

**POSITION STATEMENT
OF
KIADIS PHARMA N.V.**



12 February 2021

Regarding the recommended cash offer by Sanofi Foreign Participations B.V., a wholly owned subsidiary of Sanofi, for all the issued and outstanding ordinary shares with a nominal value of EUR 0.10 each in the capital of Kiadis Pharma N.V.

This position statement is published in accordance with article 18, paragraph 2 and Annex G of the Dutch Decree Public Takeover Bids (*Besluit openbare biedingen Wft*).

The extraordinary general meeting of Kiadis Pharma N.V. will be held on 30 March 2021, commencing at 10:00 hours CET.

IMPORTANT INFORMATION

This position statement (the **Position Statement**) is published by Kiadis Pharma N.V. (**Kiadis**) for the sole purpose of providing information to its shareholders on the recommended public cash offer by Sanofi Foreign Participations B.V. (the **Offeror**), a direct wholly owned subsidiary of Sanofi (**Sanofi**), to all holders of issued and outstanding ordinary shares with a nominal value of EUR 0.10 each in the share capital of Kiadis (the **Shares** and the holders of such Shares, the **Shareholders**), to purchase for cash their Shares on the terms and subject to the conditions and restrictions set forth in the offer memorandum dated 10 February 2021 (the **Offer Memorandum**) (the **Offer**), as required pursuant to section 18, paragraph 2 and Annex G of the Decree.

Capitalized terms in this Position Statement other than in the Fairness Opinion (attached hereto as Schedule 1) and the agenda to the extraordinary general meeting of shareholders together with the explanatory notes (attached hereto as Schedule 2) shall, unless otherwise defined in this Position Statement, have the meaning attributed to them in the Offer Memorandum. Any reference in this Position Statement to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made.

The Offer is being made for the Shares of Kiadis, a public limited liability company incorporated under Dutch law, and is subject to Dutch disclosure and procedural requirements, which differ from those of the United States. The financial information of Kiadis included in this document has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission and Part 9 of Book 2 of the Dutch Civil Code (**DCC**), and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Rule 14E under the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**) and the rules and regulations promulgated thereunder, including the exemptions therefrom, and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and Law.

The receipt of cash pursuant to the Offer by a U.S. Shareholder will generally be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local, as well as foreign and other tax, Laws. Each Shareholder is urged to consult his or her independent professional advisor immediately regarding the tax consequences of acceptance or non-acceptance of the Offer.

It may be difficult for U.S. Shareholders to enforce their rights and claims arising out of the U.S. federal securities Laws, since the Offeror and Kiadis are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities Laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or other regulatory authority has approved or disapproved the Offer, passed upon the fairness or merits of the Offer or provided an opinion as to the accuracy or completeness of this Position Statement or any other documents regarding the Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the U.S. Exchange Act, and in accordance with standard Dutch practice, the Offeror and its Affiliates or brokers (acting as agents for the Offeror or its Affiliates, as applicable) may before or during the period in which the Offer remains open for acceptance, directly or indirectly, purchase, or arrange to purchase, Shares outside of the United States,

from time to time, other than pursuant to the Offer. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In addition, the financial advisors to the Offeror may engage in ordinary course trading activities in securities of Kiadis, which may include purchases or arrangements to purchase such securities. To the extent required in the Netherlands, any information about such purchases will be announced by press release in accordance with Article 13 of the Decree and posted on the website of the Offeror at www.sanofi.com.

The release, publication or distribution of this Position Statement and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands and Belgium may be restricted by Law and therefore persons into whose possession this Position Statement comes should inform themselves about and observe such restrictions. A failure to comply with any of those restrictions may constitute a violation of the law of any such jurisdiction.

Copies of this Position Statement are available on, and can be obtained free of charge from, the website of Kiadis at www.kiadis.com.

Kiadis is exclusively responsible for the accuracy and completeness of the information contained in this Position Statement. This Position Statement includes forward-looking statements including risks and uncertainties. Although Kiadis considers the assumptions upon which its respective forward-looking statements are based reasonable, it can give no assurance that these assumptions or statements will prove to be correct. These forward-looking statements are subject to risks, uncertainties, assumptions and other important factors, many of which may be beyond Kiadis' control, such as political, economic or legal changes in the markets, in particular those resulting from the COVID-19 pandemic, and environments in which Kiadis conducts its businesses, and could cause the actual results, performance or achievements of Kiadis to be materially different from those expressed or implied in these forward-looking statements. Kiadis does not accept a duty to publicly adjust or add to any forward-looking statements, except where it is required by law or regulatory authority.

This Position Statement will be governed by and construed in accordance with Dutch Law. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Position Statement. Accordingly, any legal action or proceedings arising out of or in connection with this Position Statement must be brought exclusively in such courts.

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1. INTRODUCTION

Dear Shareholder,

On 2 November 2020, Sanofi and Kiadis jointly announced that conditional agreement was reached in connection with a recommended public cash offer for an offer price of EUR 5.45 in cash (cum dividend) (the **Offer Price**) for each issued and outstanding ordinary share in the capital of Kiadis. The Offer Price represents a premium of 272% over the closing price on 30 October 2020. For more information on the financial aspects of the Offer, please see Section 4 (*The Kiadis Boards' financial assessment of the Offer*); for more information on the non-financial aspects of the Offer, please see Section 5 (*The Kiadis Boards' non-financial assessment of the Offer*).

Today, Kiadis' management board (the **Management Board**) and supervisory board (the **Supervisory Board**, and together with the Management Board, the **Kiadis Boards**) are publishing this Position Statement. In this document the Kiadis Boards explain why in their opinion the Offer is in the best interests of Kiadis and its stakeholders, including its Shareholders and patients. In short, Sanofi and Kiadis have the intention to accelerate the development and commercialization of Kiadis' trajectory and pipeline programs by leveraging the Offeror Group's global infrastructure and capabilities in research, CMC, development, manufacturing and commercialization, as well as the Offeror Group's financial strength. For more information on the rationale of the Offer, please see Section 3.2 (*Rationale for the Offer*).

Before reaching conditional agreement on the Offer, the Kiadis Boards made a thorough assessment of the Offer versus the standalone prospects and other strategic alternatives. The Kiadis Boards weighed up the interests of Kiadis, its business and its stakeholders, including its Shareholders and patients. Consistent with their fiduciary duties, the Kiadis Boards, following a careful review of alternatives and of the different stakeholders' interests and an evaluation of the Offer with the assistance of their legal and financial advisors, unanimously determined that the Offer is in the best interests of Kiadis, the sustainable success of its business and clients, patients, employees, Shareholders and other stakeholders. For more information on the Kiadis Boards' decision-making process, please see Section 3.1 (*Sequence of events*).

The Kiadis Boards find it important to share with you their considerations, views and recommendations with respect to the Offer in this Position Statement.

The Kiadis Boards have decided to unanimously support the Offer and to recommend Kiadis' Shareholders to: (i) support the Transactions; (ii) accept the Offer and tender their Shares in the Offer; and (iii) vote in favor of the Resolutions proposed in relation to the Offer at the EGM to be held at 10:00 hours CET on 30 March 2021 and, accordingly, hereby confirm such unanimous support and recommendation.

The EGM is an important event for Kiadis and its Shareholders. During this meeting you will, among other things, be informed about the Offer and be able to vote on the Resolutions proposed by the Kiadis Boards in connection with the Offer. The Kiadis Boards look forward to welcoming you on 30 March 2021.

Yours sincerely,

Mark Wegter
Chairman of the Supervisory Board

Arthur Lahr
Chief Executive Officer

2. DEFINITIONS

2022-I Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>);
2022-II Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>);
2022 Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>);
2023 Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>);
2025-I Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>);
2025-II Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>);
2025 Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>);
Acceptance Period	means the period which will commence at 09.00 hours CET, on 15 February 2021, and will expire at 17:40 hours CET, on 12 April 2021 (such period, as it may be extended from time to time in accordance with Article 15 of the Decree and Section 5.10 of the Offer Memorandum (<i>Extension of the Acceptance Period</i>));
Acceptance Threshold	has the meaning given to it in Section 5.6 (<i>Certain other considerations and arrangements</i>);
Affiliates	means any corporation, partnership, co-operative, or other business or legal entity or other person directly or indirectly, solely or jointly controlling or controlled by that Party, including any of its subsidiaries and group companies within the meaning of articles 2:24a and 2:24b of the DCC, respectively;
AFM	means the Dutch Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>);
Allen & Overy	means Allen & Overy LLP;
Alternative Proposal	<p>means any offer or proposal for, or any indication of interest in, which through one or several transactions may result in:</p> <ul style="list-style-type: none">(a) any direct or indirect acquisition or purchase: (x) of Shares equaling at least 5% or more of Kiadis' issued and outstanding ordinary share capital; or (y) leading to a holding of at least 5% of the voting rights in Kiadis' shareholder meeting; or(b) any direct or indirect acquisition or purchase of Shares as may trigger a mandatory offer (<i>verplicht bod</i>) for Kiadis under Laws; or(c) any public offer relating to Shares; or(d) any direct or indirect acquisition or purchase of assets of Kiadis or of any of its Group Companies, that represent 10% or more

of the consolidated gross revenue, consolidated operating profits, or consolidated gross assets of Kiadis as presented in the audited consolidated financial statements of Kiadis or in its financial communication for the fiscal year period ended 31 December 2019,

in each case, whether by direct or indirect acquisition or purchase, subscription, merger, demerger, reorganization, contribution, joint-venture, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Kiadis or any of its Group Companies, with a person other than the Offeror or any of its Affiliates;

Articles of Association	means the current articles of association of Kiadis (as amended from time to time);
Asset Sale	has the meaning given to it in Section 9.2 (<i>Post-Offer Restructuring</i>);
Asset Sale Agreement	has the meaning given to it in Section 9.2 (<i>Post-Offer Restructuring</i>);
Asset Sale Price Per Share	has the meaning given to it in Section 9.2 (<i>Post-Offer Restructuring</i>);
Bridge Loan	has the meaning given to it in Section 4.4 (<i>Bridge Loan</i>);
Business Days	means a day (other than a Saturday or Sunday) on which Euronext Amsterdam and Euronext Brussels are open and banks are generally open for normal business in the Netherlands, except where it is used to refer to terms set out in the Decree, in which case it means any working day designated as such in the <i>Algemene Bank-CAO</i> ;
Buy-Out	has the meaning given to it in Section 9.1 (<i>Buy-Out</i>);
CET	means Central European Time or Central European Summer Time, as applicable in the Netherlands;
Closing Date	means the day on which the Acceptance Period expires, whether or not extended;
CMC	means chemistry, manufacturing and control;
CytoSen	means CytoSen Therapeutics, Inc.;
CytoSen Acquisition Agreement	has the meaning given to it in Section 8.6 (<i>Rights of holders of CytoSen shares and options</i>);
DCC	means the Dutch Civil Code (<i>Burgerlijk Wetboek</i>);
Decree	means the Dutch Decree Public Takeover Bids (<i>Besluit openbare biedingen Wft</i>);
DEPO	means the Dutch Exemption Decree Public Offers (<i>Vrijstellingsbesluit overnamebiedingen Wft</i>);
DFSA	means the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>);

Dutch Corporate Governance Code	means the Dutch corporate governance code, as amended from time to time;
EGM	has the meaning given to it in Section 11 (<i>Agenda of Extraordinary General Meeting</i>);
Enterprise Chamber	means the Enterprise Chamber of the Amsterdam Court of Appeal (<i>Ondernemingskamer</i>);
EURIBOR	means the Euro InterBank Offered Rate;
Euronext Amsterdam	means the official market of the regulated market of Euronext in Amsterdam, the Netherlands;
Euronext Brussels	means the official market of the regulated market of Euronext in Brussels, Belgium;
Fairness Opinion	has the meaning given to it in Section 10 (<i>Recommendation</i>);
FDA	means the U.S. Food and Drug Administration;
First Kreos Capital Facility Agreement	has the meaning given to it in Section 8.5 (<i>Convertible notes</i>);
Fully Diluted	means on the assumption that all options, warrants, convertible instruments or other rights to subscribe for, or acquire from Kiadis or any of its Group Companies, Shares, have been exercised or converted, as applicable, in full, regardless of whether any such options, warrants, convertible instruments or other rights are then vested, exercisable or convertible, which would amount to 61,084,776;
Group	means, in respect of a Party, that Party and the Group Companies immediately prior to the Settlement Date;
Group Companies	means, in respect of a Party, any corporation, partnership, co-operative, or other business or legal entity or other person directly or indirectly, solely or jointly controlled by such Party, and Group Company means any of them;
Holdback Shares	has the meaning given to it in Section 8.6 (<i>Rights of holders of CytoSen shares and options</i>);
Independent Member	has the meaning given to it in Section 5.2 (<i>Composition of the Kiadis Supervisory Board</i>);
Integration Committee	has the meaning given to it in Section 5.1(f) (<i>Integration Committee</i>);
Kiadis	means Kiadis Pharma N.V., a public limited liability company (<i>naamloze vennootschap</i>) incorporated under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands and its office address at Paasheuvelweg 25A, 1105 BP Amsterdam, the Netherlands and registered with the trade register of the chamber of commerce under number 63512653;

Kiadis Boards	has the meaning given to it in Section 1 (<i>Introduction</i>);
Kiadis Group	means Kiadis and its Affiliates from time to time;
Kreos Capital	means Kreos Capital V (UK) Limited;
Kreos Capital Facility Agreements	has the meaning given to it in Section 8.5 (<i>Convertible notes</i>);
Law	means any and all applicable laws (whether civil, criminal or administrative) including common law, statutes, subordinate legislation, treaties, regulations, rules, directives, decisions, by-laws, circulars, codes (including corporate governance codes), orders, notices, demands, decrees, injunctions, guidance, judgments or resolutions of a parliamentary government, quasigovernment, federal, state or local government, statutory, administrative or regulatory body, securities exchange, court or agency in any part of the world which are in force or enacted and are, in each case, legally binding as at the relevant time, and the term Law(s) will be construed accordingly;
License Agreement	has the meaning given to it in Section 3.1 (<i>Sequence of events</i>);
Liquidator	means a special purpose vehicle to be incorporated by a professional services firm to be engaged by the Offeror;
Management Board	has the meaning given to it in Section 1 (<i>Introduction</i>);
MAR	means the European Market Abuse Regulation (596/2014);
Matching Offer Period	means the period of 10 Business Days that the Offeror shall have following the date on which it has received the Second Notice;
Merger Agreement	means the merger agreement agreed and signed by Sanofi and Kiadis on 1 November 2020;
Merger Rules	means all Laws regarding the Transactions, and each of them, including without limitation the applicable provisions of the MAR, the DFSA, the Decree, the DEPO, any rules and regulations promulgated pursuant to the DFSA, Decree and DEPO, the policy guidelines, instructions and opinions of the AFM, the Dutch Merger Code 2015 (<i>SER-besluit Fusiegedragsregels 2015</i>), the rules and regulations of Euronext Amsterdam and Euronext Brussels, in so far as applicable, the DCC, as amended, and the rules and regulations promulgated thereunder (subject to any exemptions or relief therefrom, if applicable), the relevant securities and employee consultation rules and regulations in other applicable jurisdictions and the relevant Laws to the Offer;
Milestone Shares	has the meaning given to it in Section 8.6 (<i>Rights of holders of CytoSen shares and options</i>);
Moelis	means Moelis & Company LLC;

Netherlands	means the part of the Kingdom of the Netherlands located in Europe and Dutch means in or of the Netherlands;
NK	means Natural Killer;
No Governmental or Court Order	means (i) no order, stay, injunction, judgment or decree has been issued by any Regulatory Authority that remains in force and effect, and (ii) no statute, rule, regulation, governmental order or injunction has been enacted or clearance process remains effective or enforced, all such other than as a result of the Offeror's own condition, acts or omissions (any of the foregoing listed under (i) and (ii));
Non-Binding Offer	has the meaning given to it in Section 3.1 (<i>Sequence of events</i>);
Non-Financial Covenants	has the meaning given to it in Section 5.1 (<i>Non-Financial Covenants</i>);
Offer	has the meaning given to it in the Important Information;
Offer Memorandum	has the meaning given to it in the Important Information;
Offer Price	has the meaning given to it in Section 1 (<i>Introduction</i>);
Offeror	has the meaning given to it in the Important Information;
Offeror Group	means the Offeror and its Affiliates from time to time, provided that Kiadis and its subsidiaries will not be deemed an Affiliate of the Offeror;
Option	means the right to acquire Shares, subject to the terms and conditions of the Option Plan;
Option Plan	means Kiadis' 2016 Share Option and Stock Appreciation Right Plan (as lastly amended on 31 March 2020);
Participants	has the meaning given to it in Section 8.7 (<i>Options and SARs</i>);
Party or Parties	means Kiadis and/or the Offeror, respectively;
PIK	means Payment In Kind;
Position Statement	has the meaning given to it in the Important Information;
Post-Closing Acceptance Period	means a post-closing acceptance period (<i>na-aanmeldingstermijn</i>) of two weeks;
Post-Closing Measures	has the meaning given to it in Section 9.3 (<i>Other measures</i>);
Post-Offer Restructuring	has the meaning given to it in Section 9.2 (<i>Post-Offer Restructuring</i>);
Post-Offer Restructuring Resolution	has the meaning given to it in Section 11 (<i>Agenda of Extraordinary General Meeting</i>);
Post-Offer Restructuring Threshold	has the meaning given to it in Section 9.2 (<i>Post-Offer Restructuring</i>);

Potential Financing	has the meaning given to it in Section 3.1 (<i>Sequence of events</i>);
Potential Superior Offer	means an unsolicited written Alternative Proposal to make a (public) offer for all Shares or for all or substantially all of the business or assets of Kiadis or a legal merger or reverse takeover involving Kiadis, made by a party which, in the reasonable opinion of the Kiadis Boards, taking into account their fiduciary duties and taking into account the terms of the Merger Agreement, is a <i>bona fide</i> third party, and which proposal, in the good faith opinion of the Kiadis Boards, could reasonably be expected to qualify as or evolve into a Superior Offer;
Recommendation	has the meaning given to it in Section 10 (<i>Recommendation</i>);
Reference Date	means 30 October 2020;
Regulatory Authority	means any competent governmental, administrative, supervisory, regulatory, judicial, disciplinary, enforcement or tax raising body, authority, agency, commission, board, organization, court or tribunal of any jurisdiction, whether supranational, national or regional or local and any subdivision, department or branch of any of the foregoing;
Resolutions	has the meaning given to it in Section 11 (<i>Agenda of Extraordinary General Meeting</i>);
Revised Non-Binding Offer	has the meaning given to it in Section 3.1 (<i>Sequence of events</i>);
Sanofi	means Sanofi, a <i>société anonyme</i> with a management board (<i>conseil d'administration</i>) incorporated under the laws of France, whose registered office is at 54 Rue La Boétie, 75008, Paris, France and whose identification number is 395 030 844 RCS Paris;
SAR	means the right to receive a cash payment equal to the excess (if any) of the exercise price over the base price, multiplied by the number of Shares with respect to which the SAR is exercised, subject to the terms and conditions of the Option Plan;
Second Kreos Capital Facility Agreement	has the meaning given to it in Section 8.5 (<i>Convertible notes</i>);
Second Notice	means the notice (in writing) by Kiadis to the Offeror of the contents of a Superior Offer after it has been determined by the Kiadis Boards that a Potential Superior Offer constitutes a Superior Offer;
Settlement	means the situation in which the Offeror declares the Offer unconditional (<i>gestand doen</i>), and, within five Business Days following the Unconditional Date, pays the Offer Price per Tendered Share to the Shareholders and acquires each Tendered Share;
Settlement Date	means the date on which the Settlement occurs;
Shareholder	has the meaning given to it in the Important Information;

Shares	has the meaning given to it in the Important Information;
Superior Offer	has the meaning given to it in Section 5.6 (<i>Certain other considerations and arrangements</i>);
Supervisory Board	has the meaning given to it in Section 1 (<i>Introduction</i>);
Tendered and Committed Shares	has the meaning given to it in Section 5.6 (<i>Certain other considerations and arrangements</i>);
Tendered Share	means each share validly tendered under the Offer (or defectively tendered, provided that such defect has been waived by the Offeror prior to or on the Closing Date);
Transactions	means the Offer and all transactions contemplated therewith, including, for the avoidance of doubt, the Buy-Out and the Post-Offer Restructuring;
Unconditional Date	means the date on which the Offeror will announce that the Offer is declared unconditional (<i>gestand wordt gedaan</i>), in accordance with Article 16 of the Decree;
U.S.	means the United States of America;
U.S. Exchange Act	has the meaning given to it in the Important Information;
Vest	has the meaning given to it in Section 8.7 (<i>Options and SARs</i>);
Warrants	has the meaning given to it in Section 8.4 (<i>Warrants</i>); and
Wft	means the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>).

3. DECISION-MAKING PROCESS BY THE KIADIS BOARDS

3.1 Sequence of events

This paragraph contains a non-exhaustive description of material contacts between representatives of Kiadis and Sanofi and certain other circumstances that resulted in reaching and signing the Merger Agreement.

On 4 June 2020, while Kiadis and Sanofi were in the process of evaluating and negotiating a license agreement pursuant to which Kiadis would grant an exclusive license of Kiadis' K-NK004 program to Sanofi, including an exclusive right to use Kiadis' K-NK platform for two undisclosed pre-clinical programs (the **License Agreement**), Kiadis received a non-binding offer letter (the **Non-Binding Offer**) from Sanofi. In the Non-Binding Offer, Sanofi expressed its interest in a potential acquisition of Kiadis by means of a recommended full public offer.

The Kiadis Boards discussed and carefully considered the Non-Binding Offer together with their external professional advisors Moelis for financial advice and Allen & Overy for legal advice. Based on their evaluation the Kiadis Boards concluded that it was Kiadis' preference to continue pursuing the License Agreement, as it would validate Kiadis' K-NK-cell technology and create long-term value. The Management Board informed Sanofi of this decision. Subsequently, on 8 July 2020, Kiadis and Sanofi publicly announced that they had entered into the License Agreement.

From July to October 2020, Kiadis explored and negotiated a potential financing of Kiadis through the issuance of new shares and attached warrants for shares (the **Potential Financing**). Considering that the issuance of new shares and warrants in the Potential Financing, and in further near-term financings following the Potential Financing, would have significant dilutive effects on the shareholdings of Kiadis' current shareholders, Kiadis reconnected with Sanofi as, from a strategic point of view, a proposal by Sanofi could potentially be an attractive alternative to the Potential Financing.

On 8 October 2020, a confidentiality agreement was signed by Kiadis and Sanofi, which among other things provided for a standstill arrangement. Subsequently, Sanofi was given the opportunity to perform a due diligence investigation on Kiadis and its business, consisting of a management presentation, a review of documents that were made available in a virtual data room prepared by Kiadis and several expert sessions and other meetings.

Following exploratory discussions, on 16 October 2020 Sanofi sent a revised non-binding offer (the **Revised Non-Binding Offer**) to Kiadis in which Sanofi expressed its interest in pursuing a recommended full public offer on similar terms and conditions as the Non-Binding Offer, with an offer price of EUR 5.35 in cash per share, which, based on various updated assumptions made by Sanofi in the Revised Non-Binding Offer, would represent an enterprise value of approximately EUR 275,000,000. Sanofi further indicated to Kiadis that, in view of the Potential Financing running on a parallel track, the Revised Non-Binding Offer was conditional upon a short period to complete outstanding and confirmatory due diligence items until the potential announcement of the offer.

After careful consideration, the Kiadis Boards concluded that the Revised Non-Binding Offer was a promising potential alternative to the Potential Financing, but that certain elements of the Revised Non-Binding Offer had to be clarified further and that the offer price per share was not compelling enough in the context of the offer. Kiadis thus requested Sanofi to provide more information on certain particular concerns of the Kiadis Boards relating to, among other things, (i) Sanofi's plans for Kiadis' R&D programs, and (ii) securing Kiadis' funding if the offer would not close or closing of the offer would be delayed. Subsequently, Sanofi agreed to increase the offer price to EUR 5.45 (cum dividend), which, based on the assumptions made by Sanofi in the Revised Non-Binding Offer,

at the time represented an enterprise value of approximately EUR 308,000,000,¹ and responded to Kiadis' information requests and addressed the abovementioned and other concerns that had been raised by the Kiadis Boards.

The Kiadis Boards conducted a strategic review together with their external professional advisors Moelis and Allen & Overy in the course of several meetings. As part of this strategic review, various scenarios were considered by the Kiadis Boards. In particular, the potential merits and risks of the offer for Kiadis and all its stakeholders were compared with those of the Potential Financing with Kiadis continuing on a standalone basis.

On 23 October 2020, Sanofi shared a first draft of the Merger Agreement with Kiadis. With the assistance of their respective legal advisors, Kiadis (represented in such discussions by the Management Board (Arthur Lahr) and the chairman of the Supervisory Board (Mark Wegter) following consultations with the Supervisory Board) and Sanofi engaged in discussions regarding the Merger Agreement, in the course of which various drafts and mark-ups were exchanged.

On 26 October 2020, Kiadis informed its lead bank involved in the Potential Financing that it was exploring the Offer. Subsequently, the lead bank informed Kiadis that it would cease its activities regarding the Potential Financing, at least for the time being.

On 1 November 2020, the Kiadis Boards met and carefully reviewed and discussed the final terms and conditions of the Merger Agreement and gave careful consideration to all aspects of the Offer, including the effects on Kiadis' stakeholders, governance, employees, operations and strategy, taking into account the advice of its financial and legal advisors. More specifically, Moelis rendered financial advice and a fairness opinion to the Kiadis Boards and Allen & Overy rendered legal advice to the Kiadis Boards in respect of the terms of the Offer. Furthermore, the Kiadis Boards took into consideration that the Merger Agreement included a binding heads of terms agreed upon between Kiadis and Sanofi for a Bridge Loan to allow Kiadis to be able to continue operating its business in the ordinary course and to ensure the continuity of Kiadis following execution of the Merger Agreement (reference is made to Section 4.4 (*Bridge Loan*)). At the end of this meeting, the Kiadis Boards concluded that the Offer and therefore the execution of the Merger Agreement by Kiadis were in the best interests of Kiadis and its stakeholders, including the Shareholders.

Subsequently, the Merger Agreement was signed on 1 November 2020 by Kiadis and Sanofi. On 2 November 2020, Sanofi and Kiadis jointly announced that they had reached conditional agreement in connection with a recommended public offer by Sanofi. Reference is made to Section 11.1 of the Offer Memorandum (*Initial Announcement dated 2 November 2020*).

3.2 Rationale for the Offer

Kiadis' NK cell platform and resulting therapeutic pipeline is complementary to the Offeror Group's in-house pipeline including CD-38 (isatuximab) and early stage NK-cell engager bispecific programs.

The Offeror Group and Kiadis have the intention to accelerate the development and commercialization of Kiadis' trajectory and pipeline programs by leveraging the Offeror Group's global infrastructure and capabilities in research, CMC, development, manufacturing and commercialization, as well as the Offeror Group's financial strength. This will result in making products rapidly and economically available for a broad patient population across a wide range of indications. At the date of this Position Statement, the Offeror Group has no intentions with regards to the place of establishment of Kiadis, other than as described in Section 5.1 (*Non-Financial Covenants*).

¹ On the basis of a fully diluted share count using the treasury stock method at the date of the Merger Agreement, adjusted for the value of warrants which may be exercised in shares or paid in cash based on the Black Scholes value as of the day immediately following the public announcement of the change of control.

Innovative K-NK-cell platform

Kiadis' proprietary platform is based on allogeneic or 'off-the-shelf' NK-cells from a healthy donor. NK-cells seek and identify malignant cancer cells and have broad application across various tumor types. Kiadis' NK-cell-based medicines will be developed alone and in combination with Sanofi's existing platforms.

Complementary strong science to generate first-in-class medicines and strategic fit across core therapeutic areas

Sanofi's research, development, manufacturing and commercial expertise will be leveraged to advance Kiadis' pipeline, which includes NK-cell-based medicines for the treatment of patients undergoing hematopoietic stem cell transplant, liquid and solid tumors, as well as infectious disease.

In July 2020, Sanofi licensed Kiadis' pre-clinical K-NK004 program for multiple myeloma.

Kiadis' pipeline of NK-cell therapies has the potential to deliver adjunctive therapy for patients undergoing hematopoietic stem cell transplantation or who have acute myeloid leukemia (**AML**).

- (a) **K-NK002** is in a Phase 2 study evaluating NK-cells to prevent post-transplant relapse in patients with AML and myelodysplastic syndromes. The trial will be conducted in collaboration with premier U.S. transplant centers.
- (b) **K-NK003** is in a Phase 1 study evaluating NK-cells for patients with relapsed or refractory **AML**.
- (c) **KNK-ID-101** is a program evaluating the properties of K-NK cells and their suitability to fight SARS-CoV-2 and the option to develop K-NK cells as a post-exposure pre-emptive therapy for COVID-19 in high-risk patients. Kiadis plans to initiate a Phase 1/2a clinical trial evaluating the use of K-NK cells to treat COVID-19 patients with government grant funding.

Accelerates the clinical development and broadens patient reach of current Kiadis pipeline

Subject to the completion of the Offer, Sanofi will provide the resources and capabilities necessary to accelerate the development of current Kiadis programs for the treatment of blood tumors, solid cancers and infectious diseases, maximizing their potential to the benefit of patients.

4. THE KIADIS BOARDS' FINANCIAL ASSESSMENT OF THE OFFER

In the decision-making process, the Kiadis Boards have considered the financial aspects of the Offer, including those described below.

For each Share tendered under the Offer, the Offeror offers the Offer Price, being a consideration of **EUR 5.45 in cash cum dividend** without interest and less the mandatory withholding tax payable under Law(s) (if any).

4.1 Financial assessment

The Kiadis Boards have carefully reviewed the Offer in light of the medium- and long-term prospects of Kiadis. To this extent, the Kiadis Boards have applied a range of valuation methodologies and financial analyses that are customarily used for such a financial assessment. These included:

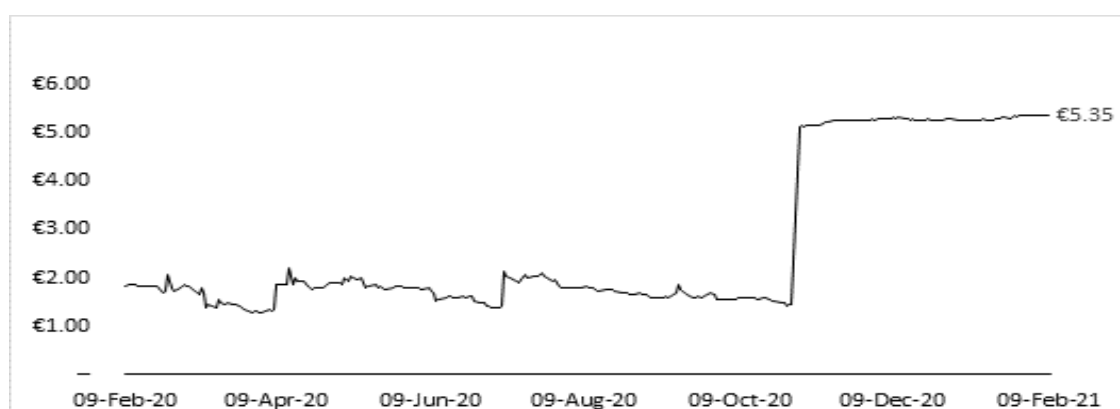
- a sum-of-the-parts discounted cash flow analysis; and
- an analysis based on customary valuation metrics for comparable cell therapy public companies.²

The Kiadis Boards also took note of an analysis based on premiums paid in selected prior transactions in immuno-oncology and cell therapy companies.³

Furthermore the Kiadis Boards considered certain trading statistics, including:

- the 12-month target price for the Shares published by five research analysts following Kiadis' results for the first half-year of 2020.⁴ The target prices ranged from EUR 2.40 to EUR 4.50 per Share with a median of EUR 2.80;
- that the Offer Price, delivering immediate, certain and significant value to Kiadis' shareholders, represents the following premiums:
 - a premium of 272% to Kiadis' closing price per Share on 30 October 2020 of EUR 1.464;
 - a premium of 247% to Kiadis' volume-weighted average price per Share for the 30 trading days up to and including 30 October 2020 of EUR 1.571;
 - a premium of 200% to Kiadis' volume-weighted average price per Share for the 90 trading days up to and including 30 October 2020 of EUR 1.819; and
 - a premium of 170% to Kiadis' volume-weighted average price per Share for the period from 12 November 2019 up to and including 30 October 2020 of EUR 2.021;⁵ and
- that during the 50-week period starting 12 November 2019 up to and including 30 October 2020, the highest closing price per Share was EUR 3.212. The Offer Price represents a premium of 70% to such highest closing price per Share.⁶

The graph below sets out the price development for Shares of Kiadis from 9 February 2020 to 9 February 2021.



² Comparable companies include Fate Therapeutics, Nkarta, NantkWest, Precigen, Collectis, TCR2 Therapeutics, Autolus Therapeutics, Ziopharm, Precision BioSciences, Magenta, Gamida Cell, Mustang Bio, Celyad, Medigene and Bellicum Pharmaceuticals.

³ Comparable transactions include Neon Therapeutics – Biontech (January 2020), Kiadis – CytoSen (April 2019) and TiGenix – Takeda (January 2018). Other immuno-oncology and cell therapy transactions were considered not sufficiently comparable, for example because they concerned preclinical stage companies.

⁴ Canaccord, Jefferies, Kempen, KBC, and Piper Sandler & Co.

⁵ Only includes stock prices from 12 November 2019 onwards given that Kiadis discontinued its Phase III program in GVHD on 12 November 2019 in order to focus solely on the development of its earlier stage NK cell therapeutics.

⁶ Only includes stock prices from 12 November 2019 onwards given that Kiadis discontinued its Phase III program in GVHD on 12 November 2019 in order to focus solely on the development of its earlier stage NK cell therapeutics.

4.2 Fairness Opinion

The Kiadis Boards received the Fairness Opinion from Moelis which states that, as of the date of the Fairness Opinion and based upon and subject to the qualifications, limitations and assumptions set forth therein, the Offer Price to be received by Shareholders in the Offer or the Asset Sale (as defined in the Fairness Opinion) is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion is included in Schedule 1.

4.3 Other considerations

In addition to the foregoing, the Kiadis Boards have considered the following in their financial assessment of the Offer:

- that the form of consideration to be paid to the Shareholders in the Offer is cash, which will provide certainty of value and liquidity to Shareholders;
- Sanofi's ability to finance the Offer and fulfill its obligations under the Offer by utilizing readily available cash resources;
- that there is a possibility of third parties making a competing offer if certain market conformity thresholds are met (as set out in Section 5.6 (*Certain other considerations and arrangements*)); and
- finally, the Offeror will declare the Offer unconditional if it and/or its Affiliates hold at least 80% of Kiadis' issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) on a Fully Diluted basis as at the Closing Date and the general meeting of shareholders of Kiadis has approved the Post-Offer Restructuring Resolution and such resolution is in full force and effect as at the Closing Date. In such case, the Offeror may pursue the Post-Offer Restructuring. Reference is made to Section 9.2 (*Post-Offer Restructuring*).

4.4 Bridge Loan

Pursuant to a heads of terms agreed upon on the date of the Merger Agreement, on 13 January 2021, Sanofi Finance Ireland Limited as lender and Kiadis as borrower entered into a facilities agreement (the **Bridge Loan**) for a total principal amount of EUR 27,700,000. The main purpose of the Bridge Loan is for general corporate and working capital purposes of the Kiadis Group, in order to allow the Kiadis Group to be able to continue operating its business in the ordinary course following execution of the Merger Agreement, avoiding delay in the operations of its business and to ensure the continuity of the Kiadis Group. Part of the Bridge Loan, in the amount of EUR 7,700,000, can be used to refinance the debt under the Kreos Capital Facility Agreements and prepay the convertible bonds with Kreos Capital.

Funding of the Bridge Loan is on a certain funds basis, but shall be immediately cancelled in the event of a change of control of Kiadis (excluding a change of control to the Offeror, but including an asset sale of the Kiadis Group) or if the Merger Agreement is terminated following a material breach of the Merger Agreement by Kiadis pursuant to Section 6.27(a)(iii) of the Offer Memorandum (*Termination*) or terminated following a Superior Offer, as described in Section 6.27(a)(iv) of the Offer Memorandum (*Termination*), and can be cancelled by the lender if one or more material events of default have occurred or it has become unlawful for the lender to provide the loans.

The Bridge Loan is a term loan facilities with the loans having to be repaid one year after the first utilization of a facility (with a six-month automatic extension period). The facilities shall be available until and including 30 May 2021. The facilities rank *pari passu* with other senior unsecured debt of Kiadis but junior to the Kreos Capital Facility Agreements. The interest rate is

EURIBOR plus a margin, being a PIK margin of 2.5% per annum and a 2.0% cash margin which margins will both be increased to 10% in the event of a change of control of Kiadis (excluding a change of control to the Offeror, but including an asset sale of the Kiadis Group) or if the Merger Agreement is terminated. The documentation contains a customary suite of representations, undertakings and events of default for transactions of this nature and a most favored nation provision giving the lender the benefit of any more favorable protection agreed with other debt financiers of the Kiadis Group. The documentation also includes a provision that the Kiadis Group will be required to guarantee the Bridge Loan or grant security securing the Bridge Loan if certain customary circumstances are met.

On 14 January 2021, Kiadis announced via press release that it had drawn EUR 20,000,000 from the Bridge Loan to bridge Kiadis' capital needs through the closing of the acquisition by Sanofi.

5. THE KIADIS BOARDS' NON-FINANCIAL ASSESSMENT OF THE OFFER

In their decision-making process, the Kiadis Boards have also considered the non-financial aspects of the Offer. With regard thereto, Kiadis and the Offeror agreed upon a set of non-financial covenants which are described below.

5.1 Non-Financial Covenants

The Offeror shall, in accordance with the terms and subject to the conditions of the Merger agreement, comply with the principles and agreements set out in Section 9.2 (*Post-Offer Restructuring*), Section 5.4 (*Role and veto right of Independent Members*), Section 5.2 (*Composition of the Kiadis Supervisory Board*) and this Section 5.1 (*Non-Financial Covenants*) (collectively, the **Non-Financial Covenants**).

(a) Strategic rationale

By combining their businesses, the Offeror Group and Kiadis have the intention to accelerate the development and commercialization of Kiadis' pipeline programs by leveraging the Offeror Group's global infrastructure and capabilities in research, CMC, development, manufacturing and commercialization, as well as the Offeror's financial strength.

The Offeror Group and Kiadis intend to set up a hybrid integration model with corporate R&D activities of Kiadis and the Offeror Group integrated, details of which will be treated on a case-by-case basis.

(b) Governance of Kiadis

As long as the Shares remain listed on Euronext Amsterdam, Kiadis shall continue to comply with the current Dutch Corporate Governance Code, except for: (i) current deviations from the Dutch Corporate Governance Code; and (ii) deviations from the Dutch Corporate Governance Code that have their basis in the Merger Agreement.

(c) Organization/location

There will be research and CMC activities at Kiadis' offices in Amsterdam, the Netherlands.

The Offeror Group is focused on ensuring that the Kiadis Group's key management and key staff are retained and offered suitable career opportunities.

The Offeror Group fosters a culture of excellence, where qualified employees are offered suitable training and career progression.

(d) Employees

There will be no material redundancies with respect to the Kiadis Group's employees as a direct consequence of the Offer and necessary redundancies going forward will be part of the Integration Committee process.

The existing rights and benefits of the Kiadis Group's employees shall be respected by the Offeror Group, including existing rights and benefits under their individual employment agreements and (at least) existing redundancy practices applied by the Kiadis Group.

Any redundancies that need to occur will be done in accordance with all legal requirements.

The existing pension rights of the Kiadis Group's current and former employees shall be respected by the Offeror Group.

Following the Settlement Date, the nomination, selection and appointment of staff for functions within the Offeror Group's NK activities will, subject to the applicable rules, be based on the "best person for the job" principle, or, where not feasible or appropriate, on a non-discriminatory, fair, business-oriented and transparent set of criteria.

(e) Minority shareholders

The following resolutions by the Supervisory Board shall require the prior approval of the Supervisory Board with the affirmative vote of at least one of the Independent Members:

- (i) issuing additional shares in the capital of Kiadis for cash without offering pre-emption rights to minority shareholders in Kiadis;
- (ii) agreeing and entering into a related party transaction between the Offeror or any member of the Offeror Group on the one hand and any member of the Kiadis Group on the other hand or any other agreement, which in each case is not at arm's length; and
- (iii) the proposal to the general meeting of shareholders of Kiadis of any other resolution which disproportionately prejudices the value of, or the rights relating to, the shares held by the minority shareholders in Kiadis.

(f) Integration Committee

The preparation of the integration of Kiadis and the Offeror Group's overlapping business units will be prepared by an integration committee consisting of four members, two of whom are senior managers of Kiadis and two of whom are senior managers of the Offeror Group (the **Integration Committee**). Until the Settlement Date, the Integration Committee will report to the Head of R&D of the Offeror Group and the CEO of Kiadis, and after the Settlement Date, to the Head of R&D of the Offeror Group.

(g) Financing

It is intended that Kiadis remains prudently financed to safeguard the continuity of the business and to continue Kiadis' current business strategy including R&D and pipeline.

The Offeror will allocate suitable resources for Kiadis' R&D and CMC activities.

5.2 Composition of the Kiadis Supervisory Board

At the Settlement Date, the Supervisory Board will be composed of:

- (a) three persons to be appointed upon nomination by the Offeror, being Frank Nestle, Kripa Ram and Jérémie Girard,⁷ who are non-independent from the Offeror within the meaning of the Dutch Corporate Governance Code; and
- (b) Mark Wegter and Robert Soiffer, two current members of the Supervisory Board, qualifying as independent within the meaning of the Dutch Corporate Governance Code, who continue to serve on the Supervisory Board (including their successors, the **Independent Members**).

Frank Nestle will serve as chairman of the Supervisory Board.⁸

The Independent Members (or after their replacement, their successors) will continue to serve on the Supervisory Board at least until the first anniversary of the Settlement Date.

5.3 Composition of the Management Board

At Settlement, the Management Board will be composed of the member of the Management Board, being Arthur Lahr plus Marion Zerlin.⁹

5.4 Role and veto right of Independent Members

Role of Independent Members

In the implementation of the Post-Offer Restructuring or any Post-Closing Measure, due consideration will be given to requirements of Laws, including the fiduciary duties of the members of the Kiadis Boards at that time to promote the sustainable success of Kiadis' business and to consider the interests of minority shareholders and all other stakeholders' and relevant employee representation bodies' information and/or consultation requirements.

Approval rights of Independent Members

If any proposed Post-Closing Measure could reasonably be expected to lead to a dilution of the shareholdings of the remaining minority shareholders in Kiadis, other than:

- (a) pursuant to a rights issue by Kiadis or any other share issue where the remaining minority shareholders have been offered an opportunity to subscribe pro rata to their then existing shareholding in Kiadis (*voorkeursrecht*);
- (b) any shares issued to a third party not being an Affiliate of a Party at the time of such issue;
- (c) the Buy-Out;
- (d) the Post-Offer Restructuring; and
- (e) the delisting (including the execution of the draft amended Articles of Association included in Section 14 of the Offer Memorandum (*Articles of Association*)),

or any other form of unequal treatment which prejudices or could prejudice or negatively affect the value of the Shares or voting rights attached to the Shares held by the remaining minority

⁷ Assuming the respective Resolution(s) thereto are adopted at the EGM.

⁸ Assuming the respective Resolution thereto is adopted at the EGM.

⁹ Assuming the respective Resolution thereto is adopted at the EGM.

shareholders or their reasonable interests, then the affirmative vote of at least one Independent Member will be required for approving any such Post-Closing Measure.

Advisors to Independent Members

The Independent Members will be entitled to engage, for the account of Kiadis, their own financial and legal advisors, if and to the extent they reasonably believe that the advice of such advisors is necessary to assist them in reviewing and assessing the matters that come before the Supervisory Board.

5.5 Duration, benefit and enforcement of Non-Financial Covenants

The Non-Financial Covenants set out in Section 9.2 (*Post-Offer Restructuring*) and Section 5.4 (*Role and veto right of Independent Members*) will cease to apply on the earliest of (i) the date on which none of the Shares are held by any third party other than the Offeror or one or more of its Affiliates, (ii) the date on which the Buy-Out is irrevocably initiated and the Offer Price is deemed to be the fair price (*billijke prijs*) pursuant to section 2:359c(6) of the DCC, (iii) the date on which the Enterprise Chamber has determined the price payable by the Offeror to the other Shareholders pursuant to the Buy-Out, and (iv) the date on which, following the Post-Offer Restructuring, the holders of Shares have received the liquidation distribution. All other Non-Financial Covenants will cease to apply upon expiry of 18 months from the Settlement Date.

Until the first anniversary of the Settlement, any deviation from the Non-Financial Covenants requires the prior written approval of the Supervisory Board, including the affirmative vote of at least one Independent Member.

The Non-Financial Covenants are made to Kiadis and, until the first anniversary of the Settlement, also to each of the two Independent Members and regardless of whether he or she is in office or dismissed; provided that after dismissal, the dismissed Independent Member(s) must assign the benefit of such undertaking to a new Independent Member in function, unless such dismissal is successfully challenged by such Independent Member. New Independent Members will be nominated or appointed based on the recommendation of a majority of the members of the Supervisory Board, subject to the approval of the outgoing and/or the remaining Independent Member who was originally a member of the Supervisory Board or who replaced the Independent Member who was originally a member of the Supervisory Board.

5.6 Certain other considerations and arrangements

During the discussions leading up to the execution of the Merger Agreement, Kiadis considered certain matters and negotiated certain terms, conditions and other aspects of the Offer in order to be able to safeguard the interests of all of its Shareholders, including the interests of Shareholders not tendering their Shares under the Offer. Such considerations, terms, conditions and other aspects of the Offer include the following:

Acceptance level

The Tendered Shares, together with (i) the Shares directly or indirectly owned by Sanofi, the Offeror or any of their Affiliates, (ii) any shares irrevocably committed to Sanofi, the Offeror or any of their Affiliates, and (iii) any Shares to which the Offeror Group is entitled but which have not yet been delivered (*gekocht maar nog niet geleverd*) (collectively, **Tendered and Committed Shares**), representing at least the Acceptance Threshold on the Closing Date,

whereby **Acceptance Threshold** means 95% of Kiadis' aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) on a Fully Diluted basis, which percentage will automatically be adjusted to 80% of Kiadis' aggregate issued and outstanding

ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) on a Fully Diluted basis if (i) the Post-Offer Restructuring Resolution has been adopted at the EGM and is in full force and effect on the Closing Date and (ii) the condition set out in Section 6.6(a)(viii) under (b) of the Offer Memorandum (*No Governmental or Court Order*) relating to the Post-Offer Restructuring is satisfied or waived. This obliges the Offeror to complete the Offer at a lower acceptance level and thereby provides greater deal certainty in the interest of Kiadis.

The Offeror may waive the acceptance level condition, but can only do so with the approval of the Kiadis Boards (which will not be unreasonably withheld or delayed) in the event that the Tendered Shares (excluding any Shares held by Kiadis at the Closing Date) represent, at the Closing Date, less than 66.67% of the aggregate issued and outstanding ordinary capital of Kiadis on a Fully Diluted basis.

In total, approximately 36.6% of the issued and outstanding Shares, calculated on a Fully Diluted basis, has been irrevocably committed under the Offer. Reference is made to Section 8.1 (*Shareholdings of the members of the Kiadis Boards*), 8.4 (*Warrants*), Section 8.5 (*Convertible notes*) and Section 8.6 (*Rights of holders of CytoSen shares and options*).

Competition clearance

The Offer was subject to certain customary conditions, including obtaining required competition clearance. During the discussions leading up to the execution of the Merger Agreement, Kiadis considered that it was likely that the competition clearance would be received from the relevant authorities. On 9 December 2020, Sanofi and Kiadis jointly announced that the competition condition for completion of the Offer, as announced in the press release of 2 November 2020, was satisfied and that the Offeror and Kiadis anticipated that the Offer would close during the first half of 2021. Reference is made to Section 11.3 of the Offer Memorandum (*Press release satisfaction competition condition related to the tender offer dated 9 December 2020*).

Superior Offer

Kiadis has agreed with the Offeror certain arrangements with respect to a possible Superior Offer and subsequent termination of the Merger Agreement. For an extensive description of a Superior Offer, reference is made to Section 6.20 of the Offer Memorandum (*Exclusivity and Alternative Proposal*) up to and including Section 6.26 of the Offer Memorandum (*Consecutive (Potential) Superior Offers*). These arrangements are customary for a Dutch public offer and do not prohibit a *bona fide* third party to make a Superior Offer. They are summarized as follows.

Kiadis is permitted to hold limited discussions and exchange limited information with any third party making an Alternative Proposal, if the Kiadis Boards determine in good faith that this would be reasonably required to determine whether such Alternative Proposal is or can qualify as a Potential Superior Offer and could reasonably be expected to qualify as or evolve into a Superior Offer.

In the event that a Potential Superior Offer is received by Kiadis, subject to the terms and conditions of the Merger Agreement, Kiadis may: (i) consider such Potential Superior Offer; (ii) engage in discussions regarding such Potential Superior Offer for a reasonable period which will in any event not exceed 20 Business Days starting on the date of the Offeror's receipt of the First Notice; and (iii) provide non-public, confidential information to the third party making the Potential Superior Offer. Kiadis shall not provide any information or data to any person in connection with such Potential Superior Offer, before the proposing party has first signed a confidentiality agreement (on terms not substantially less onerous than the non-disclosure agreement between Kiadis and the Offeror).

A **Superior Offer** is a *bona fide* written Alternative Proposal that did not result from a breach of Section 6.20 of the Offer Memorandum (*Exclusivity and Alternative Proposal*), and as to which

Kiadis complied with Section 6.20 of the Offer Memorandum (*Exclusivity and Alternative Proposal*), for or in respect of:

- (a) any offer (*volledig bod*) or proposal that may trigger a mandatory offer (*verplicht bod*) for Kiadis under Law(s), a legal merger or legal demerger resulting in the control over all or substantially all of the Shares; or
- (b) any Alternative Proposal which, if consummated, would result in (A) any person other than the Offeror or one of its Affiliates beneficially owning more than 50% of any class of equity securities or voting power of Kiadis, or (B) the current Kiadis shareholders, as applicable, directly or indirectly beneficially owning (x) less than 50% of the successor's share capital or (y) less than 50% of the successor's consolidated assets, or assets of the successor to which 50% or more of the consolidated gross revenues or earnings of the successor are attributable, but with the exception of intra-group reorganization; or
- (c) any Alternative Proposal relating to any direct or indirect acquisition or purchase of assets of Kiadis, of its Group Companies that represent more than 50% or more of the consolidated gross revenue, consolidated operating profit, or consolidated gross assets of Kiadis as presented in the audited consolidated financial statements of Kiadis in its financial communication for the fiscal year period ended 31 December 2019,

and that, in each case, the Kiadis Boards determine in good faith (following receipt of the advice of their financial advisors and outside legal counsel, in each case of international repute), taking into account, among other things, all legal, financial and regulatory aspects, the timing and certainty of completion, the position of the employees, other matters contemplated by the Non-Financial Covenants, and compliance with Laws and the transaction structure of each of the Alternative Proposal and the Transactions on the terms described in the Merger Agreement, on balance to be more beneficial to Kiadis, the sustainable success of Kiadis' business and its Shareholders, patients, employees, business partners, creditors and other stakeholders than the Transactions, provided that:

- (i) the total consideration payable to the Shareholders in connection with such Alternative Proposal exceeds the Offer Price by at least 8%; and
- (ii) the Alternative Proposal is binding on the third party concerned and, in the event the Superior Offer is a public offer for the Shares, such third party has:
 - (A) committed itself under customary conditions to Kiadis to launch such offer within the applicable time periods prescribed by the Merger Rules subsequent to the announcement under (B); and
 - (B) publicly announced its intention to launch the offer, which announcement includes the proposed price per Share and the relevant conditions precedent in relation to such offer and the commencement thereof.

To the extent that the Superior Offer is an offer for all or substantially all of the assets of Kiadis and its Group, the calculation will be made on the basis of the net proceeds (excluding applicable withholding taxes and other taxes) to be distributed to the Shareholders resulting from such a transaction calculated on a per Share basis.

If the consideration payable to the Shareholders in connection with a Potential Superior Offer or Superior Offer comprises solely or partly of securities, the securities component of such consideration is to be valued by the Kiadis Boards in their calculation of whether the threshold under (i) above is exceeded, at prevailing market prices and practices, as at the date that the comparison is made, after obtaining advice from their financial advisors.

In the event of a Potential Superior Offer, the Offeror shall have 10 Business Days following the date on which it has received the Second Notice to make a revision of the Offer and to match the Superior Offer by submitting in writing to the Kiadis Boards a revision of the Offer within the Matching Offer Period. If the Offeror has matched the Superior Offer, Kiadis shall not accept the Superior Offer or terminate the Merger Agreement and the members of the Kiadis Boards will remain bound to terms and conditions of the Merger Agreement.

At the date of this Position Statement, no serious proposals have been received and Kiadis is not in discussion with a third party regarding a competing offer.

Termination fees

If the Kiadis Boards revoke the Recommendation pursuant to a Superior Offer, the Offeror and Kiadis each have the right to terminate the Merger Agreement by notice in writing in accordance with the terms and subject to the conditions set forth in Section 6.26 of the Offer Memorandum (*Consequences of No Matched Offer*).

If the Merger Agreement is terminated (i) by the Offeror pursuant to Section 6.27(a)(iii) of the Offer Memorandum (*Material breach*) in the case of a material breach by Kiadis of its obligations under Section 6.20 of the Offer Memorandum (*Exclusivity and Alternative Proposal*) up to and including 6.26 of the Offer Memorandum (*Consecutive (Potential) Superior Offers*) or (ii) by either Kiadis or the Offeror pursuant to Section 6.23 of the Offer Memorandum (*Superior Offer*), Kiadis shall pay to the Offeror a gross amount of EUR 2,880,600 in cash, immediately upon first written request thereto from the Offeror and without any defenses or set-off of any kind.

If the Merger Agreement is terminated by Kiadis pursuant to Section 6.27(a)(iii) of the Offer Memorandum (*Material Breach*) in the case of a material breach by the Offeror, the Offeror shall pay to Kiadis a gross amount of EUR 2,880,600 in cash, immediately upon first written request thereto from Kiadis and without any defenses or set-off of any kind.

Any payment obligation of the Offeror or Kiadis under Section 6.27(b) of the Offer Memorandum (*Break fees*) shall exist regardless of whether there is an attributable failure (*toerekenbare tekortkoming*) by the Offeror or Kiadis and shall without prejudice to specific performance to the extent such would be available to the Offeror.

6. FINANCIALS

Reference is made to Section 13 of the Offer Memorandum (*Financial Information Kiadis*), which includes the financial information as required by Annex G of the Decree.

7. CONSULTATION WITH EMPLOYEE REPRESENTATIVE BODIES

The secretariat of the Social Economic Council (*Sociaal Economische Raad*) has been informed in writing of the Offer in accordance with the rules relating to mergers of the Social Economic Council (*SER Fusiegedragsregels 2015*).

The Kiadis Group does not have a works council, and therefore no employee consultation has taken place.

8. OVERVIEW OF SHARES HELD, SHARE TRANSACTIONS AND INCENTIVE PLANS

8.1 Shareholdings of the members of the Kiadis Boards

No Shares or options for Shares other than those set out below are held by any member of the Kiadis Boards, nor by any of their spouses, registered partners, minor children and any entities over which

these members or other persons referred to have control within the meaning of Annex G, paragraph 3 of the Decree.

Shares and Options held by the members of the Supervisory Board

At the date of this Position Statement, Shares and Options of Kiadis are held by the members of the Supervisory Board as shown in the following table:

<u>Name</u>	<u>Shares with voting rights</u>	<u>Number of Options</u>
M. Wegter	-	145,000
B. Modig	-	171,000
M. Kleijwegt	300,000	145,000
R. Soiffer	-	171,000
O. Schwarz	-	171,000
S. Saxena	5,200	171,000

Shares and Options held by the members of the Management Board

At the date of this Position Statement, Shares and Options of Kiadis are held by the members of the Management Board as shown in the following table:

<u>Name</u>	<u>Shares with voting rights</u>	<u>Number of Options</u>
A. Lahr	-	2,130,833

8.2 Irrevocable undertakings of Shareholders and members of the Kiadis Boards

Funds managed by Life Sciences Partners¹⁰ have irrevocably undertaken on customary terms and conditions to tender their respective Shares, amounting to approximately 18.26%¹¹ based on the issued share capital of Kiadis on the date of the Merger Agreement, under the Offer and to vote on the Shares in favor of the Resolutions at the EGM. If and when Settlement occurs, it is anticipated that the funds managed by Life Sciences Partners will receive a cash amount of approximately EUR 39,848,034 in consideration for their respective Shares tendered under the Offer. The funds managed by Life Sciences Partners did not receive any information from Sanofi, the Offeror or Kiadis relevant for a Shareholder in connection with the Offer that is not included in the Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

In addition, the holders of the 2025 Warrants, Kreos Capital and the former holders of CytoSen shares and options have committed to tender all their holdings of Shares under the Offer and vote in favor of the Resolutions. For further information, please refer to Section 8.4 (*Warrants*), Section 8.5 (*Convertible notes*), and Section 8.6 (*Rights of holders of CytoSen shares and options*).

¹⁰ Consisting of: LSP Life Sciences Fund N.V. (holding 3.15% of the Shares), Lenildis Holding B.V. (holding 1.15% of the Shares), Life Sciences Partners II B.V. (holding 4.14% of the Shares), Life Sciences Partners B.V. (holding 5.52% of the Shares) and LSP Advisory B.V. (holding 4.31% of the Shares), all shareholdings based on the number of shares held by the respective entities and the issued capital of Kiadis on 2 November 2020.

¹¹ Percentage shareholding based on the number of Shares held by the funds managed by Life Sciences Partners and the issued capital of Kiadis on 2 November 2020.

Mr Kleijwegt and Mr Saxena, both members of the Supervisory Board of Kiadis, hold a certain number of Shares, as described in Section 8.1 (*Shareholdings of the members of the Kiadis Boards*), together representing less than 1% of Kiadis' issued and outstanding ordinary share capital. Each of Mr Kleijwegt and Mr Saxena has irrevocably undertaken to tender his Shares under the Offer and to vote on the Shares in favor of the Resolutions at the EGM, in each case subject to the condition that the Offer is declared unconditional and that the Merger Agreement has not been terminated in accordance with its terms. If and when Settlement occurs, it is expected that Mr Kleijwegt will receive a cash amount of EUR 1,635,000 and Mr Saxena will receive a cash amount of EUR 28,340 in consideration for their respective Shares tendered under the Offer.

Mr Kleijwegt and Mr Saxena did not receive any information from Sanofi, the Offeror or Kiadis relevant for a Shareholder in connection with the Offer that is not included in the Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

In total, approximately 36.6% of the issued and outstanding Shares, calculated on a Fully Diluted basis, has been irrevocably committed under the Offer.

8.3 Transactions in the year prior to the date of this Position Statement

The following table sets out transactions by the Supervisory Board members and Management Board member in Shares and Options of Kiadis in the last twelve months prior to the date of the press release announcing the publication of the Offer Memorandum.

No transactions have been effected or agreements have been concluded in respect of securities issued by Kiadis during the twelve months prior to the date of the press release announcing the publication of the Offer Memorandum by any member of the Kiadis Boards, nor by any of their spouses, registered partners, minor children and any entities over which these members or other persons referred to have control within the meaning of Annex G, paragraph 3 of the Decree, other than as described in Section 8.2 (*Irrevocable undertakings of Shareholders and members of the Kiadis Boards*) and other than set out below.

In the table below reference is made to 25 June 2020 as the date on which certain Options were granted. This is the date at which Kiadis' general meeting was held to approve such Option grants that had been proposed when the general meeting was convened on 13 May 2020.

<u>Name</u>	<u>Number and type of financial instrument</u>	<u>Type of transaction</u>	<u>Date</u>
M. Wegter	145,000 Options	Option grant	25 June 2020
B. Modig	145,000 Options	Option grant	25 June 2020
M. Kleijwegt	145,000 Options	Option grant	25 June 2020
	300,000 Shares	Acquisition at a VWAP of EUR 2.197	8 July 2020
R. Soiffer	145,000 Options	Option grant	25 June 2020
O. Schwarz	145,000 Options	Option grant	25 June 2020
S. Saxena	145,000 Options	Option grant	25 June 2020
A. Lahr	2,130,833 Options	Option grant and amendment previous Option grants	1 April 2020

8.4 Warrants

Kiadis has five classes of warrants to acquire Shares in issue: two classes that are exercisable until 15 June 2022 (the **2022-I Warrants** and the **2022-II Warrants**, collectively, the **2022 Warrants**), one class that is exercisable until 31 July 2023 (the **2023 Warrants**) and two classes that are exercisable until 30 April 2025 (the **2025-I Warrants** and the **2025-II Warrants**, collectively, the **2025 Warrants**; the 2022 Warrants, the 2023 Warrants and the 2025 Warrants collectively, the **Warrants**).

On the date of this Position Statement, the following Warrants are outstanding, each representing the right to subscribe for one Share at the stated exercise price.

<u>Warrants</u>	<u>Outstanding</u>	<u>Exercise price</u>	<u>Exercise period</u>
2022-I Warrants	71,350	EUR 7.307	Until 15 June 2022
2022-II Warrants	3,731	EUR 7.312	Until 15 June 2022
2023 Warrants	41,212	EUR 9.71	Until 31 July 2023
2025-I Warrants	3,745,318	EUR 2.22	Until 30 April 2025
2025-II Warrants	1,493,429	EUR 2.32	Until 30 April 2025
Total	5,355,040		

Settlement will constitute a change of control under the agreements in relation to the Warrants. Pursuant to the agreements in relation to the 2022 and 2023 Warrants, the warrants will expire upon the change of control.

Pursuant to the agreements in relation to the 2025 Warrants, in the event of a change of control Kiadis shall purchase the 2025 Warrants from their holders by paying such holders a cash amount equal to the Black Scholes value of the remaining unexercised portion of the 2025 Warrants. The Black Scholes value is calculated on the basis of the Black Scholes model, the mathematical model that is widely used for the pricing of options, warrants and other derivative instruments based on various variables such as volatility, type of instrument, underlying share price, time, strike price and

risk-free rate. This information was accessed through the “OV” function of Bloomberg. The value of the 2025 Warrants was calculated using the five-year U.S. treasury yield and the lower of 150% and the 30-day volatility obtained from the “HVT” function on Bloomberg. The value of the 2025 Warrants was based on an amended exercise price to enable Warrant holders to exercise their Warrants into Shares and tender at the Offer Price with no economic loss compared to a settlement in cash. For illustrative purposes only, on the date hereof, the Black Scholes value per 2025 Warrant equates to EUR 5.07.¹²

The cash-settled value of the 2025 Warrants is included in the value of the Offer because, at the time of the transaction announcement, the cash-settled value was estimated to have greater value to the holders of the 2025 Warrants than the value that would be received from converting the 2025 Warrants into Shares and tendering these Shares at the Offer Price.

Instead of cash-settlement of the 2025 Warrants in accordance with their terms, Kiadis, Sanofi and the holders of the 2025 Warrants have agreed, pursuant to two separate agreements on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated: (i) to adjust the exercise price payable by the holders of the 2025 Warrants to Kiadis for the exercise of the 2025 Warrants to EUR 0.38 per Warrant, such that the net proceeds to be received by the holders of the 2025 Warrants per Warrant, being EUR 5.07 per Warrant, is equal to the Black Scholes value of the Warrant, which would otherwise have been due and payable upon Settlement; (ii) that the 2025 Warrants will be exercised by the holders thereof for the aforementioned exercise price; and (iii) that upon the exercise of the Warrants, the corresponding Shares will be tendered under the Offer in exchange for payment of the Offer Price per Share by the Offeror. As a result, all Shares issued and tendered pursuant to the exercise of the 2025 Warrants qualify as Tendered and Committed Shares. The total commitment by the holders of the 2025 Warrants amounts to 8.57% of the Shares outstanding on a Fully Diluted basis.

The holders of the 2025 Warrants did not receive any information from Sanofi, the Offeror or Kiadis relevant for a Shareholder in connection with the Offer that is not included in the Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

8.5 Convertible notes

On 30 September 2020, Kiadis entered into an agreement with Kreos Capital constituting the issuance of EUR 5,000,000 9% secured convertible bonds of Kiadis. The current repayment date is set for 30 September 2021 and the conversion price is EUR 2 per Share.

Under the convertible bond agreement between Kiadis and Kreos Capital, Kreos Capital has the irrevocable right, at any time before the repayment date, to convert the whole or part of the principal amount of the bonds then outstanding including interest accrued thereon into Shares by completing and submitting a corresponding conversion notice.

The agreement was entered into to restructure the secured credit facility dated 17 August 2017 (as amended and restated by a deed of amendment and restatement dated 31 July 2018) (the **First Kreos Capital Facility Agreement**) between Kiadis and Kreos Capital, and a second credit facility with Kreos Capital dated 31 July 2018 (the **Second Kreos Capital Facility Agreement** and together with the First Kreos Capital Facility Agreement, the **Kreos Capital Facility Agreements**). At the date of this Position Statement, an aggregate amount of EUR 1.6 million in loans is outstanding.

¹²

The OV (option valuation) function in Bloomberg calculates the warrant price per share for a security based on certain inputs such as underlying security, strike price, volatility and date. The HVT (historical volatility) function in Bloomberg analyses a security's historical volatility over multiple periods. The historical volatility estimates can be adjusted for a specific time period, volatility model, currency and annual factor.

As described in Section 6.5 of the Offer Memorandum (*Financing of the Offer and Kiadis*), part of the Bridge Loan, in the amount of EUR 7,700,000, is available to Kiadis to prepay the Kreos Capital Facility Agreements and the convertible bond agreement between Kiadis and Kreos Capital.

Kiadis and Kreos Capital have agreed that Kreos Capital will convert into Shares, at an exercise price of EUR 2 per Share, its entire convertible bond of EUR 5,000,000, plus an additional amount of EUR 171,014 in interest, effective as per 15 February 2021. In addition, Kiadis, Sanofi and Kreos Capital have agreed, on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated, that Kreos Capital: (i) will vote with its holdings of Shares in favor of the Resolutions at the EGM; and (ii) commits to tender all its holdings of Shares under the Offer in exchange for payment of the Offer Price per Share by the Offeror. The irrevocable undertaking given by Kreos Capital relates to its entire holding of Shares, representing, upon conversion, 4.35% of the Shares on a Fully Diluted basis.

Kreos Capital did not receive any information from Sanofi, the Offeror or Kiadis relevant for a Shareholder in connection with the Offer that is not included in the Offer Memorandum and will tender its Shares under the Offer under the same terms and conditions as the other Shareholders.

8.6 Rights of holders of CytoSen shares and options

On 17 April 2019, Kiadis announced that Kiadis and CytoSen had entered into a binding agreement (the **CytoSen Acquisition Agreement**) regarding the acquisition by Kiadis of the entire share capital of CytoSen.

Following the general meeting of Shareholders having approved the same on 29 May 2019, the acquisition completed on 5 June 2019. The total upfront consideration paid to the former holders of CytoSen shares and options on completion consisted of 1,513,052 newly issued Shares and 159,778 options to acquire Shares on the terms and conditions of the Option Plan to cater for U.S.-based option holders.

Further to the abovementioned 1,513,052 newly issued Shares, the former holders of CytoSen shares had a conditional entitlement to receive 267,012 newly issued Shares (the **Holdback Shares**). These Holdback Shares were issued on 7 December 2020, being 18 months from the completion date under the CytoSen Acquisition Agreement. The Holdback Shares served as a source for the satisfaction of possible indemnification and other claims by Kiadis on the former CytoSen shareholders pursuant to the CytoSen Acquisition Agreement.

Also, as per the CytoSen Acquisition Agreement, the former holders of CytoSen shares and options are eligible to a potential future consideration of up to 5,819,466 additional Shares upon the achievement of six clinical development and regulatory milestones, with the final milestone being first FDA approval of an NK-cell product based on CytoSen's technology, and which milestones will, subject to the terms described below, be accelerated by Kiadis in light of the Transactions (the **Milestone Shares**).

Kiadis, Sanofi and the former holders of CytoSen shares and options have agreed, on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated and subject to a discount mechanism agreed in the CytoSen Acquisition Agreement: (i) that the Milestone Shares shall accelerate and become immediately payable by Kiadis, and (ii) that upon such acceleration, the corresponding Milestone Shares will be tendered in exchange for the Offer Price. As a result, the Milestone Shares qualify as Tendered and Committed Shares. The irrevocable undertakings given by the former holders of CytoSen shares and options relate to their entire holdings of Shares, representing 11.19% of the Shares on a Fully Diluted basis. The former holders of CytoSen shares and options have also agreed to vote, with their current holding of Shares, in favor of the Resolutions at the EGM.

In connection with the acceleration of the Milestone Shares and the irrevocable undertaking given by former CytoSen shareholders and option holders, Kiadis will waive any remaining lock-up obligations for former holders of CytoSen shares and options under the CytoSen Acquisition Agreement on the Settlement Date.

The former holders of CytoSen shares and options did not receive any information from Sanofi, the Offeror or Kiadis relevant for a Shareholder in connection with the Offer that is not included in the Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

8.7 Options and SARs

Pursuant to the Option Plan, members of the Management Board, members of the Supervisory Board, employees and advisors may be granted Options and/or SARs. Under the Option Plan, the following persons are eligible to receive Options and SARs:

- (a) members of the Supervisory Board subject to approval of the general meeting of Shareholders of Kiadis;
- (b) members of the Management Board subject to approval of the Supervisory Board, provided such grants are in accordance with the then applicable remuneration policy of Kiadis; and
- (c) employees of and advisors to Kiadis or one of its subsidiaries subject to approval of the Management Board and Supervisory Board,

(together the **Participants**).

Each Option or SAR has a different date on which it will become exercisable (**Vest**). An Option or SAR may only be exercised by the Participants in respect of that part of the Option or SAR that has Vested.

In the event of a reorganization event, such as a public offer, there will be an accelerated Vesting of un-Vested Options and SARs immediately prior to and subject to the reorganization event taking place. In such case, the Supervisory Board has the discretion to decide that all Vested and un-Vested Options and SARs (i) may be exercised up to the occurrence of the reorganization event (or any other period determined by the Supervisory Board), whereby any restrictions on the Options or SARs, such as a lock-up period, will lapse, or (ii) will be cancelled in consideration of a cash payment equal to the value of the Options and SARs.

Conditional upon the Offer being declared unconditional by the Offeror, all un-Vested Options shall Vest and each Participant shall be entitled to the value of all Vested and un-Vested Options that have an exercise price below the Offer Price. During the Acceptance Period, each Participant will receive a letter setting out (i) the number of Options and SARs he or she holds; (ii) how many of these Options and SARs have an exercise price below the Offer Price; (iii) subject to the Offer being declared unconditional, the accelerated Vesting of un-Vested Options and SARs; (iv) that, subject to the Offer being declared unconditional and unless the Participant opts out, Kiadis will, on his or her behalf, (a) exercise the Vested Options with an exercise price below the Offer Price, and (b) tender under the Offer the Shares the Participant is entitled to upon the exercise described under (a); and (v) that the relevant Participant will receive from Kiadis, on or shortly after the Settlement Date, an amount in cash in his or her bank account equal to the Offer Price multiplied by the number of Shares tendered on behalf of such Participant minus the aggregate amount of the exercise price and applicable taxes. Options and SARs with an exercise price equal to or above the Offer Price will also Vest, but not be exercised in accordance with the above. As a result, the Shares the Participant is entitled to upon the exercise described above qualify as Tendered and Committed Shares. All options not exercised prior to the Unconditional Date will lapse.

As per the date of this Position Statement, 7,446,147 Options and no SARs are outstanding with an exercise price below the Offer Price and will be exercised and tendered under the Offer in accordance with the paragraph above. Assuming none of the Participants holding Options and SARs with an exercise price below the Offer Price opt out, the total commitment by these Participants amounts to 12.19% of the Shares outstanding on a Fully Diluted basis. Kiadis does not have any other arrangements in place pursuant to which members of the Management Board and the Supervisory Board or Kiadis employees receive shares or options to shares in the share capital of Kiadis.

9. POST-OFFER RESTRUCTURING MEASURES

The Merger Agreement provides for several restructuring measures in order to allow the Offeror to take certain steps to acquire 100% of the Shares or the business of Kiadis. The different possibilities are described below.

9.1 Buy-Out

If, following the Settlement Date and, if applicable, the settlement of the Shares tendered during the Post-Closing Acceptance Period, the Offeror and its Affiliates, alone or together with Kiadis, hold at least 95% of the issued ordinary share capital (*geplaatst gewoon aandelenkapitaal*) of Kiadis, the Offeror shall commence (i) a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a of the DCC to buy out the holders of Shares that have not tendered their Shares, and/or (ii) a takeover buy-out procedure in accordance with article 2:359c of the DCC to buy out the holders of Shares that have not tendered their Shares under the Offer (the **Buy-Out**), unless the Offeror elects to pursue the Post-Offer Restructuring and the Kiadis Boards, taking into account the interests of Kiadis and its stakeholders (including any remaining shareholders) and other relevant circumstances, agree to pursue the Post-Offer Restructuring, in which case the Post-Offer Restructuring shall be implemented in accordance with Section 9.2 (*Post-Offer Restructuring*). Kiadis shall provide the Offeror with any assistance as may be reasonably required in connection with the Buy-Out, including, if needed, joining such procedure as co-claimant.

In a Buy-Out, any remaining minority shareholders of Kiadis will receive the Offer Price for their Shares unless there would be financial, business or other developments or circumstances that would justify a different price (including a reduction resulting from the payment of any distribution) in accordance with, respectively, Article 2:92a, Paragraph 5 or Article 2:359c, Paragraph 6 of the DCC.

No Dutch dividend withholding tax (*dividendbelasting*) is due upon a disposal of the Shares under the Buy-Out. The Dutch income tax consequences of the Buy-Out are the same as the Dutch income tax, respectively, of the Offer. For more information reference is made to Section 10 of the Offer Memorandum (*Material Dutch and Belgian Tax consequences of the Offer*).

9.2 Post-Offer Restructuring

Description of the Post-Offer Restructuring

Subject to (i) the adoption of the Post-Offer Restructuring Resolution, (ii) the Tendered Shares representing at least 80% and less than 95% of Kiadis' aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*), in each case on a Fully Diluted basis (the **Post-Offer Restructuring Threshold**), or such higher or lower percentage as may be agreed between the Offeror and Kiadis in accordance with the considerations set out below, and (iii) the Offer having been declared unconditional, the Offeror may, after consultation with Kiadis, decide to pursue the Post-Offer Restructuring, in which case Kiadis shall:

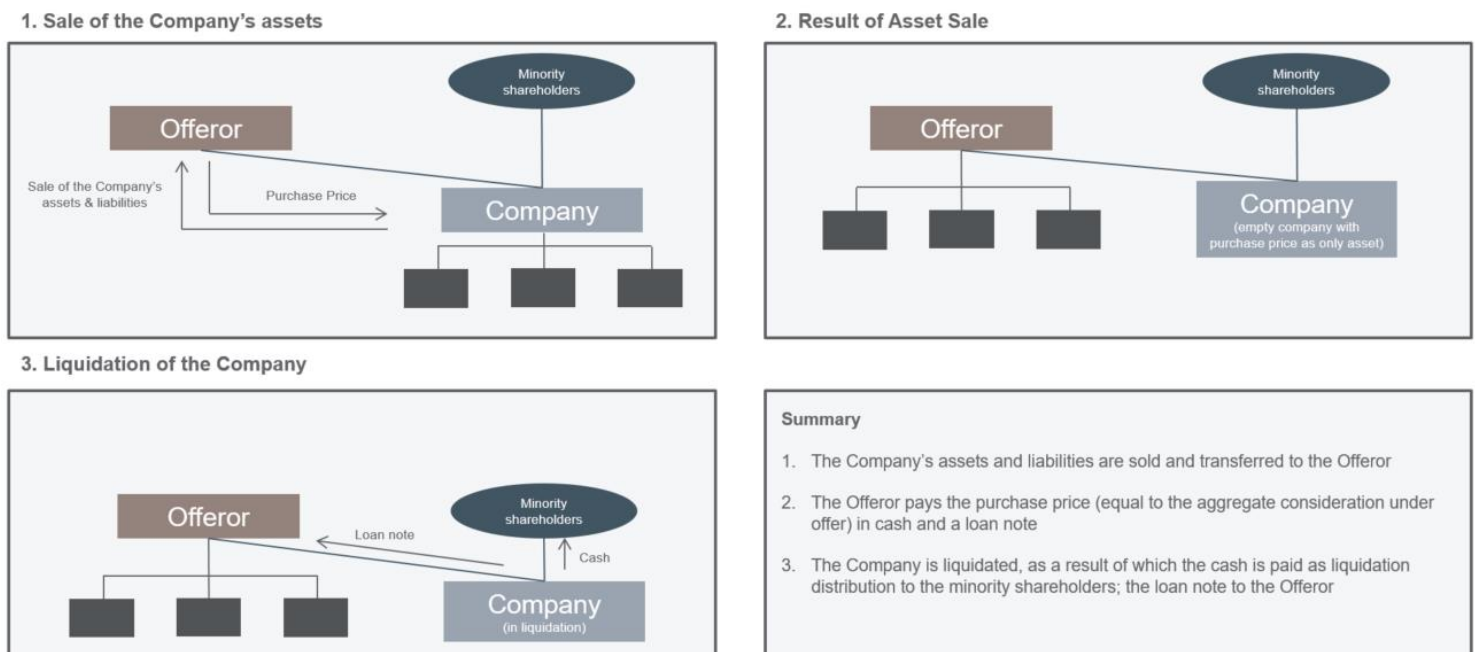
- (a) as soon as possible after the Offeror's decision to pursue the Asset Sale, enter into an asset sale agreement with the Offeror (the **Asset Sale Agreement**), pursuant to which all assets

and liabilities of Kiadis will be sold and transferred to the Offeror (or its nominee nominated in accordance with the Asset Sale Agreement), and the Parties shall promptly implement the asset sale as contemplated by the Asset Sale Agreement (the **Asset Sale**) and take (or cause to be taken) the steps to complete the actions and transactions set forth in the Asset Sale Agreement; and

- (b) following the completion of the Asset Sale, effect the dissolution and liquidation of Kiadis (together with the Asset Sale, the **Post-Offer Restructuring**) and make an advance liquidation distribution per Share that is intended to take place on or about the date the Asset Sale is completed and in an amount that is to the fullest extent possible equal to the Offer Price, without any interest and less any applicable withholding taxes and other taxes (the **Asset Sale Price Per Share**). The average paid-up capital of Kiadis recognized for Dutch dividend withholding tax purposes has been estimated by Kiadis. Based on these estimations, Kiadis has determined that the liquidation distributions as part of Post-Offer Restructuring will not be subject to Dutch dividend withholding tax.

In the event that following the Post-Closing Acceptance Period the Offeror holds fewer Shares than the Post-Offer Restructuring Threshold, neither of the Parties shall be required to co-operate with the Post-Offer Restructuring, but each of the Parties is entitled to re-evaluate the relevant Post-Offer Restructuring and to propose to the other Party to nevertheless proceed with the Post-Offer Restructuring in light of the then prevailing circumstances.

Below is a schematic overview of the intended key steps relating to the Post-Offer Restructuring:



Rationale of the Post-Offer Restructuring

The Offeror and Kiadis consider it important (i) to enhance the sustainable success of the business of the Kiadis Group as part of the Offeror Group and (ii) for the Offeror Group to acquire 100% of the Shares or Kiadis' assets and operations. This importance is based, *inter alia*, on:

- (a) the fact that having a single shareholder and operating without a public listing increases the Kiadis Group's ability to achieve goals and implement the actions of the proposed strategy of the Kiadis Group as part of the Offeror Group; and

- (b) the ability of Kiadis and the Offeror to terminate the listing of the Shares from Euronext Amsterdam and Euronext Brussels and to achieve an efficient capital structure (both from a tax, financing and capital requirements perspective), including the ability to form a fiscal unity between the Offeror and Kiadis, which are important factors in achieving the premium reflected in the Offer Price.

In light of the above, including the deal certainty considerations and the fact that the Offeror's willingness to pursue the strategic rationale, to pay the Offer Price and to pursue the Transactions is predicated on the acquisition of 100% of the Shares or the entirety of Kiadis' assets and operations (including the Kiadis Group's entire business), the ability to delist Kiadis, and to fully integrate the respective businesses of the Kiadis Group and the Offeror Group and realize the operational, commercial, organizational, financial and tax benefits of the combination of the Parties, and in light of the willingness of the Offeror to reduce the Acceptance Threshold to the Post-Offer Restructuring Threshold if there is a Post-Offer Restructuring on fair and reasonable terms, Kiadis expressed its support for the Post-Offer Restructuring as contemplated in this Section and the other Post-Closing Measures as contemplated in Section 9.3 (*Other measures*).

Assessment of stakeholders' interests in connection with the Post-Offer Restructuring

(a) Shareholders

The Post-Offer Restructuring is a proportionate measure in order to reach the objectives of the Offer including that the Offeror shall own 100% of the Shares or Kiadis' assets and operations.

The minority shareholders will, shortly after completion of the Offer and Post-Closing Acceptance Period, receive payment in the form of the Asset Sale Price Per Share. The average paid-up capital of Kiadis recognized for Dutch dividend withholding tax purposes has been estimated by Kiadis. Based on these estimations, Kiadis has determined that the liquidation distributions as part of Post-Offer Restructuring will not be subject to Dutch dividend withholding tax.

The Fairness Opinion which the Kiadis Boards received from Moelis states that – as of the date of the Fairness Opinion and based upon and subject to the qualifications, limitations and assumptions set forth therein – the Offer Price to be received by the Shareholders in the Offer or Asset Sale is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion is included in Schedule 1.

In their deliberations on the Post-Offer Restructuring, the Kiadis Boards have considered the possible tax losses suffered by minority shareholders receiving the Asset Sale Price Per Share. The Kiadis Boards have concluded that, considering (i) the strategic rationale for the Transactions as set out in Section 3.2 (*Rationale for the Offer*), (ii) the importance of the Post-Offer Restructuring as a crucial condition of the Offer, and (iii) the offered possibility for the Shareholders to tender their Shares under the Offer to the Offeror after Settlement, the interests of the minority shareholders are neither unreasonably nor disproportionately harmed and that sufficient measures are taken in order to prevent the possible tax losses for the minority Shareholders.

(b) Employees of the Kiadis Group

The Kiadis Boards have carefully considered the position and the role of the employees in the Transactions, including in the Post-Offer Restructuring, taking into account that the Non-Financial Covenants (including those relating to employees) will remain in full force and effect for the period set out in Section 5.5 (*Duration, benefit and enforcement of Non-Financial Covenants*). At the date of this Position Statement, all employees of the Kiadis

Group are employed by direct and indirect subsidiaries of Kiadis. On completion of the Asset Sale, the business, including all subsidiaries of Kiadis, will be transferred to the Offeror as a whole and as such, the rights and obligations between such subsidiaries and their respective employees will remain in full force and effect and are not adversely affected by the Post-Offer Restructuring.

(c) Other stakeholders

The Post-Offer Restructuring will not negatively affect the position of other stakeholders and they will benefit from the expedited implementation of the Transactions.

The rights and obligations under the Non-Financial Covenants will remain in full force and effect in accordance with the Merger Agreement for the period set out in Section 5.5 (*Duration, benefit and enforcement of Non-Financial Covenants*).

Overall assessment

As the ability to implement the Post-Offer Restructuring was a fundamental requirement of the Offeror to reduce the minimum acceptance threshold to 80% of Kiadis' aggregate issued and outstanding ordinary share capital on a Fully Diluted basis as at the Closing Date, which increases deal certainty, and considering the importance of the Offeror to obtain certainty of acquiring the full ownership of Kiadis and its business against payment of the aggregate consideration of the Offer, the Kiadis Boards believe that agreeing to the Post-Offer Restructuring, subject to the agreed conditions, is in the interest of the sustainable success of the Kiadis Group and all its stakeholders.

9.3 Other measures

Without prejudice to Section 9.1 (*Buy-Out*) and Section 9.2 (*Post-Offer Restructuring*) and, if the Offeror declares the Offer unconditional, after the Post-Closing Acceptance Period the Offeror may effect or cause to effect any restructuring of the Kiadis Group for the purpose of the acquisition of 100% of the Shares or the entirety of Kiadis' assets and operations (including the Kiadis Group's entire business), the ability to delist Kiadis, and to fully integrate the respective businesses of the Kiadis Group and the Offeror Group and realize the operational, commercial, organizational, financial and tax benefits of the combination of the Parties in accordance with the Merger Rules and Law in general, even though some of which may have the (side) effect of diluting the interest of any remaining minority shareholders of Kiadis holding Shares that were not tendered pursuant to the Offer or in the Post-Closing Acceptance Period of Kiadis (the **Post-Closing Measures**), including:

- (a) a statutory cross-border merger (*grensoverschrijdende fusie*) between the Offeror, or an Affiliate of the Offeror, and Kiadis, with Kiadis being the disappearing entity and the Offeror or its Affiliate (as the case may be) being the surviving entity;
- (b) a statutory (cross-border or domestic) legal (triangular) merger (*juridische (driehoeks-)fusie*) in accordance with article 2:309 et seq. of the DCC between Kiadis, the Offeror or an Affiliate of the Offeror;
- (c) a statutory legal demerger (*juridische splitsing*) of Kiadis in accordance with article 2:334a et seq. of the DCC;
- (d) a contribution of cash and/or assets by the Offeror or by any Affiliate of the Offeror in exchange for ordinary shares in Kiadis' share capital, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of minority shareholders of Kiadis could be excluded;

- (e) a sale and transfer of assets and liabilities (i) by any member of the Kiadis Group to the Offeror or an Affiliate of the Offeror, or (ii) by the Offeror or an Affiliate of the Offeror to any member of the Kiadis Group;
- (f) a distribution of proceeds, cash and/or assets to the shareholders of Kiadis or share buybacks;
- (g) a liquidation of Kiadis;
- (h) a subsequent public offer for any Shares held by minority shareholders;
- (i) a conversion of Kiadis into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);
- (j) any transaction between Kiadis and the Offeror or their respective Affiliates on terms that are not at arm's length;
- (k) any transaction, including a sale and/or transfer of any material asset, between Kiadis and its Affiliates or between Kiadis and the Offeror or their respective Affiliates with the objective of utilizing any carry forward tax losses available to Kiadis, the Offeror or any of their respective Affiliates;
- (l) any transactions, restructurings, share issues, procedures and/or proceedings in relation to Kiadis and/or one or more of its Affiliates required to effect the aforementioned objectives; and
- (m) any combination of the foregoing.

In the implementation of any Post-Closing Measure, due consideration will be given to requirements of applicable Law, including the fiduciary duties of the members of the Kiadis Boards at that time to promote the sustainable success of Kiadis' business and to consider the interests of minority shareholders and all other stakeholders' and relevant employee representation bodies' information and/or consultation requirements.

10. RECOMMENDATION

Upon the receipt of the non-binding offer letter from Sanofi on 16 October 2020, the Kiadis Boards frequently met to be updated on the latest developments, monitor the process and discuss the Offer and alternatives thereto.

In the decision-making process, members of the Kiadis Boards have given due consideration to (potential) conflicts of interest between any of them and Kiadis, and they have established that such was not the case.

The Kiadis Boards, after having received extensive legal and financial advice, and having given due and careful consideration to all aspects of the Offer, including:

- (a) the strategic rationale of the Offer, also considering the risks and uncertainties of the alternatives available to Kiadis;
- (b) the financial aspects of the Offer (such as the consideration per Share);
- (c) the non-financial (such as operational and social) aspects of the Offer such as the impact on the stakeholders; and

- (d) deal certainty and deal protection,

have reached the conclusion that, taking into account all circumstances, the Offer is fair to the Shareholders from a financial point of view and in the best interests of Kiadis and all its stakeholders.

Moelis has issued a fairness opinion to the Kiadis Boards dated 1 November 2020 to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions set forth therein, each of the Offer Price to be received by Shareholders in the Offer or the Asset Sale (as defined in the Fairness Opinion) is fair, from a financial point of view, to the Shareholders (the **Fairness Opinion**). The full text of the Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the Fairness Opinion, is attached to this Position Statement as Schedule 1.

With reference to the above, and subject to the terms and conditions of the Offer Memorandum, the Kiadis Boards (i) support the Transactions, (ii) recommend that the Shareholders accept the Offer and tender their Shares in the Offer, and (iii) recommend that the Shareholders vote in favor of the Resolutions (the **Recommendation**).

11. AGENDA OF EXTRAORDINARY GENERAL MEETING

Kiadis will hold an extraordinary general meeting at 10:00 hours CET on 30 March 2021 (the **EGM**).¹³ This EGM will also serve as a general meeting required to be held in accordance with Article 18, paragraph 1 of the Decree to discuss the Offer.

At the EGM, the Shareholders will, subject to the Offer being declared unconditional (*gestanddoening*) and Settlement having taken place, and effective as per the Settlement Date, be requested to resolve on:

- (a) the amendment of the Articles of Association substantially in accordance with the drafts of the amended Articles of Association as included under Section 14 Part 1 of the Offer Memorandum (*Amended Articles of Association after Settlement*), and Section 14 Part 2 of the Offer Memorandum (*Amended Articles of Association after delisting*);
- (b) the granting of full and final discharge to each member of the Management Board and the Supervisory Board with respect to his duties and obligations performed and incurred in his respective capacity as a member of the Management Board or the Supervisory Board (as the case may be);
- (c) the appointment of the members nominated by the Offeror in accordance with Section 6.14 of the Offer Memorandum (*Composition of the Kiadis Supervisory Board*) to the Supervisory Board;
- (d) the appointment of the member nominated by the Offeror in accordance with Section 6.15 of the Offer Memorandum (*Composition of the Kiadis Management Board*) to the Management Board;
- (e) the re-appointment of Mr Arthur Lahr as member of the Management Board; and
- (f) subject to the Offeror having notified Kiadis it wishes to continue to pursue the Post-Offer Restructuring in accordance with the terms of the Merger Agreement, (A) in accordance

¹³

In April 2020, temporary emergency legislation came into effect that makes it possible to hold a fully virtual general meeting of shareholders. This legislation is still in effect. In view of the COVID-19 measures taken by the Dutch government, Kiadis has decided that the EGM will be held entirely virtually. There will therefore be no in-person attendance at the EGM. For further information, please refer to the agenda and notice convening the EGM.

with article 2:107a DCC, the approval of the resolution of the Management Board to pursue the Asset Sale and, subject to completion of the Asset Sale, (B) the dissolution of Kiadis in accordance with article 2:19 DCC, (C) the appointment of the Liquidator as the liquidator of Kiadis, (D) the approval of the reimbursement of the Liquidator's reasonable salary and costs and (E) the appointment of the Offeror as the custodian of Kiadis' books and records following its dissolution in accordance with article 2:24 DCC (the **Post-Offer Restructuring Resolution**),

(collectively the **Resolutions**).

Each of Kiadis and the Offeror shall reasonably do, and procure to be done, all those things necessary to ensure that the Resolutions are passed. If, however, one or more of the Resolutions are not approved at the EGM, Kiadis shall at the Offeror's request after Settlement forthwith convene a new extraordinary meeting of shareholders of Kiadis, to take place after and subject to Settlement, at which the relevant Resolution(s) will be put to a vote. The Offeror shall, and shall procure that any Affiliate of the Offeror owning Shares at the EGM record date will, vote in favor of the Resolutions on all of those Shares.

Separate convocation materials have been made available at Kiadis' website (www.kiadis.com). The Kiadis Boards unanimously recommend voting in favor of all Resolutions that will be proposed in connection with the Offer and the Post-Offer Restructuring. The full agenda of the EGM (and the explanatory notes thereto) are included in Schedule 2.

Management Board

Mr A. Lahr – CEO

Supervisory Board

Mr M. Wegter – Chairman

Mr B. Modig – Vice-Chairman

Mr M. Kleijwegt – Member

Dr R. Soiffer – Member

Mr O. Schwarz – Member

Mr S. Saxena – Member

SCHEDULE 1

FULL TEXT OF FAIRNESS OPINION FROM MOELIS

November 1, 2020

The members of the Management Board and Supervisory Board
Kiadis Pharma N.V.
Paasheuvelweg 25A
1105 BP Amsterdam
The Netherlands

Ladies & Gentlemen:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of ordinary shares, each with a nominal value of €0.10 (“Company Ordinary Shares”), of Kiadis Pharma N.V. (the “Company”) of the Per Share Offer Price (as defined below) to be received by such holders pursuant to the transactions contemplated by the Merger Agreement (the “Agreement”) to be entered into by the Company and Sanofi S.A. (the “Offeror”). As more fully described in the Agreement, (i) the Offeror will make a conditional public offer to acquire all outstanding Company Ordinary Shares (the “Offer”) for €5.45 per share in cash (the “Per Share Offer Price”), and (ii) following the consummation of such public offer, upon the terms and subject to the conditions set out in the Agreement, all assets and liabilities of the Company may be sold and transferred to the Offeror (the “Asset Sale”) followed by the dissolution and liquidation of the Company as a result of which the holders of outstanding Company Ordinary Shares other than the Offeror will receive one or more (advance) liquidation distributions of an aggregate amount in cash equal to the Per Share Offer Price (less any applicable withholding taxes and other taxes, as to which tax amounts we express no opinion) (the “Asset Sale & Liquidation”), and together with the Offer, the “Transaction”).

In arriving at our opinion, we have, among other things: (i) reviewed certain internal information relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company furnished to us by the Company, including financial forecasts, probability of success rates for the Company’s products and the Company’s financing requirements provided to or discussed with us by the management of the Company; (ii) reviewed certain academic studies regarding the probability of success rates for similar therapeutic areas to the Company’s products; (iii) conducted discussions with members of the senior management and representatives of the Company concerning the information described in clauses (i) and (ii) of this paragraph, as well as the business and prospects of the Company generally; (iv) reviewed publicly available financial and stock market data of certain other companies in lines of business that we deemed relevant; (v) reviewed the financial terms of certain other transactions that we deemed relevant; (vi) reviewed a draft, dated 31 October, 2020, of the Agreement; (vii) reviewed the equity capitalization of the Company (including pro forma for dilution resulting from the Company’s projected financing) provided to us by the management of the Company; (viii) participated in certain discussions and negotiations among representatives of the Company and the Offeror and their advisors; and (ix) conducted such other financial studies and analyses and took into account such other information as we deemed appropriate.

In connection with our review, we have, with your consent, relied on the information supplied to, discussed with or reviewed by us for purposes of this opinion being complete and accurate in all material respects. We have not assumed any responsibility for independent verification of (and have not independently verified) any of such information. With your consent,

we have relied upon, without independent verification, the assessment of the Company and its legal, tax, regulatory and accounting advisors with respect to legal, tax, regulatory and accounting matters. With respect to the financial forecasts and other information referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company as to the future performance of the Company. In addition, we have relied, with your consent, on the assessments of the management of the Company as to the products of the Company and risks associated with the products of the Company. We have assumed, with your consent, that there will be no developments with respect to any of the foregoing that would materially affect our analyses or opinion. For purposes of certain of our analyses, we have assumed, with your consent, that the Company will consummate required financing on the terms provided to us by the Company's management. We express no views as to the reasonableness of any financial forecasts (or other information) or the assumptions on which they are based. In addition, with your consent, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of the Company, nor have we been furnished with any such evaluation or appraisal.

Our opinion does not address the Company's underlying business decision to effect any Transaction or the relative merits of any Transaction as compared to any alternative business strategies or transactions that might be available to the Company and does not address any legal, regulatory, tax or accounting matters. At your direction, we have not been asked to, nor do we, offer any opinion as to any terms of the Agreement or any aspect or implication of any Transaction, except for the fairness of the Per Share Offer Price, from a financial point of view, to the holders of Company Ordinary Shares. We have assumed, with your consent, that any per share consideration received by the holders of Company Ordinary Shares in connection with the Asset Sale & Liquidation will equal the Per Share Offer Price. We are not expressing any opinion as to fair value or the solvency of the Company following the closing of the Transaction. In rendering this opinion, we have assumed, with your consent, that the final executed form of the Agreement will not differ in any material respect from the draft that we have reviewed, that the Transaction will be consummated in accordance with its terms without any waiver or modification that could be material to our analysis, and that the parties to the Agreement will comply with all the material terms of the Agreement. With your consent, we express no opinion as to any aspect or implication of any irrevocable undertaking entered into by certain holders of Company Ordinary Shares with the Offeror, including, without limitation, the value that may be attributable to governance or similar rights held by such holders or the value of a concentrated position in the Company Ordinary Shares. We have assumed, with your consent, that all governmental, regulatory or other consents or approvals necessary for the completion of the Transaction will be obtained, except to the extent that could not be material to our analysis. We have not been authorized to solicit and have not solicited indications of interest in a possible transaction with the Company from any party.

Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof, and we assume no responsibility to update this opinion for developments after the date hereof. As you are aware, the credit, financial and stock markets have been experiencing unusual volatility and we express no opinion or view as to any potential effects of such volatility on the Company, the Offeror or the Transaction.

We have acted as your financial advisor in connection with the Transaction and will receive a fee for our services, the principal portion of which is contingent upon the consummation of the Offer. We will also receive a fee upon delivery of this opinion. We and our affiliates, or

any of our or our affiliates' respective employees, officers and partners may at any time own securities (long or short) of the Company and the Offeror. We may in the future provide investment banking and other services to the Company and the Offeror unrelated to the Transaction and may receive compensation for such services.

This opinion is for the use and benefit of the Management Board and Supervisory Board of the Company (solely in its capacity as such) in its evaluation of the Transaction. This opinion does not constitute a recommendation as to how any holder of securities should vote or act with respect to the Transaction or any other matter. This opinion may not be disclosed to or relied upon by any shareholders or any other person, except that this opinion may be reproduced in its entirety in the Position Statement (as defined in the Agreement) relating to the Offer in accordance with applicable Dutch law and summarized in the Joint Announcement (as defined in the Agreement). This opinion does not address the fairness of the Transaction or any aspect or implication thereof to, or any other consideration of or relating to, the holders of any class of securities, creditors or other constituencies of the Company, other than the fairness of the Per Share Offer Price from a financial point of view to the holders of Company Ordinary Shares. In addition, we do not express any opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the Transaction, or any class of such persons, relative to the Per Share Offer Price or otherwise. This opinion was approved by a Moelis & Company LLC fairness opinion committee.

Based upon and subject to the foregoing, it is our opinion that, as the date hereof, the Per Share Offer Price to be received by holders of Company Ordinary Shares in the Transaction is fair from a financial point of view to such holders.

Very truly yours,

MOELIS & COMPANY LLC

SCHEDULE 2

AGENDA EGM AND EXPLANATORY NOTES



Notice and agenda of the extraordinary general meeting of shareholders ("Meeting") of Kiadis Pharma N.V. ("Kiadis Pharma") to be held on Tuesday 30 March 2021 at 10:00 a.m. Central European Time (CET).

Undefined terms in this agenda shall have the meaning as set out in the explanatory notes to the agenda and/or in the Position Statement (as defined in the explanatory notes).

Agenda

1. Opening and announcements
2. Explanation of the recommended Offer made by Sanofi (**discussion item**)
3. Conditional amendment of the articles of association of Kiadis Pharma (following Settlement) (**voting item**)
4. Conditional amendment of the articles of association of Kiadis Pharma (following delisting) (**voting item**)
5. Conditional appointment of new members of the Supervisory Board as of Settlement:
 - a. Conditional appointment of Mr. Frank Nestle as new member of the Supervisory Board as of Settlement (**voting item**)
 - b. Conditional appointment of Mr. Kripa Ram as new member of the Supervisory Board as of Settlement (**voting item**)
 - c. Conditional appointment of Mr. Jérémie Girard as new member of the Supervisory Board as of Settlement (**voting item**)
6. Re-appointment of Mr. Arthur Lahr as a member of the Management Board (**voting item**)
7. Conditional appointment of Ms. Marion Zerlin as a member of the Management Board as of Settlement (**voting item**)
8. Discharge of each member of the Management Board and the Supervisory Board (**voting item**)
9. Conditional full and final discharge of Messrs. Martijn Kleijwegt, Berndt Modig, Otto Schwarz and Subhanu Saxena (**voting item**)
10. Post-Offer restructuring (**voting item**):
 - a. in accordance with article 2:107a DCC, to approve the resolution of the Management Board to pursue the Asset Sale
 - b. subject to completion of the Asset Sale, to dissolve Kiadis Pharma in accordance with article 2:19 DCC
 - c. to appoint Stichting Liquidator Kiadis as the liquidator of Kiadis Pharma
 - d. to approve reimbursement of the liquidator's reasonable salary and costs
 - e. to appoint Sanofi S.A. as the custodian of Kiadis Pharma's books and records following its dissolution in accordance with article 2:24 DCC
11. Any other business
12. Closing

The notice, agenda and explanatory notes to the agenda, the Offer Memorandum, the Position Statement, the full text of the proposal for the draft articles of association (following Settlement), the full text of the proposal for the draft articles of association (following delisting), the EGM Q&A Protocol and other relevant information are available for inspection as of the date hereof. These items can be obtained free of charge through the Kiadis Pharma website: www.kiadis.com and via Van Lanschot Kempen Wealth Management N.V. (telefax number: +31 (0)20 348 9549 or e-mail address: proxyvoting@kempen.nl).

Kiadis Pharma's corporate language is English and therefore the Meeting will also be conducted in English.

Virtual Meeting – COVID-19 measures

In April 2020, temporary emergency legislation came into effect that makes it possible to hold a fully virtual general meeting of shareholders. This legislation is still in effect. In view of the COVID-19 measures taken by the Dutch government and our strong desire as a healthcare company to protect the health and safety of everyone involved, we have decided that the Meeting will be held entirely virtual. There will therefore be no in-person attendance at the Meeting. To help protect everyone's health and safety, while also ensuring your voice is heard, we are facilitating the virtual Meeting as described hereunder.

In summary, the following will apply for this year's Meeting:

- shareholders will not have physical access to the Meeting;
- Kiadis Pharma will provide instructions how to connect to the virtual Meeting (audio only) to the shareholders that have registered on time;
- shareholders who have registered on time will have the opportunity to ask questions about the items on the Meeting agenda, from Friday 19 March 2021 until 10 a.m. CET on Saturday 27 March 2021 and exclusively by e-mail to EGM2021@kiadis.com;
- these questions will be answered before or at the Meeting, possibly by addressing certain themes to which multiple questions relate;
- only shareholders who have used the option to ask questions as specified above will be able to ask a limited number of follow-up questions during the Meeting, using the e-mail address EGM2021@kiadis.com albeit under certain conditions that will be set by the Chairman during the Meeting in the interest of ensuring an orderly Meeting; and
- shareholders will only be able to vote prior to the Meeting in the manner detailed below.

Record Time and relevant register

For this Meeting, those entitled to vote and/or to attend the Meeting are those who:

- (i) on Tuesday 2 March 2021, after processing of all debit entries and transfers (the "Record Time"), are registered in Kiadis Pharma's shareholders register or in the administration of the Intermediaries of Euroclear Nederland (the "Intermediaries") within the meaning of the Securities Giro Act (*Wet Giraal Effectenverkeer*); and
- (ii) have duly registered for participation in the Meeting.

Participation in the Meeting

A shareholder holding shares registered in Kiadis Pharma's shareholders register will be informed directly by Kiadis Pharma about how they can participate in the Meeting.

A shareholder holding shares in the administration of the Intermediaries and who chooses to participate in the Meeting may apply via his/her bank in writing until 15:00 CET on Tuesday 23 March 2021 to Van Lanschot Kempen Wealth Management N.V., Beethovenstraat 300, 1077 WZ Amsterdam, The Netherlands (telefax number: +31 (0)20 348 9549 or e-mail address: proxyvoting@kempen.nl) at which application a confirmation must be submitted from the Intermediaries that the shares concerned were registered in the name of that holder on the Record Time and indicating the number of shares held on the Record Time by that holder. Van Lanschot Kempen Wealth Management N.V. shall arrange for the deposit of these applications at Kiadis Pharma's office address. Ultimately by 15:00 CET on Thursday 25 March 2021 and based on the information received from Van Lanschot Kempen Wealth Management N.V., Kiadis Pharma will send all duly registered shareholders by e-mail the required log-in details to virtually attend the Meeting.

Proxy voting only and instruction to vote

Shareholders can only exercise their voting right prior to the Meeting by authorizing the proxy designated by Kiadis Pharma in accordance with below instructions. For the granting of a proxy, shareholders are required to use a form, that can be obtained via Van Lanschot Kempen Wealth Management N.V. (telefax number: +31 (0)20 348 9549 or e-mail address: proxyvoting@kempen.nl) or from Kiadis Pharma (e-mail address: EGM2021@kiadis.com) and which can also be downloaded from Kiadis Pharma's website (www.kiadis.com). The form, duly completed by the shareholder, must have been received by Van Lanschot Kempen Wealth Management N.V. and processed in the electronic voting platform (EVO) through their bank or broker, or by Kiadis Pharma no later than 15:00 CET on Tuesday 23 March 2021. Receipt of proxy forms after this date can be rejected. Votes that are cast by e-mail or by letter prior to the Meeting are equated with votes that are normally cast during a general meeting of shareholders.

If shareholders intend to instruct their custodian or broker for any of the above, they should be aware that their deadlines could be a number of days before those mentioned above. Please check with the individual institutions as to their cut-off dates.

Submitting questions

Shareholders who have registered on time in accordance with the process outlined above will have the opportunity to ask questions about the items on the agenda as specified in this notice until 10 a.m. CET on Saturday 27 March 2021 and exclusively by e-mail to EGM2021@kiadis.com. These questions will be answered before or at the Meeting, possibly by addressing certain themes to which multiple questions relate. The questions and answers will also be posted on the Kiadis Pharma website (www.kiadis.com).

Only shareholders who have used the option to ask questions before the Meeting as specified above will be able to ask a limited number of follow-up questions during the Meeting, using the e-mail address EGM2021@kiadis.com, albeit on certain conditions that will be set by the Chairman during the Meeting in the interest of ensuring an orderly Meeting.

When submitting questions, shareholders must include their name and - if applicable - the organization they represent.

More information on the procedure around the asking of questions can be found in the "EGM Q&A Protocol" that is annexed to this document as Appendix I and is also posted on the Kiadis Pharma website (www.kiadis.com).

Number of outstanding shares

On the date of the notice for this Meeting, Kiadis Pharma had 40,308,501 shares issued, each representing one vote.

Amsterdam, The Netherlands, 12 February 2021

Management Board of Kiadis Pharma N.V.



Explanatory notes to the agenda of the extraordinary general meeting of shareholders ("Meeting") of Kiadis Pharma N.V. ("Kiadis Pharma") to be held on Tuesday 30 March 2021 at 10:00 a.m. Central European Time (CET).

Re 2. - Explanation of the recommended Offer made by Sanofi (discussion item)

On 2 November 2020, Sanofi SA ("**Sanofi**") and Kiadis Pharma jointly announced that they had reached conditional agreement in connection with a recommended public offer by Sanofi or one of its wholly-owned subsidiaries on Kiadis Pharma (the "**Offer**") at an offer price of EUR 5.45 (cum dividend) (the "**Offer Price**") for each issued and outstanding ordinary share in the capital of Kiadis Pharma (the "**Shares**"), subject to customary conditions, and that Sanofi intended to finance the Offer by utilizing readily available cash resources.

Sanofi's direct wholly-owned subsidiary Sanofi Foreign Participations B.V. (the "**Offeror**") made the Offer by making publicly available an offer memorandum on Friday 12 February 2021 (the "**Offer Memorandum**"). The acceptance period under the Offer will commence at 09.00 a.m. CET on Monday 15 February 2021 and will expire at 5.40 p.m. CET on Monday 12 April 2021. Shareholders that accept the Offer and offer their Shares during the Offer period will receive the Offer Price ("**Settlement**") on a day no later than three business days following the Offer being declared unconditional (the "**Settlement Date**"), as further described in the Offer Memorandum and under the conditions described in the Offer Memorandum. The Offer Memorandum is accessible for qualifying investors at <https://ir.kiadis.com/sanofi>.

In addition to key terms such as the Offer Price, Offer period, tender procedure and Settlement, the Offer Memorandum contains an explanation of the conditions to declaring the Offer unconditional and other relevant information regarding the Offer and the parties involved in the Offer.

Kiadis Pharma published a Management Board and Supervisory Board position statement relating to the Offer on Friday 12 February 2021 (the "**Position Statement**"). Reference is made to the Position Statement, in which the decision-making process and the recommendation of the Management Board and Supervisory Board are included, and the strategic, financial and non-financial merits of the Offer are explained. The Position Statement is accessible for qualifying investors at <https://ir.kiadis.com/sanofi>.

During the Meeting, Kiadis Pharma will give a presentation on the Offer and, in accordance with section 18 of the Netherlands Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*), the Offer will be discussed.

Re 3. - Conditional amendment of the articles of association of Kiadis Pharma (following Settlement) (voting item)

In relation to the Offer, Kiadis Pharma and Sanofi have agreed that if the Offer is declared unconditional and Settlement has taken place, and effective as of the Settlement Date, changes are to be made to the corporate governance structure of Kiadis Pharma as included in its articles of association, in accordance with the proposal described below.

This proposal concerns, amongst other amendments, an amendment of the provisions relating to (i) preference shares, which are to be deleted from Kiadis Pharma's authorized share capital; (ii) the suspension of directors; (iii) the management board and supervisory board rules; (iv) the holding of shareholders meetings; and (v) the requirements for a resolution to amend the articles of association, or to dissolve, merge or demerge Kiadis Pharma.

The full text of the draft new articles of association as they will read following the proposed amendment of the articles of association is annexed to this document as Appendix II. A triptych (*drieluik*) that briefly discusses the changes compared to the current articles of association is annexed to this document as Appendix III.

The proposed amendment to the articles of association is also included in the Offer Memorandum. The aforementioned proposals to resolve to amend the articles of association include the proposal to authorize each member of the Management Board, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP and/or NautaDutilh N.V. in Amsterdam, The Netherlands, to execute a notarial deed of amendment to the articles of association (the **Deed of First Amendment**) and to undertake all other activities that the holder of the authorization deems necessary or useful in connection therewith.

Re 4. - Conditional amendment of the articles of association of Kiadis Pharma (following delisting) (voting item)

Subsequently, Sanofi intends to convert Kiadis Pharma into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), as soon as possible after the delisting from Euronext Amsterdam and Euronext Brussels (the “**Conversion**”). The shareholders will be requested to resolve on the Conversion and the amendment of the articles of association in accordance with the proposal described below.

This proposal reflects the new status of Kiadis Pharma as a non-listed private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). The main changes concern (i) the introduction of non-listed registered shares; (ii) provisions that either mandatorily apply to non-listed entities or provisions that are more suitable for Kiadis Pharma's new status as a non-listed entity; and (iii) the introduction of provisions that apply to a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

The full text of the draft new articles of association as they will read following the proposed amendment of the articles of association is annexed to this document as Appendix IV.

The proposed amendment to the articles of association is also included in the Offer Memorandum. The aforementioned proposals to resolve to amend the articles of association includes the proposal to authorize each member of the Management Board, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP and/or NautaDutilh N.V. in Amsterdam, The Netherlands, to execute such notarial deed of amendment to the articles of association and to undertake all other activities that the holder of the authorization deems necessary or useful in connection therewith.

Re 5. - Conditional appointment of new members of the Supervisory Board as of Settlement

In relation to the Offer, Kiadis Pharma and Sanofi have agreed that if the Offer is declared unconditional and Settlement has taken place, and effective as of the Settlement Date, changes will be made to the composition of the Supervisory Board and the Supervisory Board, in its new composition, will appoint new members to the Supervisory Board committees. Messrs. Martijn Kleijwegt, Berndt Modig, Otto Schwarz and Subhanu Saxena have agreed to resign as members of the Supervisory Board as of the Settlement Date.

a. Conditional appointment of Mr. Frank Nestle as new member of the Supervisory Board as of Settlement (voting item)

In accordance with articles 17.5 and 13.2 of Kiadis Pharma's articles of association described under agenda item 3, the Supervisory Board nominates Mr. Frank Nestle for appointment as member of the Supervisory Board to replace the members of the Supervisory Board that will resign, subject to the condition precedent that the Deed of First Amendment is executed.

Mr. Nestle has significant experience in immuno-oncology as well as in management positions. With this experience, he can provide valuable contributions to the Supervisory Board. Mr. Nestle will not be independent in the meaning of best practice provision 2.1.8 vii of the Dutch Corporate Governance Code. He meets the Supervisory Board profile and holds no shares in Kiadis Pharma. Mr. Nestle will not receive any remuneration for this position. For further details on Mr. Nestle, reference is made to Appendix V annexed to this document.

It is proposed that the Meeting appoints Mr. Nestle as a member of the Supervisory Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from the date of the Meeting, ending by close of the annual general meeting to be held in 2025.

b. Conditional appointment of Mr. Kripa Ram as new member of the Supervisory Board as of Settlement (voting item)

In accordance with articles 17.5 and 13.2 of Kiadis Pharma's articles of association described under agenda item 3, the Supervisory Board nominates Mr. Kripa Ram for appointment as member of the Supervisory Board to replace the members of the Supervisory Board that will resign, subject to the condition precedent that the Deed of First Amendment is executed.

Mr. Ram has significant experience in CMC development, scale-up and manufacturing as well as in management positions. With this experience, he can provide valuable contributions to the Supervisory Board. Mr. Ram will not be independent in the meaning of best practice provision 2.1.8 vii of the Dutch Corporate Governance Code. He meets the Supervisory Board profile and holds no shares in Kiadis Pharma. Mr. Ram will not receive any remuneration for this position. For further details on Mr. Ram, reference is made to Appendix VI annexed to this document.

It is proposed that the Meeting appoints Mr. Ram as a member of the Supervisory Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from the date of the Meeting, ending by close of the annual general meeting to be held in 2025.

c. Conditional appointment of Mr. Jérémie Girard as new member of the Supervisory Board as of Settlement (voting item)

In accordance with articles 17.5 and 13.2 of Kiadis Pharma's articles of association described under agenda item 3, the Supervisory Board nominates Mr. Jérémie Girard for appointment as member of the Supervisory Board to replace the members of the Supervisory Board that will resign, subject to the condition precedent that the Deed of First Amendment is executed.

Mr. Girard has significant experience in cellular biology and biotechnology as well as in finance and management positions. With this experience, he can provide valuable contributions to the Supervisory Board. Mr. Girard will not be independent in the meaning of best practice provision 2.1.8 vii of the Dutch Corporate Governance Code. He meets the Supervisory Board profile and holds no shares in Kiadis Pharma. Mr. Girard will not receive any remuneration for this position. For further details on Mr. Girard, reference is made to Appendix VII annexed to this document.

It is proposed that the Meeting appoints Mr. Girard as a member of the Supervisory Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from the date of the Meeting, ending by close of the annual general meeting to be held in 2025.

Re 6. – Re-appointment of Mr. Arthur Lahr as a member of the Management Board (voting item)

In accordance with article 14.2 of Kiadis Pharma's current articles of association, the Supervisory Board nominates Mr. Arthur Lahr for re-appointment as member of the Management Board.

The Supervisory Board considers that Mr. Lahr fits the intended profile of the Management Board and has relevant knowledge and extensive experience and qualities as Management Board member as demonstrated during his past period as member of Kiadis Pharma's Management Board. For further details on Mr. Lahr, reference is made to Appendix VIII annexed to this document. Mr. Lahr's remuneration is in accordance with the Kiadis Pharma N.V. Remuneration Policy for Management Board and Supervisory Board approved during the general meeting of 25 June 2020. The main elements of the service agreement of Mr. Lahr are not amended in connection with his re-appointment, maintaining the amount of the base salary of Mr. Lahr at EUR 350,000 p/a, except that the amount of pension payments that will be made for the benefit of Mr. Lahr will increase to approximately EUR 16,000. For further details on Mr. Lahr's remuneration, including the main elements of the service agreement entered into with him, reference is made to the remuneration report over the financial year 2019 that is available on the website of Kiadis Pharma.

It is proposed that the Meeting re-appoints Mr. Lahr as a member of the Management Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from the date of the Meeting, ending by close of the annual general meeting to be held in 2025.

Re 7. - Conditional appointment of Ms. Marion Zerlin as a member of the Management Board as of Settlement (voting item)

In accordance with article 13.2 of Kiadis Pharma's articles of association described under agenda item 3, the Supervisory Board nominates Ms. Zerlin for appointment as member of the Management Board, subject to the condition precedent that the Deed of First Amendment is executed.

The Supervisory Board considers that Ms. Zerlin fits the intended profile of the Management Board and has significant experience in biologics and R&D as well as in management positions. With this experience, she can provide valuable contributions to the Management Board. Ms. Zerlin holds no shares in Kiadis Pharma. Ms. Zerlin will not receive any remuneration for this position. For further details on Ms. Zerlin, reference is made to Appendix IX annexed to this document.

It is proposed that the Meeting appoints Ms. Zerlin as a member of the Management Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from the date of the Meeting, ending by close of the annual general meeting to be held in 2025.

Re 8. - Discharge of each member of the Management Board and the Supervisory Board (voting item)

It is proposed to the Meeting that the member of the Management Board and the members of the Supervisory Board be granted discharge and be released from liability in respect of their roles as members of their respective Board, performed in the period following the end of the financial year 2019 and up to and including the date of this Meeting.

The discharge will take place on the basis of information provided to the Meeting, including the Offer Memorandum, the Position Statement and the press releases relating to the Offer.

Re 9. - Conditional full and final discharge of Messrs. Martijn Kleijwegt, Berndt Modig, Otto Schwarz and Subhanu Saxena (voting item)

In addition to agenda item 8, it is proposed to the Meeting that the members of the Supervisory Board that will resign as of Settlement, be granted full and final discharge and be released from liability, subject to the condition precedent that the Offer is declared unconditional and that Settlement has taken place.

Re 10. - Post-Offer restructuring (voting item)

Following completion of the Offer, the Offeror may, if so desired by Sanofi, obtain 100% of the Shares in the capital of Kiadis Pharma or the entirety of Kiadis Pharma's assets and operations (including the Kiadis Pharma group's entire business) through (i) a compulsory acquisition procedure, being either (a) a statutory squeeze-out procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a Dutch Civil Code ("**DCC**") or (b) a takeover buy-out procedure (*uitkoopprocedure*) in accordance with article 2:359c DCC; or (ii) a post-offer asset sale.

Sanofi and Kiadis Pharma have agreed that, subject to adoption of the resolutions contemplated by this agenda item 10 and the Offer being declared unconditional, Sanofi may decide (after consultation with Kiadis Pharma) to pursue the Post-Offer Asset Sale (as defined hereinafter) after the expiry of the post-Offer period (if any), in which case Kiadis Pharma shall (subject to section 6.11 of the Offer Memorandum):

1. as soon as possible after Sanofi's decision to pursue the Post-Offer Asset Sale, enter into an asset sale agreement with Sanofi (the "**Asset Sale Agreement**"), and the parties shall promptly implement the asset sale as contemplated by the Asset Sale Agreement (the "**Asset Sale**") and take (or cause to be taken) the steps to complete the actions and transactions set forth in the Asset Sale Agreement; and
2. following the completion of the Asset Sale, effect the dissolution and liquidation of Kiadis Pharma (the "**Kiadis Pharma Dissolution**") and, together with the Asset Sale, the "**Post-Offer Asset Sale**") and make an advance liquidation distribution in accordance with Kiadis Pharma's articles of association that is intended to take place on or about the date the Asset Sale is completed and in an amount that is to the fullest extent possible equal to the Offer Price, without any interest and less any applicable withholding taxes and other taxes (the "**Sale Price**").

For further details of the Post-Offer Asset Sale and the Dutch dividend withholding tax treatment of the Sale Price, reference is made to section 6.11 of the Offer Memorandum and section 9.2 of the Position Statement.

It is proposed to the Meeting to adopt the following resolutions - subject to Settlement having occurred and Sanofi having notified Kiadis Pharma it wishes to pursue the Asset Sale:

- a. in accordance with article 2:107a DCC, to approve the resolution of the Management Board to pursue the Asset Sale;
- b. subject to completion of the Asset Sale, to dissolve Kiadis Pharma in accordance with article 2:19 DCC;
- c. to appoint Stichting Liquidator Kiadis as the liquidator of Kiadis Pharma;
- d. to approve reimbursement of the liquidator's reasonable salary and costs; and

- e. to appoint Sanofi S.A. as the custodian of the Kiadis Pharma's books and records following its dissolution in accordance with article 2:24 DCC.

APPENDICES:

Appendix I – EGM Q&A Protocol

Appendix II – Full text new articles of association post Settlement (clean version)

Appendix III – Triptych (*drieluik*) amendment articles of association post Settlement

Appendix IV – Full text new articles of association post delisting (clean version)

Appendix V – Biography and details Mr. F. Nestle

Appendix VI – Biography and details Mr. K. Ram

Appendix VII – Biography and details Mr. J. Girard

Appendix VIII – Biography and details Mr. A. Lahr

Appendix IX – Biography and details of Ms. M. Zerlin

Appendix I – EGM Q&A Protocol

PROTOCOL FOR ASKING QUESTIONS BEFORE AND DURING THE KIADIS PHARMA N.V. EGM ON TUESDAY 30 MARCH 2021(10:00 AM CET)

Protocol (“**Protocol**”) for asking questions before and during the Extraordinary General Meeting of Kiadis Pharma N.V. (“**Kiadis Pharma**”) to be held on Tuesday 30 March 2021 at 10:00 am CET (the “**Meeting**”). The notice of Meeting was published on the Kiadis Pharma website (www.kiadis.com) on 11 February 2021. It included the following points with respect to the ability to submit questions before and during the Meeting:

- Shareholders who have registered on time in accordance with the process outlined in the agenda for the Meeting will have the opportunity to ask questions about the items on the agenda as specified in the Meeting notice from Friday 19 March 2021 until 10:00 am CET on Saturday 27 March 2021 and exclusively by e-mail to EGM2021@kiadis.com. These questions will be answered before or at the Meeting, possibly by addressing certain themes to which multiple questions relate. The questions and answers will also be posted on the Kiadis Pharma website (www.kiadis.com).
- Only shareholders who have used the option to ask questions before the Meeting as specified above will be able to ask a limited number of follow-up questions during the Meeting, using the e-mail address EGM2021@kiadis.com, albeit on certain conditions that will be set by the Chairman during the Meeting in the interest of ensuring an orderly Meeting.
- When submitting questions, shareholders must include their name and - if applicable - the organization they represent.

In order to ensure an orderly Meeting, this Protocol outlines further logistical rules for asking follow-up questions and will be sent to all shareholders who have registered for the Meeting on time in accordance with the process outlined in the agenda for the Meeting (the “**Participating Shareholders**”). This Protocol is also published on the Kiadis Pharma website.

The following applies to asking follow-up questions during the Meeting:

- Only Participating Shareholders who have submitted questions before the Meeting are allowed to ask follow-up questions during the Meeting.
- Follow-up questions that are asked during the Meeting will be answered at the end of the Meeting, after all agenda items have been discussed but before the voting results will be shared.
- Each Participating Shareholder will be restricted to ask no more than three (3) follow-up questions in total during the Meeting. If more than three (3) questions are submitted during the Meeting, only the first three (3) will be answered.
- All questions asked during the Meeting must be a follow-up to a question submitted in advance by the Participating Shareholder concerned.
- The questions asked during the Meeting must be submitted by e-mail (EGM2021@kiadis.com) no later than the start of *Any other Business* (agenda item 11).
Following a brief adjournment, the questions asked during the Meeting will be answered during *Any other Business*.
- The following information must be provided for every question submitted during the Meeting:
 - the agenda item the question relates to; and
 - the name of the shareholder; and
 - if the shareholder is not a private individual, the name of the individual asking the question on behalf of the shareholder.
- All questions must be submitted in Dutch or English.
- The Chairman of the Meeting may at all times deviate from the above arrangements during the Meeting if in his opinion this is reasonable with a view to the proper conduct of business and meaningful discussion.

Amsterdam, The Netherlands, 11 February 2021.