a positive benefit-risk assessment, of the new drug in a patient population with a given disease and stage of illness.

In phase 3 clinical studies, the drug is usually tested in randomised trials comparing the new drug to an approved form of therapy in an expanded and well-defined patient population, usually recruited from a large number of hospitals and medical practices. When no alternative is available, drugs may be tested against placebo. Stringent criteria of statistical significance apply to phase 3 trials.

The Company's pharmaceutical product candidates are subject to the above listed substantial requirements that govern their testing, manufacturing, quality control, safety, efficacy, labeling, storage, record keeping, marketing approval, advertising, promotion and pricing. The process of maintaining continued compliance with the regulatory constraints requires the expenditure of substantial amounts of time and money.

Marketing authorization application and marketing approval

Given the move towards AIT products authorised on the basis of a marketing authorisation based on a fully documented file and away from named patients products, the Company will have to submit marketing authorisation application files in every country where it intends to commercialise its products, in accordance with its commercialisation strategy (see Section gp-ASIT+ commercialization plans).

Although different terminology is used, the data requirements, overall compliance to GMP, GCP and other regulatory requirements and the assessment and decision making process for marketing approval are similar in the EU and in the US. Upon availability of initial efficacy data from phase 2 clinical trials and confirmatory phase 3 clinical trial data, the Company may submit a request for marketing authorisation to the Competent Regulatory Authorities (a Marketing Authorisation Application (MAA) to EMA in the EU, a Biologics License Application to FDA in the US). Competent Regulatory Authorities may grant approval, deny the approval or request additional studies or data. Following favorable assessment and/or decision, the products may be commercially launched in the relevant territory. There can be no guarantee that such approval will be obtained or maintained. In practice, effective market launch is often further conditioned upon completion of pricing and reimbursement negotiations with Competent Regulatory Authorities involved in healthcare and pharmaceutical expenditure at the national or regional level.

When granting marketing authorisation, Competent Regulatory Authorities may impose upon the Company an obligation to conduct additional clinical testing, sometimes referred to as phase 4 clinical trials or other post-approval commitments, to monitor the safety and effectiveness of the product after commercialisation. Also, after marketing authorisation has been obtained, the marketed product and its manufacturer will continue to be subject to Regulatory Regulations and monitoring by Competent Regulatory Authorities. The conditions for marketing authorisation include requirements that the

manufacturer of the product complies with applicable legislation including GMP, related implementing measures and applicable guidelines that involve, amongst others, ongoing inspections of manufacturing and storage facilities.

Pricing and reimbursement

In Europe, pricing and reimbursement for pharmaceuticals are not harmonised and fall within the exclusive competence of the national authorities, provided that basic transparency requirements defined at the European level are met as set forth in the EU Transparency Directive 89/105/EEC, which is currently under revision. As a consequence, reimbursement mechanisms by private and public health insurers vary from country to country. In public health insurance systems, reimbursement is determined by guidelines established by the legislator or a competent national authority. In general, inclusion of a product in reimbursement schemes is dependent upon proof of the product efficacy, medical need, and economic benefits of the product to patients and the healthcare system in general. Acceptance for reimbursement comes with cost, use and often volume restrictions, which again vary from country to country.

In the United States and markets in other countries, sales of any products for which the Company receives regulatory approval for commercial sale will depend in part on the availability of coverage and adequate reimbursement from third party payers. Third party payers include government payer programs at the federal and state levels, including Medicare and Medicaid, managed care providers, private health insurers and other organisations. The process for determining whether a payer will provide coverage for a drug product may be separate from the process for setting the price or reimbursement rate that the payer will pay for the drug product. Third-party payers may limit coverage to specific drug products on an approved list or formulary, which might not include all of the FDA-approved drug products for a particular indication. Third party payers are increasingly challenging the price and examining the medical necessity and costeffectiveness of medical products and services, in addition to their safety and efficacy. A payer's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realise an appropriate return on our investment in product development.

The price and reimbursement level for the Company's products will depend on the strength of the clinical data set and, as for most novel therapies, restrictions may apply. In most countries, authorities in charge of pricing and reimbursement ensure that the prices of registered medicinal products sold in their territory are not excessive. In making this judgment, they usually compare the proposed national price either to prices of existing treatments and/or prices in other countries also taking into account the type of treatment (preventive, curative or symptomatic), the degree of innovation, the therapeutic breakthrough, volume of sales, sales forecast, size of the target population and/or the improvement (including cost savings) over comparable treatments. Given the growing burden of medical treatments on national health budgets, reimbursement and insurance coverage is an important determinant of the accessibility of medicines. The various public and private plans, formulary restrictions, reimbursement policies, patient advocacy companies, and cost-sharing requirements may play a role in determining access to products marketed by the Company. The national authorities may also use a range of policies and other initiatives intended to influence pharmaceutical consumption. To address the above, the Company integrates as part of its clinical development programs the collection of data aimed at facilitating the evaluation of therapeutic benefit, in terms of efficacy and/or reduction in side effect profile, and of its cost. Concomitantly with marketing authorisation applications, the Company will engage in a dialogue with key decision makers at different payers in order to identify unique preferences and concerns by payer type

and to obtain insight in the perceived value drivers, reimbursement barriers and price elasticity for its products.

Manufacturing

The Company intends to produce drug substance and drug product through subcontracting agreements whilst maintaining active control over the production process and QC. This will result in a reduction of the time to the market and an acceleration of the further product development. The Company does not manufacture any of the components of its novel active pharmaceutical ingredients but has outsourced such manufacturing to its CMO (see "Business overview - Material contracts"). The Company has also outsourced the manufacturing of the products required for its clinical testing, such as resin, and solution of pollen-peptide.

Human Resources

The Company relies on a team of experienced professionals in all areas required to meet its strategic objectives including research and development, medical and regulatory, manufacturing, business development, product development, infrastructure, intellectual property and finance.

On 31 December 2018, the Company had a total of 20 permanent employees (full time equivalents) and 8 self-employed contractors. About 75% of the personnel work in research and development activities (including clinical development and manufacturing), with the remainder in corporate functions.

The headcount of the Company has evolved from 10 employees in 2012, 8 employees in 2013, 10 employees in 2014, 19 employees in 2015, 22 employees in 2016 and 20 employees in 2017.

Insurance

The Company has subscribed to several insurance policies to cover its potential exposure for claims and losses, including fire insurance for the premises it leases, civil liability insurance and work accident insurance. The Company is currently insured for its civil liability, capped at an amount of € 5,000,000 for claims arising from the operation of its business, and at an amount of € 1,500,000 for damages suffered after the delivery of its products or the performance of work orders.

The Company has contracted insurance policies for the civil liability insurance in the framework of the clinical studies. Insurance coverage is guaranteed for 3 years after the end of the study:

- ABT-gpASIT011: capped at an amount of € 22,230,000 for the study (€ 5,000,000 for the study in Belgium, € 230,000 in Czech Republic, € 6,000,000 in France, € 5,000,000 in Germany, € 1,000,000 in Hungary and € 5,00,000 in Poland); and
- ABT-foodASIT001: capped to an amount of € 6,000,000 for the study.

The company also contracted travel accident insurances for the travel home/clinical centre of the patients during the ABT-gpASIT011 study period. The sum insured is € 50,000 for death and € 100,000 for disability (for patients between 18 and 64).

The Company also operates a defined contribution occupational pension plan which is financed by the employee (with 2% of 13.92 x monthly salary of the month May or of the subscription month, if the

subscription occurs in the course of the year) and the employer (with 4% of 13.92 x monthly salary of the month May or of the subscription month, if the subscription occurs in the course of the year). The plan provides for retirement, death in service and disability coverage.

Under Belgian law, defined contribution plans are subject to a statutory minimum return on the contributions. Hence, any shortfall between the statutory minimum return and the actual return may have to be made up by the Company. On 31 December 2018, the shortfall amounted to approx. € 4,988. However, in the case at hand, the Company has taken up insurance to cover any potential shortfall. Therefore, the risk of any liability is considered as remote by the Company.

The Company contracted an Underwriter Indemnification Coverage relating to the Offering with a limit of liability capped at an amount of € 15 million. Finally, the Company contracted a Directors and Officers Liability Insurance (D&O) with a limit of liability capped at an amount of € 40 million.

Environment, Health and Safety

In accordance with the Walloon Decree of 11 March 1999 regarding environmental permits, the laboratory of the Company in Liège is of class 3. Class 3 facilities are facilities with the lowest environmental impact and, as a result, their operation does not require the granting of an environmental permit but requires the filing of an application with the municipality on whose territory the facility is located.

On 2 September 2015, the Company electronically filed an environmental declaration for its laboratory with the municipality of Liège. On 10 September 2015, the declaration was deemed inadmissible and rectifications of pure form were required (e.g. not all chemical products referred to in the declaration are classified under the prescribed category). The Company filed an amended declaration on 27 October 2015 with the municipality of Liège. Given that the municipality did not oppose to the declaration within the 15-day period starting with the filing of the declaration, the declaration has become final and the Company can validly exercise its activities in the Liège premises.

All the waste rejected by the Company is managed by a specialised company and does not raise any environmental or health and safety concerns.

Properties and Facilities

The Company does not own any land or facilities. It carries out its activities on two sites, one in Brussels and one in Liège, leased under (non-commercial) lease agreements. The Company does not own any production plants. The Company intends to produce drug substance and drug product through subcontracting agreements whilst maintaining active control over the production process and QC. This will result in a reduction of the time to the market and an acceleration of the further product development. The Company does not manufacture any of the components of its novel active pharmaceutical ingredients but has outsourced such manufacturing to its CMO.

Investments

The Company has always had a very low level of investments. Acquisitions made in prior years amounted respectively to € 382,000 in 2016, € 161,000 in 2017 and € 366,000 in 2018. As at 31 December 2018, acquisitions mainly related to laboratory equipment (€ 354,000) and IT equipment (€ 12,000). There was no significant disposal during the year. The yearly depreciation charge amounts to € 300,000 in 2018, € 205,000 in 2017 and € 141,000 in 2016.

In 2017, acquisitions were mainly related to manufacturing equipment (€ 194,000) for which an investment grant was received from the Walloon Region (€ 57,000).

In 2016, acquisitions were mainly related to manufacturing equipment (€ 281,000) for the manufacturing of the drug substance for the product candidates, IT equipment (€ 13,000), furniture (€ 53,000) and leasehold improvements (€ 35,000). There was no disposal during the year.

At the date of this Registration Report, in 2019, the Company made acquisitions for € 31,000 (mainly laboratory equipments and vehicles which were on end of leasing's period). There is no other investment planned for the moment, nor any commitment for the future.

Legal proceedings

In 16 April 2019, Mr. Thierry Legon initiated a civil legal procedure against the Company in order to obtain from the latter the payment of a termination indemnity corresponding to two years of remuneration calculated on the basis of the fixed and variable remuneration paid by the Company to Mr. Legon for the last two years before the termination. Mr. Legon evaluates this indemnity to 830,266.50 EUR. This procedure is currently ongoing. The Company considers that the amount of such indemnity should be capped at an amount of K€ 209, of which K€ 77 was already paid in January 2019, and intends to account a provision for that amount in its next financial statements. Everard van der Straeten, director of the Company, expresses his disagreement with the Company's position in that regard, under the form of a declaration attached as appendix to the minutes of the ordinary general meeting of 13 June 2019 and publicly available on the website of ASIT biotech (www.asitbiotech.com).

The Company is not, nor has been, involved in any other governmental, legal or arbitration proceedings during the 12 months preceding the date of this Reference Document which may have or has had in recent past significant effects on the financial position or profitability.

8.CAPITAL RESOURCES AND CASH FLOWS

Equity

On the date of this Registration Document, the share capital of the Company amounts to €16,021,756.14 and is fully paid-up. It is represented by 20,540,713 without nominal value and representing the same pro rata fraction of the share capital.

EU - IFRS statement of changes in equity (in € '000)

	Capital	Share premium	Share-based Payment reserve	Cost of capital increase	Convertible bonds reserve	Accumulated deficit	Total equity attributable to the owners of the Company
As at 31 December 2016	**17,506**	**21,957**	**216**	**(2,102)**	-	**(24,445)**	**13,132**
Capital decrease	(7,517)					7,517	-
Loss of the year						(11,986)	(11,986)
Share-based payment			54				54
As at 31 December 2017	**9,989**	**21,957**	**270**	**(2,102)**	-	**(28,915)**	**1,199**
Capital increases	*4,361*	*15,077*		*(215)*	*290*		*19,513*
In cash	2,340	9,150		(215)			11,275
Exercise of warrants	939	3,671					4,610
Conversion of bonds	1,082	2,256			290		3,628
Loss of the year						(14,321)	(14,321)
Share-based payment			74				74
As at 31 December 2018	**14,350**	**37,034**	**344**	**(2,317)**	**290**	**(43,233)**	**6,468**

Cash Flows

The Company's liquidity requirements primarily relate to the funding of research and development expenses, general and administrative expenses, capital expenditure and working capital requirements. Historically, the Company was funded by equity capital, convertible loans and grants.

Since the Offering and the application of the proceeds as described in the Offering prospectus, the Company's principal sources of funds are expected to be cash and cash equivalents.

As the Company has no sales at this stage, the Company will have to further finance its research and development costs, its general and administrative expenses, and its sales and marketing efforts through further external funds from the market or through a private placement, or through strategic collaborations or partnerships. As described in the risk factors (section 1), the Company expects that it will have to raise new funds before the commercialisation of its lead product candidate.

Cash flow statements

EU - IFRS statement of cash flows (in € '000)

	2018	2017	2016
Cash flow from operating activities	**(13,018)**	**(12,835)**	**(13,697)**
Cash flow from investing activities	**(371)**	**(161)**	**(389)**
Cash flow from financing activities	**19,722**	**1,733**	**22,852**
Net increase / (decrease) in cash and cash equivalents	**6,332**	**(11,261)**	**8,766**
Cash and cash equivalents at the beginning of the period	**2,126**	**13,387**	**4,621**
Cash and cash equivalents at the end of the period	**8,458**	**2,126**	**13,387**

Cash flow from operating activities

Cash used in operating activities is comparable over the years. EUR 13,018,000 in 2018, compared to EUR 12,835,000 in 2017 and 13,697,000 in 2016.

In 2018, cash used for operating activities of EUR 13 million and is mainly related to ongoing clinical study in gp-ASIT+™ product candidate development (Clinical costs for Phase III ABT-gpASIT011 amounted to EUR 5.3 M and manufacturing and development programs amounted to EUR 0.7 M), the hdm-ASIT+™ product candidate development amounted to EUR 0.4 M, the food-ASIT+™ platform program amounted to EUR 0.6 M, staff working on these R&D programmes for EUR 1.9 M as well as other lab costs and general and administrative costs.

In 2017, cash used for operating activities amounted to EUR 12,8 million and is mainly relates to the gp-ASIT+™ product candidate development (follow up costs phase III ABT009 EUR 1.5 M, manufacturing activities for EUR 2.4 M and preparation of next phase III ABT-gpASIT011 EUR 1.2 M), hdm-ASIT+™ phase I/II clinical trial (EUR 1 M), preclinical development of peptide in ragweed and food allergy (EUR 1.5M), staff working on these R&D programmes for EUR 1.8 M as well as other lab costs and general and administrative costs.

In 2016, cash used for operating activities amounted to EUR 13,697,000 and mainly relates to the gp-ASIT+™ product candidate development (clinical phase III ABT009 EUR 5.6 M and manufacturing activities for EUR 2.0 M), hdm-ASIT+™ and rag-ASIT+™ product candidates development (EUR 1.7 M), staff working on these R&D programmes for EUR 1.3 M as well as other lab costs and general and administrative costs.

Cash flow from investing activities

Cash used in investing activities is limited. Investing activities consist primarily of purchase of property, plant and equipment, in particular laboratory equipment, manufacturing equipment, ICT equipment. Cash used for investing activities in 2018 amounts to EUR 371,000 compared to EUR 161,000 in 2017 and to EUR 389,000 in 2016. This is mainly due to capital expenditures for laboratory equipment, machinery and equipment for manufacturing.

Cash flow from financing activities

The cash flow from financing activities consist of net proceeds from the Company's capital increases and convertible instruments issued as well as grants and recoverable cash advances received. Interest paid on the convertible instruments and interests received from the placements of the Company's cash and cash equivalents and short-term deposits are also taken into account in the financing activities.

In 2018, cash received from financing activities relates mainly to proceeds from capital increases (net of transaction costs for EUR 19.6 M and Recoverable Cash Advances received from the Walloon Region (EUR 0.1 M).

In 2017, cash received from financing activities were limited to EUR 1.7 M mainly attributable to the Recoverable Cash Advances received from the Walloon Region.

In 2016, the cash received from financing activities was related to proceeds from capital increases (net of transaction costs for EUR 22.2 M and Recoverable Cash Advances received from the Walloon Region (EUR 0.6 M).

Capitalization, indebtedness and financial position

	2018	2017	2016
Capitalisation and Indebtedness			
Total Current debt	**4,621**	**2,654**	**2,004**
Total non-current debt	**465**	**432**	**419**
Capitalisation	**6,468**	**1,199**	**13,132**
Financial Position			
Cash	**8,458**	**2,126**	**13,387**
Current financial debt	**-25**	**-34**	**-12**
Net current financial Indebtedness	**8,433**	**2,092**	**13,375**
Non-current financial debts	**-465**	**-432**	**-419**
Net financial Position	**7,968**	**1,660**	**12,956**

Total current and non-current debt consists of financial debt (note 15), trade payables (note 16) and other payables (note 17).

Factors affecting the results of operations

Revenue and other income

To date, the Company's revenue has been incidental and was not sufficient to allow the Company to be profitable. The Company is currently conducting several research and development projects and is as such facing uncertainties with respect to the future commercialisation of any of its product candidates and the generation of future revenues, if any.

Research and development expenses

The Company's research and development expenses primarily consist of costs directly incurred for the development of its product candidates, which include:

- internal expenses associated with direct employee-related expenses, including salaries, benefits, travel and share-based compensation expense of the Company's research and development personnel laboratory materials and consumables, and depreciation of the laboratory and manufacturing equipment; and

- external services incurred under agreements with Contract Research Organisations (***CRO's***) and investigation sites that conduct the Company's clinical trials, costs for clinical laboratories' analyses, costs of manufacturing preclinical and clinical study materials and developing manufacturing processes including subcontracting costs to CMO's, costs associated with discovery and preclinical activities, costs for filing patents and maintaining the Company's intellectual property, professional scientific consultancy fees and costs of regulatory activities.

To date, research and development costs have mainly consisted of the development of the gp-ASIT+™ product candidate, currently in clinical phase III, and the ASIT+™ platform with the hdm-ASIT+™ and pnt-ASIT+™ product candidates in pre-clinical stage.

The application of the ASIT+™ platform to the development of allergen fragments from other respiratory allergens and food allergens has been explored in a discovery phase, representing a limited cost.

Contract manufacturing expenses, which are included in research and development expenses, primarily consist in costs incurred for the process development, manufacturing, quality control, stability control and storage of the active pharmaceutical ingredients (***APIs***) and drug products. The Company expects these costs to significantly increase in the future as the Company advances the clinical development of its product pipeline.

A detail of the costs for research and development is provided under note 19.

General and administrative expenses

General and administrative expenses consist primarily of salaries and related costs for personnel, including share-based compensation and travel expenses of the Company's employees in executive, finance, business development and support functions together with intellectual property (IP) expenses and other general and administrative expenses including rent, directors' fees and professional fees for accounting, audit and legal services. In 2018, the Company has incurred EUR 2,47 million in general and administrative expenses an increase of 48% compared to 2017, mainly due to an increase in staff costs and external advice exepenses.

As at 31 December 2018, the Company incurred limited marketing and distribution expenses, as operations were in a pre-commercial phase. Marketing consultancy fees were however incurred as from 2012 and categorised under general and administrative expenses. Marketing and distribution expenses should strongly increase when and if any of the company's products candidate were to be approved on the market.

A detail of the costs is provided under note 20.

Taxation

Since its inception, the Company has not made profits and, as a result, has not paid any corporate taxes. As of 31 December 2018 the Company had cumulative tax losses carry-forward for income tax purposes of EUR 49.05 million which can be carried forward to offset future taxable income, if any. However, no deferred

tax assets have been recorded to date because of the early stage of development of the Company and the current uncertainty that the Company will generate profits in the future.

Expected funding

At the date of this Registration Document, the Company is of the opinion that it does not have sufficient working capital to cover its working capital needs for a period of at least 12 months following the date of publication of the Registration Document. The level of the working capital shortfall depends on the amount of actual expenses and the expected funding. Would the Company not be able to raise additional funds while maintaining its ongoing research and development activities, it could run short of working capital by end of July 2019. Over the 12 months after the publication of this Registration Document the working capital need could reach up to EUR 12 million.

The expected funding will consist of (i) the effective amounts raised under the ongoing Equity Line, (ii) the potential exercise of existing Warrants and (iii) the success of expected capital raising activities by the Company.

(i) The Company can force the drawdown of the Equity Line CBs as long as the share price remains above EUR 1.1368. In case of a full drawdown of the remaining CBs would reduce the cash need to EUR 6 million;

(ii) The Warrant 2 can be exercised today until 31 December 2019 at an exercise price of EUR 3.83. In case of a full exercise, the cash needs are further reduced with EUR 4.2 million to EUR 1.8 million;

There are also warrants of the 2014 Warrant plan that should be exercised before 30/10/2019 at a price of EUR 3.00 that could further reduce the shortfall to EUR 1.2 million;

For information, the closing share price on the day before the date of this Registration Document amounted to EUR 1.140.

(iii) Furthermore, the Company plans to proceed to new capital increases in order to meet its cash needs, notably to secure its new phase III study. The launch of a private placement of a minimum of EUR 9 million of convertible notes is expected by the end of the second quarter of 2019.

The Company's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which it may have no or limited control, and the Company cannot guarantee that additional funds will be available to it when necessary on commercially acceptable terms, if at all. If the necessary funds are not available, the Company may need to seek funds through partnership arrangements that may require it to reduce or relinquish significant rights to its research programs and product candidates, to grant licenses on its technologies to partners or third parties or enter into new types of collaboration agreements.

The terms and conditions of these arrangements and agreements could be less favorable to the Issuer than those it might have obtained in a different context.

Integrating the risks inherent to any capital markets activities, the Company will also explore partnerships in order to co-finance its development activities. Nevertheless, if the Company is not able to raise additional funds to finance the full development plan or to find partners in order to co-finance its development activities, it can reduce the scope or timing of its development path in order to match financial resources with expected expenses.

The Board of Directors intends to propose to the Company's General Meeting to approve :

- the issuance of convertible bonds for a minimum of €9.0m, in the context of a private placement, with suppression of the preferential right of the current shareholders. The terms and conditions of this issuance can be found in the report of the Board of Directors established in accordance with article 583 and 596 of the Belgian Companies Code, publicly available on the website of ASIT biotech (www.asitbiotech.com);
- the extension of the exercice period of the Warrants 2 and the modification of their terms and conditions to allow their free transfer. The terms and conditions of these modifications can be found in the report of the Board of Directors established in accordance with article 583, 596 and 598 of the Belgian Companies Code, publicly available on the website of ASIT biotech (www.asitbiotech.com).

In addition, on 5 June 2019 the Board of Direcotrs issued, in the context of the authorized capital, 641,900 warrants under the following conditions (the ***2019 Plan***) : (i) exercice price equal to the VWAP (« *volume-weighted average price* ») of the 30 days preceeding the issuance of the warrants (ii) eacht warrant giving the right to subscribe to one share, (iii) the warrants are granted for free, (iv) attendance requirement, (v) vesting of 33% per annum (exclusively for good leavers), and (vi) an exercise period between the 1st day of the 4th calendar year following the relevant offer of the warrants and the last day of the 5th year following the issuance of the warrants. On the day before the date of this Registration Document 1,320 warrants have been accepted by employees, directors and members of the scientific committee. The Board of Directors also cancelled 579.999 warrants issued under the 2018 warrants plan.

Finally, the Board of Directors also intends to propose to the Company's General Meeting to approve :

- the cancellation of 2.549 warrants issued under the 2014 warrants plan;
- the issuance of 434.240 warrants and the subsequent capital increase for a maximum amount of € 338,707.20, with suppression of the preferential right of the current shareholders. The terms and conditions of this issuance can be found in the report of the Board of Directors established in accordance with article 583, 596 and 598 of the Belgian Companies Code, publicly available on the website of ASIT biotech (www.asitbiotech.com);

9.COPORATE GOVERNANCE

Corporate Governance Policies

The Company has the legal form of a company with limited liability, which makes appeal on or has made an appeal on public savings (société anonyme/naamloze vennootschap) organised under the laws of Belgium. The Company was incorporated on 23 May 1997. This section summarises the rules and principles by which the Company's corporate governance is organised, and which are contained in the BCC, other relevant legislation, the Articles of Association as last amended on 4 April 2019 and the corporate governance charter of the Company as last updated by the Board of Directors on 13 September 2017 (the ***Charter***).

Corporate Governance Charter

The Company has adopted a Charter that is in line with the Belgian Code on corporate governance of 12 March 2009 (the ***Code on Corporate Governance***) and that entered into force at the Offering. The Charter describes the main aspects of the corporate governance of the Company, including its governance structure, the terms of reference of the Board of Directors and its committees and other important topics. The Charter must be read together with the Articles of Association.

The Company complies with the nine corporate governance principles contained in the Code on Corporate Governance but believes that certain deviations from its provisions are justified in view of the Company's situation. These deviations are the following:

- the severance pay to be awarded to Mr. Thierry Legon, as CEO of the Company, in the event of early termination of his contract which exceeds the 12 months' basic and variable remuneration limitation set forth in Article 7.18 of the Code on Corporate Governance. The Company justified such derogation by the fact that the service agreement of Mr. Thierry Legon has been negotiated and signed a long time before the decision of the Company to comply with the Code on Corporate Governance.
- the Company intends to award stock based incentives to the non-executive directors, upon advice of the Remuneration and Nomination Committee. This is contrary to provision 7.7 of the Code on Corporate Governance that provides that non-executive directors should not be entitled to performance-related remuneration such as (amongst others) stock related long-term incentive schemes. The Company justifies this as it allows to limit the portion of remuneration in cash that it would otherwise need to pay to attract or retain (internationally) renowned experts with the most relevant skills, knowledge and expertise, and as it is customary for directors active in companies in the biotech and life industry, and as the portion of the remuneration payable in warrants is limited;

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally and must be tailored to meet those changing circumstances. The Board of Directors intends to update the Charter as often as required to reflect changes to the Company's corporate governance.

The Articles of Association and the Charter are made available on the Company's website (www.asitbiotech.com) and can be obtained free of charge at the Company's registered office.

Dealing Code and Disclosure Policy

With a view to preventing market abuse (insider dealing and market manipulation), the Board of Directors has established a dealing code. The dealing code describes the declaration and conduct obligations of directors, members of the executive management, certain other employees and certain other persons with respect to transactions in shares or other financial instruments of the Company. The dealing code sets limits on carrying out transactions in Shares of the Company and allows dealing by the above mentioned persons only during certain windows. The dealing code is attached to the Charter. The dealing code was amended by the Board of Directors on 22 February 2019, to expressly prohibit any equity lending from an insider without the prior approval of the Board of Directors.

As a Belgian listed company and with a view to ensure that investors in Shares of the Company have available all information necessary to ensure the transparency, integrity and good functioning of the market, the Board of Directors has established an information disclosure policy. The information disclosure policy aims to ensure that inside information of which the Company is aware is immediately disclosed to the public. In addition, the information disclosure policy is aimed at ensuring information that is disclosed is fair, precise and sincere, and enables the holders of Shares in the Company and the public to assess the influence of the information on the Company's position, business and results.

Board of Directors

Powers and Responsibilities

The Company has opted for a "one tier" governance structure whereby the Board of Directors is the ultimate decision making body, with the overall responsibility for the management and control of the Company and is authorised to carry out all actions that are considered necessary or useful to achieve the Company's purpose. The Board of Directors has all powers except for those reserved to the Shareholders' Meeting by law or the Articles of Association.

Pursuant to the Charter, the role of the Board of Directors is to pursue the long term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The Board of Directors decides on the Company's values and strategy, its risk appetite and key policies. The Board of Directors is assisted by a number of committees in relation to specific matters. The committees advise the Board of Directors on these matters, but the decision making remains with the Board of Directors as a whole.

The Board of Directors appoints and removes the chief executive officer (***CEO***). The role of the CEO is to implement the mission, strategy and targets set by the Board of Directors and to assume responsibility for the day-to-day management of the Company. The CEO reports directly to the Board of Directors.

Pursuant to the BCC the Board of Directors must consist of at least three directors. Pursuant to the Articles of Association, the Board of Directors must consist of a maximum of nine directors. The Charter provides that the composition of the Board of Directors should ensure that decisions are made in the corporate interest. It should be determined on the basis of diversity, as well as complementary skills, experience and knowledge. Pursuant to the Code on Corporate Governance, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the BCC and in the Code on Corporate Governance. Pursuant to Article 518bis of the BCC by 1 January 2022, at least one third of the members of the Board of Directors must be of the opposite gender.

The directors are appointed for a term of no more than four years by the Shareholders' Meeting. They may be re-elected for new terms. Proposals by the Board of Directors for the appointment or re-election of any director must be based on a recommendation by the Remuneration and Nomination Committee. In the event the office of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next Shareholders' Meeting. The Shareholders' Meeting can dismiss the directors at any time.

Pursuant to the Company's Articles of Association, the Shareholders owning, individually or jointly, at least 15% of the share capital of the Company have the right to propose the names of two candidates for a position of director. Unless recommended otherwise by the remuneration and nomination committee of the Company (the ***Remuneration and Nomination Committee***), the Shareholders' Meeting shall appoint one of those two candidates as director. At the date of this Registration Document, two groups of shareholders owning jointly more than 15% of the share capital have proposed the appointment of directors. M. Everard van der Straten has been appointed as director upon the proposal of M. Rodolphe de Spoelberch, M. Marc Nollet, Mrs. Martine van der Rest, Espad-Services SA (M. Everard van der Straten) and Teck-Finance SA (M. Everard van der Straten). La Société Fédérale de Participations et d'Investissement (SFPI) SA (represented by M. François Fontaine) and Meusinvest SA (represented by M. Marc Foidart until 17 September 2018 and by Philippe De Geer at the date of this Registration Document) have been appointed as directors upon the proposal of Société Fédérale de Participations et d'Investissement (SFPI) SA, Participation du Bassin de Liège (Meusinvest) SA, Spinventure SA, Brustart SA, Epimède SA and Société Régionale d'Investissement de Bruxelles (SRIB) SA. These groups of shareholders are not acting in concert as defined by Belgian law.

In January 2019, M. Everard van der Straten informed the Company that the agreement between M. Rodolphe de Spoelberch, M. Marc Nollet, Mrs. Martine van der Rest, Espad-Services SA (M. Everard van der Straten) and Teck-Finance SA (M. Everard van der Straten) was terminated.

The Board of Directors meets whenever the interests of the Company so require or at the request of two or more directors. In principle, the Board of Directors will meet sufficiently regularly and at least five times per year. The decisions of the Board of Directors are made by a simple majority of the votes cast. The Chairman of the Board of Directors does not have a casting vote.

Chairman

The Board of Directors elects a chairman from among its non-executive members on the basis of his knowledge, skills, experience and mediation strength. On the date of this Registration Document, M. Louis Champion is the chairman of the Board of Directors since 18 December 2018.

Independent Directors

A director will only qualify as an independent director if he meets at least the criteria set out in Article 526ter of the BCC, which can be summarised as follows:

- not being an executive member of the Board of Directors, exercising a function as a member of the executive management or as a person entrusted with daily management of the Company, or a company or person affiliated with the Company, and not having been in such a position during the previous five years before his nomination;
- not having served for more than three terms as a non-executive director of the Board of Directors, without exceeding a total term of more than twelve years;
- not being an employee of the senior management (as defined in article 19, 2° of the Belgian Act of 20 September 1948 regarding the organisation of the business industry) of the Company, or a company or person affiliated with the Company and not having been in such a position for the previous three years before his nomination;
- not receiving, or having received, any significant remuneration or other significant advantage of a financial nature from the Company, or a company or person affiliated with the Company, other than any bonus or fee (tantièmes) he or she receives or has received as a non-executive member of the Board of Directors;
- not holding (directly or via one or more companies under his or her control) any shareholder rights representing 10% or more of the Company's Shares or of a class of the Company's Shares (as the case may be), and not representing a shareholder meeting this condition;
- if the shareholder rights held by the director (directly or via one or more companies under his or her control) represent less than 10%, the disposal of such Shares or the exercise of the rights attached thereto may not be subject to contracts or unilateral undertakings entered into by the director. The director may also not represent a shareholder meeting this condition;
- not having, or having had within the previous financial year, a significant business relationship with the Company or a company or person affiliated with the Company, either directly or as partner, shareholder, member of the Board of Directors, member of the senior management (as defined in article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of a company or person who maintains such a relationship;
- not being or having been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a company or person affiliated with the current or former statutory auditor of the Company;
- not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies; and
- not being a spouse, legal partner or close family member (by marriage or birth) to the second degree of a member of the Board of Directors, a member of the executive management, a person charged with the daily management, or a member of the senior management (as defined in article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of the Company, or a company or person affiliated with the Company, or of a person who finds him or herself in one or more of the circumstances described in the previous bullets.

The resolution appointing the director must mention the reasons on the basis of which the capacity of independent director is granted. In the absence of guidance in the law or case law, the Board of Directors has not further quantified or specified the aforementioned criteria set out in article 526ter of the BCC. Furthermore, in considering a director's independence, the criteria set out in the Code on Corporate

Governance will also be taken into consideration. The Company is of the view that the independent directors comply with each of the relevant criteria of the BCC and the Code on Corporate Governance. An independent director who ceases to satisfy the requirements of independence must immediately inform the Board of Directors.

As of the date of this Registration Document, Louis Champion and Harry Welten are independent directors.

Overview of the efforts made to ensure that at least one third of the board members is of another gender than the other members

The Nomination and Remuneration Committee intends to draw up a plan to ensure that the composition of the Board of Directors timely complies with the requirements that at least one third of the board members is of another gender than the other members. Pursuant to Article 518bis §3 of the BCC, at least one third of the board members of the Company shall be of another gender than the other members on 1 January 2022.

Composition of the Board of Directors

As of the date of this Registration Document, the Board of Directors is composed of 9 directors. The table below gives an overview of the members of the Company's Board of Directors and their term of office as at the date of this Registration Document:

Name	Position	Term[24]
Louis Champion	Chairman / Independent Director	2021
Michel Baijot	Managing Director (Executive) / CEO	2021
Harry Welten	Independent Director	2020
François Meurgey	Director (non-executive)	2020
Everard van der Straten Ponthoz	Director (non-executive)	2020
RE Finance Consulting SA (represented by Yves Désiront)	Director (executive) / CFO	2020
SFPI SA (represented by François Fontaine)	Director (non-executive)	2020
INVESTPARTNER SCRL (represented by Philippe Degeer)	Director (non-executive)	2020
Jean-Paul Prieels	Independent Director	2022

The profile and professional experience of each of the Directors is summarised hereafter:

Louis Champion obtained a master's degree in medical School of Lyon (France) and a MBA from INSEAD. He spent his entire professional career in the healthcare sector, mostly in biologicals. He started his career at Pasteur-Mérieux-Connaught (currently SANOFI Pasteur) in the 90's, reporting to the CEO and setting up the strategic marketing group. From 1995 to 2000, he served as General Manager of the Brazilian subsidiary. In 2000, he joined Stallergènes, a allergy-focused pharmaceutical company listed on the Paris Stock exchange, as COO, strongly contributing to the company's growth and development until 2011. In 2011, as Chairman and CEO, he led the turn-around of IPSanté, a leading health homecare company in France, which

[24] The term of the mandates of the directors will expire immediately after the annual shareholder's meeting held in the year set forth in this column.

successfully underwent a secondary LBO in 2016. On behalf of the shareholders, he retained the chairmanship of the holding company of Elivie/IPSanté.

Michel Baijot is a bioengineer PhD. He is a life science executive bringing over 25 years of experience in building biologicals businesses with significant contribution to strategy, licensing, M&A and technology transfer. His positions with biotech and pharmaceutical companies, and his tangible achievements, reflect an in-depth knowledge of the business environment in both developed and emerging markets. He is currently Board Director of IRE-Elit, the RadioPharma Division of IRE, and Board Director of OncoRadiomics. His previous positions include Executive Director Europe at Serum Institute of India, Head of Cipla Global Vaccine, Chief Business Officer at Janssen/Crucell, VP Worldwide Strategic Alliances and Business Development at GlaxoSmithKline Biologicals and VP Business Development at Innogenetics. He was Chairman of the Belgian Biotech Association for 5 years.

Harry Welten holds a degree in banking and finance, a degree in economics and business administration and an MBA (Hons.) from Columbia University, New York. He spent more than twenty years in international senior executive functions, fifteen of which have been as CFO in a number of biotechnology companies, both private and public. He has been involved in IPO's, mergers and acquisitions and raised more than CHF 320 million from private and public investors. He serves as Chairman of the Board of Directors of Novaremed AG and BiognoSYS AG, and is a member of the Board of Directors of Kanyos, ProteoMediX, Virometix and Horizon Pharma AG. Harry is also a member of the foundation council of HBM Fondation.

François Meurgey is working as independent consultant in pharmaceutical product strategic marketing. He has spent more than twenty-five years in the biopharmaceutical industry, almost equally divided between Europe and the United States, and between operational and staff functions. He has held important sales and marketing positions at Eli Lilly (Director of Global Marketing for Prozac®), Merck & Co. (Senior Director of Asia-Pacific Marketing) and UCB (VP of Global Marketing), among others. He also teaches regularly at ESSEC in Paris, the ULB in Brussels, the Scandinavian International Management Institute (SIMI) in Copenhagen, and Columbia University Graduate Schools of Business and Public Health in New York. He is a graduate of Reims Management School, received an MS in International Relations from Université de Paris-Sorbonne and holds an MBA from the Stern School of Business at New York University.

Everard van der Straten Ponthoz holds a master's degree in applied economics from Solvay Business School. He started a short career as auditor with Arthur and Anderson & Co, he was the managing director of Metallochimique Group until March 2007 and then member of the Board of Metallum Group until December 2008. Since that time, Mr. van der Straten has acted as a business angel for SME's.

Yves Désiront obtained a master's degree as Ingénieur Commercial in Business Administration and Technology Interface from I.C.H.E.C. Brussels in 1994. He is the Managing Partner of a private equity fund based in Luxembourg and is acting, since October 2015, as group CFO of BGP Investment, a Luxembourg real estate group. Previously, he acted as group CFO of Orco Property Group. Prior to this, he ser ved in various functions at Groupe Bruxelles Lambert and Générale de Banque.

François Fontaine obtained a master's degree in law and tax sciences. He has been a General Counselor at the Belgian Federal Investment and Participation Company (SFPI) since December 2009. He is in charge of investment projects in the fields of new technologies, biomedical, real estate, waste, water treatment and energy sector. He was previously advisor to the tax unit of the Walloon Region in charge of the implementation and transfer of regional taxes.

Philippe Degeer is Industrial engineer (Haute Ecole Libre Mosane – HELMo Gramme) and holder of an MBA from the London Business School. He first worked for a SME in Liège and then developed his career within the American multinational Goodyear Dunlop. After becoming Vice President of the group in Europe, Africa

and the Middle East, he oversaw the implementation of innovation processes, international development policies as well as BtoB and BtoC marketing strategies. He has implemented corporate governance oriented towards investment and growth. He has also participated in the development of various partnerships, mergers, acquisitions and technology transfers.

Jean-Paul Prieels holds a PhD in Biochemistry from Université Libre de Bruxelles in Belgium. He started his industrial career at Petrofina in 1983 as Biotechnology Manager and joined GlaxoSmithKline Biologicals in 1987. His responsibilities gradually expanded to lead the vaccine preclinical R&D development activities as Senior Vice President of Research & Development at GlaxoSmithKline Biological in Rixensart, Belgium, until 2011. His career spans from basic research to applied research and product development. He was instrumental in the development of several commercially available vaccines, such as Rotarix, Cervarix and Synflorix. Today he is Director at Vaximm AG, Abivax SA, Promethera Biosciences, Pluriomics, Themis, Leukocare, Nouscom, Ogeda, Q-Biologicals SA, DNAlytics and PDC*Line Pharma. He is member of the Scientific Advisory Board of Singapore Bioprocessing Technology Institute, CureVac and MolMed SPA and member of the European Vaccine Initiative Board of Stakeholders.

Committees

The Board of Directors has established two board committees that are responsible for assisting the Board of Directors and making recommendations in specific fields:

- the Audit Committee (in accordance with article 526bis of the BCC and provision 5.2 of the Code on Corporate Governance); and
- the Remuneration and Nomination Committee (in accordance with article 526quater of the BCC and provision 5.3 and 5.4 of the Code on Corporate Governance).

The terms of reference of these board committees are primarily set out in the Charter.

Audit Committee

The Audit Committee consists of at least three directors. As provided by article 526bis of the BCC all members of the Audit Committee are non-executive directors and at least one member is an independent director. According to the BCC, at least one member of the Audit Committee must be independent and must have the necessary competence in accounting and auditing. At the date of this Registration Document, the following directors have been appointed as members of the Audit Committee: François Meurgey, Noshaq Partners SCRL (represented by Philippe Degeer) and Harry Welten (Chairperson). The Audit Committee of the Board of Directors is composed exclusively of non-executive directors, of which one is an independent director.

The members of the Audit Committee must have sufficient expertise in financial matters to discharge their functions. The chairperson of the Audit Committee is competent in accounting and auditing as evidenced by his previous and current roles. According to the Board of Directors, the other members of the Audit Committee also satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold.

The role of the Audit Committee is to supervise and review the financial reporting process, the internal control and risk management systems and the internal audit process of the Company. The Audit Committee monitors the audit of the statutory and EU - IFRS financial statements, including the follow-up questions and recommendations by the statutory auditors. The Audit Committee also makes recommendations to the Board of Directors on the selection, appointment and remuneration of the external auditors and monitors the independence of the external auditor.

In principle, the Audit Committee meets as frequently as necessary for the efficiency of the operation of the Audit Committee, but at least four times a year. The members of the Audit Committee have full access to the management and to any other employee to whom they may require access in order to carry out their responsibilities.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of at least three directors. All members of the Remuneration and Nomination Committee are non-executive directors. According to the BCC, the Remuneration and Nomination Committee must consist of a majority of independent directors. The Remuneration and Nomination Committee is chaired by the person appointed by the Board of Directors. At the date of this Registration Document, the following directors have been appointed as members of the Remuneration and Nomination Committee: Louis Champion (Chairperson), SFPI SA (represented by François Fontaine) and François Meurgey. Pursuant to the BCC, the Remuneration and Nomination Committee must have the necessary expertise on remuneration policy, which is evidenced by the experience and previous roles of its current members. The CEO participates to the meetings of the Remuneration and Nomination Committee in an advisory capacity each time the remuneration of the management is being discussed.

The role of the Remuneration and Nomination Committee is to make recommendations to the Board of Directors with regard to the appointment of directors, make proposals to the Board of Directors on the remuneration policy and individual remuneration for directors and members of the executive management, and to submit a remuneration report to the Board of Directors. In addition, the Remuneration and Nomination Committee each year submits the remuneration report to the annual Shareholders' Meeting.

In principle, the Remuneration and Nomination Committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least three times a year.

Executive Management

The Board of Directors of has set up an Executive Management Team. The Executive Management Team is an advisory committee to the Board of Directors, which does not constitute a management committee (comité de direction/directiecomité) under Article 524bis of the BCC. As of the date of this Registration Document, the Company's Executive Management Team is composed of the following persons:

Name	Function
Michel Baijot	Chief Executive Officer
Frank Hazevoets	Chief Financial Officer
Philippe Ghem	Head of Commercial Operations and Licensing
Gilles Della Corte	Chief Medical Officer
Vincent Bille	Head of Technical Operations
Remy von Frenckell	Head of Clinical Development
Vincent Theunissen	Head of Human Resources

The following section contains brief biographies of the members of the Executive Management Team:

Michel Baijot, Chief Executive Officer: please refer to the Board of Directors section.

Frank Hazevoets, Chief Financial Officer: Frank Hazevoets joined the Company as CFO in April 2019. He brings more than 25 years of experience in shaping and executing strategy and in building value for company shareholders. After spending 10 years in the banking (corporate finance) sector, he has worked for 15 years in the fast moving consumer goods and life sciences industries, of which 10 years were in CFO roles. Notably, Frank was a Director of Strategy and External Growth at AB InBev from 2001 to 2006, CFO and Company Secretary of TiGenix from 2006 to 2012, and CFO of Promethera Biosciences from 2014 to 2019. He holds a Master of Engineering (Cum laude) and a Master of Business Economics (Cum fructu) from the Katholieke Universiteit Leuven.

Philippe Ghem, Head of Commercial Operations and Licensing: Philippe Ghem has served as the Company's Head of Commercial Operations and Licensing since April 2018. He is a graduated Commercial Engineer from the Solvay Business School, and holder of a license in Business and Marketing from HEC Saint Louis (now ICHEC, Brussels), He brings over 20 years of commercial expertise in the pharmaceutical industry (retail, hospital, vaccines, devices) gained in various sales and marketing positions with multiple multinational large pharmaceutical companies (Abbott GSK, Novartis) and specialty pharmaceutical companies (Coloplast, Grunenthal). In his more recent positions, he was also regularly involved in Market Access and Business Development activities, in addition to Sales, Marketing, and Commercial Operations.

Gilles Della Corte, Chief Medical Officer: Gilles Della Corte has served as the Company's Chief Medical Officer since October 2018. After ten years of hospital practice as a physician in France, he joined the pharmaceutical industry in 1990, and worked in several pharmaceutical and biotech companies, and CROs (e.g. Rhone-Poulenc-Rorer, Servier, Solvay Pharma, Merck Serono, Omnicare Clinical Research, Therapharm). From 2013 to 2016, he was Clinical Development Director at Anergis, a start-up working in the field of allergy immunotherapy. In 2016, Gilles created his own Consulting Company named DellMed Consulting. During this 28-year career, he held various management positions, mainly in R&D, with responsibility from Phase I to Phase IV, but also business-oriented functions, leading to a strong understanding of start-to-end product development process and registration.

Vincent Bille, Head of Technical Operations: Vincent Bille joined the Company in 2016 to manage the manufacturing of ASIT's products. He holds a PhD in Biochemistry from the University of Namur and a master's in Business Administration (IAG) from the Catholic University of Louvain-La-Neuve, He started his career at UCB as Head of the Peptide Department within the contract manufacturing division and became Director Commercial Operations, North America and General Manager US. He was then Director Sales & Business Development for Lonza in the US and Europe. In 2007, he founded Marble Pharma Consult sprl, which provides consultancy services in externalized development and manufacturing operations.

Remy von Frenckell, Head of Clinical Development: Remy von Frenckell joined the Company in November 2016 as a consultant. He is a Civil Engineer in Chemistry and holds a PhD in Experimental Biomedical Sciences. He has more than 35 years of experience in drug development in academia (University of Liège) and in the pharmaceutical industry (BMS, UCB). He has more than 150 publications in peer reviewed journals. In his extensive career and after 15 years in academia, he started in the pharmaceutical industry as Associate Director Biostatistics and Data Management at BMS, then joined UCB as Vice President Statistics, Data Management, Outcomes Research, and finally EORTC (European Organization for Research and Treatment of Cancer) as Director Methodology & Operations.

Vincent Theunissen, Head of Human Resources: Vincent Theunissen joined the Company in June 2017. He is a graduate from the University of Louvain. He holds a master's degree in psychology. He started his career at Carrefour then joined IKEA in 2005 to manage the HR Department and participate in the opening of a new store in Arlon. In 2008, he joined Premier Farnell European Distribution Center as Human Resources

Manager Benelux. In 2010, he was appointed Senior Vice President Human Resources at EVS SA, a Belgian company providing broadcast solutions.

Remuneration & Benefits

Directors and committees

Upon recommendation and proposal of the Remuneration and Nomination Committee, the Board of Directors determines the remuneration of the directors to be proposed to the Shareholders' Meeting. Pursuant to Belgian law, the Shareholders' Meeting approves the remuneration of the directors, including inter alia, each time as relevant:

- in relation to the remuneration of executive and non-executive directors, the 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;
- in relation to the remuneration of executive directors, the 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;
- in relation to the remuneration of non-executive directors, any variable part of the remuneration; and
- any provisions of service agreements to be entered into with executive directors providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the Remuneration and Nomination Committee, eighteen months' remuneration).

Only the non-executive directors shall receive a fixed remuneration in consideration of their membership or chairmanship of the Board of Directors and Board Committees.

The non-executive directors do not in principle receive any performance related remuneration, nor will any option or warrants be granted to them in their capacity as director. However, upon advice of the Nomination and Remuneration Committee, the Board of Directors may deviate from the latter principle in the board's reasonable opinion the granting of any performance related remuneration would be necessary to attract or retain directors with the most relevant experience and expertise.

The Nomination and Remuneration Committee recommends the level of remuneration for directors, including the Chairperson of the Board, subject to the approval by the Board of Directors and, subsequently, by the Shareholders' Meeting.

The Nomination and Remuneration Committee benchmarks directors' compensation against peer companies to ensure that it is competitive. Remuneration is linked to the time committed to the Board of Directors and its various committees. The Directors' remuneration has been last determined by the Shareholders' Meeting of13 June 2019.

The remuneration policy for directors is the following:

a) a fixed annual fee of € 60,000 is paid to the chairman of the board of directors, without prejudice to the fees paid to the members/chairman of the committees;

b) a fixed annual fee of € 30,000 is paid to each independent director, without prejudice to the fees paid to the members/chairman of the committees (not cumulative with the fees allocated to the chairman of the board of directors);

c) a fixed annual fee of € 30,000 is granted to each non-executive director who does not represent one or more shareholders, without prejudice to the fees allocated to the members/chairman of the committees (not cumulative with the fees allocated to the chairman of the board of directors);

d) a fixed annual fee of € 5,000 is paid to the chairman of the audit committee and the chairman of the remuneration and nomination committee;

e) a fixed annual fee of € 3,000 is granted to the other members of the audit committee and to the members of the remuneration and nomination committee;

f) the Company will subscribe to a directors' civil liability insurance policy and will reimburse the directors for reasonable expenses (including travel expenses) incurred in the performance of their mandate.

The above remuneration policy became effective on 1 January 2019.

From 1 June 2016 to 31 December 2018, the directors were remunerated as follow:

- a fixed annual fee of € 15,000 is granted to each non-executive Director;
- an additional fixed annual fee of € 5,000 is granted to the chairperson of the Audit Committee;
- an additional fixed annual fee of € 3,000 is granted to the chairperson of the Nomination and Remuneration Committee;
- a fixed annual fee of € 30,000 is granted to the Chairman of the Board (not cumulative).

Before that date, the directors were not remunerated for their mandates as directors.

Apart from the above, all directors are entitled to a reimbursement of out-of-pocket expenses actually incurred to participate to Board meetings.

The Board of Directors could set and revise, from time to time, the rules and level of compensation for directors carrying out a special mandate or sitting on one of the Board committees.

The following fees have been granted to the members of the Board of Directors (not including any potential fee resulting from the presidency of board committees) for the performance of their mandate during the 2018 financial year:

Name	Fee (Euro)
Thierry Legon	-
Everard van der Straten	-
François Meurgey	15,000
Jean Duchateau	15,000
Gerd Zettlmeissl	30,000
RE Finance Consulting	15,000
Meusinvest	15,000
SFPI	15,000
Harry Welten	8,750

The Company has not made any loans to the members of the Board of Directors.

Remuneration of the Audit Committee in 2018

The following fees have been granted to the members of the Audit Committee for the performance of their mandate during the 2018 financial year:

Name	Fee (Euro)
RE Finance Consulting	3,750
SFPI	-
Meusinvest	-
Harry Welten	1,250

Remuneration of the Nomination and Remuneration Committee in 2018

The following fees have been granted to the members of the Nomination and Remuneration Committee for the performance of their mandate as president of such committee 2018 during the financial year:

Name	Fee (Euro)
Gerd Zettlmeissl	3,000
Jean Duchateau	-
Meusinvest	-

Services agreements of the directors and members of management

The Company has entered into the following service agreements with companies related to the directors:

- A service agreement executed with ESPAD-SERVICES SA, a company linked to Everard van der Straten Ponthoz, relating to services of Chief Financial Officer of the Company since 21 September 2015: the consideration for these services is a daily fee of € 1,250. In 2018, a total amount of € 117,440.50 was paid to Espad-Services SA in that respect. This contract was terminated on 31 January 2019.
- A service agreement executed with YD Advisory & Services SPRL, a company linked to Yves Désiront, relating to services of Chief Financial Officer of the Company since 15 January 2019: the consideration for these services is a daily fee of € 1,250;
- A service agreement executed with CAGAM INNOVATIVE HEALTHCARE CONSULTING SPRL, a company linked to Michel Baijot, relating to services of Chief Executive Officer of the Company since 1 January 2019: the consideration for these services is annual base fee (fixed at € 300,000, indexable), and an annual variable remuneration (linked to performance and capped at € 75,000).

Remuneration of the management

The remuneration of the members of the management is determined by the Board of Directors upon recommendation by the Nomination and Remuneration Committee. The remuneration of the CEO is based on the conditions provided by a services agreement signed in February 2015 and by a license agreement signed in July 2014.

The remuneration of the management is designed to attract, retain and motivate managers.

At this stage, the Board has not established a clear remuneration policy for the members of the management and their remuneration has been arrested on a case-by-case basis.

If it is decided by the Board of Directors to grant warrants or shares to the members of the management, the essential conditions of the concerned plan will be prior approved by the Shareholders' Meeting.

The total amount of the remuneration paid to the members of the management (listed under Executive Management in the Corporate Governance section) during the year 2018 was € 539,018 (excluding the remuneration paid to the CEO, Espad-Services and Oukelos). Except for the CEO, the employment or services agreements executed between the Company and the members of the management do not provide for any variable remuneration related to the performance of the Company.

Remuneration of the former CEO

The remuneration of the former CEO consisted of the following main remuneration components:

- annual base fee (fixed at € 245,000 from July 2017, and indexed on the basis on agreement signed on 11 February 2015);
- licensing for know-how and assignment of IP rights: on the basis of an agreement signed on 14 July 2014, the Company paid annually a lump sum amount of € 55,000 (indexed) to Mr. Thierry Legon for the licensing of scientific know-how as well as the transfer of his IP rights. Pursuant to such agreement, Mr. Thierry Legon made available to the Company his scientific expertise and assigned to the Company all intellectual property rights, including copyrights, that may result from his daily activities to the benefit of the Company;

- annual variable remuneration (linked to performance and capped at 33% of the annual fee). The CEO's 2018 objectives were not set by the Board of Directors. Accordingly, no variable remuneration was awarded to the CEO for 2018; and
- participation in stock option plans.

In 2018, the former CEO received a total remuneration of € 365,616.50 (excluding warrants) detailed as follows:

- annual base fee: € 248,675.00 (i.e. € 245.000 indexed);
- licensing for know-how and assignment of IP rights: € 56,941.50 (i.e. € 55.0000 indexed);
- annual variable remuneration (objectives 2017): € 60,000.00;
- attribution of 200,000 warrants in June 2018; and
- the CEO was not entitled to any other advantage over 2018.

Termination payments

Thierry Legon was engaged as CEO of the Company through a services agreement signed on 11 February 2015. This services agreement was entered into for an indefinite period of time and can in principle be terminated at any time by the Company subject to the payment of a lump sum amount corresponding to two years of remuneration calculated on the basis of the fixed and variable remuneration paid by the Company to Mr. Legon for the last two years before the termination. Furthermore, the Company may terminate the services agreement with immediate effect subject to the payment of a lump sum amount corresponding to six months of the base fee if Mr. Legon is not able to exercise the services due to incapacity or sickness of more than sixty consecutive working days. The services agreement can be terminated at any time by Mr. Legon without indemnification but subject to a prior notice of 12 months. Finally, either the Company or Mr. Legon may terminate the services agreement with immediate effect and without indemnification in certain cases (serious breach, etc.).

On 18 December 2018, the Extraordinary Shareholders' Meeting approved the appointment of two new Board members, namely Mr. Louis Champion and Mr. Michel Baijot, following the termination of the mandate of Directors of Mr. Gerd Zettlmeissl, Mr. Thierry Legon and Mr. Jean Duchateau. On 19 December 2018, the Board of Directors approved the appointment of Mr. Louis Champion as Chairman of the Board of Directors and Mr. Michel Baijot as Managing Director and CEO. In April 2019, Mr. Thierry Legon initiated a legal procedure against the Company in order to obtain from the latter the payment of a termination indemnity corresponding to two years of remuneration calculated on the basis of the fixed and variable remuneration paid by the Company to Mr. Legon for the last two years before the termination. The Company considers that the amount of such indemnity should be capped at an amount of K€ 209, of which K€ 77 was already paid in January 2019.

Everard van der Straten was engaged as CFO of the Company through a services agreement that could be terminated by either party at any time without indemnification. This services agreement was terminated at the end of January 2019, with YD Advisory & Services SPRL, represented by Mr. Yves Desiront, acting from that date as CFO ad interim[25].

[25] Yves Desiront was replaced by Frank Hazevoets as CFO, in April 2019.

Grégory Nihon (Compliance Officer) has an employment contract with ASIT biotech. The employment contract is for an indefinite term and may be terminated at any time by the Company, subject to a notice period and a severance payment in accordance with applicable law.

Securities held by directors and management

The table below provides an overview of the number of Shares and warrants held by the directors and executive management upon the date of this Registration Document:

Name	Number of shares	Number of warrants	Number of Warrants 2
Louis Champion	-	77,640	-
Michel Baijot	-	300,000	-
François Meurgey	28,415	38,820	-
Everard van der Straten Ponthoz (through companies)	547,536	50,000	104,439
Harry Welten	-	88,820	-
3T Finance SA (related to Yves Désiront)	671,074	-	-
Yves Désiront	32,800	75,000	
SFPI SA (represented by François Fontaine)	1,353,243	-	-
Investpartner SCRL (represented by Philippe Degeer)	391,100	-	-
Rémy von Frenckell	100	-	-
Vincent Bille	340	10,000	-
Philippe Ghem	17,000	15,000	-
Vincent Theunissen	-	10,000	-
Gilles Della Corte	10	-	-
Frank Hazevoets		150,000	
Jean-Paul Prieels		38,820	

Remuneration of the Statutory Auditors

The Company has a college of Statutory Auditors composed of two auditors: Mazars-Réviseur d'Entreprises SCRL represented by Xavier Doyen and RSM Réviseurs d'Entreprises SCRL represented by Luis Laperal.

In 2018, the total amount of the remuneration paid to the Statutory Auditors was € 45,270 (€ 25,000 for the audit of the accounts and € 20,270 for specific missions).

Conflicts of Interest & Related Parties

Potential conflicts of interest

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interests with the Company. Any director with conflicting financial interests (as contemplated by article 523 of the BCC) on any matter before the Board of Directors must bring it to the attention of both the statutory auditors and fellow directors and take no part in any deliberations or voting related thereto. The Charter contains the procedure for transactions between the Company and the directors which are not covered by the legal provisions on conflicts of interest. The Charter contains a similar procedure for transactions between the Company and members of the management.

All directors have declared that they are not under a position of potential conflicts of interests between any duties to the Company and their private interests and/or other duties.

There are no outstanding loans granted by the Company to any of the directors or the members of the management, nor are there any guarantees provided by the Company for the benefit of these persons.

None of the directors or members of the management has a family relationship with any other directors or members of the management.

Other mandates

In the five years preceding the date of this Registration Document, the directors have held the following directorships and memberships of administrative, management or supervisory bodies and/or partnerships (apart from their functions within the Company):

Director	Current mandate	Past mandate
Louis Champion	Santé Compagnie Iltoo Theradial Ipso Idomed	N/A
Michel Baijot	IRE-Elit OncoRadiomics	Serum Institute of India
Yves Désiront	BeBurger SA Mister Bell Solutions SAS RE Finance Consulting SA Noho SA Pyrocore SA Sadioc SGPS SA 3T Finance SA 3t Portugal SGPS SA FPB Advisory & Services SPRL YD Advisory & Services SPRL	FYP SA D&R Cambre SA TedyBear, SAS IMI – Imagens Médicas Integradas, SA BGP AM GmbH Nabul Construmat SL Subsidiaries of Orco Property Group
François Meurgey	Oukelos SPRL Eyed Pharma SA	N/A
Everard van der Straten	Espad-Services SA Teck Finance SA LBI Investissements SA REM 624 Recymet SA Chawiti SCI Altro Real Estate (ARE) SA Wilink SA	Strafer SA Unijep SA Altro SA

Director	Current mandate	Past mandate
Philippe Degeer	Amos SA Lasea SA Diagenode SA Eyed Pharma SA ETT Endotools	N/A
Harry Welten	Novaremed AG Topadur AG Virometix AG Kanyos Bio Inc. Proteomedix AG BiognoSYS AG Horizon Pharma GmbH	Kuros Biosciences AG Anokion SA
François Fontaine	Certi-fed Credibe Fluxys SA Fund+ Accessia Pharma SA Bioxodes Epimede Theodorus Nucleis Comet sambre Comet traitement BioDiscovery 5 SWDE IRE-Elit	Sopima

Related party transactions

The Company has not entered into transactions with its principal Shareholders. The Company has entered into transactions with companies relating to directors. Please see the section above titled "*Services agreements of the directors and members of management*' for a description of such transactions. Other than those transactions the Company has not entered into any related party transactions with any Shareholders or directors or any persons or entities affiliated with any of the Shareholders or directors.

Dividend policy

The Company has never paid any dividends in the past and does not intend to pay dividends for the foreseeable future. The Board of Directors expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the Shareholders in the near future. Payment of future dividends to Shareholders will be subject to a decision of the annual Shareholders Meeting of the Company and subject to legal restrictions contained in Belgian Company law.

Absence of convictions and official public incriminations

All directors and members of the executive management have confirmed to the Company the absence of (i) any convictions in relation to fraudulent offenses during the past five years or (ii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

10. IFRS FINANCIAL STATEMENTS

EU - IFRS Financial Statements

General Information

On 6 May 2019, the Board of Directors generated the financial statements and the statutory financial statements of the Company with respect to the financial year ended on 31 December 2018.

The financial statements of the Company with respect to the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union (***IFRS***). They have all been audited by the auditors.

This Registration Document, together with the complete version of the statutory financial statements of the Company with respect to the financial year ended on 31 December 2018, the management report of the Board of Directors on the EU - IFRS financial statements and the statutory financial statements, and the auditors' report on the statutory financial statements are made available on the website of ASIT biotech (www.asitbiotech.com) and can be obtained free of charge.

Certain financial information in this Registration Document has been subject to rounding adjustments and currency conversion adjustments. Accordingly, the sum of certain data may not be equal to the expressed total.

Financial information relating to the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018, including the relevant reports of the Board of Directors and reports of the Auditors, are hereby included by reference, as follows :

Financial years ended 31 December 2016	Section 11, page 171 to 173 and Section 12, page 173 to 217 of the Board report
Financial years ended 31 December 2017	Section 11, page 153 to 155 and Section 12, page 155 to 205 of the Board report
Financial years ended 31 December 2018	Section 5, page 102 to 144 of the Board report

IFRS Audited EU – IFRS financial information of the Company for the last 3 years

EU - IFRS statement of financial position (in € '000)

	31 December		
	2018	**2017**	**2016**
ASSETS			
Non-current assets			
Property, plant and equipment	810	691	736
Other long-term receivables	1,588	1,146	1,034
	2,397	**1,837**	**1,770**
Current assets			
Trade receivables	-	-	3
Other receivables	280	244	323

	31 December		
	2018	**2017**	**2016**
Other current assets	418	78	72
Cash and cash equivalents	8,458	2,126	13,387
	9,157	**2,448**	**13,785**
Total assets	**11,554**	**4,285**	**15,555**
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	14,350	9,989	17,506
Share premium	37,034	21,957	21,957
Cost of capital increase	(2,317)	(2,102)	(2,102)
Share based payment reserve	344	270	216
Convertible bonds specific reserve	290		
Accumulated deficit	(43,233)	(28,915)	(24,445)
Total equity attributable to shareholders	**6,468**	**1,199**	**13,132**
LIABILITIES			
Non-current liabilities			
Financial debts	465	432	419
	465	**432**	**419**
Current liabilities			
Financial debts	25	34	12
Convertible bonds	1,616		
Trade payables	1,669	1,264	1,707
Other payables	1,311	1,357	285
	4,621	**2,654**	**2,004**
Total liabilities	**5,086**	**3,086**	**2,423**
Total equity and liabilities	**11,554**	**4,285**	**15,555**

EU - IFRS income statement and other comprehensive income (in € '000)

	31 December		
	2018	**2017**	**2016**
Other operating income / (expenses)	557	604	1,667
Research and development expenses	(10,856)	(10,903)	(12,123)
General and administrative expenses	(2,468)	(1,676)	(1,822)
Operating loss for the period	**(12,767)**	**(11,976)**	**(12,278)**
Financial income	13	36	42
Financial expense	(1,570)	(45)	(102)

	31 December		
	2018	**2017**	**2016**
Loss for the period before taxes	**(14,324)**	**(11,985)**	**(12,338)**
Taxes	3	(2)	(1)
Loss for the period	**(14,321)**	**(11,986)**	**(12,339)**
Other comprehensive income			
Comprehensive loss for the period	**(14,321)**	**(11,986)**	**(12,339)**
Loss for the year			
Attributable to owners of the Company	(14,321)	(11,986)	(12,339)
Losses per share (in € per share)			
- basic and diluted	(0,86)	(0,94)	(1,10)

EU - IFRS statement of changes in equity (in € '000)

	Capital	**Share premium**	**Share-based Payment reserve**	**Cost of capital increase**	**Convertible bonds reserve**	**Accumulated deficit**	**Total equity attributable to the owners of the Company**
As at 31 December 2015	**11,625**	**-**	**591**	**(593)**	**-**	**(12,481)**	**(858)**
Loss of the year						(12,339)	(12,339)
Share-based payment			(375)			375	-
Capital increase (IPO)	4,579	18,871		(1,509)			21,941
Capital increase (conversion of bonds)	1,234	2,896					4,130
Capital increase (exercise of warrants)	67	191					258
As at 31 December 2016	**17,506**	**21,957**	**216**	**(2,102)**	-	**(24,445)**	**13,132**
Capital decrease	(7,517)					7,517	-
Loss of the year						(11,986)	(11,986)
Share-based payment			54				54
As at 31 December 2017	**9,989**	**21,957**	**270**	**(2,102)**	-	**(28,915)**	**1,199**
Capital increases	*4,361*	*15,077*		*(215)*	*290*		*19,513*
In cash	2,340	9,150		(215)			11,275
Exercise of warrants	939	3,671					4,610
Conversion of bonds	1,082	2,256			290		3,628
Loss of the year						(14,321)	(14,321)
Share-based payment			74				74
As at 31 December 2018	**14,350**	**37,034**	**344**	**(2,317)**	**290**	**(43,233)**	**6,468**

EU - IFRS statement of cash flows (in € '000)

	Note	2018	2017	2016
Loss of the period		**(14,321)**	**(11,986)**	**(12,339)**
Adjustments				
Other income - Tax credit on R&D activities	18	(443)	(112)	(1,016)
Other income - Grant recognised in accordance with IAS 20	18			
		(125)	(492)	(668)
Loss on disposal of property, plant and equipment		4		
Depreciation on property, plant and equipment	7	253	205	141
Write-off inventories		-	-	11
Share-based payments	14	73	54	-
Financial (income) / expense		1,557	9	60
Changes in working capital				
Trade receivables, other receivables and other current assets		(376)	74	(62)
Other non-current liabilities, trade payables and other payables				
		360	(586)	171
Cash flow from operating activities		**(13,018)**	**(12,835)**	**(13,697)**
Investing activities				
Purchase of property, plant and equipment	7	(371)	(161)	(383)
(Increase) / Decrease of long-term deposits			-	(6)
Cash flow from investing activities		**(371)**	**(161)**	**(389)**
Financing activities				
Capital increases (net of transaction costs)	13	15,885	-	22,199
Proceeds from issuance of convertible bonds (net of transaction costs)	15	3,719	-	-
Recoverable cash advances received	15	125	1,707	815
Reimbursement of recoverable cash advances	15	(13)		
Interests received		9	36	42
Interests paid		(2)	(10)	(204)
Cash flow from financing activities		**19,722**	**1,733**	**22,852**
Net increase / (decrease) in cash and cash equivalents		**6,332**	**(11,261)**	**8,766**
Cash and cash equivalents at the beginning of the period	12	**2,126**	**13,387**	**4,621**
Cash and cash equivalents at the end of the period	12	**8,458**	**2,126**	**13,387**

Notes to the EU-IFRS Financial Statements

Note 1. General information

ASIT biotech SA, a company incorporated in Belgium with registered office at 5, Avenue Ariane, 1200 Woluwe-Saint-Lambert in Belgium is a clinical-stage biopharmaceutical company focused on the development and commercialisation of a range of immunotherapy products for the treatment of allergies. The lead product candidate gp-ASIT+™ is in Phase III for the treatment of grass pollen allergy. The Company's pipeline includes two other products at the preclinical stage, hdm-ASIT+™, for the treatment of house dust mite allergy, and pnt-ASIT+™ for the treatment of peanut allergy.

These product candidates are being developed using the Company's innovative technology, ASIT+, allowing the production, the characterisation and the quality control of new active ingredients. These new active ingredients are highly purified natural allergen fragments, allowing a faster injection regimen with higher doses, resulting in a short course treatment improving patient compliance and clinical efficacy.

The Company has so far been funded by a combination of private investors, funds from regional and national authorities, by funds collected as a result of the IPO that took place in May 2016, and in 2018 through the issuance of convertible bonds. In addition, several grants and recoverable cash advances have been awarded to the Company to support its R&D activities.

The financial statements have been authorised on 6 May 2019 by the Board of Directors of the Company.

Note 2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements of the Company for the year ended 31 December 2018 have been prepared in accordance with the IFRS as issued by the IASB and as adopted by the EU. Annual accounts have been prepared in accordance with IFRS for the first time for the accounting period ending 31 December 2015.

2.2 Principal accounting policies

The principal accounting policies for preparing the financial statements are summarised below.

2.3 Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets or liabilities. All entries are made at historical cost, with the exception of the share-based payments (not accounted for in Belgian GAAP, the recoverable cash advances and the derivatives embedded in the convertible bonds; which are fair valued.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or liability is measured using the assumptions that market participants

would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following standards and interpretations are published, issued but are not yet effective and have not been applied to the IFRS financial statements of the Company. Some may or may not affect the preparation of future annual reports. The Company will assess full impact of these standards in due course:

Texts endorsed by EFRAG:

- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures (applicable as from 1/1/2019). These amendments address the impairment of interests in associates or joint ventures and accordingly does not impact the Company;
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable as from 1/1/2019);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable as from 1/1/2018);
- Amendments to IFRS 9 Prepayment features with negative compensation (applicable as from 1/1/2019);
- Amendments to IAS 40 Transfers of Investment Property (applicable as from 1/1/2018). These amendments do not impact the Company as it does not have any investment property;
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable as from 1/1/2018);
- Annual Improvements to IFRS Standards 2014-2016 Cycle (applicable as from 1/1/2017 or 1/1/2018);
- IFRS 16 Leases (applicable as from 1/1/2019). This standard provides a basis for the accounting of leasing contracts by lessees and lessors. Considering the nature of the lease agreements in which the Company is involved, this standard shall not significantly impact the Company;

Texts not yet endorsed by EFRAG:

- IFRS 17 Insurance contracts (applicable as from 1/1/2020). The standard dealing with insurance contracts is not applicable to the Company;
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle (applicable as from 1/1/2019);
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (applicable as from 1/1/2019);
- Amendments to References to the Conceptual Framework in IFRS Standards (applicable as from 01/01/2020);
- Amendments to IFRS 3 Business Combinations (applicable as from 01/01/2020);

- Amendments to IAS 1 and IAS 8: Definition of Material (applicable as from 01/01/2020) and

It is not expected that the application of the above mentioned IFRS standards, interpretations and amendments will have a significant impact on the financial statements.

The Company consistently used the same accounting policies and throughout all periods presented in its IFRS financial statements. There is no impeding change in accounting policy.

2.4 Foreign currency translation

The financial statements are presented in Euro (EUR; €) and all values are rounded to the nearest thousand ('000' €; K€), except when otherwise indicated.

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous periods, are recognised in the income statement.

2.5 Intangible assets

Research and development costs

Research costs are expensed as incurred. Development costs are recognised as intangible assets, if and only if, all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

At this stage, the Company is of the opinion that none of the projects currently undergone meet the recognition criteria.

Other intangible assets

Purchased intangible assets, such as patents, licenses and purchased IT, are capitalised if it can be demonstrated that such assets will generate future economic benefits for the Company. Intangible assets are amortised in accordance with the expected pattern of consumption of future economic benefits derived from each asset. Specifically, intangible assets are amortised on a straight line basis over their estimated useful life. The Company has at this stage no intangible asset carried on the statement of financial position.

2.6 Property, plant and equipment

Property, plant and equipment are initially recorded in the statement of financial position at their acquisition cost, which includes the costs directly attributable to the acquisition and installation of the asset. Any government grant received with respect to the acquisition of property, plant and equipment is deducted from the acquisition cost of the related asset.

Property, plant and equipment are recorded at their historical cost less accumulated depreciation and impairment, if any.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful life. The estimated useful life of each category of property, plant and equipment is as follows:

IT and laboratory & manufacturing equipment	3 to 10 years
Leasehold improvements	The shorter of rent duration and 10 years
Other	10 years

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset, which is the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment of intangible assets and property, plant and equipment

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If an indication of impairment exists, or when annual impairment testing is required (in the case of goodwill and intangible assets with an indefinite useful life), the Company estimates the asset's recoverable amount. The recoverable amount of an asset is the higher of the assets or cash-generating units (***CGU***) fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for the asset in prior years. Such reversal is recognised in the income statement.

As the Company currently does not generate significant cash-inflows, it is to be noted that the recoverable amount of an asset is determined on basis of its fair value less cost of disposal.

2.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and liabilities are added or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

A. Financial assets

The Company has only loans and receivables which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include trade receivables and other receivables which are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Derecognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or when the Company transferred its rights to receive cash flows and substantially all risks and rewards of ownership of the financial asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognised a collateralised borrowing for the proceeds received.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has a negative impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement.

B. Financial liabilities

All financial liabilities are initially recorded at fair value, net of directly attributable transaction costs, if any.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as financial cost in the income statement.

The Company's financial liabilities include non-current liabilities (financial debt) and current liabilities (financial debt, trade and other payables).

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in income statement.

C. (Embedded) Derivatives

Certain debt instruments of the Company contain embedded derivatives such as conversion (or non-conversion) features of issued or committed convertible bonds. Such identified derivatives are separated from the host instrument and fair valued with the change in fair value recognised in the income statement. The fair value of such derivatives is determined on the basis of a valuation technique which belongs to the Level 3 category of the fair value hierarchy.

Specifically; for the Convertible Plan, the following matters are taken into consideration when determining the fair value of the different conversion (or non-conversion features):

- whether some features under the control of the Company have an economic value or not for the Company considering its business model;
- an estimation of the convertible bonds that will be ultimately issued under the plan;
- the conversion price features;

When issued bonds are converted into shares of the Company; the portion of the fair value of the related converted bonds are re-classified within equity under a specific reserve and no gain or loss is recognized at conversion.

2.8 Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received, net of transaction costs.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term deposits with a maturity of or less than 3 months, and which are subject to an insignificant risk of changes in value.

2.10 Income taxes

Income taxes include current income tax and deferred income tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. Tax rates and tax laws that are considered to determine the amount of tax assets or liabilities are those that are enacted or substantially enacted, at the reporting date.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.11 Employee benefits

A. Short-term employee benefits

Short-term employee benefits include salaries and social security taxes, paid vacation and bonuses. They are recognised as expenses for the period in which employees perform the corresponding services. Outstanding payments at the end of the period are presented within current liabilities (other payables). As the Company employs several scientists dedicated to research activities; it enjoys a relief from personal withholding taxes. This incentive is not presented as other income but as a deduction of the payroll expenses.

B. Post-employment benefits

Post-employment benefits include pensions and retirement benefits for employees, which are covered by contributions of the Company.

The Company has set up a pension scheme for its employees. Under such scheme, the Company pays contributions based on salaries to an insurance company responsible for paying out pensions and social security benefits, in accordance with the laws and agreements applicable in Belgium.

In Belgium, the pension plans are by law subject to minimum guaranteed rate of return, which was until recently 3.25% on employer contributions (for premiums until 31 December 2015) and between 1.75% and 3.75% for subsequent premiums (depending on the evolution of the OLO 10 years rate).

In theory, such pension scheme shall be treated in accordance with IAS 19 "Employee Benefits" as a defined benefit plan. The Company accounts for those plans as defined contribution plans and compare the "walk away liability" or the vested rights at reporting date with the fair value of the plan assets. If the vested rights are higher as compared to the fair value of the plan asset, a liability is recognised for the shortage at the reporting date. Outstanding payments at the end of the period, if any, are presented within current liabilities (other payable).

However, considering that (i) the Company is still in its start-up phase (ii) the current employees of the Company will remain or not within the Company depending on the outcome of the Phase III testing and (iii) the fact that the pension scheme is "young" and concerns a limited number of employees; the Company is of the opinion that the impact of accounting for the pension scheme as a "defined contribution plan" in place of a "defined benefit plan" is not material.

2.12 Share-based compensation

There are several equity-settled share-based compensation plans in place. The fair value of the employee (or Director) services received in exchange for the grant of stock options or warrants is determined at the grant date using a Black & Scholes valuation model.

The total amount to be expensed over the vesting period, if any, with a corresponding increase in the "share-based payment reserve" within equity, is determined by reference to the fair value of the stock options or warrants granted, excluding the impact of any non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of stock options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the stock options or the warrants are exercised.

When warrants granted under a share-based compensation plan are not exercised and have expired, the amount previously recognised under the share-based payment reserve is reclassified to the caption accumulated deficit, within equity.

2.13 Provisions

A provision is set up by the Company if, at the reporting date, the Company has a present obligation, either legal or constructive, as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

2.14 Grants – Recoverable cash advances

Government grants are recognised if there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

The Company receives the support from the Regional Government under the form of recoverable cash advances. Recoverable cash advances are aimed at supporting specific development programs.

When a recoverable cash advance agreement is signed with the Walloon Region, the Company determines the fair value of the amount it will have to reimburse and accounts for it as a financial liability. To determine this fair value, the Company estimates future cash outflows it will have to support considering (i) the probability that the Company will notify the regional government whether it will decide or not to exploit the results of the research phase (ii) the estimation of the timing and the probability of the future sales and (iii) an appropriate discount rate.

Subsequently, at each closing date, the financial liability is accounted at amortised cost using the effective interest rate method considering the initial discount rate. When doing so, the Company reviews at least annually – or more frequently if there are indicators, either positive or negative, the estimation of the timing and the probability of the future sales of the products benefiting from the support of the Walloon Region and, if necessary, adjust the amount of the financial liability accordingly either upwards or downwards against financial expense or income respectively.

Any difference between the cash advance and the fair value of the liability is considered as a government grant and until the cash is received from the Walloon Region a receivable towards the Walloon Region is accounted for.

When the grant is received, it is at first deferred within "Other Payables" under the caption "Deferred Grant Income". Subsequently, the grant is recognised in the income statement under the caption "Other Income" when the amount can be measured reliably, being when the costs eligible to benefit from the support of the Walloon Region are submitted and accepted by the Walloon Region.

2.15 Grants relating to the acquisition of property, plant and equipment

Government grants are recognised if there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Such grants are presented as a reduction of the acquisition cost of the related asset.

2.16 Tax Credit relating to R&D expenditures

R&D expenditures of the Company can benefit – subject to the fulfillment of certain conditions – from the so-called Tax-Credit mechanism. This mechanism grants the Company a reduction of its current tax payable for an unlimited period and hence reduces the tax payments, if any. If the Company does not have enough current tax to be paid to benefit from this reduction, the Company will receive in cash, the amount of the Tax-Credit after five years. This Tax-Credit is accounted for in accordance with IAS 20 Government Grants and not IAS 12 Income Taxes (i.e. a receivable is recognized for the amount of the Tax-Credit that the Company is entitled to receive in the future and the counterpart is accounted for within "Other Income" in the income statement). So far, eligible years for the Tax Credit are 2014, 2015, 2016, 2017 and 2018.

2.17 Leases

A financial lease is a lease which transfers substantially all risks and rewards of ownership to the lessee. All other leases are operating leases. The Company is only involved in operating leases as a lessee. For such agreements, payments made are expensed on a straight-line basis over the period of the lease.

2.18 Borrowing costs

Borrowing costs are expensed as incurred as there is no qualifying asset for which capitalisation of borrowing costs may be required.

2.19 Revenue

As of today, the Company has only incidental revenue. The Company will develop accounting policies when it will begin to generate material revenues.

2.20 Segments

To date, all Company's activities relate to research and development and, as a consequence, there is only one operating segment. The reporting to the decision maker is currently done at the global level.

Assets of the Company are located in the country of domicile per 31 December 2018.

Some manufacturing equipment items purchased in 2014, 2015 and 2016 were located at the premises of the CMO in Europe. These assets were reported for a net book value of € 27,000 as at 31 December 2017 and € 321,000 as at 31 December 2016. All these items have now been transferred to the future manufacturing premises in Belgium.

Note 3. Capital management

Capital comprises equity attributable to shareholders, borrowings and cash and cash equivalents. The Company's policy is to maintain a strong capital base in order to maintain investor confidence in its capacity to support the future development of its operations. The Company's objectives when managing capital are to maintain sufficient liquidity to meet its working capital requirements and fund capital investment in order to safeguard its ability to continue operating as a going concern.

The Company monitors capital regularly to ensure that the legal capital requirements are met and may propose capital increases to the Shareholders' Meeting to ensure the necessary capital remains intact.

Note 4. Management of financial risks

4.1 Financial risk factors

The Company's activities expose it to a variety of financial risks such as liquidity risk. The Company's finance department identifies and evaluates the financial risks in co-operation with the operating units.

4.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities may expose it to changes in foreign currency exchange rates and interest rates. The Company is not exposed to any equity price risk or commodity price risk as it does not invest in these classes of investments.

The Company is also exposed to the evolution of its stock price as the convertible plan put in place in July 2018 foresees that if the stock price of the Company falls below € 1.1368 the investor is not obliged to subscribe to the bonds that the Company intended to issue under this plan.

4.3 Foreign exchange risk

The Company may be exposed to foreign currency risks through its operating activities. To date, certain purchase transactions are undertaken in Swiss francs (CHF), in British Pounds (GBP) and in US Dollars (USD). However, the magnitude of purchases in foreign currencies is currently limited; meaning that the Company's exposure to fluctuation of the exchange rate of the concerned currencies into Euro is limited. In the future, as the developments progress and particularly in view of the commercialisation of the product candidates, the foreign exchange risk may significantly increase, especially the foreign exchange risk linked to the USD.

4.4 Counterparty risk

As part of the Convertible Plan put in place in July 2018, the Company is exposed to a counterparty risk. Under this plan, the parties taking part to it are committed, under certain conditions, to subscribe to bonds to be issued by the Company. If a counterpart has not the economic ability to subscribe to such issuance of bonds, the Company will not succeed in obtaining the committed financing.

4.5 Liquidity risk

The Company's main sources of cash inflows are obtained through capital increases, convertible bonds, grants and recoverable cash advances. Cash is invested in low risk investments such as short-term bank deposits or savings accounts. The Company mainly makes use of liquid investment in current accounts (in Euro) or short-term deposit accounts.

The ability of the Company to maintain adequate cash reserves to support its activities in the medium term is highly dependent on the Company's ability to raise additional funds. As a consequence, the Company is exposed to significant liquidity risk in the medium term.

Analysis of contractual maturities of financial liabilities at 31 December (in 000's €) is as follows:

	2018				2017			2016		
	Convertible Bonds	**Financial Debt**	**Trade Payables**	**Other Payables**	**Financial Debt**	**Trade Payables**	**Other Payables**	**Financial Debt**	**Trade Payables**	**Other Payables**
Less than 1 month	1,616		1,669	1,311		1,264	1,356	-	1,707	285
1-3 months										
3 months to 1 year		25			34			12		
1-5 years		380			352			227		
5+ years		85			80			192		
TOTAL	**1,616**	**490**	**1,669**	**1,311**	**466**	**1,264**	**1,356**	**431**	**1,707**	**285**

Note 5. Fair value

The carrying amount of cash and cash equivalents, trade receivables, other receivables and other current assets approximate their value due to their short-term character.

The carrying value of financial debts, trade payables and other payables approximates their fair value due to the short-term character of these instruments.

The fair value of financial debts (non-current and current) is evaluated based on their interest rates and maturity date. These instruments have fixed interest rates, or no interest rate and their fair value measurements are subject to changes in interest rates. The fair value measurement is classified as level 2.

The fair value measurement of the derivatives embedded in the convertible bonds is classified as level 3.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The value of financial assets and liabilities is summarised in the following table (in 000's €):

	Carrying value			Fair value		
	31/12/2018	31/12/2017	31/12/2016	31/12/2018	31/12/2017	31/12/2016
Financial Assets						
Other long-term receivables	1,588	1,146	1,034	1,588	1,146	1,034
Trade and other receivables	280	244	326	280	244	326
Other current assets	418	78	72	418	78	72
Cash and cash equivalents	8,458	2,126	13,387	8,458	2,126	13,387
Financial liabilities						
Recoverable cash advance	490	468	431	490	468	431
Convertible bonds	1,616		-	1,616		
Trade and other payables	2,980	2,621	2,076	2,980	2,621	2,076

Note 6. Critical accounting estimates and assumptions

When preparing the financial statements, judgments, estimates and assumptions are made that affect the carrying amount of certain assets, liabilities and expenses. These include the going concern assessment, the share-based payment transactions, the accounting for research and development expenses, the recoverable advances received and deferred taxes. These judgments, estimates and assumptions have been reviewed for each year and are reviewed on a regular basis, taking into consideration past experience and other

factors deemed relevant under the then prevailing economic conditions. Changes in such conditions might accordingly result in different estimates in the Company's future EU - IFRS financial statements.

6.1 Critical judgements

The financial statements have been prepared on a going concern basis.

On 31 December 2018, the Company had a cash position of € 8.5 million and the capacity under certain conditions to raise additional € 7.8 million from the ongoing convertible bonds issuance plan (see Note 15) and additional € 4,2 million from the exercise of Warrants 2 (see Note 13). Would all the ongoing capital raising activities be unproductive, the level of the working capital shortfall shall amount to € 8.6 million for a period of at least 12 months after the 31 December 2018.

Hence, these events and conditions indicate a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

In accordance with Article 96, 6° of the BCC, considering two consecutive financial years of losses, the Board of Directors has decided, after consideration, to apply the company valuation rules assuming "going concern", for the reasons set out above.

Even though the Company is currently not able to satisfy all financial liabilities and working capital needs, the Board of Directors is of the opinion that the continuity of the Company an appropriate assumption. Indeed, the Company is actively working, among other actions, on raising additional long-term financing instruments and the Board of Directors is confident that such funding activities will be successful.

6.2 Critical accounting estimates and assumptions

Share-based payments

The Company has several equity-settled, share-based payment plans in place. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the option plan. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Research and development expenses

In line with market, the Company is of the opinion that research and development expenditures do not meet the capitalisation criteria until successful completion of Phase III is achieved. Accordingly, no research and development asset has been recognised in the financial statements of the Company, yet.

Deferred tax assets

As a result of significant losses incurred by the Company, the Company enjoys tax losses that can be carried forward. However, no deferred tax asset has been recognised at this stage, as it cannot be demonstrated that the tax losses will be compensated by future taxable income in the foreseeable future.

Recoverable cash advances and government grants

The Company benefits from recoverable cash advances granted by the Walloon Region. Recoverable cash advances are aimed at supporting specific development programs and typically functions as follows:

- An agreement is concluded with the Regional Government consisting in three distinct phases being a research phase, a decision phase and an exploitation phase.
- During the research phase, the Walloon Region supports part of the costs incurred by the Company for a specific development program (up to 55% of an agreed budget). At the start of the program, the Walloon Region, makes a first down-payment of 30% of the agreed budget (the so-called "avance fonds de roulement"). During the Research Phase; which typically lasts two years, the Walloon Region pays additional amounts to the Company, as the program is realised by the Company. The additional payments are made on basis of costs statements submitted by the Company and accepted by the Walloon Region.
- At the end of the research phase, there is a decision phase of six months, allowing the Company to decide whether or not it will exploit the results of the research phase.
- If the Company decides not to exploit the results of the research phase, it has to notify the Region and transfer to the Region the rights associated with the research phase. Accordingly, the advances received are not to be reimbursed at all.
- If the Company, decides to exploit the results of the research phase, it will enter into the exploitation phase. Such decision triggers the following obligations towards the regional government:
    - 30% of the total cash advance received has to be reimbursed unconditionally in accordance with a reimbursement plan (typically covering a period of ten years);
    - The Company has to pay to the regional government royalties based on the sales that will be generated by the products that have benefited from the cash advance (and this for a period of up to ten years);
    - The maximum amount the Company may have to pay in accordance with this mechanism is capped to twice the total amount of the cash advance received.

A recoverable advance is thus in substance a financial liability of the Company towards the Walloon Region. The determination of the amount of the financial liability is subject to a high degree of subjectivity and requires the Company to make estimates of the future sales it will derive in the future from the products that benefited from the support of the Walloon Region. Based on these estimates, it may be concluded that the amount of the cash advance that the Company will receive from the Walloon Region exceeds the amount of the financial liability estimated by the Company. In such a situation, the difference is considered as a government grant.

Convertible bonds

When determining the fair value of the derivatives embedded under the convertible bond plan, management had to make different assumptions and estimates:

- It has been considered that all committed bonds under the plan will be issued meaning that during the life of the plan the stock price of the Company will not be lower than €1.1368;
- It has been determined that the Company will not make use of the possibility to redeem the bonds in cash instead than issuing new shares;

- It has been estimated that no time-value has to be considered in determining the fair value of the conversion features as the estimated average life time of the bonds is no longer than twelve-months;
- It has been determined adequate to recognize the total fair value of the conversion feature immediately; thus inducing a "Day 1 loss" as the conversion feature of the convertible bonds plan al-lows the bond holder to exercise its right to subscribe to bonds and to convert them into shares at any moment, but not later than twelve months after issuance of the bonds. Finally, the transaction costs supported by the Company when setting up this plan, being € 481,480 have been expensed immediately.

Note 7. Property, plant and equipment

Property, plant and equipment are summarised in the following table (in 000's €):

	ICT Equipment	Equipment	Furniture and fixtures	Leasehold improvement	Total
Net book value end 2015	**36**	**429**	**26**	**3**	**494**
2016					
Acquisitions	13	281	53	35	383
Depreciation	(12)	(115)	(12)	(2)	(141)
Net book value	**37**	**595**	**67**	**36**	**736**
2017					
Acquisitions	9	137	10	4	161
Depreciation	(14)	(171)	(17)	(4)	(205)
Net book value	**32**	**561**	**60**	**36**	**691**
2018					
Acquisitions	12	358	1	-	367
Depreciation	(12)	(218)	(19)	(4)	(253)
Net book value					
Cost	150	1,408	129	52	1,729
Accumulated depreciation	(118)	(704)	(87)	(20)	(929)
Net book value	32	704	42	32	810

In 2018, equipment was acquired for a total of € 358,000, mainly for the production unit based in Liège.

In 2017, acquisitions were mainly related to manufacturing equipment (€ 194,000) for which an investment grant was received from the Walloon Region (€ 57,000).

In 2016, acquisitions were mainly related to manufacturing equipment (€ 281,000) for the manufacturing of the drug substance for the product candidates, IT equipment (€ 13,000), furniture (€ 53,000) and leasehold improvements (€ 35,000). There was no disposal during the year.

The yearly depreciation charge amounts to € 253,000 in 2018, € 205,000 in 2017 and € 141,000 in 2016.

Note 8. Other long-term receivables

Other long-term receivables are summarised in the following table (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Deposits	18	18	18
Tax credit related to R&D expenditures	1,570	1,128	1,016
Total other long-term receivables	**1,588**	**1,146**	**1,034**

Considering the activities of the Company, we are eligible to benefit from a cash refund from the tax authorities, notwithstanding the taxable position of the Company, calculated as a percentage of the expenditures made by the Company for certain R&D activities. The receivable recognized with respect to this incentive, amounts to € 1,570 (000's) and relates to expenditures made since 2014.

Note 9. Trade receivables

As the Company is still in a research phase; there is currently no revenue and hence there is no receivable in the balance sheet, at the exception in 2016 due to sales of Lupus diagnostic kits. Trade receivables are summarised in the following table (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Trade receivables (gross)	-	-	-
Credit notes to be received	-	-	3
Trade receivables	**-**	**-**	**3**

Note 10. Other receivables

Other receivables are summarised in the following table (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
VAT receivable	276	194	308
Current tax receivable		16	11
Other	4	34	4
Other receivables	**280**	**244**	**323**

Note 11. Other current assets

Other current assets relate to prepaid expenses and accrued income which amount to € 418,000 as at December 2018, € 78,000 as at December 2017 and € 72,000 as at December 2016. The increase in 2018 mainly relates to the advance payment to the CRO to cover the third-party operating costs of the gp-ASIT+™ second Phase III study.

Note 12. Cash and cash equivalents

Cash and cash equivalents are summarised in the following table (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Short term deposit		7	297
Savings accounts	7,592	1,873	12,460
Current accounts	866	246	630
Petty Cash			-
Total cash and cash equivalents	**8,458**	**2,126**	**13,387**

Note 13. Capital, share premium and cost of capital increase

As at 1 January 2016 the share capital of the Company amounted to € 11,625,136.35 represented by 85,041 shares without nominal value.

On 8 January 2016, following a decision of the shareholder's meeting, the number of shares was multiplied by 100. Consequently, at this date, the share capital of the Company (€ 11,625,136.35) was represented by 8,504,100 shares.

The Company successfully launched an Initial Public Offering on 11 May 2016 on Euronext Brussels and Euronext Paris. The final offer price was set at € 7.00 per share and 3,350,000 new shares were issued resulting in a capital increase of € 4,579,461.05 and a share premium of € 18,870,538.95.

Further to the realization of the Offering, convertible bonds issued on 5 August 2015 were converted into equity for a total amount of € 4,130,000 divided into 902,700 shares (€ 1,233,994 was included in the capital and € 2,896,006 was treated as issue premium).

Finally, on 28 December 2016, further to the execution of the warrant plans 2009 and 2011, 493 warrants were exercised resulting in a capital increase of € 67,393.20 and an increase of the share premium of € 190,642.92 and the issuance of 49,300 new additional shares has brought the Company to € 17,505,986.09 represented by 12,806,100 shares as of 31 December 2016.

The various capital increases that took place in 2016, and considering the related costs, resulted in a net cash inflow of € 22,198,587.86 as included in the cash-flow statement under the line item "Capital increase".

In June 2017, a capital decrease by absorption of the accumulated deficit of € 7,517,228.09 by way of absorption of carried forward losses took place. After this resolution, capital amounts to € 9,988,758 represented by 12,806,100 shares.

During 2018, 13 capital increases took place, out of which a total of 5,590,748 shares were issued. The share capital has been increased up to an amount of € 14,349,541 represented by 18,396,848 shares. The total issuance premium of these capital increases amounted to € 37,034,040. These capital increases took place following the implementation of two major capital raising transactions described below. The Company incurred a total of € 215,000 in transaction costs reported in deduction of equity under a specific caption.

Capital increases following shares issuance and exercise of warrants

The Shareholders' Meeting held on 7 December 2017 approved the issuance of 3 million new shares, at the price of € 3.83 per share. Each subscriber of one new share was granted, for free, two warrants (Warrant 1 and Warrant 2).. Each warrant gives the right to subscribe to one new share at a price of € 3.83 per share. Warrants 1 expired on 30 June 2018 and Warrants 2 will expire on 31 December 2019, provided that Warrants 2 can only be exercised if the corresponding Warrants 1 had been previously exercised. Warrants 1 and Warrants 2 are not transferable. All powers were granted to the Board of Directors in order to proceed with their private placement on the market. Throughout 2018, 3 million shares were issued, and Warrants 1 and Warrants 2 were exercised as follows:

- On 25 January 2018, a capital increase through a contribution in cash of € 9,408,180.52 was acknowledged giving rise to the issuance of 2,456,444 new shares. The new shares were subscribed at a price per share of € 3.83 resulting in a capital increase of € 1,916,026.32 with an issuance premium of € 7,492,154.20. This capital increase took place as part of the first subscription round which closed on 22 January 2018;
- On 23 January 2018, the Company opened a second subscription round which ended on 19 February 2018 by decision of the Board of Directors. Following this second subscription round, the Company collected an additional € 2,081,819.48, which resulted in the issuance of 543,556 shares, in a capital increase of € 423,973.68 with an issuance premium of € 1,657,845.80 enacted on 23 February 2018;
- On 23 February 2018, 626,146 Warrants 1 were exercised, resulting in the issuance of 626,146 shares, in a capital increase of € 488,393.88 with an issuance premium of € 1,909,745.30;
- On 16 March 2018, 41,726 Warrants 1 were exercised at the price of € 3.83 and 41,726 ordinary shares were issued, resulting in a capital increase of € 32,546.28 with an issuance premium of € 127,264,30;
- On 15 June 2018, 296,954 Warrants 1 and 56,097 Warrants 2 were exercised at the price of € 3.83 and 353,051 ordinary shares were issued, resulting in a capital increase of € 275,379.78 with an issuance premium of € 1,076,805.55;
- On 4 July 2018, 182,769 Warrants 1 were exercised at the price of € 3.83 and 182,769 ordinary shares were issued, resulting in a capital increase of € 142,559.82 with an issuance premium of € 557,445.45;

All Warrants 1 and 2 have been allocated. 1,147,595 Warrants were exercised prior to 30 June 2018 which resulted in the automatic cancellation of 1,852,405 Warrants 1 and 1,852,405 Warrants 2. As a result, 1,852,205 Warrants 1 and 1,852,405 Warrants 2 are void as of the date of this Registration Document. Out of the remaining 1,147,595 Warrants 2, 56,097 have been already exercised, i.e., 1,091,498 Warrants 2 must be exercised before 31 December 2019, allowing their holders to subscribe to 1,091,498 new shares.

Conversion of convertible bonds

On 10 July 2018, the Company launched a private placement of 240 convertible bonds (the ***CBs***) and 4,560 subscription rights on convertible bonds (allocated for free to the subscriber of the convertible bonds) (the

Bonds Warrants) for a maximum total amount of € 12 million (additional information can be found in Note 15.2). The CBs can be converted into new shares of the Company (the ***Bonds Shares***) at any time for twelve months following their issuance (the ***Maturity Date***). The CBs will convert automatically into Bonds Shares on the Maturity Date. The Company can decide to redeem or repay the CBs upon request of conversion or at Maturity Date at a price of € 2,600 per CB.

In order to encourage the subscription of the CBs, the Board of Directors resolved to issue a total of 4,560 subscription rights on convertible bonds (the ***Bonds Warrants***) allowing the holder of each CB to subscribe to one new convertible bond subject to the same terms and conditions as the CBs (the ***New Bonds***). Each person subscribing to one CB received, for free, 19 Bonds Warrants. The Bonds Warrants can be exercised at any time for a period of nineteen months after their issuance. The Company can force the holder of Bonds Warrants to exercise at least one Bond Warrant each 30 calendar days. This right of the Company is however suspended if, and for the duration of, the stock price falls under € 1.1368.

On 13 July 2018, the subscription of a total of 240 CBs was acknowledged before the Notary Public.

The issue price of the CBs has been determined by the Board of Directors and equals to € 2,500 per CB. The total issue price of the CBs (accounting par value plus issuance premium) at which the CBs were issued and subscribed in the framework of the Transaction was in aggregate € 600,000.

At the date of this Registration Document, 2,492 Warrants Bonds were exercised for a total amount of € 6,230,000, out of which 2,427 Warrants Bonds were converted resulting in 3,530,921 new shares for an average issuance price of € 1.7184 per share, as follows:

- On 13 July 2018, 38 convertible bonds were converted into shares and 28,930 ordinary shares were issued at a conversion price of € 3.5693 per share, resulting in a capital increase of € 22,565.40 with an issuance premium of € 72,434.93;
- On 2 August 2018, 63 convertible bonds were converted into shares and 53,563 ordinary shares were issued, resulting in a capital increase of € 41,779.14 with an issuance premium of € 115,717.51;
- On 6 September 2018, 482 convertible bonds were converted into shares and 414,492 ordinary shares were issued, resulting in a capital increase of € 323,303.76 with an issuance premium of € 881,696.24;
- On 4 October 2018, 253 convertible bonds were converted into shares and 221,139 new shares were issued, resulting in a capital increase of € 172,488.82 with an issuance premium of € 460,011.58;
- On 8 November 2018, 254 convertible bonds were converted into 326,431 new shares resulting in a capital increase of € 254,616.18 with an issuance premium of € 380,383.83;
- On 28 November 2018, 130 convertible bonds were converted into 186,835 new shares resulting in a capital increase of € 145,731.30 with an issuance premium of € 179,268.70; and
- On 6 December 6 2018, 115 convertible bonds were converted into 155,666 new shares resulting in a capital increase of € 121,419.48 with an issuance premium of € 166,080.52.

Note 14. Share based compensation

The Company has set up various warrants' plans, which have been accounted in accordance with IFRS 2 "Share-based payments". As most of the warrants granted under the various plans expired as at 31 December 2016, an amount of € 375,000 previously recognised among the share-based payment reserve was reclassified within retained losses in 2016.

As at 31 December 2018, only some of the warrants granted under the 2014, 2015 and 2016 plans are still outstanding, in addition to some warrants granted during 2018:

14.1 2014 Warrant Plan

On 15 October 2014, the Shareholders' Meeting of the Company approved the issuance of 5,300 warrants. These warrants are valid until 30 October 2024. The Shareholders' Meeting granted a special proxy to the Board of Directors of the Company in order to (i) identify the beneficiaries, (ii) offer the issued warrants to workers of the Company (employees, managers or directors) and (iii) to determine the exercise price of the concerned warrants before each offer subject to the approval of the auditor. It being understood that the beneficiaries shall be workers of the Company, the exercise price shall be equal to the market value of the underlying shares at the time of the offer and that a maximum of 2,000 warrants will be offered to beneficiaries who are not employees of the Company but exercise their services as self-employed.

These warrants have been allocated in the context of 4 different incentive plans:

	Number of distributed warrants	Number of accepted warrants	Number of lost warrants (reallocable)[26]	Number of outstanding warrants	Exercise price (€)[27]	Expiry date
2014 Incentive Plan	2,400	2,145	0	2,145	300	30/10/2019
2015 Incentive Plan	1,700	1,160	1,150	10	540	30/04/2020
2016 Incentive Plan	800	765	400	365	577.5	16/11/2022
2018 Incentive Plan	625	625	625	0	381	15/03/2023
Total	**5,525**	**4,695**	**2,175**	**2,520**		

2014 Incentive Plan

On 15 October 2014, the Board of Directors decided to offer 2,400 warrants to beneficiaries on the basis of a plan characterized as follows: (i) exercise price of € 300 per warrant, (ii) each warrant giving the right to subscribe to one share, it being understood that further to the stock-split approved on 8 January 2016, each warrant gives the right to subscribe to one hundred shares instead of one share, the conversion price of the warrant remaining unchanged, (iii) the warrants are granted for free, (iv) no vesting conditions, and (v) an exercise period beteween 1 November 2014 and 30 October 2019.

[26] In the event where allocated Warrants can no longer be exercised by a Beneficiary due to the termination of its contractual relations with the Company, the said Warrants will be automatically re-transferred to the Company which can use them for a potential new allocation.

[27] It being understood that pursuant to the stock split, the exercise of a warrant will give right to 100 shares, the exercise price remaining unchanged.

2,145 warrants have been accepted by employees, directors and members of the scientific committee.

As at 31 December 2018, 2,145 subscription rights were still outstanding under the 2014 Plan entitling their holders to subscribe to 214,500 new shares of the Company.

2015 Incentive Plan

On 10 March 2015, 14 April 2015 and 19 May 2015, the Board of Directors decided to offer 1,700 subscription rights to beneficiaries and approved a warrants plan characterized as follows: (i) exercise price of € 540 per warrant, (ii) each warrant giving the right to subscribe to one share, it being understood that further to the stock-split approved on 8 January 2016, each warrant gives the right to subscribe to one hundred shares instead of one share, the conversion price of the warrant remaining unchanged, (iii) the subscription rights are granted for free (iv) attendance requirement, (v) no vesting conditions, and (vi) an exercise period between 1 June 2017 and 30 April 2020.

Contrary to the previous plans, the 2015 Plan foresees an employment condition. Accordingly, the fair value of the plan is expensed over the vesting period.

As at 31 December 2018, 10 subscription rights are still outstanding under the 2015 Plan, entitling their holders to subscribe to 1,000 new shares of the Company.

2016 Incentive Plan

On 7 November 2016, the Board of Directors decided to offer 800 subscription rights to beneficiaries and approved a warrants plan characterized as follows: (i) exercise price of € 577.5 per warrant, (ii) each warrant gives right to subscribe to one-hundred shares, (iii) the subscription rights are granted for free, (iv) attendance requirement, (v) vesting of 33% *per annum* (exclusively for good leavers), and (vi) an exercise period between 1 January 2020 and 16 November 2022.

765 warrants have been accepted, and as a result of departures of beneficiaries of this plan, as at 31 December 2018, 351 warrants allotted within this plan were still outstanding, giving the right to subscribe to a total of 35,100 new shares.

March 2018 Incentive Plan

On 7 March 2018, the Board of Directors decided to offer 625 warrants and approved a warrants plan characterized as follows: (i) exercise price of € 381 per warrant, (ii) each warrant gives the right to subscribe to one-hundred shares, (iii) the warrants are granted for free, (iv) an exercise period between 2022 and 2023, (v) attendance requirement, and (vi) vesting of 33% *per annum* (exclusively for good leavers).

As at 31 December 2018, no warrants allotted within this plan were still outstanding.

14.2 June 2017 Warrant Plan

On 28 June 2017, the Board of Directors resolved to issue, under the authorized capital, 1,000,000 warrants to be to be allotted to personnel members, managers and Board of Directors' members. On 7 March 2018, the Board of Directors decided to cancel, with immediate effect, the 1,000,000 outstanding and unallocated warrants, issued on 28 June 2017 through the authorized capital.

14.3 December 2017 Warrant Plan

On 7 December 2017, the Company issued 6,000,000 warrants, of which 3,000,000 Warrants 1 and 3,000,000 Warrants 2, as described in Note 13. Each warrant gives the right to subscribe in cash for one new share of the Company for an exercise price of € 3.83. All Warrants 1 and Warrants 2 have been allocated. 1,203,692 Warrants 1 were exercised prior to 30 June 2018. As a result, 1,852,405 Warrants 1 and 1,852,405 Warrants 2 are void today. At the date of this Registration Document, 1,091,498 Warrants 2 have to be exercised before 31 December 2019.

14.4 2018 Warrant Plan

On 15 June 2018, the Board of Directors decided, under the authorized capital, to issue 1,250,000 Warrants to be allotted to personnel members, managers and Board of Directors' members, on the basis of a plan characterized as follows: (i) an exercise price that is the lowest between (a) the average course of the share during the 30 days preceding the offer of the Warrants and (b) the latest course of closing preceding the offer date, it being understood that the exercise price of the Warrants granted to the beneficiaries who are not members of staff may not be lower than the average share price during the 30 days preceding the day on which the emission started (ii) each warrant gives the right to subscribe to one new share, (iii) an exercise period of 10 years for employees and 5 years for non-salaried employees, (iv) the warrants are granted for free, and (v) the warrants are subject to a three-years and six-months employment condition:

- if at the end of the first calendar year following the warrants' offering (i.e. as at 31 December 2019), a beneficiary of the warrants is still employed by the Company, 33% of the granted warrants are considered as acquired by the beneficiary;
- if at the end of the second calendar year following the warrants' offering (i.e. as at 31 December 2020), a beneficiary of the warrants is still employed by the Company, 66% of the granted warrants are considered as acquired by the beneficiary; and
- if at the end of the third calendar year following the warrants' offering (i.e. as at 31 December 2021), a beneficiary of the warrants is still employed by the Company, all of the granted warrants are considered as acquired by the beneficiary.

At 31 December 2018, 345,000 of these Warrants have been allocated, and are outstanding.

	Number of distributed warrants	Number of accepted warrants	Number of lost warrants (reallocable)	Number of outstanding warrants	Exercise price (€)	Expiry date
2018 Incentive Plan	345,000	345,000	0	345,000	3.65	31/12/2023
Total	**345,000**	**345,000**	**0**	**345,000**		

Accounting for share-based payment

The share-based compensation expense recognised in the income statement is € 74,000 for 2018, € 54,000 in 2017 and nihil in 2016, as the Company reviewed downwards the number of warrants that it expected that would ultimately vest.

The fair value of each option or subscription right is estimated on the date of grant using the Black & Scholes model and the following assumptions:

Plan 2014 – 2014 allotment	
Number of warrants granted [28]:	2,145
Exercise price	€ 300
Expected dividend yield	0%
Expected stock price volatility	35%
Risk-free interest rate:	0.30%
Expected duration	5 years
Forfeiture rate:	0%
Fair Value	€ 199,000
2015 granting of warrants	
Number of warrants granted [29]:	1,700
Exercise price	€ 540
Expected dividend yield	0%
Expected stock price volatility	35%
Risk-free interest rate:	-0.01%
Expected duration	4 years
Forfeiture rate:	0%
Fair Value	€ 251,000
2016 granting of warrants	
Number of warrants granted [30]:	800
Exercise price	€ 577.5
Expected dividend yield	0%
Expected stock price volatility	35%
Risk-free interest rate:	%
Expected duration	5 years
Forfeiture rate:	0%
Fair Value	€ 119,000

[28] to employees, Directors and members of the scientific committee

[29] 1,160 warrants accepted and outstanding as at 31 December 2015, 360 warrants outstanding as at 31 December 2016, 210 warrants outstanding as at 31 December 2017 and 10 warrants as at 31 December 2018.

[30] 765 warrants accepted and 515 warrants outstanding at December 2017, 365 warrants outstanding at December 2018.

2018 granting of warrants	
Number of warrants granted [31]:	345,000
Exercise price	€ 3.65
Expected dividend yield	0%
Expected stock price volatility	35%
Risk-free interest rate:	-%
Expected duration	5 years
Forfeiture rate:	0%
Fair Value	€ 383,000

As at the date of these financial statements, and considering the different plans, the outstanding warrants would allow the holders to subscribe to 1,687,098 new shares or 8.4% of the existing Shares of the Company.

Note 15. Financial debts

The financial debts relate to cash advances received from the Walloon Region (see 15.1) and to convertible bonds issued in 2018 (see 15.2) are summarised in the following table (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Non-current cash advances received	465	432	419
Current cash advances received	25	34	12
Convertible bonds	1,616	-	-
Total	**2,106**	**466**	**431**

15.1 Recoverable cash advances received

House dust mite allergy recoverable cash advance

In December 2015, the Walloon Region granted a subsidy consisting in a refundable advance amounting to € 1,254,000 for the development of the house dust mite treatment. The Company received € 314,000 in December 2015 and € 815,000 in 2016. The balance of € 125,000 was wired during 2018.

The refundable cash advance covers a maximum of 55% of eligible expenses incurred by the Company during a research phase of two years for the development of the house dust mite treatment. This cash advance is not bearing any interest. Pursuant to that agreement, a decision from the Company, between 2017 and 2026 to proceed with the commercialization of the product resulting from the subsidised R&D program would trigger the non-revocable repayment of 30% of the advance granted (€ 376,000). In addition, the Walloon Region is entitled to the payment of a fee equivalent to 0.12 % of the sales amount during the first 120 months of commercial exploitation. The total amount payable by the Company to the Walloon Region is capped to twice the initial refundable advance amount or € 2,508,000 considering the first repayment of 30%.

[31] 345.000 warrants accepted and outstanding at December 2018.

When determining the amount to be reimbursed in the future to the Walloon Region under this agreement – and which is recognised among financial debts for a total of € 490,000 as at 31 December 2018 - the Company has considered different scenario with respect of the possible outcomes of the program currently benefiting from the support of the Walloon Region.

Based on the scenarios it has been considered that:

- The probability to have to proceed to the 30% non-revocable repayment between 2017 and 2026 is close to 100%. Company has therefore accounted for the NPV (at 8% discount rate) of this debt, amounting to € 270,000 as at 31 December 2017;
- The probability to reimburse the variable part (royalty of 0.12% calculated on future sales) has been estimated to 15%. This probability rate corresponds to the rate of success generally accepted by the market for product in early clinical development. Taking into account this probability of success and discounting the royalty future flows at a discount rate of 8%, leads to estimate the NPV of the variable part of the subsidy to be paid as at 31 December 2017 to € 196,000.

In 2018; the liability has been undiscounted for an amount of € 37,000 and an amount of € 13,000 has been paid back to the Walloon Region.

As a result of this the liability recognised in the statement of financial position amounts to € 490,000 as at 31 December 2018.

As a consequence, it is possible but not probable that the Company will generate in the future sales from products currently benefiting from the Walloon Region support to an extent that the Company may have to reimburse the Walloon Region an amount in excess of the financial debts currently accounted for.

The determination of the amount to be eventually paid to the Walloon Region under the signed agreement is subject to a high degree of uncertainty as it depends on the amount of the future sales that the Company will generate (or not) in the future. Should the Company review the probability to have to reimburse the variable part by an additional 10% (25% probability instead of 15%) the amount to be paid to the Walloon Region would need to be increased by € 121,000.

Food allergies cash advance

The Company was granted on 12 January 2017 a refundable cash advance of about € 6,000,000 from the Walloon Region to finance 55% of its food allergy drug development program. The conditions attached to this grant are in substance similar to the ones for the house-dust mite program as described above; except of the fact that the percentage of the royalties to be paid during the exploitation phase is set to 0.11% of the future sales of the related product. The total amount to be paid by the Company to the Walloon Region is capped to twice the amount that the Company will enjoy from the Walloon Region. If the Company decides to exploit the results of the research program currently undertaken; in 2019 and beyond; this would trigger the obligation for the Company to reimburse 30% of the cash advance (and this over a ten-years period). Royalties' payments will only occur if the Company is able to bring the product designed up to commercialisation.

With respect to this agreement, it has been considered that no debt had to be recognised as the Company has at this stage no view whether the outcome of the research phase will be fruitful or not, and whether it will decide to pursue with the exploitation of the results of the research phase or not. Accordingly, the amount of this cash advance, is accounting-wise treated as a government grant in accordance with IAS 20.

15.2 Convertible bonds

On 5 August 2015, the Company issued 413 convertible bonds with a nominal value of € 10,000 each (the ***Convertible Bonds***). The Convertible Bonds were in registered form and beard an interest of 6% p.a. Interest was computed on a 360-day basis and the actual number of days that have lapsed since the issuance of the Convertible Bonds. The maturity date of the Convertible Bonds was 15 May 2016. As the Offering was completed and the book fully subscribed at € 7 per share on May 2016, the number of new shares issued upon conversion of one bond equaled to 153% of € 10,000 divided by the Offer Price of € 7 per share. The 413 convertible bonds gave therefore right to 902,700 new shares representing a total value of € 4,130,000.

The corresponding capital increase was officialised by an act from notary van Halteren on 12 May 2016 for an amount of € 1,233,994, with the remaining € 2,896,006 recorded as share premium.

On 10 July 2018, the Company raised € 12,000,000 through a private placement of convertible bonds. The net proceeds of this offering were aimed at supporting the clinical development of the product candidates of the Company and especially the second Phase III study in Europe for gp-ASIT+™.

In this context, the Company issued 240 Convertible Bonds (the ***CB*** or ***CBs***) at an issuance price of € 2,500 each and 4,560 subscription rights on convertible bonds (the ***Bonds Warrants***). The CBs do not bear any coupon and have a maturity date of twelve months as from issuance. The CBs are convertible to ordinary shares at CB holders' convenience before maturity or are automatically converted on the maturity date at the Conversion Price. The Conversion Price of the CBs is equal to 92% of the volume-weighted average price over the trading day preceding the CB holder's request of conversion or maturity date, providing that such price may not be lower than € 1.1368, which is higher than the par value of the company's shares, being € 0.78. Upon conversion of the CBs, the new shares issued shall immediately bear the same rights of all other existing shares and may be traded on the Euronext stock exchanges in Brussels and Paris. The Company has the right to redeem the CBs at a price of € 2.600 instead of issuing new shares.

The subscription of one CB gave the right to any subscriber to receive, for free, nineteen Bonds Warrants. Each Bond can be converted into new shares of the Company. Each Bond Warrant gives the right to subscribe to one new CB at any time during a period of 19 months after their issuance, at an exercise price of € 2,500 per CB. The Company may, however, oblige the Bond Warrants holders to exercise at least 1 of the 19 Bond Warrants every 30 calendar days. This right of the Company is however suspended if, and for the duration of, the stock price falls under € 1.1368.

A total of € 12 million has been committed during the offering that took place; payable to the company in 20 equal tranches over a period of 20 months. A total of 240 CBs have been subscribed and a total of 4,560 Bonds Warrants have been allocated.

Considering the fact that the CBs will be converted into a variable number of shares, in accordance with IFRS such bonds are considered as debt instruments. The different conversion (or non-conversion) features are treated as derivatives and fair valued considering the different variables:

- The estimation of the number of CBs that will be ultimately issued, considering the fact that if the stock price of the share of the Company is lower than € 1.1368, the CB holders are not obliged to subscribe;
- The conversion price of the CBs, which is equal to 92% of the volume-weighted average price over the trading day preceding the CB holder's request of conversion or maturity date;

It is appropriate to recognize the total fair value of the conversion feature immediately, thus inducing a "Day 1 loss" as the conversion feature of the CBs plan allows the CB holder to exercise its right to subscribe to bonds and to convert them into shares at any moment, but not later than twelve months after issuance of the bonds.

The possibility for the Company to redeem the CBs at a price of € 2,600 instead of issuing new shares has no value considering the current business model of the Company as the cash collected through the issuance of the CBs is necessary to support the activities of the Company and it is considered that the Company could make use of this possibility.

As part of this plan, the Company incurred € 481,480 of transaction costs which have been expensed immediately as financial expenses.

When CBs are converted into new shares, the related portion of the issue price up to the par value is allocated to the "Capital" account and the balance to a blocked account "Issuance Premium", a specific reserve, under the equity section.

In 2018, a total amount of 1,680 CBs were subscribed (on 10 July 2018 or following, Bonds Warrants exercised, for a total of € 4.2 million. Out of these 1,680 CBs, 1,335 were converted into ordinary shares of the Company. Accordingly, as at 31 December 2018, 345 CBs were still outstanding.

Accordingly, the financial statement of the Company has been impacted as follows in 2018:

Total amount of CBs to be drawn	12,000,000
Remaining CBs to be issued when applicable	(7,800,000)
Proceeds from the issuance of bonds over 2018	**4,200,000**
Nominal value of CBs converted into new shares	(3,337,500)
Fair value of the conversion feature recognised in income statement	1,043,478
Fair value of conversion feature in equity at conversion	(290,217)
Amount in the statement of financial position	**1,615,761**

Note 16. Trade payables

Trade payables as at the end of each financial year can be presented as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Payables	1,255	593	1,025
Invoices to be received	414	671	682
Total	**1,669**	**1,264**	**1,707**

This increase is due to the costs of the ongoing Phase III clinical study for gp-ASIT+™.

Note 17. Other payables

Other payables can be presented as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Other payables			
Withholding taxes		-	8
Social security	15	(12)	2
Bonus to be paid (short term part)	-	-	83
Holiday pay accrual	134	142	157
Deferred grant income	1,192	1,226	34
Total	**1,311**	**1,356**	8

The other payables comprise a deferred grant income of € 1,192,000 (€ 1,226,000 as at 31 December 2017 and € 34,000 as at 31 December 2016) which relate to recoverable cash advances with the Walloon Region for research projects (house dust mite allergy and food allergies). For the food allergy project, an amount of € 1,650,142 was received in 2017, out of which € 458,373 was recognised as other income meaning that an amount of € 1,191,769 is accounted for among deferred grant. For the house dust mite allergy program, an amount of € 125,401 was received and recognised in other income in 2018.

Note 18. Other income and expenses

Other income totaled € 1,683,157 in 2016 and comprised the following items:

- the grant from the Walloon Region for an amount of € 663,246 (described in Note 17);
- the R&D investment tax receivables for an amount of € 1,016,376 (described in Note 8);
- other immaterial amounts (€ 3,535).

Other income totaled € 604,033 in 2017 and comprised the following items:

- grants from the Walloon Region for an amount of € 492,436 (described in Note 17);
- the net increase in R&D investment tax receivables for an amount of € 111,598 (described in Note 8).

Other income amounts to € 570,549 in 2018 and consists of the following items:

- grants from the Walloon Region for an amount of € 125,401 (described in Note 17);
- the recognition of R&D investment tax receivables for an amount of € 442,724 (described in Note 8);
- other immaterial items for € 2,424.

Note 19. Research and development expenses

Research and development costs can be summarised as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Staff costs	(1,922)	(1,789)	(1,312)
Share-based payment	(29)	(46)	-
Studies & analyses	(6,862)	(7,504)	(9,663)
Laboratory supplies	(735)	(405)	(460)
Depreciation and amortisation	(202)	(164)	(121)
Rent	(155)	(100)	(107)
Patents	(204)	(181)	(158)
Facilities	(283)	(219)	(138)
External advice	(249)	(293)	(32)
Other	(215)	(202)	(133)
Total research and development costs	**(10,856)**	**(10,903)**	**(12,123)**

Research and development costs in 2018 are generally in line with 2017.

Staff costs include payroll expenses of people dedicated to the R&D activities of the Company. Payroll expenses are allocated to research and development activities based on an analysis of the function of the employees. It is to be noted that since 2017, the amount of withholding tax reduction of (K€ 197 in 2018 and K€ 270 in 2017) has been booked as other income and not deducted from the staff costs as it was done in the preceding year (K€ 269 in 2016). Studies & analyses and laboratory supplies are directly attributable to research & development activities, whereas other indirect costs such as rent are allocated to the different activities based on an allocation key reflecting headcount dedicated to the different activities.

Costs booked as Studies & analysis are sub-contracted to an outside source.

Note 20. General and administrative expenses

General and administrative expenses can be summarised as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Staff costs	(947)	(764)	(499)
Share-based payment	(44)	(8)	-
External advice	(1,125)	(665)	(1,087)
Facilities	(53)	(54)	(34)
ICT	(13)	(6)	(10)
Depreciation and amortisation expense	(51)	(42)	(30)
Laboratory supplies	(1)	-	(7)
Rent	(49)	(17)	(27)
Other	(185)	(108)	(129)
Total general and administrative expenses	**(2,468)**	**(1,663)**	**(1,822)**

The increase in general and administrative expense in 2018 is mainly explained by costs related to market studies initiated in 2018 (€ 260,000), other consultancy fees (€ 200,000) and the hiring of a head of human resources and a chief commercial officer.

Note 21. Employee benefits

Employee benefits can be summarised as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Salaries	(2,595)	(2,227)	(1,525)
Social charges	(88)	(82)	(56)
Fringe benefits	(111)	(121)	(106)
Pension scheme	(52)	(78)	(52)
Share-based payment	(73)	(54)	-
Holiday pay accrual	8	16	(15)
Other	(30)	(61)	(56)
Total employee benefits	**(2,941)**	**(2,607)**	**(1,811)**

The social charges as reported above include an amount of € 197,060 (negative amount) of relief of payment of the personal withholding taxes for 2018 (€ 270,117 in 2017 and € 269,000 in 2016).

The pension scheme expense recognised in the EU - IFRS income statement relates to the contributions made by the Company under the pension scheme in place and amounts to € 52,000 in 2018, € 78,000 in 2017 and € 52,000 in 2016. Considering the fact that in Belgium, the pension plans are by law subject to minimum guaranteed rate of return, there is a risk that the Company may have to pay additional contributions related to past services. However, in the case at hand, the Company has taken up insurance to cover any potential shortfall. Therefore, the risk of any liability is considered remote by the Company. At

31 December 2018, 2017 and 2016, no such net liability was recognised in the balance sheet as the minimum guaranteed reserves equal the fair value of the plan assets or the underfunding is immaterial. At the date of the financial statements, and according to actuarial calculation from the Company's insurer, an additional amount of € 4,987.87 would need to be paid by the Company in order to meet the minimum guaranteed reserves. As this amount is immaterial, it has not been accounted for as at 31 December 2018.

Note 22. Financial income

Financial income can be summarised as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Interests	-	6	38
Other	13	30	4
Total financial income	**13**	**36**	**42**

Note 23. Financial expense

Financial expense can be summarised as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Interests on convertible loan	-	-	(92)
Convertible bonds – Transaction costs	(481)		
Fair value of convertible bonds conversion option.	(1,043)		
Un-discounting recoverable cash advances liabilities.	(37)	(35)	
Exchange differences	(5)	(7)	(6)
Other	(2)	(3)	(4)
Total financial expense	**(1,570)**	**(45)**	**(102)**

Considering that the interests accrued on the convertible loan as at 31 December 2015 were paid in 2016, an amount of € 204,000 has been paid in 2016 as mentioned in the cash-flow statement under line item "interests paid".

The liabilities recognised with respect to the recoverable cash advances has been increased by an amount of € 37,000 in 2018 and € 35,000 in 2017 considering a 8% discount rate. The financial expense relating to the convertible program is described in Note 15.

Note 24. Taxes

Tax expense for the year can be reconciled to the accounting loss as follows (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Loss before taxes	(14,321)	(11,986)	(12,338)
Income tax credit calculated at 33.99% / 29.58%	4,236	4,074	4,194
Effect of unused tax losses not recognised as deferred tax asset	(4,236)	(4,074)	(4,194)
Income tax expense (profit) recognised in income statement			

The tax rate used in the reconciliation is the corporate tax rate of 33.99 % applicable in Belgium for 2016 and 2017; and 29.58% for 2018.

Unrecognised deferred tax assets

Due to the uncertainty surrounding the Company's ability to realise taxable profit in the future, the Company has not recognised any deferred tax assets on tax losses that can be carried forward and on notional interest deductions. Tax losses of the Company that can be carried forward amount to approximately € 45.0 million as at 31 December 2018, € 37.8 million as at 31 December 2017 and € 30.9 million as at 31 December 2016. Tax losses that can be carried forward are determined on the basis of the statutory financial statements and local Belgian tax rules. Accordingly, the yearly variations in tax losses carried forward cannot be compared to the IFRS results for the same period. In Belgium, tax losses can be carried forward indefinitely.

Note 25. Contingencies

The Company is currently not involved in any litigation that might have an adverse significant impact on the Company's financial position.

Note 26. Commitments

26.1 Capital commitments

There are no commitments related to capital expenditures at the balance sheet date.

26.2 Operating leases

The Company has entered into operating leases in relation to its offices as well as in relation to employee cars for which the average lease term is 48 months. The Company's future payments as per 31 December 2018, 2017 and 2016, under its leasing contracts are summarised in the table below (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Within 1 year	202	187	120
Between 1 and 5 year	42	201	111
More than 5 years	-	-	-
Total	**244**	**388**	**232**

Payments under operating leases recognised as an expense (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Expense	307	182	170
Total	**307**	**182**	**170**

Note 27. Related party transactions

The Company doesn't have any subsidiaries.

The Company has not entered into transactions with its principal Shareholders. The Company has entered into transactions with companies relating to directors. Please see the section in the Report of the Board titled "*Services agreements of the directors and members of management*' for a description of such transactions. Other than those transactions the Company has not entered into any related party transactions with any Shareholders or directors or any persons or entities affiliated with any of the Shareholders or directors.

27.1 Remuneration of key management

The remuneration of the senior management consists mainly of the remuneration of the CEO (in 000's €):

	31/12/2018	31/12/2017	31/12/2016
Short-term remuneration & compensation	366	319	347
Share based payment	50		-
Total	**416**	**319**	**347**

Refer to details in the Remuneration Report Section.

No loans or other guarantees have been given to a member of the executive management team.

27.2 Transactions with non-executive directors and shareholders

Non-executive Directors are remunerated as of June 2016. They received a compensation of € 122,000 in 2018, € 102,000 in 2017 and € 66,000 in 2016 for their participation on the Board of Directors.

Note 28. Events after the balance sheet date

On 10 January 2019, 250 Bonds Warrants were exercised. As a result, 250 new CBs were subscribed for an exercise price of € 625,000 (out of which € 400,000 was already cashed by the Company in 2018 and was accounted for as other payables in the statement of financial position of the Company. On the same day, 148 CBs were converted into 243,687 new shares, resulting in a capital increase of € 190,075.86 with an issuance premium of € 179,924.14.

On 7 February 2019, 244 Bonds Warrants were exercised. As a result, 244 new CBs were subscribed for an exercise price of € 610,000. On the same day, 358 bonds were converted into 720,522 new shares, resulting in a capital increase of € 562,007.16 with an issuance premium of € 332,992.84.

On 7 March 2019, 22 Bonds Warrants were exercised. As a result , 22 new CBs were subscribed for an exercise price of € 55,000. On the same day, 22 CBs were converted into 48,380 new shares, resulting in a capital increase of € 37,736.40 with an issuance premium of € 17,263.60.

On 4 April 2019, 194 Bonds Warrants were exercised. As a result, 194 new CBs were subscribed for an exercise price of € 485,000. On the same day, 325 CBs were converted into 654,322 new shares, resulting in a capital increase of € 510,371.16 with an issuance premium of € 302,128.84.

On 2 May 2019, 144 Bonds Warrants were exercised. As a result, 144 new CBs were subscribed for an exercise price of € 360,000. On the same day, 67 CBs were converted into 125,132.50 new shares, resulting in a capital increase of € 97,602.18 with an issuance premium of € 69,897.82.

On 6 June 2019, 98 Bonds Warrants were exercised. As a result, 98 new CBs were subscribed for an exercise price of € 245,000. On the same day, 145 CBs were converted into 292,621 new shares, resulting in a capital increase of € 228,244.38 with an issuance premium of € 134,255.62.

July 4, 20 Bonds Warrants were exercised. As a result , 20 new CB's were subscribed for an exercise price of € 50.000. On the same day, 27 CB's were converted into 59.202 new shares, resulting in a capital increase of € 46.177,56 with an issuance premium of € 21.322,44.

	Equity Line Potential (in €)	Warrants exercised (in €)	Obligations converted (in €)	Outstanding OC (in €)	New shares created
At 31/12/18 :	**7,800,000**	**4,200,000**	**3,337,500**	**862,500**	**1,387,056**
10 January 2019	7,575,000	225,000	370,000	717,500	243,687
7 February 2019	6,965,000	610,000	895,000	432,500	720,522
7 March 2019	6,910,000	55,000	55,000	432,500	48,380
4 April 2019	6,425,000	485,000	812,500	105,000	654,322
2 May 2019	6,065,000	360,000	167,500	297,500	125,131
6 June 2019	5,820,000	245,000	362,500	180,000	292,621
4 July 2019	5,770,000	50,000	67,500	162,500	59,202
At the date of this report	**5,770,000**	**6,230,000**	**6,067,500**	**162,500**	**3,4530,921**

On 22 February 2019, the Board of Directors amended the dealing code, to expressly prohibit, in its article 2, any equity lending from an insider without the prior approval of the Board of Directors.

On 8 March 2019, the Board of Directors, in accordance with article 2.10 of the Charter, purchased a new directors, officers and company liability insurance policy, offering a total coverage up to € 35 million, for a total annual issuance premium of € 52,590.50.

During its meeting of 22 March 2019, the Board of Directors validated an exit indemnity in line with market practice and a valid contract for the former management that will be provisioned in the 2019 financial statements. The total compensation approved by the Board of Directors is K€ 209, of which K€ 77 was already paid in January 2019. In April 2019, Mr. Thierry Legon initiated a legal procedure against the Company in order to obtain from the latter the payment of a termination indemnity corresponding to two years of remuneration calculated on the basis of the fixed and variable remuneration paid by the Company to Mr. Legon for the last two years before the termination. The Company considers that the amount of such indemnity should be capped at an amount of K€ 209.

On 5 June 2019, the Board of Directors approved, in the context of the authorized capital, the issuance of 641.900 warrants to be allotted to personnel members, managers and Board of Directors' members. Each warrant gives right to subscribe to one new share of the Company, i.e. a total of 641.900 new shares, for an exercise price amounting to the average course of the share during the 30 days preceding the offer of the warrants, it being understood that this exercise price cannot be lower than the par value of the existing shares.

On 28 July 2019 the Company approved the issuance of 159 convertibles bonds divided in two categories : A and B, in the context of a private placement. The conversion price of the A Bonds will be equal to EUR 1.268 per new share, corresponding to the VWAP (« volume-weighted average price ») of the last 30 days preceding the 22 February 2019 (the A Conversion Price), being the date at which the Issuer's board of directors decided to approve the principle of the issuance of the convertible bonds, with the potential application of a conversion premium between 0% and 15%. The exercise price of the B Bonds will be equal to the issuance price of the new shares to be issued by the Company in the context of a capital increase to be implemented prior to 31 December 2020, with the potential application of a conversion premium between 10% and 25%. In the absence of such capital increase the B Bonds will be convertible at a discount of 40% to VWAP (« volume-weighted average price ») of the shares of the Issuer of the 30 days preceding the conversion of the B Bonds.

On 28 July 2019 the Company approved the issuance of 434.240 warrants to be allotted to personnel members, managers and Board of Directors' members. Each warrant gives right to subscribe to one new share of the Company, i.e. a total of 434.240 new shares, for an exercise price amounting to the average course of the share during the 30 days preceding the offer of the warrants, it being understood that this exercise price cannot be lower than the par value of the existing shares.

Note 29. Earnings per share

The Company has warrants plans and Convertible Bonds that may be settled in common shares of the Company which are anti-dilutive considering the loss of the year. As such the basic and diluted earnings per share are equal. The basis for the basic and diluted earnings per share is the net loss for the year attributable to the owners of the Company.

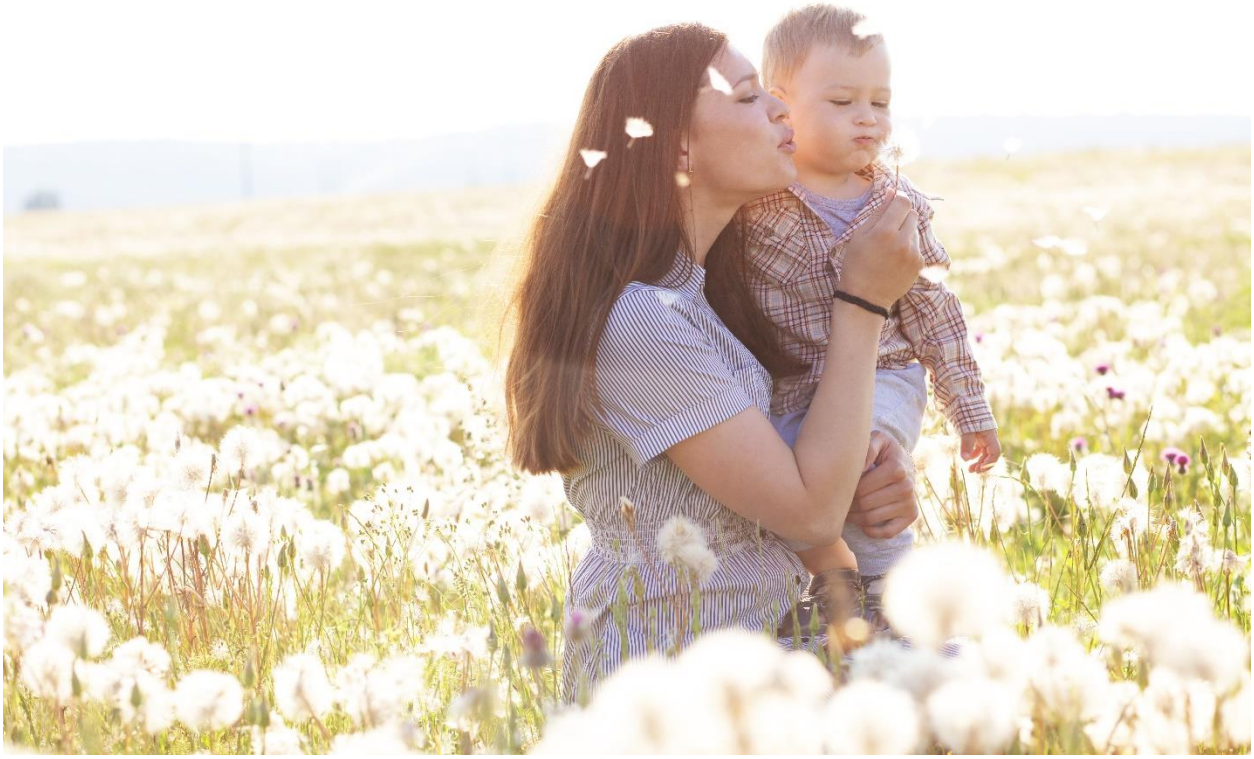
	31/12/2018	31/12/2017	31/12/2016
Loss for the year attributable to the owners of the Company (in 000's €)	(14,321)	(11,986)	(12,339)
Weighted average number of shares for basic and diluted loss per share (in number of shares)	16,717,231	12,806,100	11,219,242
Loss per share basic and diluted (in € per share) ...	**(0.86)**	**(0.94)**	**(1.10)**

Note 30. Auditors' fees

The Company has a college of Statutory Auditors composed of two auditors: Mazars-Réviseur d'Entreprises SCRL represented by Xavier Doyen and RSM Réviseurs d'Entreprises SCRL represented by Luis Laperal.

In 2018, the total amount of the remuneration paid to the Statutory Auditors was € 45,270 (€ 25,000 for the review of the accounts and € 20,270 for specific missions).

11. STATUTORY FINANCIAL STATEMENTS



ASIT Biotech Balance Sheet B GAAP (in 000's €)	31/12/2018	31/12/2017	31/12/2016
ASSETS			
Intangibles assets	1,283	3,231	5,180
Property plant & equipment	664	598	613
Other LT receivables	18	18	18
Non-current assets	**1,965**	**3,847**	**5,811**
Inventories			
Receivable	**280**	**643**	**323**
Cash & cash equivalents	**8,458**	**2,126**	**13,387**
Deferred charges / Accrued income	**2,397**	**1,612**	**1,088**
Current assets			
	11,135	**4,378**	**14,798**
TOTAL ASSETS	**13,100**	**8,228**	**20,609**
EQUITY AND LIABILITIES			
Capital	14,349	9,989	17,506
Share premium	37,034	21,957	21,957
Other reserves	-42,327	-26,991	-21,427
Capital Subsidy	201	379	500
Capital & Reserves	**9,257**	**5,334**	**18,536**
Other debt	863		
Trade payables	1,669	1,264	1,788
Social and taxes related liabilities	119	131	168
Other current liabilities	1,192	1,499	118
Accrued charges			
Liabilities	**3,843**	**2,894**	**2,073**
TOTAL EQUITY AND LIABILITIES	**13,100**	**8,228**	**20,609**

ASIT Biotech Income Statement BGAAP (in 000's €)	31/12/2018	31/12/2017	31/12/2016
Revenue			
R&D capitalize expenses (own production)	**1,160**	**1,253**	**1,023**
Other Operating Income	**642**	**787**	**1,020**
Operating Income	**1,802**	**2,040**	**2,043**
Cost of Sales			
Sundry expenses (G&A and R&D)	**-2,831**	**-1,358**	**-2,928**
Payroll expenses	**-1,434**	**-1,742**	**-1,296**
Depreciation charges	**-13,034**	**-12,910**	**-14,254**
Other operating charges	**-23**	**-14**	**-16**
Operating Expenses	**-17,322**	**-16,024**	**-16,451**
Financial income	**191**	**915**	**552**
Financial charges	**-8**	**-10**	**-102**
Result before taxes & exceptional	**-15,337**	**-13,079**	**-16,001**
Exceptional Income (+) / Charges (-)	**-2**		**1**
Taxes	**3**	**-2**	**-1**
Net Result for the period	**-15,336**	**-13,081**	**-16,001**

The information included in this section is an extract from the statutory accounts that will be submitted to the annual shareholders meeting of 13 June 2019 and that will be filed with the Belgian National Bank and does not include all information as required by Articles 98 and 100 of the BCC.

An unqualified audit opinion on the statutory financial statements, with a separate section on the material uncertainty related to going concern, has been issued by the Statutory Auditors on 8 May 2019 about the financial statements dated 31 December 2018.

Accounting Policies (Belgian GAAP)

The valuation rules have been prepared in accordance with the provisions of Chapter II of the Belgian Royal Decree of 30 January 2001 relating to the implementation of the Belgian Companies Code (Kon-inklijk besluit tot uitvoering van het wetboek van vennootschappen / Arrêté royal portant exécution du code des sociétés). However, being recognise as a "small company", whatsoever the date of acquisition is, one full year of amortisations and depreciations is recognised in the year of acquisition.

Formation expenses and costs relating to capital increases

These expenses, included the issuance costs, historically were recognised as assets and were amortised by 20% annually.

Intangible fixed assets

Research and development costs

As from the accounting year 2016 research costs are no more recognized as intangible assets. However, in order to comply with the legislation relating to the granting of tax credit, research costs are in first instance booked as intangible assets then directly fully depreciated in the income statement. The amounts recognised as intangible assets in the years 2014 and 2015 are depreciated over 5 years.

Development costs are recognized as intangible assets if it is probable that the assets developed will generate future economic benefits and if the development costs can be measured reliably. Development costs are amortized on a straight-line basis over their estimated useful life from the moment that they are available for use.

In the case the recoverable amount of the capitalized research and development costs is no longer justified by expected future economic benefits an impairment should be recorded. Impairment losses on intangible fixed assets are shown in the extraordinary charges.

Patents, licenses and similar rights

These costs are capitalised at purchase value or, if lower, at their useful value and are depreciated on a straight-line basis over a period of 5 years.

Tangible fixed assets

These assets are capitalised and depreciated on a straight-line basis:

- IT equipment: over a period of 5 years;
- Installations: over a period of 10 years
- Miscellaneous Equipment & Furniture: over a period of 5 years;
- Laboratory equipment: over a period of 5 years;
- Leasehold improvements: in the line with the lease agreement period;
- Leasing: in the line with the lease agreement period.

In the event where the carrying value exceeds the recoverable value, the Company should record additional or exceptional depreciations.

Financial fixed assets

These assets are capitalised at purchase value excluding any miscellaneous costs.

The value of shares and participations are impaired in case of reduction in value as a result of the situation, the profitability or the prospects of the Company related to those shares of participation. Impairment is recorded in the income statement as extraordinary charge.

The value of long-term receivables is reduced in case the recoverability becomes uncertain at its due date.

Inventories

Inventories are valued at their acquisition cost (weighted average, LIFO or FIO) or at the market value, whatever the lowest.

Amounts receivable

The amounts receivable do not carry any interest and are capitalised at their nominal value.

Treasury placements

Placements with financial institutions are valued at their purchase value. Additional costs relating to the purchase of these assets are expensed as incurred.

Reductions in value are recorded in the event where the realisation value at the date of the closing of the financial year is below the purchase value.

Debts (payable after one year – payable within one year)

All debts are capitalised at their nominal value at the date of the closing of the financial year.

The interests relating to the outstanding debts are accrued on the regularisation accounts if not paid yet during the year. Interest expenses are presented with the financial expenses.

Regularisation accounts

Regularisation accounts on the assets side

These accounts include:

- The pro rata parts of the charges incurred during the financial year or during a previous financial year but that are related to one or more subsequent financial years.
- The pro rata parts of the proceeds that will only be received during a subsequent financial year but that relate to a previous financial year.

Regularisation accounts on the liabilities side

These accounts include:

- The pro rata parts of the charges that will only be paid during a subsequent financial year but that relate to a previous financial year.
- The pro rata parts of the proceeds received during the financial year or a previous financial year but that relate to one or more subsequent financial years.

Currencies

The amounts receivable and debts in other currencies are converted at the applicable exchange rate at the date of the closing of the financial year.

Currency losses are recorded in the income statement.

12. OTHER

Definitions

Articles of Association	the articles of association of the Company
Audit Committee	the audit committee of the Company
Board of Directors	the board of directors of the Company
Bonds Shares	the new shares of the Company arising from the conversion of the 240 convertible bonds approved on 10 July 2018 and further described in the Report of the Board of Directors
Bonds Warrants	the 4,560 subscription rights on convertible bonds approved on 10 July 2018, allowing the holder of each convertible bond to subscribe to one new convertible bond subject to the same terms and conditions as the convertible bonds and further described in the Report of the Board of Directors
Brussels Grants	the grants received by the Company from the Brussels-Capital Region and further described under the section Risks Related to Third Parties
Charter	the corporate governance charter of the Company
Code on Corporate Governance	the Belgian Code on corporate governance of 12 March 2009
Company	ASIT biotech SA (it being understood that, for the purpose of the notes to the EU - IFRS financial statements, the term "Company" will be used to refer as a whole to ASIT biotech SA and its now liquidated subsidiary, Biotech Tools Factory SA)
Competent Regulatory Authorities	the government bodies regulating the international pharmaceutical and medical technology industry and competent ethical committees, including the FDA, the EMA, national regulatory authorities in the EEA and other regulatory authorities in relevant markets.
Convertible Bonds	the 413 convertible bonds issued by the Company on 5 August 2015 and further described in Note 15 of the Financial Statement section
Financial Promotion Order	the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
Financial Statements	the audited EU - IFRS financial information of the Company as of and for the years ended 31 December 2018, 2017 and 2016
FTT Directive	the EU directive to be adopted on FTT
Maturity Date	twelve months following the issuance of the 240 convertible bonds approved on 10 July 2018 and further described in the Report of the Board of Directors
Medicinal Products Directive	Directive 2001/83/EC on the Community code relating to medicinal products for human use
New Bonds	the new convertible bond arising out of the exercise of Bonds Warrants that are further described in the Report of the Board of Directors
Offering	the initial offering of the Company that occurred on 11 May 2016
Prospectus Directive	Directive 2003/71/EC and any amendments thereto, including the Directive 2010/73/EU amending the Prospectus Directive, to the extent implemented in the Relevant Member State) and any relevant implementing measure in each Relevant Member State

Regulatory Regulations	regulatory laws and regulations with which the Company has to comply
Remuneration and Nomination Committee	the remuneration and nomination committee of the Company
Shares	the shares of the Company
Shareholders	the shareholders of the Company
Shareholders' Meeting	the general shareholders' meeting of the Company
SME	small company within the meaning of article 15 of the BCC
Stock Based Plans	the 2014 Plan, the 2015 Plan and the 2016 Plan
Takeover Law	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 Royal Decree	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)
Transparency Law	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 negotiation sur un marché règlementé et portant dispositions diverses/Wet op de openbaarmaking van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt en houdende diverse bepalingen)
Walloon Grant	the refundable advance received by the Company from the Walloon Region and further described under the section Risks Related to Third Parties
Warrants 1	warrants approved during the Shareholders' Meeting held on 7 December 2017 enabling the subscription to a new share at the price of € 3.83 per share, and expiring on 30 June 2018, and further described in Note 13 of the Financial Statement section.
Warrants 2	warrants approved during the Shareholders' Meeting held on 7 December 2017 enabling the subscription to a new share at the price of € 3.83 per share, and expiring on 31 December 2019, and further described in Note 13 of the Financial Statement section
2014 Plan	the 2014 stock option plan of the Company
2015 Plan	the 2015 stock option plan of the Company
2016 Plan	the 2016 stock option plan of the Company

Glossary

AIT	Allergy Immunotherapy
API	Active pharmaceutical ingredient
ASIT	Allergen Specific Immunotherapy
ASIT+	Improved Antigen Specific Immuno Therapy
BCC	Belgian Companies Code
BLA	Biologics Licence Application
CB	Convertible Bonds
CEO	Chief executive officer
CET	Central European Time
CFO	Chief financial officer
CGU	Cash generating units
CMO	Contract Manufacturing Organisation
CPT	Conjunctival Provocation Test
CSMS	Combined Symptom and Medication Score
CRO	Contract Research Organisation
CTA	Clinical Trial Authorisation
CTD	Common technical document
DP	Drug product
DS	Drug substance
EEA	European Economic Area
EMA	European Medicine Agency
EU	European Union
EUR	Euro, also shown as €
FDA	US Food and Drug Administration
FSA	Framework service agreement
FSMA	Belgian Financial Services and Markets Authority
FTT	Financial transaction tax
GCP	Good Clinical Practices
GMP	Good Manufacturing Practices
gp-ASIT+	the ASIT+ product candidate developed by the Company for the treatment of grass pollen allergy by subcutaneous injections

HDM	House dust mite
hdm-ASIT+	the ASIT+ product candidate developed by the Company for the treatment of house dust mite allergy by subcutaneous injections
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IgE	Immunoglobulin E
IND	Investigational New Drug Application
IP	Intellectual property
MAA	Marketing Authorisation Application
MTD	Maximum tolerated dose
PCT	Patent Corporation Treaty
PE	Permanent Establishment
PEI	Paul Ehrlich Institute (the German National Regulatory authority)
pnt-ASIT+	the ASIT+ product candidate developed by the Company for the treatment of peanut allergy by subcutaneous injections
R&D	Research and development
RMS	Rescue Medication Score
RTSS	Rhinoconjunctivitis Total Symptom Score
SCIT	Subcutaneous Immunotherapy
SLIT	Sublingual Immunotherapy
US	United States of America
USD	United States Dollar, also shown as $
VAT	Value added tax

Analyst Coverage

Broker	Analyst
Kepler Cheuvreux	
www.keplercheuvreux.com	Damien Choplain
Gilbert Dupont	
www.gilbertdupont.fr	Guillaume Cuvillier
KBC Securities	
www.kbcsecurities.com	Sandra Cauwenberghs
Bryan, Garnier & Co*	
www.bryangarnier.com	Hugo Solvet
Edison Group*	
www.edisongroup.com	Andy SMith

*These analysts are paid for this service

Contact

ASIT biotech and the Stock Exchange

The Company is listed on Euronext Brussels and Paris since May 2016.

EURONEXT: ASIT

ISIN: BE0974289218

Total outstanding shares: 19,409,437 (as of 31 December 2018)

Industry: HealthCare

Sector: Pharmaceuticals & Biotechnology

Subsector: Biotechnology

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