

This Offer expires at 17.40 hours CET, on 12 April 2021, unless extended

OFFER MEMORANDUM

Dated 10 February 2021

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 offer memorandum (the **Offer Memorandum**) contains the details of the recommended public offer by Sanofi Foreign Participations B.V. (**Offeror**), a direct wholly-owned subsidiary of Sanofi (**Sanofi**), to all holders of issued and outstanding ordinary shares (the **Shares**, and each a **Share**) with a nominal value of EUR 0.10 each in the share capital of Kiadis Pharma N.V. (**Kiadis**) (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 this Offer Memorandum (the **Offer**). As at the date of this Offer Memorandum 40,308,501 listed Shares are issued by Kiadis and subject to the Offer.

This Offer Memorandum contains the information required by Article 5:76 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the **Wft**) in conjunction with Article 8, Paragraph 1 of the Dutch Decree Public Takeover Bids (*Besluit openbare biedingen Wft*, the **Decree**) in connection with the Offer. This Offer Memorandum has been reviewed and approved by Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**). The approval by the AFM does not entail an assessment of the opportunity and quality of the transaction, or of the condition of the person who executes it.

The information required by Article 18, Paragraph 2 of the Decree in connection with the Offer is included in a separate position statement of Kiadis (including all appendices thereto, the **Position Statement**), which is also published on the date of this Offer Memorandum. The Position Statement does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM, nor recognized by the FSMA prior to publication. The Position Statement may be reviewed by the AFM after publication.

Capitalised terms used in this Offer Memorandum have the meaning set out in Section 4 (*Definitions*) or elsewhere in this Offer Memorandum. Capitalised terms used in the Dutch summary included in Section 12 (*Dutch language summary*) have the meaning set out in Section 12 (*Dutch language summary*).

Shareholders tendering their Shares under the Offer will be paid on the terms and subject to the conditions and restrictions contained in this Offer Memorandum in consideration for each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror prior to or on the Closing Date) (each such Share, a **Tendered Share**) and transferred (*geleverd*) to the Offeror an amount in cash of EUR 5.45 cum dividend and without interest (the **Offer Price**). In the event any (interim) cash or share dividend or other distribution (each, a **Distribution** and collectively, the **Distributions**) on the Shares is declared by Kiadis on or prior to the Settlement Date whereby the record date for entitlement to such Distribution is on or prior to the Settlement Date, the Offer Price will be decreased by the full amount of any such Distribution made by Kiadis in respect of each Share (before any applicable withholding tax).

The management board (*raad van bestuur*) of Kiadis (the **Management Board**) and the supervisory board (*de raad van commissarissen*) of Kiadis (the **Supervisory Board**, and together with the Management Board, the **Kiadis Boards**) unanimously support and recommend the Offer to the Shareholders for acceptance. Reference is made to Section 6.7 (*Decision making and Recommendation by the Kiadis Boards*) and the Position Statement.

Funds managed by Life Sciences Partners have committed to tender approximately 18.26%¹ of the outstanding Shares under the Offer and to vote in favour of the Resolutions. The irrevocable undertaking contains certain customary undertakings and conditions. In addition Supervisory Board members Mr Kleijwegt and Mr Saxena have committed to tender their Shares under the Offer and to vote in favour of the Resolutions, subject to the terms as further set out in Section 6.9 (*Irrevocable undertakings of Shareholders and members of the Kiadis Boards*). The Shares of Mr Kleijwegt and Mr Saxena represent less than 1% of Kiadis' issued share capital.

The Acceptance Period under the Offer will commence at 09.00 hours CET, on 15 February 2021 and will expire at 17.40 hours CET, on 12 April 2021, unless the Offeror extends the Acceptance Period in accordance with Section 5.10 (*Extension*). The day on which the Acceptance Period expires, whether or not extended, is the **Closing Date**. The Offeror will announce whether the Offer is declared unconditional (*gestand wordt gedaan*) within 3 (three) Business Days following the Closing Date, in accordance with Article 16 of the Decree (the **Unconditional Date**). If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror shall publicly announce a post-closing acceptance period (*na-aanmeldingstermijn*) of 2 (two) weeks (the **Post-Closing Acceptance Period**) to enable Shareholders who did not tender their Shares during the Acceptance Period to tender their Shares on the same terms and subject to the same conditions and restrictions as the Offer.

Any Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender of Shares during the Acceptance Period in accordance with the provisions of Article 5b, Paragraph 5, Article 15, Paragraphs 3 and 8 and Article 15a Paragraph 3 of the Decree.

The obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to the satisfaction or waiver of the Offer Conditions in accordance with Section 6.6(a) (*Offer Conditions*). The Offer Conditions may be waived as set out in Section 6.6(b) (*Waiver*).

If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror shall, within 5 (five) Business Days following the Unconditional Date, pay the Offer Price per Tendered Share to the holders thereof and acquire each Tendered Share (**Settlement**, and the day on which the Settlement occurs, the **Settlement Date**).

At the date of this Offer Memorandum, Kiadis has convened a general meeting of Shareholders to discuss the Offer in accordance with Article 18, Paragraph 1 of the Decree, which will be held at 10:00 hours CET on 30 March 2021. In addition, the Resolutions in connection with the Offer, as described in Section 6.28 (*EGM*), will be proposed to the EGM.² Separate convocation materials have been made available at Kiadis' website (www.kiadis.com). The Kiadis Boards unanimously recommend voting in favour of all Resolutions that will be proposed in connection with the Offer and the Post-Offer Restructuring. Reference is made to Section 6.28 (*EGM*).

Following the Settlement Date the Offeror may commence a compulsory acquisition procedure (*uitkoopprocedure*) under the terms and conditions set out in more detail in Section 6.11(c) (*Buy-Out*) or

¹ 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.

² 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.

may, after consultation with Kiadis, decide to pursue the Post-Offer Restructuring under the terms and conditions set out in more detail in Section 6.11(d) (*Post-Offer Restructuring*).

All announcements in relation to the Offer will be made by press release and placed on the website of the Offeror (www.sanofi.com). Reference is made to Section 5.16 (*Announcements*).

Distribution of this Offer Memorandum may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Memorandum are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Offeror and Kiadis disclaim all responsibility for any violation of such restrictions by any person. Reference is made to Section 2 (*Restrictions*).

1. TABLE OF CONTENTS

1.	Table of Contents	5
2.	Restrictions	6
3.	Important information	7
4.	Definitions	13
5.	Invitation to the shareholders	30
6.	Explanation and background of the Offer	39
7.	Information regarding Kiadis	67
8.	Information regarding Sanofi	81
9.	Further information required by the Decree	84
10.	Material Dutch and Belgian Tax consequences of the Offer	86
11.	Press releases	103
12.	Dutch language Summary	107
13.	Financial information Kiadis	139
14.	Articles of Association	147
15.	Advisors	177

2. RESTRICTIONS

The Offer is made in, and from, the Netherlands and Belgium with due observance of the statements, conditions and restrictions included in this Offer Memorandum. Without prejudice to the Offeror's right to reject defective tenders, the Offeror reserves the right to accept any tender under the Offer which is made by, or on behalf of, a Shareholder, even if it has not been made in the manner set out in this Offer Memorandum.

This Offer Memorandum is not an offer to sell securities and it is not a solicitation of an offer to buy securities, nor shall there be any sale or purchase of securities pursuant hereto, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the Laws of any such jurisdiction.

The distribution of this Offer Memorandum and the making of the Offer in jurisdictions other than the Netherlands and Belgium may be restricted or prohibited by Law. The Offer is not made, and the Shares will not be accepted for purchase from, or on behalf of, any Shareholder, in any jurisdiction in which the making of the Offer or acceptance of the Offer would not be in compliance with the securities or other Laws of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by this Offer Memorandum. If you are in any doubt as to your eligibility to participate in the Offer, you should contact your professional advisor immediately.

Persons obtaining this Offer Memorandum are required to take due note of and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). However, acceptances of the Offer by Shareholders not residing in the Netherlands or Belgium will be accepted by the Offeror if such acceptances comply with (i) the acceptance procedure set out in this Offer Memorandum and (ii) the Laws of the jurisdiction from which such acceptance has been made. No actions have been taken or will be taken to make the Offer possible in any jurisdiction outside of the Netherlands or Belgium where such authorisations, approvals or consents would be required. In addition, this Offer Memorandum has not been filed with or recognised by the authorities of any jurisdiction other than the Netherlands and Belgium.

Neither the Offeror, nor Kiadis, nor any of their advisors, nor the Settlement Agent accept any liability for any violation by any person of any such restriction. Any person, including custodians, nominees and trustees, who intends to forward this Offer Memorandum or any related document to any jurisdiction other than the Netherlands or Belgium should carefully read this Section 2 (*Restrictions*) and Section 3 (*Important information*) before taking any action.

The release, publication or distribution of this Offer Memorandum 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 Offer Memorandum comes should inform themselves of and observe those restrictions. A failure to comply with any of those restrictions may constitute a violation of the Law of any such jurisdiction. The Offer is being made in and from the Netherlands and Belgium with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been made in the manner set out in this Offer Memorandum.

3. IMPORTANT INFORMATION

3.1 Introduction

This Offer Memorandum contains, incorporates and refers to important information that should be read carefully before any Shareholder makes a decision to tender Shares under the Offer. Shareholders are advised to seek independent advice where necessary.

In addition, this Offer Memorandum only contains the principal Dutch and Belgian tax consequences of the disposal of Shares by a Shareholder in connection with the Offer, a Buy-Out and the Post-Offer Restructuring. It does not describe all Dutch or Belgian tax consequences of acceptance or non-acceptance of the Offer that may be relevant for a Shareholder, nor does this Offer Memorandum describe any tax consequences relating to jurisdictions other than the Netherlands or Belgium that may be relevant for a Shareholder (other than in Section 3.2 (*Information for U.S. Shareholders*)). Shareholders are therefore urged to consult their own tax advisor regarding the tax consequences of the Offer.

3.2 Information for U.S. Shareholders

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 included in this document has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission (**IFRS**) 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 Regulation 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 Offer Memorandum 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.

3.3 Responsibility for information

The information and declarations included in Sections 1 (*Table of Contents*) to 6 (*Explanation and background of the Offer*) (excluding Sections 6.7 (*Decision making and Recommendation by the Kiadis Boards*) to 6.10 (*Respective cross-shareholdings Sanofi – Kiadis*)), Sections 8 (*Information regarding Sanofi*), 9(b) (*Further information required by the Decree*), 9(c) (*Further information required by the Decree*), 9(e) (*Further information required by the Decree*), 10 (*Material Dutch and Belgian Tax consequences of the Offer*), 12 (*Dutch language summary*) and 14 (*Articles of Association*) have been solely provided by the Offeror. The information included in Sections 6.7 (*Decision making and Recommendation by the Kiadis Boards*), 6.8 (*Shareholdings of the members of the Kiadis Boards*), 7 (*Information regarding Kiadis*), 9(d) (*Further information required by the Decree*), 9(f) (*Further information required by the Decree*), 9(g) (*Further information required by the Decree*) and 13 (*Financial information Kiadis*) has been solely provided by Kiadis. The information included on the cover page, pages 1, 2 and 3, Sections 6.9 (*Irrevocable undertakings of Shareholders and members of the Kiadis Boards*), 6.10 (*Respective cross-shareholdings Sanofi – Kiadis*), Section 9 (*Further information required by the Decree*) (opening), 9(a) (*Further information required by the Decree*), 11 (*Press releases*) and 15 (*Advisors*) has been provided by the Offeror and Kiadis jointly.

The Offeror and Kiadis are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each severally with respect to the information it has provided solely, and jointly with respect to the information they have jointly provided.

Both the Offeror and Kiadis confirm, each severally with respect to the information it has provided solely, and jointly with respect to the information which they have jointly provided, that to the best

of their knowledge, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import.

The information included in Sections 13.3 (*Comparative overview of consolidated statements of financial position for the financial years 2017, 2018 and 2019*), 13.4 (*Comparative overview of consolidated statements of comprehensive income for the financial years 2017, 2018 and 2019*) and 13.5 (*Comparative overview of consolidated statements of cash flows for the financial years 2017, 2018 and 2019*) has been sourced by Kiadis from the consolidated financial statements for the financial years ended 2019, 2018 and 2017 respectively, as further explained in Section 13.2 (*Basis for preparation*).

The independent auditor's report included in Section 13.6 (*Independent auditor's report of KPMG on the selected consolidated financial information of Kiadis*) and the auditor's report included in Section 13.7 (*Financial statements for the financial year 2019 including independent auditor's report of*) of this Offer Memorandum have been sourced by Kiadis from KPMG Accountants N.V. (**KPMG**).

The financial information included in Section 13.8 (*Special Purpose Condensed Interim Consolidated Financial Statements as of and for the six-month periods ended 30 June 2020, and the review report in respect thereof*) (the **Special Purpose Interim Financial Statements**), includes limited amendments and updates through the date of these Special Purpose Interim Financial Statements compared to the interim financial report as of and for the six-month period ended 30 June 2020 as published by Kiadis on 30 September 2020. The Special Purpose Interim Financial Statements have been subject to a review by KPMG, Kiadis' independent auditor for the financial year 2020.

No person other than the Offeror, and Kiadis, and without prejudice to the auditor's reports and review report issued by KPMG included in this Offer Memorandum, and the Fairness Opinion rendered by Moelis & Company LLC (**Moelis**) to the Kiadis Boards (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 included in the Position Statement), is authorised to provide any information or to make any statements on behalf of the Offeror or Kiadis in connection with the Offer or the information contained in the Offer Memorandum. If any information or statement is provided in connection in the Offer by parties other than the Offeror or Kiadis, such information or those statements must not be relied on as having been provided or made by or on behalf of the Offeror or Kiadis. Any information or representation not contained in this Offer Memorandum or in press releases by the Offeror or Kiadis must not be relied on as having been provided or made by or on behalf of the Offeror or Kiadis.

The information included on pages 1, 2 and 3 and in Section 12 (*Dutch language summary*) regards summarised and translated information, and has been derived from the information included in the other Sections of this Offer Memorandum.

The information set out in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum, unless specified otherwise. The issue and distribution of this Offer Memorandum does not imply in any respect that the information contained herein will continue to be correct and complete after the date of publication of this Offer Memorandum. The foregoing does not affect the

obligation of both the Offeror and Kiadis to make a public announcement pursuant to the European Market Abuse Regulation (596/2014) (the **MAR**) or Article 4, Paragraphs 1 and 3 of the Decree, if applicable. It should be noted that certain financial, statistical and other numerical information in this Offer Memorandum may have been rounded up or down to the nearest whole number or the nearest decimal and should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

3.4 Presentation of financial information and other information

The selected consolidated financial information of Kiadis is that of Kiadis and its consolidated subsidiaries. The selected consolidated financial information should be read in conjunction with the consolidated financial statements of Kiadis for the financial year 2017, the financial year 2018 and the financial year 2019, and the notes thereto. The year-end consolidated financial information of Kiadis is extracted from Kiadis' consolidated financial statements, which have been audited by KPMG for the financial years 2017, 2018 and 2019, Kiadis' independent auditor. The financial statements and accounts from which the selected consolidated financial information has been derived were prepared in accordance with the IFRS, and Part 9 of Book 2 of the Dutch Civil Code.

Certain numerical figures set out in this Offer Memorandum, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

3.5 Governing law

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Shares 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 Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares must be brought exclusively in such courts.

3.6 Contact details

(a) The Offeror

Sanofi Foreign Participations B.V.
Paasheuvelweg 25
1105 BP Amsterdam, the Netherlands

(b) Kiadis

Kiadis Pharma N.V.
Paasheuvelweg 25A
1105 BP Amsterdam, the Netherlands

(c) **Settlement Agent**

ING Bank N.V.
Bijlmerdreef 106
1102 CT Amsterdam, the Netherlands
iss.pas@ing.com

3.7 Language

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 12 (*Dutch Language Summary*). In the event of any differences (whether or not in interpretation) between the English text of this Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English text of this Offer Memorandum shall prevail.

3.8 Assignment

On 1 November 2020, Sanofi and Kiadis entered into a merger agreement setting out their respective rights and obligations with respect to the Offer (the **Merger Agreement**). Sanofi has assigned all of its rights and obligations under the Merger Agreement to the Offeror. Sanofi shall remain jointly and severally liable with the Offeror for the proper performance of any and all obligations under the Merger Agreement assigned to the Offeror.

For purposes of the Dutch takeover rules, in addition to the Offeror, Sanofi qualifies as offeror (*bieder*) within the meaning of Article 1:1 of the Wft. The Offer, however, is made only by the Offeror, and the Offeror is solely responsible for accepting and paying for the Tendered Shares.

3.9 Availability of information

Digital copies of this Offer Memorandum are available on the websites of Kiadis (www.kiadis.com) and the Offeror (www.sanofi.com). Copies of this Offer Memorandum are also available free of charge at the offices of Kiadis and the Settlement Agent, at the addresses mentioned above. The Kiadis and the Offeror websites do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum.

The following documents are incorporated by reference in this Offer Memorandum and copies thereof are available on the website of Kiadis (www.kiadis.com):

- the current articles of association of Kiadis (as amended from time to time), the **Articles of Association**; and
- the financial statements of Kiadis for the financial years 2017, 2018 and 2019, respectively.

3.10 Forward-looking statements

Certain statements in this Offer Memorandum may be considered “forward-looking statements”, such as statements about the impact of the Transactions on the Offeror and Kiadis and the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. These forward-looking statements speak only as of the date of this Offer Memorandum. Although the Offeror and Kiadis, each with respect to the statements it has provided, believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements.

The forward-looking statements are subject to unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror and Kiadis, and are difficult to predict and which could cause actual results or outcomes to differ materially from historical experience or those expressed or implied in these forward looking statements.

These forward-looking statements are not guarantees of future performance. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror or Kiadis operates, to competitive developments or risks inherent to the business plans of the Offeror or Kiadis and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror and/or Kiadis.

The Offeror and Kiadis assume no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the Law or by any competent regulatory authority.

3.11 Financial advisors

PJT Partners (UK) Limited (**PJT Partners**) is acting as financial advisor exclusively to the Offeror and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of PJT Partners or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum. PJT Partners has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

Moelis is acting as financial advisor exclusively to the Kiadis Boards and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Kiadis Boards for providing the protections afforded to the clients of Moelis or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum. Moelis has given and has not withdrawn its

written consent to the references to their names in the form and context in which they appear in this Offer Memorandum.

Moelis issued the Fairness Opinion to the Kiadis Boards on 1 November 2020. The full text of the Fairness Opinion is included in the Position Statement.

4. DEFINITIONS

2022 Warrants	has the meaning given to it in Section 7.8(c);
2022-I Warrants	has the meaning given to it in Section 7.8(c);
2022-II Warrants	has the meaning given to it in Section 7.8(c);
2023 Warrants	has the meaning given to it in Section 7.8(c);
2025 Warrants	has the meaning given to it in Section 7.8(c);
2025-I Warrants	has the meaning given to it in Section 7.8(c);
2025-II Warrants	has the meaning given to it in Section 7.8(c);
41BBL	has the meaning given to it in Section 7.2;
Acceptance Period	has the meaning set out in Section 5.8 (<i>Acceptance Period</i>);
Acceptance Threshold	has the meaning given to it in Section 6.6(a)(i);
Admitted Institutions	means those institutions admitted to Euronext Amsterdam or Euronext Brussels (<i>aangesloten instellingen</i>);
Adverse Recommendation Change	the Kiadis Boards or any of their members having withdrawn, modified, amended or qualified their respective Recommendation or having made contradictory statements as to their position with respect to the Offer and the

other Transactions, including any action by any member of the Kiadis Boards in deviation from or inconsistent with the Recommendation which could cause uncertainty as to the status of the Recommendation and having made any public contradictory statements as to their position with respect to the Offer or for the avoidance of doubt having failed to announce or reaffirm their Recommendation, including within 48 (forty-eight) hours of a request of the Offeror to do so;

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

has the meaning given to it on page 2;

Alternative Proposal

means any offer or proposal for, or any indication of interest in, which through one or several transactions may result in:

- (a) any direct or indirect acquisition or purchase (x) of Shares equalling at least 5% (five percent) or more of Kiadis' issued and outstanding ordinary share capital or (y) leading to a holding of at least 5% (five percent) 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 (*verplicht bod*) 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% (ten percent) 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, reorganisation, 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;
Alternative Proposal Agreement	has the meaning given to it in Section 6.20(v);
AML R/R	relapsed and refractory acute myeloid leukaemia;
Antitrust Laws	means the HSR Act and any other law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation or restraint of trade or the significant impediment of effective competition;
Article 203 ITC Taxation Condition	has the meaning given to it in Section 10.5;
Articles of Association	has the meaning given to it in Section 3.9;
Asset Sale	has the meaning given to it in Section 6.11(d);

Asset Sale Agreement	has the meaning given to it in Section 6.11(d);
Asset Sale Price Per Share	has the meaning given to it in Section 6.11(d);
ATIR	means Kiadis' product candidates based on its Theralux platform that provided for "Allodepleted T-cell Immunotherapeutics", including ATIR101, which were all discontinued in November 2019;
ATMP	means advanced therapy medicinal product;
Belgian Investor	has the meaning given to it in Section 10.2;
Bridge Loan	has the meaning given to it in Section 6.5;
Business Day	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 6.11(c);
CET	means Central European Time or Central European Summer Time, as applicable in the Netherlands;
Closing Date	has the meaning given to it on page 3;
Closing Time	has the meaning given to it in Section 5.3;
Commission's Proposal	has the meaning given to it in Section 10.11;

Conditions for the application of the Dividend Received Deduction regime	has the meaning given to it in Section 10.5;
CytoSen	means CytoSen Therapeutics, Inc.;
CytoSen Acquisition Agreement	has the meaning given to it in Section 7.8(e);
DCC	means the Dutch Civil Code (<i>Burgerlijk Wetboek</i>);
Decree	has the meaning given to it on page 2;
DFSA	means the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>);
Distribution	has the meaning given to it on page 2;
Dividend Received Deduction	has the meaning given to it in Section 10.5;
Dutch Corporate Governance Code	means the Dutch corporate governance code, as amended from time to time;
Dutch Resident Entity	has the meaning given to it in Section 10.2;
Dutch Resident Individual	has the meaning given to it in Section 10.2
EGM	has the meaning given to it in Section 6.28;
EMA	means the European Medicines Agency;
Enterprise Chamber	means the Enterprise Chamber of the Amsterdam Court of Appeal (<i>Ondernemingskamer</i>);
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 6.7;
FDA	means the U.S. Food and Drug Administration;
First Kreos Capital Facility Agreement	has the meaning given to it in Section 7.8(d);
First Notice	has the meaning set out in Section 6.25;
FSMA	means the Belgian Financial Services and Markets Authority (<i>de Autoriteit voor Financiële Diensten en Markten</i>);
FTT	has the meaning given to it in Section 10.9;
FTT Draft Directive	has the meaning given to it in Section 10.9;
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 whether any such options, warrants, convertible instruments or other rights are then vested, exercisable or convertible, which would amount to 61,084,776;
Governmental Entity	means any government authority, court of competent jurisdiction, administrative agency or commission or other governmental or regulatory authority or instrumentality, in each case, whether domestic or foreign;
Group	means in respect of a Party, means that Party and the Group Companies immediately prior to the Settlement Date;
Group Companies	means in respect of a Party, means 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 7.8(e);
Hospira	means Hospira, Inc.;
HSCT	means haploidentical hematopoietic stem cell transplantation;
IFRS	has the meaning given to it in Section 3.2;
Independent Member	has the meaning given to it in Section 6.14;
Initial Announcement	has the meaning given to it in Section 6.1;
Integration Committee	has the meaning given to it in Section 6.17(c);
ITC	has the meaning given to it in Section 10.5;
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 on page 2;
Kiadis Dissolution	has the meaning given to it in Section 6.11(d);
Kiadis Group	means Kiadis and its Affiliates from time to time;

K-NK002	has the meaning given to it in Section 7.2;
K-NK003	has the meaning given to it in Section 7.2;
KPMG	means KPMG Accountants N.V.;
Kreos Capital	means Kreos Capital V (UK) Limited;
Kreos Capital Facility Agreements	has the meaning given to it in Section 7.8(d);
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;
Law of 16 December 2015	has the meaning given to it in Section 10.12;
Liquidator	means a special purpose vehicle to be incorporated by a professional services firm to be engaged by the Offeror;
Long Stop Date	means 31 December 2021;
Management Board	has the meaning given to it on page 2;
MAR	has the meaning given to it in Section 3.2;

Matched Offer

means an offer which is, and on terms and conditions which are, determined by the Kiadis Boards, taking into account their fiduciary duties and having consulted their financial and legal advisors, to be, on balance, at least equally beneficial to Kiadis and the Shareholders, patients, employees, business partners, creditors and other stakeholders as the Superior Offer, taking into account, among other things, all legal, financial and regulatory aspects, timing, certainty of financing, the position of the employees, other matters contemplated by the Non-Financial Covenants, and compliance with Laws and the transaction structure of the Superior Offer, the Matched Offer and the Transactions on the terms described this Offer Memorandum;

Matching Offer Period

has the meaning given to it in Section 6.25;

Material Adverse Effect

means any change, event, circumstance or effect (any such items an **Effect**) either individually or when taken together with all other Effects, that is or is reasonably likely to be sustainably materially adverse to the business, the pipeline, the assets, the liabilities, the financial condition or capitalisation of the Kiadis Group taken as a whole, **provided, however**, that only for the purpose of determining whether there has been, or will be, a Material Adverse Effect the following Effects will not be taken into account:

- (a) changes or conditions generally affecting the economies or industries in which the Kiadis Group operates;
- (b) changes in economic, political, or market conditions including

any adverse development regarding the European Union (including members states leaving such union) and the Euro zone (including one or more member states leaving or forced to leave such zone);

- (c) any natural disaster, pandemic, act of terrorism, sabotage, armed hostility, military action, or act of God, or any escalation or worsening thereof;
- (d) any failure, in and of itself, by Kiadis or the Kiadis Group to meet any internal projections or projections published by third parties, forecasts or revenue or earnings predictions (provided, however, that, in the case of this paragraph (d), the underlying cause for such failure may be considered in determining whether there may be a Material Adverse Effect);
- (e) the credit, financial strength or other ratings (provided, however, that, in the case of this paragraph (e), the underlying cause for such change, event, circumstance or effect relating to credit, financial strength or other ratings may be considered in determining whether there may be a Material Adverse Effect) of Kiadis or the Kiadis Group;
- (f) any Effect resulting from any act or omission of the Offeror, whether before or after the date of the Merger Agreement, including any action taken by Kiadis or any member of the Kiadis Group with the Offeror's

written consent or at Offeror's direction (or not taken where such consent has been withheld) or compliance by Kiadis with the terms of, or the taking of any action required by, the Merger Agreement, except for any Effect resulting from any act or omission of the Offeror that is a response to a breach of the Merger Agreement by Kiadis;

- (g) any Effect resulting from (i) the entry into of the Merger Agreement, or (ii) the announcement, making or implementation of the Offer;
- (h) a breach of the Merger Agreement or applicable law by the Offeror;
- (i) any change or prospective change of law or regulation (including stock exchange rules or listing standards), or generally accepted accounting principles, or the interpretation or enforcement thereof;
- (j) any litigation having been commenced by shareholders in relation to the Offer or the Post-Offer Restructuring;
- (k) any Effect (including but not limited to litigation) which is actually known to the senior management of the Offeror as per the date of execution of the Merger Agreement, including, but not limited to, by way of fair disclosure of information through the due diligence; or
- (l) any preliminary results or delay of clinical activities by, or

sponsored by, Kiadis or any of its collaboration partners,

except, in the cases of paragraphs (a) and (b), to the extent that the Kiadis Group, taken as a whole, is materially disproportionately affected thereby as compared with other participants in the industries in which the Kiadis Group primarily operates (in which case the incremental materially disproportionate impact or impacts may be taken into account in determining whether there has been, or is reasonably expected to be, a Material Adverse Effect);

mbIL2l

has the meaning given to it in Section 7.2;

MCAA

has the meaning given to it in Section 10.12;

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 (*SER-besluit Fusiegedragsregels 2015*), the rules and regulations of Euronext Amsterdam and Euronext Brussels, in as 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 7.8(e);
Moelis	has the meaning given to it in Section 3.2;
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-Financial Covenants	has the meaning given to it in Section 6.17;
Offer	has the meaning given to it on page 2;
Offer Conditions	means the conditions to the Offer described in Section 6.6(a);
Offer Memorandum	has the meaning given to it on page 2;
Offer Price	has the meaning given to it on page 2;
Offeror	has the meaning given to it on page 2;
Offeror Director	has the meaning given to it in Section 8.1;
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 amended on 31 March 2020);
Parent Subsidiary Directive	has the meaning given to it in Section 10.5;
Participants	has the meaning given to it in Section 7.9;
Party or Parties	means Kiadis and/or the Offeror, respectively;
Person	means a natural person or a partnership, company, association, cooperative, mutual insurance society, foundation or any other body which operates externally as an independent unit or organisation;
PJT Partners	has the meaning given to it in Section 3.11;
Position Statement	has the meaning given to it on page 2;
Post-Closing Acceptance Period	has the meaning set out on page 3;
Post-Closing Measures	has the meaning given to it in Section 6.11(e);
Post-Offer Restructuring	has the meaning given to it in Section 6.11(d);
Post-Offer Restructuring Resolution	has the meaning given to it in Section 6.28;
Post-Offer Restructuring Threshold	has the meaning set out in Section 6.25;
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 who, 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;
Potential Superior Offer Period	has the meaning set out in Section 6.25;
RD/ITC	has the meaning given to it in Section 10.5;
Recommendation	has the meaning given to it in Section 6.7;
Reference Date	has the meaning given to it in Section 6.3(b);
Regulatory Authority	means any competent governmental, administrative, supervisory, regulatory, judicial, disciplinary, enforcement or tax raising body, authority, agency, commission, board, organisation, court or tribunal of any jurisdiction, whether supranational, national or regional or local and any subdivision, department or branch of any of the foregoing;
Relevant Person	has the meaning given to it in Section 6.20;
Resolutions	has the meaning given to it in Section 6.28;
RVO Nederland	means Rijksdienst voor Ondernemend Nederland;
Sanofi	means Sanofi, a <i>société anonyme</i> with 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), 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 Facility Agreement	has the meaning given to it in Section 7.8(d);
Second Notice	has the meaning given to it in Section 6.25;
Settlement	has the meaning given to it on page 3;
Settlement Agent	has the meaning given to it in Section 3.6;
Settlement Date	has the meaning given to it on page 3;
Shareholder	means a holder of one or more Shares;
Shares	has the meaning given to it on page 2;
Special Purpose Interim Financial Statements	has the meaning given to it in Section 13.2;
Stock Exchange Tax Representative	has the meaning given to it in Section 10.9;
Superior Offer	has the meaning given to it in Section 6.23;
Superior Offer Notification	has the meaning given to it in Section 6.25;
Supervisory Board	has the meaning given to it on page 2;
Tax Authority	means, with respect to any Tax, the Governmental Entity that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such Governmental Entity;
Tax or Taxes	means all forms of taxes, levies, duties, charges, surcharges, imposts and

withholdings of any nature whatsoever, including income tax, corporation tax, corporation profits tax, advance corporation tax, capital gains tax, capital acquisitions tax, compensation, unemployment, transfer, occupation, customs duties, severance, payroll, *ad valorem*, residential property tax, wealth tax, value added tax, withholding tax, deposit interest retention tax, customs and other import and export duties, excise duties, stamp duty, capital duty, social insurance, social welfare or other similar contributions and other amounts corresponding thereto and all penalties, charges, costs and interest relating thereto and shall include any transferee or successor liability in respect in any and all of the above;

Tendered Share	has the meaning given to it on page 2;
Tendered and Committed Shares	has the meaning given to it in Section 6.6(a);
TGFβ	has the meaning given to it in Section 7.2;
Transactions	means the Offer and all transactions contemplated therewith, including, for the avoidance of doubt, the Buy-Out and the Post-Offer Restructuring;
U.S.	means the United States of America;
U.S. Exchange Act	has the meaning given to it in Section 3.2;
Unconditional Date	has the meaning given to it on page 3;
Vest	has the meaning given to it in Section 7.9;
Warrants	has the meaning given to it in Section 7.8(c);
Wft	has the meaning given to it on page 2;

5. INVITATION TO THE SHAREHOLDERS

5.1 Invitation to the Shareholders

The Offeror hereby makes a public cash offer to purchase all Shares on the terms and subject to the conditions and restrictions set forth in this Offer Memorandum. Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) and in particular Sections 2 (*Restrictions*) and 3 (*Important Information*) thoroughly and completely and to seek independent financial, legal and/or tax advice where appropriate in order to reach an informed judgement with respect to the Offer itself and the contents of this Offer Memorandum. Shareholders who consider not tendering their Shares are advised to review Sections 6.11 (*Consequences of the Offer*) and Section 6.11(d) (*Post-Offer Restructuring*) in particular.

With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, the Shareholders are hereby invited to tender their Shares under the Offer in the manner, on the terms and subject to the conditions and the restrictions set out in this Offer Memorandum.

5.2 Offer Price

For each Tendered Share that is not validly withdrawn and is transferred (*geleverd*) under the Offer, subject to the Offeror declaring the Offer unconditional (*gestand doen*), the Offeror offers the Offer Price, being a cash consideration of EUR 5.45 (five euro and forty-five eurocents) cum dividend, without interest and less mandatory withholding tax payable under applicable Law (if any).

The Offer Price is “cum divided”. Consequently, if on or after 1 November 2020 any Distribution is declared by Kiadis whereby the record date for entitlement to such Distribution is on or prior to the Settlement Date, then the Offer Price will be decreased by the full amount of any such Distribution made by Kiadis in respect of each Share (before any applicable withholding tax). At the date of this Offer Memorandum, there are no Distributions envisaged by Kiadis.

Any adjustment to the Offer Price, resulting from a Distribution by Kiadis or an increase of the Offer Price, will be communicated by means of a press release in accordance with Section 5.16 (*Announcements*) of this Offer Memorandum. For the avoidance of doubt, in case of any adjustment of the Offer Price, all references in this Offer Memorandum to “Offer Price” shall be to such adjusted Offer Price, except for purposes of Section 6.3 (*Substantiation of the Offer Price*), 6.7 (*Decision making and Recommendation by the Kiadis Boards*), 9 (*Further information required by the Decree*) and 10 (*Material Dutch and Belgian Tax consequences of the Offer*).

5.3 Acceptance by the Shareholders

The tender of any Share by a Shareholder constitutes an acceptance of the Offer by the Shareholder. Shareholders are requested to make their acceptance known through their custodian, bank or stockbroker no later than by the closing time, being 17:40 hours CET on the Closing Date (the **Closing Time**). The relevant custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate the acceptances to the Settlement Agent in a timely manner. Accordingly, Shareholders should contact such financial intermediary to obtain information about the deadline by which such

Shareholder must send instructions to the financial intermediary to accept the Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

The institutions admitted to Euronext Amsterdam or Euronext Brussels (*aangesloten instelling*) (**Admitted Institutions**) can tender Shares for acceptance only to the Settlement Agent and only in writing. In submitting the acceptance, the Admitted Institutions are required to declare that:

- (a) they have the Tendered Shares tendered by the relevant Shareholder in their administration;
- (b) each Shareholder who accepts the Offer irrevocably represents and warrants that (i) the Tendered Shares are being tendered in compliance with the restrictions set out in Sections 2 (*Restrictions*) and 3 (*Important Information*) and (ii) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the US “Sectoral Sanctions Identifications (SSI) List” or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended, and
- (c) they undertake to effect the transfer (*levering*) of these Tendered Shares to the Offeror on or before the Settlement Date, provided that the Offer has been declared unconditional (*gestand is gedaan*).

Although under normal circumstances the relevant Admitted Institution will ensure that the Tendered Shares are transferred (*geleverd*) to the Offeror, if so instructed by the Shareholder, Shareholders are advised that each Shareholder is responsible for the transfer (*levering*) of such Tendered Share to the Offeror.

Subject to withdrawal rights as set out in Section 5.7 (*Withdrawal rights*), the tendering of Shares in acceptance of the Offer will constitute irrevocable instructions by the relevant Shareholder to the relevant Admitted Institution to:

- (a) block any attempt to transfer (*levering*) Shares, so that on or before the Settlement Date no transfer (*levering*) of such Shares can be effected (other than any action required to effect the transfer (*levering*) to the Offeror);
- (b) debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment of the Offer Price for such Tendered Shares by the Settlement Agent on the Offeror’s behalf; and
- (c) effect the transfer (*leveren*) of such Tendered Shares to the Offeror.

5.4 Acceptance by holders of Shares individually recorded in Kiadis’ shareholders’ register

Shareholders owning Shares individually recorded in Kiadis’ shareholders’ register that choose to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Settlement Agent. Completed acceptance forms should be received by the Settlement Agent prior to the Closing Time. The acceptance forms are available upon request from the Settlement agent:

ING Bank N.V.
Bijlmerdreef 106
1102 CT Amsterdam, the Netherlands
iss.pas@ing.com

The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

5.5 Validity of the Tendered Shares; waiver of defects; return of Tendered Shares

The Offeror will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of Shares, in its sole reasonable discretion and the Offeror's determination will be final and binding. The Offeror reserves the right to reject any and all tenders of Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. The Offeror's interpretation of the terms and conditions of the Offer, including the acceptance forms and instructions thereto, will be final and binding.

There shall be no obligation on the Offeror, the Settlement Agent, or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification.

The Offeror reserves the right to accept any tender of Shares pursuant to the Offer, even if such tender has not been made in compliance with the terms and conditions of the Offer, including the procedures set forth in this Section 5.3 (*Acceptance by Shareholders*).

If any Shares tendered in accordance with the instructions set forth in this Offer Memorandum are not accepted for purchase pursuant to the terms and conditions of this Offer, the Offeror will cause these Shares to be returned promptly following the announcement of the lapse or withdrawal of the Offer, as the case may be.

5.6 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares under the Offer, by such tender, on the date that such Shares are tendered and up to and including the Settlement Date (or, with respect to Shares tendered in the Post-Acceptance Period, up to and including the settlement date for such Shares) undertakes, represents and warrants to the Offeror that:

- (a) the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms, conditions and restrictions of the Offer as set out in this Offer Memorandum;
- (b) such Shareholder has full power and authority to tender, sell and transfer (*leveren*) the Shares tendered by it, and has not entered into any other agreement to tender, sell or transfer (*leveren*) the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching to the Shares) and, when the Shares are transferred (*geleverd*) to Offeror, the Shareholder will have sole legal and beneficial title to the Shares and those

Shares are free of any third-party rights and restrictions of any kind, unless such third-party rights and restrictions arise solely and result directly from the Shares being held in book entry form in Euroclear Nederland;

- (c) such Shares are being tendered in compliance with the restrictions as set out in Section 2 (*Restrictions*) and Section 3 (*Important Information*) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares;
- (d) such Shareholder acknowledges and agrees that having tendered its Shares, such Shareholder shall, as from the Settlement Date, be deemed to have waived any and all rights or entitlements that such Shareholder may have in its capacity as shareholder of Kiadis or otherwise in connection with its shareholding in Kiadis vis-à-vis any member of the Kiadis Group and any member of the Kiadis Boards; and
- (e) such Shareholder is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the US government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. “Sectoral Sanctions Identifications (SSI) List” or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended.

Furthermore, each Shareholder tendering Shares under the Offer, by such tender, acknowledges towards and agrees with the Offeror (i) that it has received this Offer Memorandum, and has reviewed and accepted the restrictions, terms, conditions and other considerations of the Offer, all as described in this Offer Memorandum, and has undertaken an analysis of the implications of the Offer without reliance on the Offeror, the Settlement Agent or any other representative of the Offeror, except as set forth in this Offer Memorandum and (ii) as of the date on which its Shares are transferred (*geleverd*) to the Offeror, to have waived any and all rights or entitlements that the Shareholder may have in its capacity as Shareholder or otherwise in connection with its shareholding in Kiadis vis-à-vis Kiadis, any of the Group Companies and any past or current member of the Kiadis Boards.

5.7 Withdrawal rights

Shares tendered on or prior to the Closing Time may not be withdrawn, subject to the right of withdrawal of any tender pursuant to the provisions of Article 5b, Paragraph 5 and Article 15, Paragraph 8 of the Decree or:

- (A) during any extension of the Acceptance Period in accordance with the provisions of Article 15, Paragraph 3 of the Decree; or
- (B) following an increase of the Offer Price as a result of which the Offer Price no longer only consists of a cash component and in respect of which increase a document is made generally available pursuant to Article 15a, Paragraph 3 of the Decree, provided that such Shares were already tendered before such document was made generally available and withdrawn within seven (7) Business Days after such document was made generally available.

To withdraw previously tendered Shares, Shareholders must instruct the Admitted Institution they initially instructed to tender the Shares to arrange for the withdrawal of such Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Settlement Agent at the address set out in Section 3.6 (*Contact details*).

Any notice of withdrawal must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Admitted Institution, unless such Shares have been tendered for the account of any Admitted Institution. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Offeror, in its sole discretion, which determination will be final and binding. Shareholders should contact their financial intermediary to obtain information about the deadline by which such Shareholder must send instructions to the financial intermediary to withdraw their acceptance of the Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by the procedure for tendering Shares described in Section 5.3 (*Acceptance by the Shareholders*).

During the Post-Closing Acceptance Period (if any), no withdrawal rights will apply to Shares tendered during such Post-Closing Acceptance Period or to Shares tendered under the Offer on or prior to the Closing Time and accepted by the Offeror.

5.8 Acceptance Period

The Acceptance Period will commence at 09:00 hours CET, on 15 February 2021 and will expire on 12 April 2021 at 17:40 (such period, as it may be extended from time to time in accordance with Article 15 of the Decree and Section 5.10 (*Extension*), the **Acceptance Period**).

If the Offer is declared unconditional (*gestand wordt gedaan*) by the Offeror, the Offeror will accept all Tendered Shares not previously validly withdrawn in accordance with the procedures set forth in Article 15 of the Decree and Section 5.3 (*Acceptance by the Shareholders*).

5.9 Declaring the Offer Unconditional

The obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to the satisfaction or waiver of the Offer Condition in accordance with Section 6.6(a) (*Offer Conditions*). The Offer Conditions may be waived, to the extent permitted by the Law or by agreement, as set out in Section 6.6(b) (*Waiver*). If the Offeror, Kiadis, or each of the Offeror and Kiadis where relevant, wishes to (wholly or partly) waive one or more Offer Conditions according to Section 6.6(b) (*Waiver*), the Offeror will inform the Shareholders as required by the Law.

No later than the Unconditional Date, the Offeror will determine whether the Offer Conditions have been satisfied or waived as set out in Section 6.6 (a) (*Offer Conditions*), to the extent permitted by Law. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is

declared unconditional, (ii) the Offer will be extended in accordance with Article 15 of the Decree, and Section 5.10 (*Extension*) or (iii) the Offer is terminated as a result of the Offer Conditions set out in Section 6.6(a) (*Offer Conditions*) not having been satisfied or waived, all in accordance with Section 6.6(b) (*Waiver*) and 6.6(c) (*Satisfaction*) and Article 16 of the Decree. In the event that the Offer is not declared unconditional, the Offeror will explain such decision.

5.10 Extension of the Acceptance Period

If any of the Offer Conditions is or are not satisfied or waived on the then scheduled Closing Date, the Offeror may, after consultation with Kiadis and in accordance with Article 15 of the Decree, extend the Acceptance Period, provided that (i) the extension of the Acceptance Period shall be no less than 2 (two) weeks and no more than 10 (ten) weeks calculated from the initial Closing Date; and (ii) any subsequent extension shall be, subject to the receipt of an exemption granted by the AFM.

For the avoidance of doubt, in case of any extension of the Acceptance Period, all references in this Offer Memorandum to “Closing Time” and “Closing Date” shall, unless the context requires otherwise, be changed to the latest time or date (as applicable) to which the Acceptance Period has been so extended.

If the Acceptance Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional (*gestand wordt gedaan*) is postponed, a public announcement to that effect will be made ultimately on the third (3rd) Business Day following the Initial Closing Date in accordance with the provisions of Article 15, Paragraphs 1 and 2 of the Decree. If the Offeror extends the Acceptance Period, the Offer will expire on the latest time and date to which the Offeror extends the Acceptance Period.

During an extension of the Acceptance Period, any Shares previously tendered and not withdrawn in accordance with Section 5.7 (*Withdrawal Rights*) will remain tendered under the Offer. Any Shares tendered during the extension of the Acceptance Period cannot be withdrawn, subject to the withdrawal rights set forth in Section 5.7 (*Withdrawal Rights*).

5.11 Settlement

If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror will accept the transfer (*levering*) of all Tendered Shares on the terms of the Offer.

On the Settlement Date, the Offeror will pay the Offer Price in respect of each Tendered Share tendered during the Acceptance Period and transferred (*geleverd*) to the Offeror by a Shareholder to such Shareholder's Admitted Institution, on the terms set out in this Offer Memorandum. The Settlement Date shall be no later than five (5) Business Days after the Unconditional Date. The Offeror cannot guarantee that Shareholders will actually receive the Offer Price from their Admitted

Institution within this period. No specific action is required from the Shareholders regarding the delivery of the Offer Price.

As of the Settlement Date, revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of the tendering, sale or transfer (*levering*) of any Share tendered during the Post-Closing Acceptance Period is not possible.

5.12 Post-Closing Acceptance Period

If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror shall publicly announce the Post-Closing Acceptance Period to enable Shareholders who did not tender their Shares during the Acceptance Period to tender their Shares on the same terms and subject to the same conditions and restrictions as the Offer.

The Offeror will publicly announce the results of the Post-Closing Acceptance Period, accompanied by the number and percentage of Shares that have been tendered during the Post-Closing Acceptance Period and the total number and total percentage of Shares held by it in accordance with Article 17, Paragraph 4 of the Decree no later than on the third (3rd) Business Day following the last day of the Post-Closing Acceptance Period.

The Offeror shall continue to accept the transfer (*levering*) all Shares validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during such Post-Closing Acceptance Period and shall pay for such Shares as soon as reasonably practicable after the last day of the Post-Closing Acceptance Period and in any case no later than on the fifth (5th) Business Day following the last day of the Post-Closing Acceptance Period.

During the Post-Closing Acceptance Period, Shareholders have no right to withdraw Shares from the Offer, whether validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during the Acceptance Period or during the Post-Closing Acceptance Period.

As of the relevant settlement date, revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of the tendering, sale or transfer (*levering*) of any Share tendered during the Post-Closing Acceptance Period is not possible.

5.13 Costs related to tendering

No costs will be charged to Shareholders by the Offeror or by Kiadis for the transfer (*levering*) of or payment for the Tendered Shares held through an Admitted Institution. However, Shareholders may be charged certain fees by Admitted Institutions or their custodians, their banks or stockbrokers. Shareholders should consult their Admitted Institution, custodian, bank or stockbroker regarding any charges. Costs might also be charged if a foreign institution is involved in the transfer (*levering*) of or payment for the Tendered Shares.

5.14 Withholding

The Offeror is entitled to deduct and withhold from the Offer Price such amounts as the Offeror is required to deduct and withhold with respect to the payment of the Offer Price under any provision of applicable tax or social security law. To the extent that amounts are so deducted and withheld by

the Offeror, such amounts shall be treated for all purposes as having been paid to the Shareholders on behalf of which such deduction and withholding was made by the Offeror.

5.15 Restrictions

The Offer is being made with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer that is made by or on behalf of a Shareholder, even if it has not been effected in the manner as set out in Section 5.3 (*Acceptance by the Shareholders*).

5.16 Announcements

Any further announcement in relation to the Offer, including whether or not the Offeror declares the Offer unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Acceptance Period, if any will be made by press release. Any press release issued by the Offeror will be made available on the website of the Offeror (www.sanofi.com). Any press release issued by Kiadis will be made available on the website (www.kiadis.com).

Subject to any applicable requirements of the Law and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to make any public announcement other than as described in this Offer Memorandum.

5.17 Indicative timetable

Expected date and time (All times are CET)	Event
12 February 2021	Press release announcing the availability of this Offer Memorandum and the Position Statement and the commencement of the Offer Convocation of the EGM
09:00 hours 15 February 2021	Commencement of the Acceptance Period
30 March 2021	EGM, at which meeting the Offer, among other matters, will be discussed and the Resolutions will be voted on
17:40 hours 12 April 2021	Initial Closing Date: deadline for Shareholders wishing to tender Shares, unless the Offer is extended in accordance with Article 15 of the Decree as described in Section 5.10 (<i>Extension</i>)
No later than three Business Days after the Closing Date	Unconditional Date: the date on which the Offeror will publicly announce whether the Offer is

Expected date and time (All times are CET)	Event
	declared unconditional (<i>gestand wordt gedaan</i>) in accordance with Article 16 of the Decree
No later than five Business Days after the Unconditional Date	Settlement Date: the date on which, in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share. The Offeror cannot guarantee that Shareholders will receive the payment of the Offer Price from their Admitted Institution within the same time period
No later than three Business Days after the Unconditional Date	Post-Closing Acceptance Period: if the Offer is declared unconditional, the Offeror will announce a Post-Closing Acceptance Period for a period of two weeks
No later than three Business Days after the expiration of the Post-Closing Acceptance Period	Offeror will publicly announce the results of the Post-Closing Acceptance Period
No later than five Business Days after the expiration of the Post-Closing Acceptance Period	Settlement of the Shares tendered during the Post-Closing Acceptance Period: in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share

6. EXPLANATION AND BACKGROUND OF THE OFFER

6.1 Background and public announcements

During the first half of 2020, Sanofi and Kiadis have had several discussions on a potential co-operation, as set out more extensively in the Position Statement. On 8 October 2020, a confidentiality agreement was signed by Sanofi and Kiadis, 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 non-binding offer letter, expressing an interest in acquiring Kiadis. Following review of this offer letter by the Kiadis Boards, together with their advisors, constructive discussions between Sanofi and 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 their advisors on the terms and conditions of a potential acquisition took place, resulting in a merger agreement being executed on 1 November 2020. On 2 November 2020, Sanofi and Kiadis jointly announced that they reached conditional agreement in connection with a recommended public offer by Sanofi for all the Shares at an offer price of EUR 5.45 (cum dividend) in cash for each Share, subject to customary conditions, and that Sanofi intends to finance the offer by utilizing readily available cash resources (the **Initial Announcement**). Reference is made to Section 11.1 (*Initial Announcement dated 2 November 2020*).

On 30 November 2020, Sanofi and Kiadis jointly announced that they were making good progress on the preparations of the Offer and that the Offeror would submit a request for review and approval of the Offer Memorandum with the AFM. Reference is made to Section 11.2 (*Four weeks announcement dated 30 November 2020*).

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 Sanofi and Kiadis anticipated that the Offer would close during the first half of 2021. Reference is made to Section 11.3 (*Press release satisfaction competition condition related to the tender offer dated 9 December 2020*).

6.2 The Offer

The Offeror is making an offer to purchase from the Shareholders all the Shares on the terms and subject to the conditions and restrictions contained in this Offer Memorandum.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*), Shareholders who have tendered and transferred their Shares under the Offer will receive the Offer Price in respect of each Tendered Share.

6.3 Substantiation of the Offer Price

(a) General

In establishing the Offer Price, the Offeror carefully considered the history and prospects of Kiadis, analyses of historical financial information derived from Kiadis' annual and interim accounts, information included in the virtual data room, information derived from various management and expert sessions, equity research reports and press releases as well as possible long-term developments in profitability, patents, licenses, capital and balance sheet. In this context, the Offeror also took into account Kiadis' risk profile compared to private and publicly listed comparable companies based on its capital and liquidity position, as well as its risk sensitivities. In addition, the Offeror took into account historical market values of the Shares traded on Euronext Amsterdam and Euronext Brussels, as set forth below.

(b) Analysis

The Offer Price has been based on the following financial analysis by the Offeror:

- (i) a sum-of-the-parts discounted cash flow analysis for Kiadis of clinical product candidates and early-stage pipeline, on a risk-adjusted basis for probability of success, applying a range of risk adjustments typical for preclinical and clinical stage programs. This analysis also included programs that could be potentially combined with Sanofi's existing pipeline. The analysis was based on a forecast period until 2040 and used a range of discount rates, appropriate for the combined and standalone business entities;
- (ii) selected analyst price targets for the Shares, issued prior to 30 October 2020 (the **Reference Date**) by 5 research analysts who follow Kiadis' developments and issue research reports on Kiadis. This included reports from equity research functions of Piper Sandler, KBC Securities, Kempen & Co, Jefferies and Canaccord Genuity over the 6 months leading up to the transaction announcement. The median target price per Share based on the most recent target price estimate from these reports was EUR 2.80 (range from EUR 2.40 to EUR 4.50);
- (iii) the closing price of the Shares since 30 October 2019 up to and including the Reference Date. This included an analysis of the Offer Price premium versus the current price per Share (for example, EUR 1.46 as at the Reference Date), the 52-week high closing price per Share (EUR 3.21) and the volume-weighted average closing price per Share for different time intervals. The premium against the 52-week high closing price per Share is 70% and the premium against the volume-weighted average closing price per Share ranges from 272% for the thirty trading days prior to the Reference Date to 169% for the twelve month period prior to the Reference Date. During this period, the closing price of the Shares ranged from EUR 1.27 to EUR 3.21;
- (iv) precedent transactions of biotechnology companies over the last three years, including a comparison of:

- I. the premium to unaffected closing price per Share and the 52-week high closing price per Share implied by the Offer;³
 - II. the multiple of enterprise value, implied by the Offer, to future estimated revenue (non-risk-adjusted and risk-adjusted for probability of success);
 - III. with selected transactions being: Gilead Sciences/Immunomedics, Menarini Group/Stemline Therapeutics, Gilead Sciences/Forty Seven, Merck & Co/ArQule, Sanofi/Synthorx, Novartis/Endocyte, and Sanofi/Ablynx; and
- (v) return on invested capital and internal rate of return.

Given the very early-stage nature of the Kiadis pipeline and platform (including the recently integrated CytoSen business), the DCF analysis represents the most fundamental and complete reflection of all clinical programs in development by Kiadis (often not fully credited by the research analyst community) as well as programs for potential combination with Sanofi's existing pipeline. This analysis forms a key part of the Offer Price which has been supported by additional analyses including the precedent transaction comparables.

(c) Bid Premia

The Offer represents:

- (i) a premium of 272% to the closing price per Share on Euronext Amsterdam and Euronext Brussels on the Reference Date;
- (ii) a premium of 247% to the volume-weighted average closing price per Share on Euronext Amsterdam and Euronext Brussels for the 30 (thirty) trading days prior to and including the Reference Date;
- (iii) a premium of 200% to the volume-weighted average closing price per Share on Euronext Amsterdam and Euronext Brussels for the 90 (ninety) trading days prior to and including the Reference Date;
- (iv) a premium of 169% to the volume-weighted average closing price per Share on Euronext Amsterdam and Euronext Brussels for the 12 (twelve) month period prior to and including the Reference Date; and
- (v) a premium of 70% to the highest closing price per Share on Euronext Amsterdam and Euronext Brussels for the 52 (fifty-two) week period prior to and including the Reference Date.

³ The median premium to the unaffected closing price per Share and the 52-week high closing price per Share of the precedent transactions was 110% and 92% respectively.

6.4 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 commercialisation of Kiadis' trajectory and pipeline programs by leveraging the Offeror Group's global infrastructure and capabilities in research, CMC, development, manufacturing and commercialisation, 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 Offer Memorandum, the Offeror Group has no intentions with regards to the place of establishment of Kiadis, other than as described in Section 6.17(c) (*Non-Financial Covenants*).

6.5 Financing of the Offer and Kiadis

The Offer values 100% of the Shares at approximately EUR 308,000,000 (three hundred and eight million euro).⁴ Because the 2025-I and 2025-II Warrants, which amount to 5,238,747 Warrants in total, will not be settled in cash, but exercised with a lower exercise price, the Fully Diluted share count consist of 40,308,501 ordinary Shares outstanding, 7,446,147 Shares from in-the-money Options, 2,585,507 Shares from the conversion of the Kreos Capital Facility Agreements, and 5,505,874 Milestone Shares, resulting in a total of 61,084,776 Shares. The Offeror shall pay the Offer Price fully through readily available cash resources. Reference is also made to the Initial Announcement in which the certainty of funds was announced in accordance with Article 7, Paragraph 4 of the Decree.

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**). 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. The total principal amount agreed upon in the Bridge Loan amounts to EUR 27,700,000 (twenty seven million and seven hundred thousand euro). 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) or terminated following a Superior Offer, as described in Section 6.27(a)(iv), 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 utilisation of a facility (with a six month automatic extension period). The facilities

⁴ 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.

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 favoured nation provision giving the lender the benefit of any more favourable 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.

6.6 Offer Conditions, waiver and satisfaction

(a) Offer Conditions

Notwithstanding any other provisions of the Offer, the obligation of the Offeror to declare the Offer unconditional (*het bod gestand doen*) is subject to the following conditions precedent being satisfied or waived, as the case may be, on or before the Long Stop Date (the **Offer Conditions**):

Acceptance Level

- (i) the Tendered Shares, together with (i) the Shares directly or indirectly owned by Sanofi, the Offeror or any their Affiliates, (ii) any shares irrevocably committed to Sanofi, the Offeror or any of their Affiliates and (iii) any Shares to 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% (ninety-five per cent) 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% (eighty per cent) 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 are in full force and effect on the Closing Date and (ii) the condition set out in Section 6.6 (a)(viii) under (b) relating to the Post-Offer Restructuring is satisfied or waived;

No Material Adverse Effect

- (ii) no Material Adverse Effect has occurred which is continuing on the Closing Date;

No breach by Kiadis

- (iii) Kiadis has not breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have a material adverse effect on Kiadis, the Offeror, the Offer or the Post-Offer Restructuring, and (ii) is either incapable of being remedied within 10 (ten) Business Days from the date of receipt by Kiadis of a written notice from the Offeror or has not been remedied by Kiadis within 10 (ten) Business Days from the date of receipt by Kiadis of a written notice from the Offeror;

No breach by the Offeror

- (iv) the Offeror has not breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have a material adverse effect on Kiadis, the Offeror, the Offer or the Post-Offer Restructuring, and (ii) is either incapable of being remedied within 10 (ten) Business Days from the date of receipt by the Offeror of a written notice from Kiadis or has not been remedied by the Offeror within 10 (ten) Business Days from the date of receipt by the Offeror of a written notice from Kiadis;

Recommendation not revoked or changed

- (v) no Adverse Recommendation Change having occurred;

No Superior Offer

- (vi) no Superior Offer for Kiadis is either (i) agreed upon by the third party offeror and Kiadis, or (ii) launched;

No mandatory third party offer

- (vii) no third party, unrelated to the Offeror, either (i) is obliged and has announced, within the meaning of article 5 Paragraph 3 of the Decree, to make, or (ii) has made a mandatory offer pursuant to article 5:70 DFSA for all Shares of Kiadis with a consideration that is at least equal to the Offer Price;

No Governmental or Court Order

- (viii) there is no Governmental or Court Order in effect, which in each case (x) and (y) (as stated in the definition of Governmental or Court Order) prohibits (whether or not without prior approval from a competent Regulatory Authority) the consummation of (a) the Offer or (b) the Post-Offer Restructuring in any material respect;

No notification by AFM of violation DFSA

- (ix) no notification has been received from the AFM stating that the preparation of the Offer has been made in violation of chapter 5.5 of the DFSA, and that, pursuant to article 5:80 Paragraph 2 of the DFSA, the investment firms

(*beleggingsondernemingen*, as defined in the DFSA) would not be allowed to cooperate with the Offer; and

No suspension of trading

- (x) trading in the Shares on Euronext Amsterdam or Euronext Brussels not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam or Euronext Brussels in accordance with article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules).

(b) Waiver

The Offer Conditions set forth in Sections 6.6(a) (i), (ii), (iii), (v), (vi), and (vii) are for the sole benefit of the Offeror and may, to the extent permitted by Laws, be waived (either in whole or in part) by the Offeror at any time, in its sole discretion, by written notice to Kiadis; provided, however, that a waiver of the Offer Condition set out in Section 6.6(a) (i) will require 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) represents, at the Closing Date, less than 66.67% (sixty five per cent) of the aggregate issued and outstanding ordinary capital (*geplaatst en uitstaand gewoon kapitaal*) of Kiadis on a Fully Diluted basis.

The Offer Condition set forth in Section 6.6(a) (iv) is for the sole benefit of Kiadis and may, to the extent permitted by Law, be waived (either in whole or in part) by Kiadis at any time, in its sole discretion, by written notice to the Offeror.

The Offer Conditions set forth in Section 6.6(a) (viii) and (x) are for the benefit of both Kiadis and the Offeror and may, to the extent permitted by Law, be waived (either in whole or in part) by Kiadis and the Offeror jointly by written agreement.

The Offer Conditions set forth in Section 6.6(a)(ix) cannot be waived.

No Party may invoke any of the Offer Conditions if the non-satisfaction of such condition(s) is caused by a breach of that Party of any of its obligations under the Merger Agreement.

In the event that the Acceptance Threshold at the Closing Date is 95% (ninety-five per cent) of Kiadis' aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) on a Fully Diluted basis, the Offeror shall, upon request of Kiadis, timely waive the Offer Condition set out in Section 6.6(a) (viii) under (b) (No Governmental or Court Order) to the extent the relevant governmental or court order solely relates to the Post-Offer Restructuring.

(c) Material Adverse Effect

To the Offeror's knowledge, at the date of this Offer Memorandum, there are no Effects that, in aggregate, would result in a Material Adverse Effect.

(d) Satisfaction

The satisfaction of each of the Offer Conditions does not depend on the will of the Offeror as prohibited by Article 12, Paragraph 2 of the Decree.

Each of the Offeror and Kiadis shall use its reasonable best efforts to procure the fulfilment of each of the Offer Conditions as soon as reasonably possible. If at any time either the Offeror or Kiadis becomes aware of any event or circumstance that would have a significant impact on the satisfaction of an Offer Condition it shall promptly notify the other Party thereof.

With respect to the Offer Condition set out in Section 6.6(a)(ii), the Offeror and Kiadis have agreed on a binding advice procedure in the event the Offeror considers this Offer Condition not satisfied and Kiadis disagrees. In such event, a binding advisor shall decide on the matter within 10 (ten) Business Days from the date having been referred to the binding advisor or such shorter period as the Offeror and Kiadis may agree, it being understood that a decision shall be rendered no later than noon CET on the Business Day before the Unconditional Date. The binding advisor will be appointed in accordance with the binding advice procedure (*bindend advies reglement*) of the NAI (*Nederlands Arbitrage Instituut*). The binding advice shall be final and binding upon the Offeror and Kiadis.

6.7 Decision making and Recommendation by the Kiadis Boards

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, the Offer Price to be received by Shareholders in the Offer or 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 included in the Position Statement.

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 favour of the Resolutions (the **Recommendation**).

Neither the Kiadis Boards nor its members may effect an Adverse Recommendation Change, save for a withdrawal in accordance with Sections 6.20 (*Exclusivity and Alternative Proposal*) to 6.26 (*Consecutive (Potential) Superior Offers*).

6.8 Shareholdings of the members of the Kiadis Boards

Shares and Options held by the members of the Supervisory Board

At the date of this Offer Memorandum, 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 Offer Memorandum, 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

Transactions in the year prior to the date of this Offer Memorandum

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 this Offer Memorandum.

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

6.9 Irrevocable undertakings of Shareholders and members of the Kiadis Boards

Funds managed by Life Sciences Partners⁵ have irrevocably undertaken on customary terms and conditions to tender their respective Shares, amounting to approximately 18.26%⁶ 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 favour 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 this 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

⁵ 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 shareholding based on the amount of shares held by the respective entities and the issued capital of Kiadis on 2 November 2020.

⁶ Percentage shareholding based on the amount of Shares held by the funds managed by Life Sciences Partners and the issued capital of Kiadis on 2 November 2020.

favour of the Resolutions. For further information, please refer to Section 7.8(c) (*Warrants*), 7.8(d) (*Convertible Notes*), and 7.8(e) (*Rights of holders of CytoSen shares and options*),

Mr Kleijwegt and Mr Saxena, both members of the Supervisory Board of Kiadis, hold a certain number of Shares, as described in Section 6.8 (*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 favour 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 this 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.

6.10 Respective cross-shareholdings Sanofi – Kiadis

As at the date of this Offer Memorandum, neither Sanofi nor Offeror, nor any of their Affiliates directly or indirectly holds any shares in the capital of Kiadis.

In the year preceding the date of the Offer Memorandum, neither Sanofi nor the Offeror have executed transactions in relation to Kiadis securities.

The Offeror and its affiliates or brokers (acting as agents for the Offeror or its affiliates, as applicable) reserve the right to, to the extent permissible under applicable law or regulation, from time to time after the date of the Offer Memorandum, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, Shares that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase has to be made public in the Netherlands, such information will be disclosed by means of a press release to inform Shareholders of such information.

As at the date of this Offer Memorandum, neither Kiadis nor any of its Affiliates directly or indirectly holds any shares in the capital of the Offeror and/or Sanofi.

6.11 Consequences of the Offer for non-tendering Shareholders

It is likely that the Offer, if and when it is declared unconditional, has implications for the Shareholders who did not tender their Shares. Therefore, Shareholders considering not tendering their Shares under the Offer should carefully review the Sections of this Offer Memorandum that further explain the intentions of the Offeror, such as this Section 6.11 (*Consequences of the Offer*) and Section 6.11(d) (*Post-Offer Restructuring*), which describe certain actual or potential implications to which such non-tendering Shareholders will be subject if the Offer is declared unconditional and settled. These risks are in addition to the risks associated with holding securities issued by Kiadis generally, such as the exposure to risks related to the business of the Kiadis Group,

the markets in which the Kiadis Group operates, as well as economic trends affecting such markets generally as such business, markets or trends may change from time to time after the Settlement Date.

(a) Intentions following the Offer being declared unconditional

If the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror and Kiadis:

- (i) shall as soon as possible seek to procure delisting of the Shares from Euronext Amsterdam and Euronext Brussels and seek to terminate the listing agreement between Kiadis and Euronext Amsterdam respectively Euronext Brussels in relation to the listing of the Shares; and
- (ii) intend to have the Offeror acquire all Shares not yet owned by it or the entirety of Kiadis' assets and operations (including the Group's entire business), through a Buy-Out, the Post-Offer Restructuring and/or one or more Post-Closing Measures.

(b) Liquidity and delisting

The purchase of Shares by the Offeror pursuant to the Offer will reduce the number of Shareholders, as well as the number of Shares that might otherwise be traded publicly. As a result, the size of the free float in Shares may be substantially reduced following Settlement and trading volumes and liquidity of Shares may be adversely affected. The Offeror does not intend to compensate the Shareholders for such adverse effect. Should the Offer be declared unconditional, the Offeror and Kiadis shall seek to procure the delisting of the Shares on Euronext Amsterdam and Euronext Brussels as soon as possible under Applicable Rules. This may further adversely affect the liquidity and market value of any Shares not tendered.

Delisting of the Shares from Euronext Amsterdam and Euronext Brussels may be achieved on the basis of at least 95% of the Shares having been acquired by the Offeror or in the basis of the Post-Offer Restructuring or a Post-Closing Measure. In the event that Kiadis will no longer be listed, the provisions applicable to the governance of listed companies will no longer apply and the rights of remaining minority Shareholders may be limited to the statutory minimum.

(c) 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% (ninety-five per cent) 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 6.11(d) (*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 Dutch Civil Code.

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 (*Material Dutch and Belgian Tax consequences of the Offer*).

(d) Post-Offer Restructuring

Subject to (i) the adoption of the Post-Offer Resolutions, (ii) the Tendered Shares representing at least 80% (eighty per cent) and less than 95% (ninety five per cent) 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:

- (i) as soon as possible after the Offeror's decision to pursue the Post-Offer 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
- (ii) following the completion of the Asset Sale, effect the dissolution and liquidation of Kiadis (the **Kiadis Dissolution** and, 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**).

In the event that following the Post-Closing Acceptance Period the Offeror holds less Shares than the Post-Offer Restructuring Threshold, neither of the Parties shall be required to cooperate 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.

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 Sanofi Group and (ii) for the Sanofi Group to acquire 100% of the Shares or Kiadis' assets and operations. This importance is based, *inter alia*, on:

- (i) 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 Sanofi Group; and
- (iii) 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 Sanofi Group and realise the operational, commercial, organisational, 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 pre-wired 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 6.11(e).

(e) Other measures

Without prejudice to Section 6.11(c) and Section 6.11(d) 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 Sanofi Group and realise the operational, commercial, organisational, 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 (the **Minority Shareholders**) of Kiadis (**Post-Closing Measures**), including:

- (i) 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;
- (ii) 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;

- (iii) a statutory legal demerger (*juridische splitsing*) of Kiadis in accordance with article 2:334a et seq of the DCC;
- (iv) 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;
- (v) 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;
- (vi) a distribution of proceeds, cash and/or assets to the shareholders of Kiadis or share buybacks;
- (vii) a liquidation of Kiadis;
- (viii) a subsequent public offer for any Shares held by minority shareholders;
- (ix) a conversion of Kiadis into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);
- (x) any transaction between Kiadis and the Offeror or their respective Affiliates at terms that are not at arm's length;
- (xi) 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 utilising any carry forward tax losses available to Kiadis, the Offeror or any of their respective Affiliates;
- (xii) 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
- (xiii) 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 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.

(f) Dividend policy

The Shareholders should be aware that Kiadis may or may not pay dividends in the future. Future dividends paid may be of a one-off nature only and the amount of any dividends will depend on a number of factors associated with the Offeror's tax and financial preferences from time to time. Any Distribution made in respect of Shares after the Settlement Date will be deducted for the purpose of

establishing the value per Share in the Buy-Out, the Post-Offer Restructuring or any other Post-Closing Measure contemplated by Section 6.11 (d) (*Post-Offer Restructuring*) and Section 6.11 (e) (*Post-Offer Restructuring*).

(g) Dutch Corporate Governance Code

As long as the Shares are listed on Euronext Amsterdam, Kiadis shall continue to comply with the Dutch Corporate Governance Code (except for deviations that find their basis in the Merger Agreement, as disclosed in this Offer Memorandum (including, but not limited to the composition of the Supervisory Board as described in Section 6.14 (*Composition of the Kiadis Supervisory Board*), which entails that (i) the majority of the Supervisory Board shall not be “independent” as defined in the Dutch Corporate Governance Code, but are nominated by the Offeror and (ii) the chairman of the Supervisory Board shall not be “independent” as defined in the Dutch Corporate Governance Code, but is nominated by the Offeror) and other deviations in accordance with the “explain” requirement in respect of such deviations). Current deviations from the Dutch Corporate Governance Code by Kiadis are described on page 25 of Kiadis’ annual report for the financial year 2019, which is available on the website of Kiadis (www.kiadis.com). There are currently no intentions for post-Settlement deviations from the Dutch Corporate Governance Code by Kiadis other than the current deviations and deviations that find their basis in the Merger Agreement (as disclosed in this Offer Memorandum).

(h) Tax treatment of distributions

The Offeror and Kiadis give no assurances and have no responsibility with respect to the tax treatment of Shareholders with respect to any distributions made by Kiadis or any successor entity to Kiadis on the Shares, which may include dividends, interest, repayments of principal, repayments of capital and liquidation distribution.

6.12 Role and veto right of Independent Members

(a) 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 applicable 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.

(b) Approval rights of Independent Members

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

- (i) 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*);

- (ii) any shares issued to a third party not being an Affiliate of a Party at the time of such issue;
- (iii) the Buy-Out;
- (iv) the Post-Offer Restructuring; and
- (v) the delisting (including the execution of the draft amended Articles of Association included in Section 14 (*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 shareholders or their reasonable interests, then the affirmative vote of at least 1 (one) Independent Member will be required for approving any such Post-Settlement Restructuring.

(c) **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.

6.13 Amendments to the Articles of Association

The Offeror intends to have the Articles of Association amended in the following instances: (i) following Settlement, and (ii) following termination of the listing of the Shares on Euronext Amsterdam and Euronext Brussels, as included in Section 14 (*Articles of Association*).

The amendment of the Articles of Association following Settlement reflects that Kiadis will have the Offeror as a large majority Shareholder. The amendments mainly relate to (i) transferring or granting certain rights to the general meeting of shareholders and (ii) the deletion of references to preference shares.

The subsequent amendment to the Articles of Association, following delisting from Euronext Amsterdam and Euronext Brussels, will primarily relate to the removal of provisions that are only applicable to listed companies. The amendments include adding more flexibility to the governance structure of Kiadis, in accordance with the conversion from a public limited company (*naamloze vennootschap*) to a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*).

6.14 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 Girard⁷, who are non-independent from the Offeror within the meaning of the Dutch Corporate Governance Code; and
- (B) Mark Wegter and Rob Soiffer as two current members of the Supervisory Board, qualifying as independent within the meaning of the Dutch Corporate Governance Code, to 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 for at least until the first anniversary of the Settlement Date.

6.15 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

6.16 Compensation to the members of the Kiadis Boards in connection with termination/resignation

None of the members of the Supervisory Board who resign with effect from Settlement are entitled to a contractual severance payment or any other form of compensation on termination of service.

6.17 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 6.11(d) (*Post-Offer Restructuring*)), 6.12 (*Role and veto right of Independent Members*), Section 6.14 (*Composition of the Kiadis Supervisory Board*) and this Section 6.17 (*Non-Financial Covenants*) (collectively, the **Non-Financial Covenants**).

(a) Strategic Rationale

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

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.

(b) **Governance**

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 find their basis in the Merger Agreement.

(c) **Organisation / location**

- (i) There will be research and CMC activities at Kiadis' offices in Amsterdam, the Netherlands.
- (ii) The Offeror Group is focussed on ensuring that the Kiadis Group's key management and key staff is retained and offered suitable career opportunities.
- (iii) Sanofi fosters a culture of excellence, where qualified employees are offered suitable training and career progression.

(d) **Employees**

- (i) 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.
- (ii) 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.
- (iii) Any redundancies that need to occur will be done in accordance with all legal requirements.
- (iv) The existing pension rights of the Kiadis Group's current and former employees shall be respected by the Offeror Group.
- (v) 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 and business-oriented 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:

- (A) issuing additional shares in the capital of Kiadis for cash without offering pre-emption rights to minority shareholders in Kiadis;

- (B) 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, in each case, which is not at arm's length; and
- (C) 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 are senior managers of the Offeror's 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**

- (A) 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.
- (B) The Offeror will allocate suitable resources for Kiadis' R&D and CMC activities.

6.18 Duration, benefit and enforcement

The Non-Financial Covenants set out in Section 6.11(d) (*Post-Offer Restructuring*) and Section 6.12 (*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 (eighteen) 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 1 (one) Independent Member.

The Non-Financial Covenants are made to Kiadis and until the first anniversary of the Settlement also to each of the 2 (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

6.19 Notification of the Social Economic Council

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

6.20 Exclusivity and Alternative Proposal

The Offeror and Kiadis have agreed that until the earlier of (i) the date of termination of the Merger Agreement, and (ii) 23:59 hours CET on the Settlement Date, Kiadis shall not, and shall ensure that none of its Group Companies and its and their respective directors, officers, employees, and agents, and/or any other representatives (together the **Relevant Persons**):

- (i) initiate, solicit, knowingly encourage (including by way of furnishing non-public information), or knowingly facilitate, induce any inquiries or the making, submission or announcement of, any proposal, request or offer that constitutes, or could reasonably be expected to lead to or result in, an Alternative Proposal, or
- (ii) subject to Section 6.22 (*Response to a bona fide Potential Superior Offer*), have or pursue any discussion (including any discussion that might have existed on or prior to the date of this Agreement) with any person relating to an Alternative Proposal, engage or otherwise participate in any negotiations concerning an Alternative Proposal, or
- (iii) Section 6.22 (*Response to a bona fide Potential Superior Offer*), provide any non-public or confidential information or data or grant access to its books or records or its Relevant Persons to any person in relation to an Alternative Proposal, or
- (iv) subject this Section 6.20 (*Exclusivity and Alternative Proposal*), approve or recommend, or propose publicly to approve or recommend, any Alternative Proposal, or
- (v) subject this Section 6.20 (*Exclusivity and Alternative Proposal*), approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, business combination agreement, joint-venture agreement, option agreement or other similar agreement (any of the preceding in this subject this Section 6.20(v), an **Alternative Proposal Agreement**); or
- (vi) propose publicly or agree to do any of the foregoing related to any Alternative Proposal,

provided that Kiadis may hold limited discussions and exchange limited information with any third party making the Alternative Proposal, if the Kiadis Boards determine in good faith that that is

reasonably required to determine whether the Alternative Proposal is or can qualify as a Potential Superior Offer.

6.21 Alternative Proposal

The Offeror and Kiadis have agreed that until the earlier of (i) the date of termination of the Merger Agreement in accordance with its terms, and (ii) 23:59 hours CET on the Settlement Date, Kiadis shall promptly (and in any event within 48 (forty-eight) hours) after receipt, by it or any of its Group Companies or their respective Relevant Persons of an Alternative Proposal or of any request for non-public information or inquiry potentially leading to an Alternative Proposal, provide the Offeror with a written notice informing it of the receipt of such Alternative Proposal, request or inquiry, it being agreed that Kiadis' notification to the Offeror shall include (i) the main terms and conditions of such Alternative Proposal, request or inquiry (including any subsequent developments or modifications thereof), and (ii) the identity of the person making any such Alternative Proposal, request or inquiry. Thereafter, Kiadis shall provide the Offeror, as promptly as practicable, with written notice setting forth all such information as is reasonably necessary to keep the Offeror informed in all material respects promptly (and in any event within 48 (forty eight) hours) following any new development, of the status and details (including amendments or proposed amendments) of any such Alternative Proposal, request or inquiry (including any actions or discussions that may take place in accordance with Section 6.22 (*Response to a bona fide Potential Superior Offer*)). Following receipt of an Alternative Proposal, Kiadis shall continue to cooperate with and support the Offer and the other Transactions in accordance with the terms and conditions of the Merger Agreement.

6.22 Response to a bona fide Potential Superior Offer

Kiadis, in response to a *bona fide* Potential Superior Offer from a third party that was not received or obtained in violation of Section 6.20 (*Exclusivity and Alternative Proposal*), may, subject to compliance with the obligations pursuant to this Section 6.22, in relation to such Potential Superior Offer, engage in any of the actions referred to in Section 6.20(ii) and 6.20 (iii), provided that (y) the third party has signed a confidentiality agreement with Kiadis (on terms not substantially less onerous than the non-disclosure agreement between Kiadis and the Offeror) and containing no provision that could be inconsistent with the terms of this Section 6.22 and (z), subject to Law(s), all information which is provided to the third party is simultaneously provided to the Offeror, unless such information was already provided to the Offeror in the due diligence.

6.23 Superior Offer

A **Superior Offer** is a *bona fide* written Alternative Proposal that did not result from a breach of Section 6.20 (*Exclusivity and Alternative Proposal*) and as to which Kiadis complied with Section 6.20 (*Exclusivity and Alternative Proposal*), for or in respect of:

- (a) any offer (*volledig bod*) or proposal as may trigger a mandatory offer (*verplicht bod*) for Kiadis under Applicable Laws, a legal merger or legal demerger resulting in the control over all or substantially all 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% (fifty percent) 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% (fifty percent) of the successor's share capital or (y) less than 50% (fifty percent) of the successor's consolidated assets, or assets of the successor to which 50% (fifty percent) or more of the consolidated gross revenues or earnings of the successor are attributable, but with the exception of intra-group reorganizations, 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% (fifty percent) 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 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 Applicable 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% (eight per cent); 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 (i) 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 (ii) below and (ii) 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 Boards in their calculation of whether the threshold under (i) is exceeded, at prevailing market prices and practices, as at the date that the comparison is made, after obtaining advice from its financial advisors.

6.24 Procedure in case of no Superior Offer

As soon as an Alternative Proposal has been determined by the Boards to not constitute a Superior Offer, Kiadis shall, to the extent permitted under the Merger Rules, inform the Offeror promptly thereof and shall confirm to the Offeror that the Boards continue to unanimously recommend and support the Offer and the other Transactions as contemplated herein in accordance with Section 6.7 (*Decision making and Recommendation by the Kiadis Boards*) and that Kiadis has discontinued considering the Alternative Proposal from such third party. If the relevant Alternative Proposal has been communicated in public, Kiadis shall make the confirmations referred to in this Section 6.24 (*Procedure in case of no Superior Offer*) by way of public announcement.

6.25 Procedure in case of a Superior Offer

In the event that a Potential Superior Offer is received by Kiadis, Kiadis shall promptly (and in any event within 48 (forty eight) hours), notify the Offeror of the name of the relevant third party with a copy of the proposal to the extent permitted and full details including the proposed consideration, the conditions to (the making of) the Potential Superior Offer, the contemplated governance and matters contemplated by the Non-Financial Covenants, the Antitrust Laws and other regulatory requirements that need to be complied with prior to closing of the Potential Superior Offer and all other material terms thereof to the extent available to Kiadis (the **First Notice**).

In the event that a Potential Superior Offer is received by Kiadis, subject to the terms and conditions of the Merger Agreement, Kiadis and the Relevant Persons 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 (twenty) Business Days starting on the date of the Offeror's receipt of the First Notice (the **Potential Superior Offer Period**);
- (iii) provide non-public, confidential information to the third party making the Potential Superior Offer, provided that such third party will receive no more than the same information as provided to the Offeror, except if and to the extent the Kiadis Boards determine, taking into account their fiduciary duties and having consulted their financial and legal advisors, that the third party reasonably requires additional information to be able to make a Superior Offer. In that case, Kiadis will inform the Offeror of such determination, and will provide to the Offeror the motivation thereof. In such case, the Offeror shall be simultaneously provided with the same additional information provided to such third party. 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); and
- (iv) make any public announcement in relation to a Potential Superior Offer to the extent required under the Merger Rules.

Notice of a Superior Offer

If during or after the Potential Superior Offer Period a Potential Superior Offer has been determined by the Kiadis Boards to constitute a Superior Offer, Kiadis shall notify the Offeror in writing promptly (but in any event within 48 (forty-eight) hours) of the contents of such a Superior Offer (the **Second Notice**).

Notice of a Superior Offer

Prior to Kiadis making a decision to take any of the actions referred to in Section 6.20(iv) and 6.20 (v) (*Exclusivity and Alternative Proposal*) with respect to a Superior Offer, Kiadis shall send the Second Notice to the Offeror informing that it intends, in compliance with Laws, to take such action, which notice shall include a complete copy of the Superior Offer that is the basis for such action (including the identity of the third party, the proposed transaction structure and financing, if any, and other principal and ancillary terms) as well as the specification of the terms of the Alternative Proposal which led the Boards to determine that the Alternative Proposal is a Superior Offer.

Matching Offer Period

Without prejudice to the Offeror's ongoing right, but not obligation, to propose improvements and revisions to the Offer after the date of the Merger Agreement, the Offeror shall have 10 (ten) Business Days following the date on which it has received the Second Notice (the **Matching Offer Period**) 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. During the Matching Offer Period, Kiadis shall continue to cooperate with and support the Offer and the Transactions in accordance with the terms and conditions of the Merger Agreement.

Consequences Matched Offer

If the Offeror has made a Matched Offer within the Matching Offer Period, Kiadis shall not accept the Superior Offer or terminate the Merger Agreement and Kiadis and the members of the Kiadis Boards will remain bound to the terms and conditions of the Merger Agreement, including with respect to future Superior Offers.

Consequences No Matched Offer

If the Offeror has not made a Matched Offer within the Matching Offer Period, Kiadis will formally notify (immediately after the Matching Period) the Offeror that the concerned Alternative Proposal constitutes a Superior Offer and that the Boards will approve or recommend, or propose to approve or recommend, or execute or enter into the relevant Alternative Proposal Agreement for such Superior Offer (the **Superior Offer Notification**). If Kiadis accepts the Superior Offer as set forth above, each of the Offeror and Kiadis may terminate the Merger Agreement in accordance with 6.27 (*Termination*).

6.26 Consecutive (Potential) Superior Offers

Section 6.25 (*Procedure in case of a Potential Superior Offer*) shall apply *mutatis mutandis* to any consecutive Superior Offer, including a new Superior Offer, which must exceed the consideration per Share of the Matched Offer by at least 4% (four percent) and meet the other requirements set out in the definition of Superior Offer to qualify as a (new) Superior Offer in accordance with Section 6.23 (*Superior Offer*) by the initial party making the initial Superior Offer following a Matched Offer or following another Potential Superior Offer or Superior Offer by another *bona fide* third party.

6.27 Termination

- (a) The Merger Agreement and the rights and obligations thereunder terminate immediately:

Mutual consent

- (i) if the Offeror and Kiadis explicitly so agree in writing;

Offer Conditions

- (ii) by notice in writing given by the Offeror to Kiadis if any of the Offer Conditions have not been satisfied or waived by the Offeror in accordance with the terms and conditions of the Merger Agreement before the Long Stop Date, provided, that the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the Offeror of any of its obligations under the Merger Agreement or any agreement resulting therefrom;

Material breach

- (iii) by notice in writing given by the Offeror or Kiadis to the other Party in the event that the other Party has breached the terms and conditions of the Merger Agreement to the extent that any such breach:
- (A) has or could reasonably be expected to have material adverse consequences for the Offeror or Kiadis, as the case may be, the Offer, the Post-Offer Restructuring or other material Transactions; and
- (B) is incapable of being remedied within 10 (ten) Business Days from the date of receipt by the other Party of a written notice from the Offeror or Kiadis, as the case may be, or has not been remedied by the other Party within 10 (ten) Business Days from the date of receipt by the other Party of a written notice from the Offeror or Kiadis, as the case may be;

Superior Offer

- (iv) by notice in writing Kiadis or the Offeror to the other party in accordance with the terms and subject to the conditions set forth in Section 6.26 (*Consequences of No Matched Offer*);

No Settlement

- (v) if all Offer Conditions have been satisfied or waived and Settlement has not taken place within 5 (five) Business Days from the Unconditional Date.

(b) Termination fees

As an inducement to the Offeror to enter into the Merger Agreement and as reimbursement and compensation for any and all damages, costs and expenses incurred by the Offeror in connection with the Offer, Kiadis shall pay to the Offeror a gross amount of EUR 2,880,600 (two million eight hundred eighty thousand six hundred euro) in cash, immediately upon first written request thereto from the Offeror and without defences or set-off of any kind, if the Merger Agreement is terminated (i) by the Offeror pursuant to Section 6.27 (a)(iii) (*Termination*) in case of a material breach by Kiadis of its obligations under Sections 6.20 (*Exclusivity and Alternative Proposal*) up to and including Section 6.26 (*Consecutive (Potential) Superior Offers*) or (ii) by either Kiadis or the Offeror pursuant to Section 6.23 (*Superior Offer*).

As an inducement to Kiadis to enter into the Merger Agreement and as reimbursement and compensation for any and all damages, costs and expenses incurred by Kiadis in connection with the Offer, the Offeror shall pay to Kiadis a gross amount of EUR 2,880,600 (two million eight hundred eighty thousand six hundred euro) in cash, immediately upon first written request thereto from Kiadis and without defences or set-off of any kind, if the Merger Agreement is terminated (i) by Kiadis pursuant to Section 6.27(a)(iii) (*Termination*) in case of a material breach by the Offeror.

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

6.28 EGM

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

At the EGM, the holders of Shares will be requested to subject to the Offer being declared unconditional (*gestandoening*) and Settlement having taken place, and effective as per the Settlement Date 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 (*Amended Articles of Association after Settlement*), and Section 14 Part 2 (*Amended Articles of Association after delisting*);

¹⁰ 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.

- (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 (*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 (*Composition of the Management Board*) to the Management Board;
- (e) the reappointment 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 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 favour of the Resolutions on all of those Shares.

INFORMATION REGARDING KIADIS

7. INTRODUCTION

Kiadis is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its statutory 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 Dutch Chamber of Commerce under number 63512653. Kiadis is listed on Euronext Amsterdam and Euronext Brussels.

7.1 History of Kiadis

Below is an overview of historical highlights of Kiadis:

Year	Event
1997	Kiadis was founded by scientists from the University of Leiden, the Netherlands.
2003	In the period prior to 2003, Kiadis raised approximately EUR 10 million from private equity investors. In 2003, it acquired Selact B.V. and its chemical synthesis business.
2004	Kiadis raised approximately EUR 2.1 million in an equity financing round.
2006	Kiadis raised approximately EUR 2.5 million in an equity financing round. Kiadis acquired Celmed BioSciences, a Canadian company active in the clinical development of cancer therapies that focused on the treatment of blood cancers through its Theralux platform.
2007	Kiadis raised approximately EUR 15.4 million in an equity financing round (Series A).
2008	Kiadis focused on ATIR.
2009	Kiadis obtained funding through a EUR 8.2 million convertible bridge loan, which was subsequently converted into equity (Series B). In the period 2009 through 2011, Kiadis obtained a EUR 2.8 million investment loan for the development of ATIR granted by RVO Nederland.
2010	Kiadis obtained funding through a EUR 2.2 million convertible bridge loan, which subsequently converted into equity (Series C). Kiadis signed a license agreement with Hospira to develop and commercialise ATIR in certain territories.
2012	Kiadis signed a termination and royalty agreement with Hospira, terminating the 2010 licence agreement, thereby retrieving all its licensed and marketing rights related to ATIR that had been licensed to Hospira.

	Kiadis terminated its open-label Phase II clinical trial CR-AIR-004 due to manufacturing issues. Kiadis raised approximately EUR 10.1 million in an equity financing round (Series AA).
2013	Kiadis initiated its international open-label Phase II clinical trial for ATIR101, CR-AIR-007. Kiadis completed the five-year follow-up of its Phase I/II dose escalation study for ATIR101, CR-GVH-001. Kiadis obtained an additional EUR 2.2 million-investment loan for the development of ATIR granted by RVO Nederland.
2014	Kiadis obtained interim data from its ongoing international open-label Phase II clinical trial for ATIR101, CR-AIR-007, supporting the safety profile and showing efficacy of ATIR administration. Kiadis raised approximately EUR 5.1 million in an equity financing round (Series BB).
2015	The EMA granted Kiadis an advanced therapy medicinal products (ATMP) certificate for quality and non-clinical data for ATIR. Kiadis listed on Euronext Amsterdam and Euronext Brussels.
2017	Kiadis obtained a debt financing facility of up to EUR 15.0 million from Kreos Capital.
2018	Kiadis raised approximately EUR 54.6 million through private placements and, in addition, approximately EUR 3 million through the issuance of new Shares upon the exercise of warrants. Kiadis obtained an additional debt financing facility of up to EUR 20.0 million from Kreos Capital.
2019	Kiadis acquired CytoSen, with a proprietary NK cell therapy platform. Kiadis raised approximately EUR 44.6 million through private placements. At the end of 2019, Kiadis terminated its ATIR program and decided to focus solely on the development of NK-cell-therapies.
2020	Kiadis raised EUR 17.0 million through private placements. The investors received approximately 10.5 million ordinary shares and approximately 5.25 million warrants, which can be exercised over a 5-year period. Kiadis entered into secured convertible bonds with Kreos Capital in consideration for Kreos Capital waiving the equivalent amount of EUR 5.0 million in repayments under Kiadis' debt financing facilities from Kreos Capital.

Kiadis entered into an exclusive license agreement with Sanofi for Kiadis' previously undisclosed K-NK004 program and two other pre-clinical programs.

Kiadis received a commitment for USD 9.5 million in funding from the U.S. Department of Defense through the Advanced Regenerative Manufacturing Institute that will fund the K-NK-ID101 COVID-19 program as costs are incurred.

7.2 Business and organisational overview

Introduction

Kiadis is a fully integrated biopharmaceutical company committed to developing innovative, personalized, next-generation cell-based immunotherapies for patients with life threatening diseases.

As at 1 January 2021, Kiadis employed 105 employees of which 81 employees located in Amsterdam, 4 field-based employees in Europe and 20 field-based employees in the United States.

In 2019, Kiadis acquired CytoSen, with an NK-cell-based technology platform. Following this acquisition and a subsequent change in strategy in which Kiadis decided to terminate all activity on its legacy patient-specific T-cell therapy program ATIR101, Kiadis transformed into a company with an NK-cell-based immunotherapy platform and pipeline.

Today, Kiadis has a pipeline of clinical programs consisting of NK-cell therapy products as an adjunctive treatment for a haploidentical HSCT as well as treatment of AML R/R, and preclinical programs evaluating Kiadis' NK-cell therapies as treatment for solid tumours and infectious diseases.

NK-cells

Kiadis focuses on developing NK-cells, which have long been known to play a significant role in the body's innate immune response. These cells not only detect and identify malignant cancer cells and infected cells, but also directly induce cell death and even help trigger a broader adaptive immune response in order to fully engage and fight tumour and infected cells.

One of the challenges to historical investigation of NK-cell therapy has been the ability to produce enough cells with attributes necessary to fight cancer cells. The NK-cells of Kiadis have a unique phenotype that is hyperfunctional and Kiadis can industrially produce high doses at a low cost compared to personalized cell therapies.

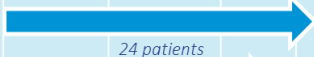
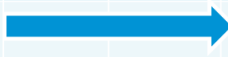
NK-cell platform

The NK-cell platform of Kiadis is built on three pillars:

- **PM21 expansion and activation:** The first is a technology to expand and activate NK-cells ex-vivo using PM21 particles presenting membrane-bound interleukin 21 (**mbIL21**) and 4-1BB (**41BBL**) antigens instead of tumour feeder cells expressing mbIL21 and 41BBL.

- **Universal Donor Selection:** The second is an algorithm to identify a panel of universal donors for NK-cells with a unique mix of activating and inhibiting receptors for optimal potency and safety of NK-cells that can be used for all potential patients without need for patient genetic screening (allogeneic off-the-shelf).
- **Imprinting:** The third is Kiadis' ability, through its manufacturing process, to imprint NK-cells to be resistant to the effects of transforming growth factor beta (TGFβ) suppression. By exposing NK cells to TGFβ during manufacturing Kiadis is able to increase the cytotoxicity of their NK-cells in a solid tumour environment.

From the NK cell-based immunotherapy technology platform, Kiadis is clinically developing therapeutics as an adjunctive treatment for patients undergoing stem cell transplantation (**K-NK002**) and as potentially curative treatments for patients with AML R/R (**K-NK003**). Kiadis has also pre-clinical programs evaluating the potential application of its K-NK platform for blood cancers and solid tumours and in infectious disease. Its pre-clinical K-NK004 program is a CD38 knock out K-NK therapeutic recently licensed to Sanofi intended for development with their approved antibody, Sarclisa®, for the treatment of patients with multiple myeloma. In oncology, Kiadis is also researching the application of K-NK medicines for efficacy against other blood cancers and solid tumours and plans to initiate proof-of-concept signal studies in 2021. Kiadis is also evaluating the use of its K-NK cells for influenza and SARS, and has submitted an investigational new drug (IND) application with the FDA for its K-NK-ID101 program for the treatment of COVID-19 infection. Kiadis received a commitment for USD 9.5 million in funding from the U.S. Department of Defense through the Advanced Regenerative Manufacturing Institute that will fund the K-NK-ID101 COVID-19 program as costs are incurred. Below is an overview of the complete pipeline of Kiadis.

PROGRAM	INDICATION	SETTING	PRODUCT	PRE-CLINICAL	CLINICAL PoC	CLINICAL		STATUS
						PH. 1	PH. 2	
K-NK002	HSCT in blood cancer	Adjunctive to SoC (PTCy)	Haplo				Phase 2 with US BMT-CTN; IND approved	
K-NK003	AML R/R	After induction chemo (FLAG)	OTS				Phase 1/2a with US OSU; enrolling patients	
K-NK004	Multiple myeloma	Combination with Sarclisa	OTS CD38KO				Partnership Sanofi; value >€875 million	
K-NK-ID101	Influenza / COVID-19	Prophylaxis & treatment	OTS-ID				Ph 1/2a IST IND approved; funded by US DoD	
K-NK00X	Other	Stand alone or combo's	OTS-X				Studies to start in 2021, e.g., CML, CRC, HNC	

7.3 Strategy and objectives

The vision of Kiadis is to leverage the strengths of the human immune system to help patients with life-threatening diseases, by developing novel cell therapies that combine the innate and adaptive arms of the immune system. Based on its cell-based immunotherapy platform, Kiadis aims to maximize the value of its most advanced programs, namely K-NK002 and K-NK003. Kiadis is expanding and plans to continue to expand its pipeline with development of cell therapies for additional indications.

The strategy of Kiadis, which will leverage its competitive strengths, is based on the following objectives:

- (a) **Advancing its technology platform across multiple indications, including both liquid and solid tumours and infectious disease.**

Kiadis has a pipeline of therapeutic candidates based on its NK-cell therapy platform. Kiadis will advance development of these programs for the treatment of various cancers and infectious disease.

- (b) **Having a lead program, K-NK002, that seeks to improve outcomes of HSCT.**

Kiadis is developing K-NK002 as an adjunctive therapy to the current haploidentical HSCT standard of care to improve outcomes. Kiadis believes that more treatment options are needed for patients undergoing HSCT. Through its lead program, K-NK002 Kiadis believes that it can improve outcomes for patients in need of HSCT.

- (c) **Expanding a pipeline of cell-based immunotherapies.**

The human proof-of-concept data of the K-NK003 program for the treatment of AML R/R from the MD Anderson Cancer Center and the Hospital de Clínicas de Porto Alegre show significant promise in applying the NK-cell platform of Kiadis to treat patients with advanced blood cancer. Based on this and preclinical data, Kiadis is also exploring additional applications of its K-NK platform in other cancers and infectious disease.

- (d) **Retaining worldwide commercial rights for Kiadis entire pipeline.**

Kiadis has retained worldwide development and commercialisation rights for K-NK002, K-NK003 and all other programs in its NK-pipeline, with the exception of K-NK004. For K-NK002, the adjunctive therapy to HSCT, commercialisation will be directed towards the stem cell transplant community, which is a concentrated market with relatively few stem cell transplant centres and driven by a small group of key opinion leading physicians.

- (e) **Setting up an efficient manufacturing and supply chain infrastructure for cell-based product candidates.**

Kiadis currently utilizes CMO manufacturing capacity and is building its own manufacturing capabilities to support its global requirements. Kiadis believes its manufacturing platform has the potential for an attractive cost of goods profile and lower capital expenditures relative to other cell or gene therapy approaches.

- (f) **Having seasoned leadership.**

Members of the executive and non-executive leadership teams of Kiadis cumulatively have a century of experience in the life sciences industry and have previously served at companies including Ablynx, Actelion, Amgen, Crucell, Dendreon, Johnson & Johnson, Medivation, Keryx and Novartis. The leadership teams have a track record in senior management roles from early research to late stage drug development, global manufacturing operations and commercialisation of orphan drug and several innovative treatments, including advanced cell-based therapies.

In line with its vision, Kiadis is building its capabilities in development and operations of cell-based programs to become a fully integrated biopharmaceutical company. Driven by its seasoned leadership, it intends to leverage its infrastructure and medical leadership in this promising biopharmaceutical segment to pursue new programs and/or technology opportunities in a haploidentical HSCT and/or cell-based cancer immunotherapy.

7.4 Impact of COVID-19 on financial performance

Kiadis is monitoring the situation regarding the coronavirus and evaluating the potential interruption of the clinical trial activities, regulatory reviews and the supply chain production and deliveries, and will try to mitigate via alternative plans where necessary. The COVID-19 pandemic might slow down research and development activities, e.g. the start of clinical trials and when and how many patients Kiadis will be able to enrol in clinical trials. In case the Offeror is not able to execute on the acquisition of Kiadis, the possible slowdown of activities due to COVID-19 and a potential negative impact on capital markets in general might affect the availability, amount and type of financing and ultimately may impact the continuity of Kiadis. The exact future financial impact for Kiadis, however, remains difficult to estimate.

7.5 Kiadis Supervisory Board

The Supervisory Board consists of the following members:

Mark Wegter is the Chairman of the Supervisory Board. He was appointed as member of the Supervisory Board in 2015 and his current term expires in 2023. Mr Wegter is not an independent supervisory board member within the Dutch Corporate Governance Code. He has the Dutch nationality and was born in 1969.

Berndt Modig is the Vice-Chairman of the Supervisory Board. He was appointed as member of the Supervisory Board in 2016 and his current term expires in 2024. Mr Modig is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the Swedish and American nationality and was born in 1958.

Martijn Kleijwegt is a member of the Supervisory Board. He was appointed as member of the Supervisory Board in 2015 and his current term expires in 2023. Mr Kleijwegt is not an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the Dutch nationality and was born in 1955.

Dr. Robert Soiffer is a member of the Supervisory Board. He was appointed as member of the Supervisory Board in 2016 and his current term expires in 2024. Dr Soiffer is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the American nationality and was born in 1957.

Otto Schwarz is a member of the Supervisory Board. He was appointed as member of the Supervisory Board in 2018 and his current term expires in 2022. Mr Schwarz is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the Austrian nationality and was born in 1955.

Subhanu Saxena is a member of the Supervisory Board. He was appointed as member of the Supervisory Board in 2018 and his current term expires in 2022. Mr Saxena is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the British nationality and was born in 1964.

7.6 Kiadis Management Board

The Management Board consists of:

Arthur Lahr is the Chief Executive Officer. He was appointed as Kiadis' Chief Executive Officer in 2017 and his current term expires in 2021. Mr Lahr has the Dutch nationality and was born in 1968.

7.7 Major Shareholders

As of 9 February 2021, the following persons are registered in the public register of the AFM as having notified a substantial holding (*substantiële deelneming*), i.e. a holding of 3% or more, in the share capital or voting rights of Kiadis (the further notification thresholds being 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%) or a gross short position:

Substantial holdings

Holder	No. of Shares	Total holding (%)	Voting rights (%) ⁽¹⁾	Manner of disposal		Date of notification
Empery Asset Management LP	5,696,097	14.23	14.23	Indirectly real: 4.87%	Indirectly potential: 9.35%	1 September 2020
LSP Advisory B.V.	4,480,287	11.19	11.19	Indirectly real: 7.46%	Indirectly potential: 3.73%	30 April 2020
Achmea Pensioen- en Levensverzekeringen N.V.	2,208,607	9.07	9.07	Indirectly real		23 October 2018
Esprit Nominees Limited	3,342,647	8.35	8.35	Directly real		30 April 2020
UBS Group AG	2,958,932	7.39	7.39	Indirectly real		3 December 2020

Kreos Capital V (UK) Limited	2,500,000	6.24	6.24	Indirectly potential (convertible bond)		30 September 2020
Pentwater Capital Management LP	2,200,000	5.49	5.49	Directly potential (contract for difference)		2 November 2020
JP Morgan Chase & Co	1,717,709	4.26	4.26	Indirectly potential		12 January 2021
Oddo BHF Asset Management SAS	1,685,350	4.21	4.21	Directly real		3 November 2020
Life Sciences Partners II B.V.	1,656,458	4.14	4.14	Directly real		30 April 2020
Carlson Capital, L.P.	1,216,223	3.02	3.02	Indirectly real		7 January 2021
GLG Partners LP	1,210,380	3.00	3.00	Directly real: 0.11%	Directly potential: 2.89%	12 January 2020
⁽¹⁾ The percentages are based on the information registered in the register kept by the AFM as at 9 February 2021. These percentages may not reflect the actual shareholdings and/or voting rights as per 9 February 2021 since not all changes in shareholdings and/or voting rights require a notification. Only if a notification threshold is reached, exceeded or fallen below this must be notified.						

Gross short positions

Name	Equivalent no. of Shares	Total holding (%) ⁽¹⁾	Manner of disposal	Date of notification
UBS Group AG	2,057,907	5.11	Indirectly	29 December 2020
⁽¹⁾ The percentages are based on the information registered in the register kept by the AFM as at 9 February 2021. These percentages may not reflect the actual gross short positions as per 9 February 2021 since not all changes in gross short positions require a notification. Only if a notification threshold is reached, exceeded or fallen below this must be notified.				

Latest filings with the AFM by shareholders and other investors, including on gross and net short positions, can be found at the website of the AFM: www.afm.nl.

7.8 Capital and Shares

(a) Authorised and issued share capital

At the date of this Offer Memorandum, the authorised share capital of Kiadis amounts to EUR 200,000,000, divided into 100,000,000 ordinary shares and 100,000,000 preference shares, each with a nominal value of EUR 0.10.

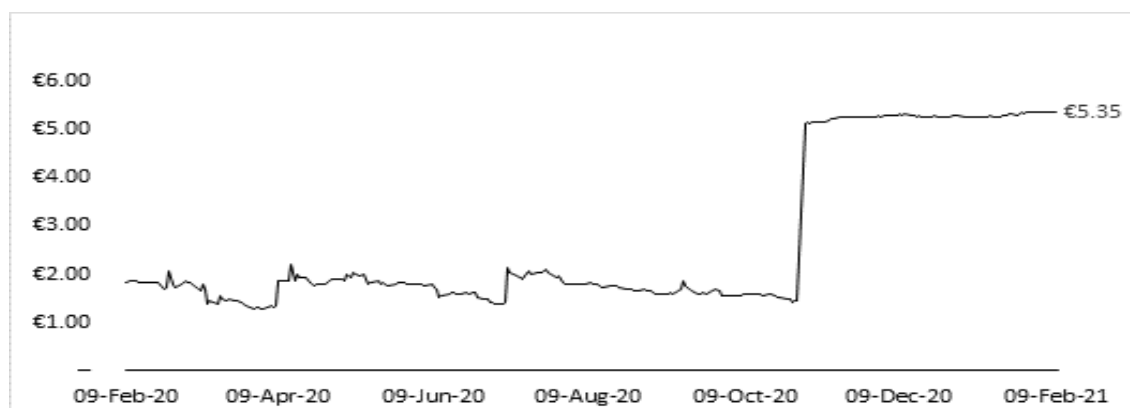
Kiadis' issued capital consists of 40,308,501 listed Shares. No depositary receipts are issued for Shares. As of the date of this Offer Memorandum Kiadis holds nil Shares in its own capital.

The Shares are listed at Euronext Amsterdam and Euronext Brussels since 2 July 2015. The Euronext ticker symbol is KDS, the legal identifier (LEI) is 724500RS72JYSQJAMW52 and ISIN code is NL0011323407.

At the date of this Offer Memorandum, other than as set out in this Section and in Section 7.9 (*Options and SARs*), Kiadis and its Group Companies have not issued any options, warrants, convertible instruments or other rights to subscribe for, or acquire Shares from Kiadis or any of its Group Companies.

(b) Share price development

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



(c) 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 Offer Memorandum, 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 was accessed through the “OV” function on Bloomberg. The value of the 2025 Warrants was calculated using the 5 year US 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 5.07.¹¹

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

¹¹ 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.

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 this Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

(d) **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 to at any time before the repayment date 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 Facility Agreement** and together with the First Kreos Capital Facility Agreement, the **Kreos Capital Facility Agreements**). At the date of this Offer Memorandum, an aggregate amount of EUR 1.6 million in loans is outstanding.

As described in Section 6.5 (*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 favour 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 this Offer Memorandum and will tender its Shares under the Offer under the same terms and conditions as the other Shareholders.

(e) **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 have 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 favour 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 this

Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

7.9 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:

- (i) members of the Supervisory Board subject to approval of the general meeting of Shareholders of Kiadis;
- (ii) 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
- (iii) 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 reorganisation 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 reorganisation 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 reorganisation 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 date of this Offer Memorandum, 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.

8. INFORMATION REGARDING SANOFI

8.1 Introduction

The Offeror is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands with its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands and its office at Paasheuvelweg 25, 1105 BP Amsterdam, the Netherlands. The Offeror was incorporated on 19 April 1998 and is registered with the trade register of the chamber of commerce under number 33302572. The management board of the Offeror consists of Ms A.R. Perré and Mr P.W. Oldenziel (the **Offeror Directors**). All shares in the capital of the Offeror are directly held by Sanofi. The Offeror will not pay any compensation to the Offeror Directors in relation to the Offer being declared unconditional. It is currently not expected that the Transactions will have an impact on the continued employment or the employment conditions of the Offeror Directors nor on the employees of the Offeror.

Sanofi is a société anonyme with management board (*conseil d'administration*) incorporated under the laws of France, whose registered office is at 54, rue la Boétie, 75008, Paris (France), whose identification number is 395 030 844 RCS Paris.

8.2 Information regarding Sanofi

Sanofi is dedicated to supporting people through their health challenges. It is a global biopharmaceutical company focused on human health. Sanofi prevents illness with vaccines and provides innovative treatments to fight pain and ease suffering. Sanofi stands by the few who suffer from rare diseases and the millions with long-term chronic conditions.

With more than 100,000 people in 100 countries, Sanofi is transforming scientific innovation into healthcare solutions around the globe.

8.3 Sanofi boards

The governing bodies of Sanofi consist of an executive committee and a board of directors. The executive committee is responsible for managing the day-to-day business of Sanofi. The board of directors supervises the executive committee and appoints the members of the executive committee. The members of the board of directors are appointed by the general meeting of Sanofi.

Executive committee:

- **Paul Hudson:** Chief Executive Officer;
- **Natalie Bickford:** Executive Vice President, Chief People Officer.
- **Olivier Charmeil:** Executive Vice President, General Medicines.
- **Jean-Baptiste Chasseloup de Chatillon:** Executive Vice President, Chief Financial Officer.
- **Karen Linehan:** Executive Vice President, Legal Affairs and General Counsel.

- **Philippe Luscan:** Executive Vice President, Global Industrial Affairs.
- **Julie van Ongevalle:** Executive Vice President, Consumer Healthcare.
- **John Reed, MD, PhD:** Executive Vice President, Global Head of Research & Development.
- **Arnaud Robert:** Executive Vice President, Chief Digital Officer.
- **Bill Sibold:** Executive Vice President, Sanofi Genzyme.
- **Thomas Triomphe:** Executive Vice President, Sanofi Pasteur.

Board of Directors:

- **Serge Weinberg:** Chairman of the Board of Directors.
- **Paul Hudson:** Chief Executive Officer.
- **Laurent Attal:** Director.
- **Christophe Babule:** Director.
- **Bernard Charlès:** Director.
- **Rachel Duan:** Director.
- **Lise Kingo:** Director.
- **Patrick Kron:** Director.
- **Fabienne Lecorvaisier:** Director.
- **Melanie Lee:** Director.
- **Carole Piwnica:** Director.
- **Gilles Schnepf:** Director.
- **Diane Souza:** Director.
- **Thomas Südhof:** Director.

Directors representing employees:

- **Marion Palme:** Director.
- **Christian Senectaire:** Director.

8.4 Main shareholders of Sanofi

Sanofi is a publicly listed company and has a dispersed shareholder base. To the best of Sanofi's knowledge and on the basis of the notifications received, Sanofi has two shareholders that hold more than 5% of Sanofi's share capital or voting rights¹², which are L'Oréal (9.43% of the total number of issued shares) and BlackRock Inc. (5.90% of the total number of issued shares).

¹² 5% of the equity or voting rights is the minimum threshold for notification requirements in France.

9. FURTHER INFORMATION REQUIRED BY THE DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror and Sanofi with regard to subjects 9(b), 9(c) and 9(e), Kiadis with regard to 9(d) 9(f) and 9(g), and the Offeror and Kiadis jointly with regard to subject 9(a) hereby declare as follows:

- (a) There have been consultations between Sanofi and the Kiadis Boards regarding the Offer, which have resulted in the Merger Agreement. Discussions regarding the Offer, including, but not limited to, the Offer Price, the Offer Conditions and the future strategy of the Kiadis Group after the Settlement Date, took place between Sanofi and its advisors on the one hand, and the Kiadis Boards and their respective advisors on the other hand.
- (b) With due observance of and without prejudice to the restrictions referred to in Sections 2 (*Restrictions*) and 3 (*Important Information*), the Offer concerns all outstanding Shares not already held by the Offeror Group and applies on an equal basis to all Shares not already held by the Offeror Group and all Shareholders other than the Offeror Group.
- (c) No securities issued in Kiadis are held, no transactions or concluded agreements in respect of securities issued by Kiadis have been effected or have been concluded, and no similar transactions have been effected in respect of securities issued by Kiadis during the twelve (12) months prior to the date of this Offer Memorandum, by the Offeror, Sanofi or any Affiliate of the Offeror, or any member of the executive board of the Offeror, any member of the executive board or supervisory board of Sanofi, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, Paragraph 2, Subparagraphs 5, 6 and 7 of the Decree.
- (d) No securities issued in Kiadis are held, no transactions or concluded agreements in respect of securities issued by Kiadis nor have been effected or have been concluded, and no similar transactions have been effected in respect of securities issued by Kiadis during the twelve (12) months prior to the date of this Offer Memorandum by any member of the Kiadis Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, Paragraph 2, Subparagraphs 5, 6 and 7 of the Decree, other than in respect of the Offeror as described in Section 6.10 (*Respective cross shareholdings Sanofi – Kiadis*) and in respect of the members of the Kiadis Boards as described in Section 6.8 (*Shareholdings of the members of the Kiadis Boards*).
- (e) The costs incurred or to be incurred by Sanofi and the Offeror in relation to the Offer are expected to amount to approximately EUR 7,300,000 and comprise legal advisor fees, commercial advisor fees, financial advisor fees, Settlement Agent fees, filing fees with regulators, legal, financial and tax due diligence fees, and printing. These costs will be borne by the Offeror.

- (f) The costs of Kiadis' fees of financial advisors, legal advisors, accountants and communications advisors incurred and expected to be incurred in relation to the Offer amount to approximately EUR 9,925,000. These costs will be borne by Kiadis.
- (g) Other than as described in Section 6.8 (*Shareholdings of the members of the Kiadis Boards*), Section 6.9 (*Irrevocable undertakings of Shareholders and members of the Kiadis Boards*) and Section 7.9 (*Options and SARs*), no remunerations will be paid to the members of the Kiadis Boards in connection with the Offer being declared unconditional (*gestand wordt gedaan*).

10. MATERIAL DUTCH AND BELGIAN TAX CONSEQUENCES OF THE OFFER

Material Dutch Tax Consequences

10.1 General

This section outlines certain material Dutch tax consequences of the disposal of the Shares in connection with the Offer, the Buy-Out and the Post-Offer Restructuring, if any. It does not present a comprehensive or complete description of all aspects of Dutch tax law which could be relevant to a Shareholder. For purposes of Dutch tax law, a Shareholder may include an individual or entity who does not have the legal title of these Shares, but to whom nevertheless the Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Shares or the income thereof. These include statutory provisions attributing the Shares to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Shares.

This section is intended as general information only. Shareholders should consult their own tax advisor regarding the tax consequences of the disposal of their Shares in connection with the Offer, the Buy-Out or Post-Offer Restructuring, if any.

This section is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date of this Offer Memorandum, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to “the Netherlands” or “Dutch” it refers only to the part of the Kingdom of the Netherlands located in Europe.

This section does not describe any Dutch tax considerations or consequences for:

- (i) holders of Shares if such holders, and in the case of individuals, such holder’s partner or certain of its relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in Kiadis under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with such holder’s partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company’s annual profits or to 5% or more of the company’s liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (ii) holders of Shares, if such holder is required to apply the participation exemption (*deelnemingsvrijstelling*) (as defined in Article 13 of the Dutch Corporate Income Tax Act 1969, *Wet op de vennootschapsbelasting 1969*) with respect to the Shares.

Generally, a Shareholder is required to apply the participation exemption if it is subject to Dutch corporate income tax and it, or a related entity, holds an interest of 5% or more of the nominal paid-up share capital in Kiadis;

- (iii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in the Dutch Corporate Income Tax Act 1969) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax as well as entities that are exempt from corporate income tax in their country of residence, such country of residence being another state of the European Union, Norway, Liechtenstein, Iceland or any other state with which the Netherlands has agreed to exchange information in line with international standards;
- (iv) holders of Shares who are individuals for whom the Shares or any benefit derived from the Shares are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Dutch Income Tax Act 2001); and
- (v) holds the Shares through an entity which is treated as transparent for Dutch tax purposes, while being treated as a resident under the laws of another state.

10.2 Material Dutch tax consequences for Shareholders who tender their Shares

Withholding tax

No Dutch withholding tax is due in respect of the payment of the Offer Price in consideration for the disposal of the Shares under the Offer.

Taxes on income and capital gains

Dutch Resident Entities

Generally speaking, if the holder of Shares is an entity that is a resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes (a **Dutch Resident Entity**), any benefits derived or deemed to be derived from the Shares, including any capital gains realized on the disposal of the Shares in connection with the Offer, are subject to Dutch corporate income tax at a rate of 15% with respect to taxable profits up to EUR 245,000 and 25% with respect to taxable profits in excess of that amount (rates and brackets for 2021).

Dutch Resident Individuals

If the holder of Shares is an individual resident or deemed to be resident of the Netherlands for Dutch income tax purposes (a **Dutch Resident Individual**), any benefits derived or deemed to be derived from the Shares, including any capital gains realized on the disposal of the Shares in connection with the Offer, are taxable at the progressive Dutch income tax rates (with a maximum of 49.50% in 2020), if:

- (i) the Shares are attributable to an enterprise from which the holder of Shares derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or
- (ii) the holder of Shares is considered to perform activities with respect to the Shares that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Shares that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of Shares, such holder will be taxed annually on a deemed return (with a maximum of 5.69% in 2021) on the individual's net investment assets (*rendementsgrondslag*) for the year, insofar the individual's net investment assets for the year exceed a statutory threshold (*heffingvrij vermogen*). The deemed return on the individual's net investment assets for the year is taxed at a rate of 31%.

Actual income, gains or losses in respect of the disposal of the Shares in connection with the Offer are as such not subject to Dutch income tax.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Shares are included as investment assets. For the net investment assets on 1 January 2021, the deemed return ranges from 1.90% up to 5.69% (depending on the aggregate amount of the net investment assets of the individual on 1 January 2021).

Non-residents of the Netherlands

A holder of Shares that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch taxes on income or capital gains in respect of any benefit derived or deemed to be derived from the Shares, including any capital gains realized on the disposal of the Shares in connection with the Offer, provided that:

- (i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Shares are attributable; and
- (ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Shares that go beyond ordinary asset management and does not derive benefits from the Shares that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

No Dutch gift tax or inheritance tax will be due by a Shareholder as a result of the disposal of the Shares under the Offer.

Value added tax (VAT)

No Dutch VAT will be payable by a Shareholder in respect of the Offer Price in consideration for the disposal of the Shares under the Offer.

Other taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a Shareholder in respect of the disposal of its Shares under the Offer.

10.3 Material Dutch tax consequences for Shareholders who do not tender their Shares

Following Settlement, certain restructuring measures may or will be implemented, including the Buy-Out (Section 6.11(c) (*Buy-Out*)) and the Post-Offer Restructuring (Section 6.11(d) (*Post-Offer Restructuring*)). This section outlines the material Dutch tax consequences of the Buy-Out and the Post-Offer Restructuring for Shareholders who do not tender their Shares under the Offer.

(a) Buy-Out

The material Dutch tax consequences for Shareholders who dispose their Shares in connection with the Buy-Out are the same as the material Dutch tax consequences set out in Section 10.2 (*Material Dutch tax consequences for Shareholders who tender their Shares*) above.

(b) Post-Offer Restructuring: Asset Sale

Taxes on income and capital gains

Shareholders will not be subject to Dutch corporate income tax or Dutch income tax in connection with the Asset Sale.

Gift and inheritance taxes

No Dutch gift tax or inheritance tax will be due by a Shareholder in connection with the Asset Sale.

Value added tax (VAT)

No Dutch VAT will be payable by a Shareholder by reason only of the Asset Sale.

Other taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a Shareholder by reason only of the Asset Sale.

(c) Post-Offer Restructuring: Kiadis Dissolution

Withholding tax

A liquidation distribution is generally subject to Dutch dividend withholding tax at a rate of 15%, to the extent that the liquidation distributions exceed the average paid-up capital per Share of Kiadis recognised for Dutch dividend withholding tax purposes.

The average paid-up capital of Kiadis recognised for Dutch dividend withholding tax purposes has been estimated by Kiadis. Based on these estimations, Kiadis has determined that liquidation distributions as part of the Kiadis Dissolution will not be subject to Dutch dividend withholding tax.

Taxes on income and capital gains

The material Dutch income tax consequences of the liquidation distributions as part of the Kiadis Dissolution are similar to the material Dutch income tax consequences as set out in Section 10.2 (*Material Dutch tax consequences for Shareholder who tender their Shares*) above.

Gift and inheritance taxes

No Dutch gift tax or inheritance tax will be due by a Shareholder in connection with the Kiadis Dissolution.

Value added tax (VAT)

No Dutch VAT will be payable by a Shareholder by reason only of the Kiadis Dissolution.

Other taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a Shareholder by reason only of the liquidation distributions as part of the Kiadis Dissolution.

Material Belgian Federal Tax Consequences

10.4 General

The following is a summary of the principal Belgian federal tax consequences for investors relating to the acceptance of the Offer.

The summary does not purport to present any comprehensive or complete picture of all Belgian tax aspects that could be of relevance to a holder of Shares who may be subject to a special tax treatment under any applicable law. This summary is based on the Offeror's understanding of the applicable laws, treaties and regulatory interpretations as in effect in Belgium on the date of this Offer Memorandum, all of which are subject to change, including changes that could have a retroactive effect. It should be appreciated that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences associated with the investment in, the ownership and disposal of the Shares, and does not take into account the specific circumstances of any particular investor or the tax laws of any country other than Belgium. In particular, this

summary does not address the tax treatment of investors who are subject to special rules, such as financial institutions, insurance companies, collective investment undertakings, dealers in securities or currencies or persons who hold the Shares as a position in a straddle, share-repurchase transactions, conversion transactions, a synthetic security or other integrated financial transaction. This summary does not address the tax regime applicable to Shares held by Belgian tax residents through a fixed basis or a permanent establishment situated outside Belgium. This summary does not address the local taxes that may be due in connection with an investment in the Shares, other than the additional local taxes which generally vary from 0% to 9% of the investor's income tax liability in Belgium. Investors should consult their own tax advisors regarding the tax consequences of an investment in the Shares in light of their particular situation, including the effect of any state, local or other national laws, treaties and regulatory interpretations thereof.

For purposes of this summary, a Belgian tax resident investor is (a) an individual subject to Belgian personal income tax (*impôt des personnes physiques/personenbelasting*) (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law); (b) a company (as defined by Belgian tax law) subject to Belgian corporate income tax (*impôt des sociétés/vennootschapsbelasting*) (that is, a corporate entity that has its main establishment, its administrative seat or seat of effective management in Belgium), (c) an Organisation for Financing Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions), or (d) a legal entity subject to Belgian income tax on legal entities (*impôt des personnes morales/rechtspersonenbelasting*) (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or seat of effective management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

10.5 Belgian withholding tax and income taxation

(a) Offer price

The Offer Price paid for the Shares will in principle not be subject to any withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by Belgium or any political subdivision or taxing authority thereof or therein.

(b) Dividends

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with applicable Belgian (or foreign) company law provisions is not treated as a dividend distribution to the extent that such repayment is imputed to fiscal capital. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up share premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates. However, it is not possible to fully impute a repayment of capital to fiscal capital if Kiadis also has certain reserves. Under Belgian tax law, a reimbursement of capital is proratedly imputed on, on the one hand, fiscal capital and, on the other hand, taxed reserves (whether or not incorporated in capital) and tax-exempt reserves incorporated in capital (according to a specific

priority rule). The part imputed on the reserves is treated as a dividend distribution subject to applicable tax rules.

Belgian withholding tax at the current rate of 30% is normally levied on dividends by any intermediary established in Belgium that is in any way involved in the processing of the payment of non-Belgian sourced dividends (e.g. a Belgian financial institution). This withholding tax rate is however subject to such relief as may be available under applicable domestic or tax treaty provisions.

The Belgian withholding tax is calculated on the dividend amount after deduction of any non-Belgian dividend withholding tax.

In the case of a redemption of the Shares, the redemption distribution (after deduction of the part of the fiscal capital represented by the redeemed Shares) will be treated as a dividend subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if this redemption is carried out on a stock exchange and meets certain conditions. In the event of Kiadis' liquidation, any amounts distributed in excess of the fiscal capital will in principle be subject to the 30% withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.

Under Belgian law, non-Belgian dividend withholding tax is not creditable against Belgian income tax and is not reimbursable to the extent that it exceeds Belgian income tax.

(i) *Holders of Shares: Belgian resident individuals*

For Belgian resident individuals who acquire and hold the Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless need to report the dividends in their personal income tax return if no intermediary established in Belgium was in any way involved in the processing of the payment of the non-Belgian sourced dividends and the dividends have not been subject to Belgian withholding tax. Moreover, even if an intermediary established in Belgium was involved, they can opt to report the income in their personal income tax return. If (and only if) the dividends are reported, they will normally, subject to certain conditions and formalities, be eligible for a personal income tax exemption with respect to ordinary dividends in an amount of up to EUR 800 (for income year 2021) per year and per taxpayer (Article 21, first subsection, 14°, of the Belgian Income Tax Code (the **ITC**)) (please note that, on the basis of a Program Act of 20 December 2020, the annual indexation of certain tax reductions and tax exemptions, amongst which the aforementioned exemption for dividends, is frozen for the income years 2020 to 2023. This Act has been published in the Belgian Official Gazette on 30 December 2020 and has entered into force on the same date. Consequently, the exempt amount of dividends is fixed at EUR 800, also retroactively for income year 2020). For the avoidance of doubt, all reported dividends (not only dividends distributed on the Shares) are taken into account to assess whether said maximum amount is reached. The aforementioned exempted amount is not applicable to redemption and liquidation gains.

Where the beneficiary needs or, as applicable, opts to report them, dividends will normally be taxable at the lower of the generally applicable 30% Belgian withholding tax rate on dividends or, in case globalization is more advantageous, at the progressive personal income tax rates applicable to the taxpayer's overall declared income. In addition, if the dividends are reported, the Belgian dividend withholding tax levied at source may be credited against the personal income tax due and is

reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the individual can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the attribution of the dividends.

For Belgian resident individual investors who acquire and hold the Shares for professional purposes, the Belgian withholding tax does not fully discharge their Belgian income tax liability. Dividends received must be reported by the investor and will, in such a case, be taxable at the investor's progressive personal income tax rate increased with municipal surcharges. Belgian withholding tax levied may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is identified and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the investor can demonstrate that it has held the full legal ownership of the Shares for an uninterrupted period of 12 months prior to the attribution of the dividends.

(ii) Holders of Shares: Belgian resident corporate entities

Dividends on the Shares received by Belgian resident companies are in principle exempt from Belgian withholding tax provided that the investor satisfies the identification requirements in Article 117, par. 11 of the Royal Decree implementing the Belgian Income Tax Code (the **RD/ITC**) (Art. 106, §1 RD/ITC).

Any Belgian dividend withholding tax levied at source can be credited against the ordinary Belgian corporate income tax and is reimbursable to the extent it exceeds such corporate income tax, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is identified and (ii) the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable: (i) if the taxpayer can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of 12 months immediately prior to the attribution of the dividends or (ii) if, during that period, the Shares never belonged to a taxpayer other than a Belgian resident company or a non-resident company that has, in an uninterrupted manner, invested the Shares in a permanent establishment, or PE, in Belgium.

For Belgian resident companies, the gross dividend income (after deduction of any non-Belgian withholding tax but including any Belgian withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of 25% (as of assessment year 2021 linked to a tax year starting on or after 1 January 2020), except that a reduced corporate income tax rate of 20% (as of assessment year 2021 linked to a tax year starting on or after 1 January 2020) applies to small companies and Medium Sized Enterprises (as defined by Article 1:24, §1 to §6 of the Belgian Code on Companies and Associations) on the first EUR 100,000 of taxable profits (subject to certain conditions).

Belgian resident companies can generally (although subject to certain limitations) deduct 100% of the gross dividend received from their taxable income (the so-called **Dividend Received Deduction**), provided that at the time of a dividend payment or attribution: (i) the Belgian resident company holds Shares representing at least 10% of Kiadis' share capital or a participation in Kiadis with an acquisition value of at least EUR 2,500,000 (it being understood that only one out of the two

tests must be satisfied); (ii) the Shares representing Kiadis' share capital have been or will be held in full ownership for an uninterrupted period of at least one year; and (iii) the conditions described in Article 203 ITC (relating to the taxation of the underlying distributed income and the absence of abuse) (the **Article 203 ITC Taxation Condition**), are met, or together, the **Conditions for the application of the Dividend Received Deduction regime**.

Conditions (i) and (ii) above are, in principle, not applicable to dividends received by an investment company within the meaning of art. 2, §1, 5°, f) ITC. The Conditions for the application of the Dividend Received Deduction regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

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

(iii) Holders of Shares: Belgian organisations for financing pensions (or OFPs)

For organizations for financing pensions, or OFPs, i.e., Belgian pension funds incorporated under the form of an OFP (*organisme de financement de pensions/organisme voor de financiering van pensioenen*) within the meaning of Article 8 of the Belgian Law of 27 October 2006, the dividend income from the Shares is generally tax exempt.

Dividends distributed through the intervention of a Belgian intermediary are generally subject to Belgian dividend withholding tax. The Belgian dividend withholding tax can in principle, subject to certain limitations, be credited against the OFPs' corporate income tax and is reimbursable to the extent it exceeds the corporate income tax due.

Belgian (or foreign) OFPs not holding the Shares - which give rise to dividends - for an uninterrupted period of at least 60 days in full ownership amounts to a rebuttable presumption that the arrangement or series of arrangements (*rechtshandeling of geheel van rechtshandelingen/acte juridique ou un ensemble d'actes juridiques*) which are connected to the dividend distributions, are not genuine (*kunstmatig/non authentique*). Any withholding tax exemption for which an OFP would be eligible will in such case not apply and/or any Belgian dividend withholding tax levied on the dividends will in such case not be credited against the corporate income tax due, unless counterproof is provided by the OFP that the arrangement or series of arrangements are genuine.

(iv) Holders of Shares: other Belgian resident legal entities

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

(v) Holders of Shares: Belgian non-resident individuals and companies

Dividend payments on the Shares through a professional intermediary in Belgium will, in principle, be subject to the 30% withholding tax, unless the Shareholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the required affidavit. If the dividend income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax should become due. Non-resident investors can also obtain an exemption of Belgian dividend withholding tax if they are the owners or usufructors of the Shares and they deliver an affidavit confirming that they have not allocated the Shares to business activities in Belgium and that they are non-residents, provided that the dividend is paid through a Belgian credit institution, stock market company or recognized clearing or settlement institution (Art. 264bis ITC).

If the Shares are acquired by a non-resident investor in connection with a business in Belgium, the investor must report any dividends received, which are taxable at the applicable non-resident individual or corporate income tax rate, as appropriate. Any Belgian withholding tax levied at source can be credited against the non-resident individual or corporate income tax and is reimbursable to the extent it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is identified and (ii) the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if (i) the non-resident individual or the non-resident company can demonstrate that the Shares were held in full legal ownership for an uninterrupted period of 12 months immediately prior to the attribution of the dividends or (ii) with regard to non-resident companies only, if, during the said period, the Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a Belgian PE.

Non-resident companies that have invested the Shares in a Belgian establishment can deduct up to 100% of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Conditions for the application of the Dividend Received Deduction regime are satisfied (see above). Application of the Dividend Received Deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

10.6 Capital gains and losses on the Shares

(a) Holders of Shares: Belgian resident individuals

Capital gains realised on the Shares by Belgian resident individuals holding the Shares as a private investment should, in principle, not be subject to Belgian capital gains tax on the disposal of the Shares; capital losses are not tax deductible.

However, capital gains realised by a private individual are taxable at 33% (plus local surcharges) if the capital gains are realised outside the scope of the normal management of the individual's private estate. Capital losses are, however, not tax deductible in such event.

Capital gains realised by Belgian resident individuals on the disposal of the Shares, outside the exercise of a professional activity, to a non-resident company (or body constituted in a similar legal

form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity, each time established outside the European Economic Area, are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned, directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in Kiadis (i.e., a shareholding of more than 25% in Kiadis). Tax losses are however not tax deductible in such event.

Capital gains realised by Belgian resident individuals upon redemption of the Shares or upon liquidation of Kiadis will generally be taxable as a dividend (see above).

Belgian resident individuals who hold Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realised upon the disposal of the Shares, except for: (i) capital gains on Shares realized in the framework of the cessation of activities, which are taxable at a separate rate of 10% or 16.5% (depending on the circumstances) (plus local surcharges); or (ii) Shares held for more than five years, which are taxable at a flat rate of 16.5% (plus local surcharges). Capital losses on the Shares incurred by Belgian resident individuals who hold the Shares for professional purposes are in principle tax deductible.

(b) Holders of Shares: Belgian resident corporate entities

Belgian resident companies are in principle exempt from Belgian corporate income tax on capital gains realised upon the disposal of the Shares provided that the Conditions for the application of the Dividend Received Deduction regime are met.

If one of those conditions is not met, the capital gains are taxable at the standard corporate tax rate of 25% (as of assessment year 2021 linked to a tax year starting on or after 1 January 2020), unless the reduced corporate income tax rate of 20% on the first EUR 100,000 of taxable profits applies (see above).

Capital losses on Shares incurred by Belgian resident companies are as a general rule not tax deductible.

Shares held in the trading portfolio (*portefeuille commercial / handelsportefeuille*) of qualifying credit institutions, investment firms and management companies of collective investment undertakings which are subject to the Royal Decree of 23 September 1992 on the annual accounts of credit institutions, investment firms and management companies of collective investment undertakings (*comptes annuels des établissements de crédit, des entreprises d'investissement et des sociétés de gestion d'organismes de placement / jaarrekening van de kredietinstellingen, de beleggingsondernemingen en de beheervennootschappen van instellingen voor collectieve belegging*) are subject to a different regime. The capital gains on such shares are taxable at the ordinary corporate income tax rate of 25% (as of assessment year 2021 linked to a tax year starting on or after 1 January 2020). Capital losses on such shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realization.

Capital gains realized by Belgian resident companies (both non-SMEs and SMEs and both ordinary Belgian resident companies and qualifying credit institutions, investment enterprises and management companies of collective investment undertakings) upon the redemption of Shares or

upon Kiadis' liquidation are, in principle, subject to the same taxation regime as dividends. See "Dividends" above.

(c) Holders of Shares: Belgian organisations for financing pensions (or OFPs)

OFPs within the meaning of article 8 of the Belgian Law of 27 October 2006 are, in principle, not subject to Belgian corporate income tax on any capital gains realised upon the disposal of the Shares, and capital losses are not tax deductible.

Capital gains realized by Belgian OFPs upon the redemption of ordinary shares or upon the liquidation of Kiadis will in principle be taxed as dividends (see above).

(d) Holders of Shares: Belgian other taxable legal entities

Belgian resident legal entities subject to the Belgian legal entities income tax are, in principle, not subject to Belgian capital gains taxation on the disposal of Shares.

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

Capital losses on Shares incurred by Belgian resident legal entities are not tax deductible.

(e) Holders of Shares: Belgian non-resident individuals and companies

Non-resident individuals or companies are, in principle, not subject to Belgian income tax on capital gains realised upon disposal of the Shares, unless the Shares are held as part of a business conducted in Belgium through a Belgian permanent establishment. In such a case, the same principles apply as described with regard to Belgian individuals (holding the Shares for professional purposes) or Belgian companies.

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

- the gains are deemed to be realized outside the scope of the normal management of the individual's private estate. In such case, the capital gains have to be reported in a non-resident tax return for the income year during which the gain has been realized and may be taxable in Belgium; or
- the gains originate from the disposal of (part of) a substantial participation in a Belgian company (being a participation representing more than 25% of the share capital of Kiadis at any time during the last five years prior to the disposal) to a non-resident company (or a body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity, each time established outside of the EEA. Then, the realized capital gains may, under certain circumstances, give rise to a 16.5% tax (plus local surcharges).

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

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

10.7 Gift and inheritance taxes

In principle no Belgian gift or inheritance tax will arise in respect of or in connection with the acceptance of the Offer.

10.8 Value added tax

In principle no Belgian value added tax will arise in respect of or in connection with the acceptance of the Offer.

10.9 Other taxes and duties

(a) Tax on stock exchange transactions

A tax on stock exchange transactions (*taxe sur les opérations de bourse / taks op de beursverrichtingen*) at the rate of 0.35% (subject to a maximum amount of EUR 1,600 per party and per transaction) will in principle be levied upon the sale and purchase and any other acquisition or transfer for consideration of the Shares on the secondary market if (i) it is entered into or carried out in Belgium through a professional intermediary, or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence (*gewone verblijfplaats/residence habituelle*) in Belgium, or legal entities for the account of their seat or establishment in Belgium (both, a **Belgian Investor**). A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary. No tax on stock exchange transactions will be due on the issuance of the Shares (primary market transaction).

However, if the order is directly or indirectly made to a professional intermediary established outside of Belgium by a Belgian Investor, the tax on stock exchange transactions will in principle be due by this Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless that Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the professional intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (**Stock Exchange Tax Representative**). Such Stock Exchange Tax Representative will then be liable towards the Belgian Treasury for the tax on stock exchange transactions due on behalf of clients that fall within one of the aforementioned categories (provided that these clients do

not qualify as exempt persons for stock exchange tax purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

Moreover, a tax on repurchase transactions (*taks op de reportverrichtingen/taxe sur les reports*) (tax on a sale combined with a forward purchase) at the rate of 0.085 per cent (subject to a maximum of EUR 1,300 per party and per transaction) will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party.

However, none of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian residents (subject to the delivery of an affidavit to the professional intermediary confirming their non-resident status) and certain Belgian institutional investors as defined in Article 126.1, 2° of the Code of miscellaneous duties and taxes (*Wetboek diverse rechten en taken/Code des droits et taxes divers*) for the tax on stock exchange transactions and article 139, §2 of the same code for the tax on repurchase transactions.

On 14 February 2013 the EU Commission adopted the Draft Directive on a Financial Transaction Tax (the **FTT** and the **FTT Draft Directive**). The FTT Draft Directive currently stipulates that once the FTT enters into effect, the Participating Member States shall not maintain or introduce any taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax on repurchase transactions should thus be abolished once the FTT enters into effect. The FTT Draft Directive is still subject to negotiation between the Participating Member States and may, therefore, be further amended at any time.

10.10 New annual tax on securities accounts

On 5 January 2021, the Belgian federal government has submitted a bill introducing a new annual tax on securities accounts (*solidarity contribution*) to Parliament. The taxable object is the holding of a securities account with a financial intermediary during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year. The tax would target securities accounts held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary which is established or located in Belgium or abroad. The tax would also apply to securities accounts held by non-residents individuals, companies and legal entities with a financial intermediary established or located in Belgium. The tax would be levied at a rate of 0.15% on the average value of taxable financial instruments in securities accounts held by resident and non-resident individuals, companies, and other legal entities where the average value is greater than EUR 1 million, assessed per reference period. The financial instruments envisaged include not only shares and bonds, but also derivatives. When applicable, the amount of the tax is limited to 10% of the difference between the taxable base and the threshold of EUR 1 million. Each securities account will be assessed separately. When multiple holders hold a securities account, each holder shall be jointly and severally liable for the declaration and payment of the tax. The intention is to levy the tax as a liberating deduction at source in the hands of the Belgian intermediary.

A financial intermediary would be defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in article 198/1, §6, 12° of the Belgian Income Tax Code, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (vi) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

There would be various exemptions, such as securities accounts held by specific types of regulated entities for their own account.

An anti-abuse provision is also included to counter certain actions to avoid the tax, such as moving the taxable financial instruments to multiple security accounts to avoid exceeding the EUR 1 million threshold, converting taxable financial instruments into non-taxable nominative securities, or transferring to foreign securities accounts, among others. The anti-abuse provision would be considered to apply retroactively as from 30 October 2020.

Please note that this tax is still subject to negotiation and that the aforementioned principles could still change. The bill has not yet been adopted by the Belgian Parliament. Prospective Shareholders are therefore advised to follow up and seek their own professional advice in relation to this new annual tax on securities accounts.

10.11 The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transaction tax (**FTT**), to be levied on transactions in financial instruments by financial institutions if at least one of the parties to the transaction is located in the 'FTT-zone' as defined in the Commission's Proposal. It was approved by the European Parliament in July 2013.

Originally, the adopted Commission's Proposal foresaw the financial transaction tax for 11 "Participating Member States" (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). However, on 16 March 2016 Estonia formally withdrew from the group of states willing to introduce the FTT. The actual implementation date of the FTT would depend on the future approval of the European Council and consultation of other EU institutions, and the subsequent transposition into local law.

If the financial transaction tax is introduced, under current published proposals financial institutions and certain other parties would be required to pay tax on transactions in financial instruments with parties (including, with respect to the EU-wide proposal, its affiliates) located in the FTT-zone. The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Shares in certain circumstances. It is a tax on derivatives transactions (such as hedging activities) as well as on securities transactions, i.e. it applies to trading in instruments such as shares and bonds. The initial issue of instruments such as shares and bonds is exempt from financial transaction tax in the current Commission's Proposal. This means that the issuance and subscription of the Shares should not become subject to financial transaction tax.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

In 2019, Finance Ministers of the Member States participating in the enhanced cooperation indicated that they were discussing a new FTT proposal based on the French model of the tax and the possible mutualisation of the tax as a contribution to the EU budget.

According to the latest draft of this new FTT proposal (submitted by the German government), the FTT would be levied at a rate of at least 0.2 per cent. of the consideration for the acquisition of ownership of shares (including ordinary and any preference shares) admitted to trading on a trading venue or a similar third country venue, or of other securities equivalent to such shares (“Financial Instruments”) or similar transactions (e.g. an acquisition of Financial Instruments by means of an exchange of Financial Instruments or by means of a physical settlement of a derivative). The FTT would be payable to the Participating Member State in whose territory the issuer of a Financial Instrument has established its registered office. According to the latest draft of the new FTT proposal, the FTT would not apply to straight notes.

Like the Commission’s Proposal, the latest draft of the new FTT proposal also stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). As a consequence, Belgium should abolish the tax on stock exchange transactions and the tax on repurchase transactions once the FTT enters into force.

However, the FTT Commission’s Proposal remains subject to negotiation between the participating Member States. Further, its legality is at present uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective Shareholders are advised to seek their own professional advice in relation to the FTT.

10.12 Common Reporting Standard

On 29 September 2020, 109 jurisdictions had signed the multilateral competent authority agreement (MCAA), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

49 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 (“early adopters”). More than 50 jurisdictions have committed to exchange information as from 2018, two jurisdictions as from 2019 and seven jurisdictions as from 2020.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (**DAC2**), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

Belgium has implemented the DAC2 and respectively the CRS by the law of 16 December 2015 regulating the exchange of financial account information between Belgian financial institutions and the FPS Finances in the framework of automatic information exchange at the international level and for tax purposes (the **Law of 16 December 2015**).

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of the respective date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, as amended, it has been provided that the automatic exchange of information has to be provided (i) as from 2017 (for the 2016 financial year) for a first list of eighteen foreign jurisdictions, (ii) as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions, (iii) as from 2019 (for the 2018 financial year) for a third list of another jurisdiction and (iv) as from 2020 (for the 2019 financial year) a fourth list of six jurisdictions.

The Shares are subject to DAC2 and the Law of 16 December 2015. Under DAC2 and the Law of 16 December 2015, Belgian financial institutions holding the Shares for tax residents in another CRS contracting state shall report financial information regarding the Shares (e.g. in relation to income and gross proceeds) to the Belgian competent authority, which shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

Investors who are in any doubt as to their position should consult their professional advisors.

11. PRESS RELEASES

11.1 Initial Announcement dated 2 November 2020



Sanofi offers to acquire Kiadis for €308 million

November 2, 2020

This is a joint press release by Sanofi ("Sanofi") and Kiadis Pharma N.V. ("Kiadis"), pursuant to the provisions of Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft) (the "Decree") in connection with the intended public offer by Sanofi for all the issued and outstanding ordinary shares in the capital of Kiadis (the "Offer"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum (the "Offer Document") approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) (the "AFM") and recognized by the Belgian Authority for the Financial Markets (Autoriteit voor Financiële Diensten en Markten) (the "FSMA"). This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

Sanofi offers to acquire Kiadis for €308 million

Transaction highlights

- Kiadis and Sanofi have reached conditional agreement on a recommended all-cash public offer (the "Offer") by Sanofi for Kiadis of EUR 5.45 in cash (cum dividend) (the "Offer Price") for each issued and outstanding ordinary share in the capital of Kiadis (the "Shares") representing an aggregate adjusted equity value of EUR 308 million¹
- The Offer Price represents a premium of 272% over the closing price on 30 October 2020, a premium of approximately 247% over the 30 trading days VWAP and a premium of approximately 200% over the 90 trading days VWAP
- Kiadis' proprietary next generation NK-cell technology platform and pipeline complements Sanofi's existing therapeutic expertise
- Sanofi's infrastructure and capabilities will be leveraged to advance the development of Kiadis' pipeline
- Kiadis' Boards unanimously support and recommend the Offer and believe the Offer is a fair reflection of the Kiadis' potential, given the risk/reward typical to a biotech company and the capital required to execute its business plan; additionally they believe that the Transaction is in the best interests of Kiadis, the sustainable success of its business, its shareholders, patients, employees, business partners and other stakeholders
- Funds managed by Life Sciences Partners have irrevocably committed to Sanofi to support the Offer and tender their 18.3%² shareholding in the Offer
- The Offer is subject to certain customary conditions, including obtaining required competition clearance, and is expected to complete in the first half of 2021
- Kiadis to hold conference call for investors and analysts at 13:00 CET today

Paris, France and Amsterdam, The Netherlands, 2 November 2020 – Sanofi (Euronext: SAN and NYSE: SNY) and Kiadis Pharma N.V. ("Kiadis" or the "Company") (Euronext Amsterdam and Brussels: KDS) today announce that they have entered into a definitive merger agreement under which Sanofi will offer to acquire all of the outstanding ordinary shares of Kiadis at a price per Kiadis share of €5.45 in cash (272% premium to the closing price on 30 October 2020), representing an aggregate adjusted equity value of approximately €308 million. The Kiadis Management Board and Supervisory Board unanimously approve the intended transaction and recommend the Offer to holders of Kiadis' Shares.

John Reed, M.D., Ph.D., Global Head of Research and Development of Sanofi, commented, "We believe Kiadis' off the shelf K-NK cell technology platform will have broad application against liquid and solid tumors, and create synergies with Sanofi's emerging immuno-oncology pipeline, providing opportunities for us to pursue potential best-in-disease approaches."

Arthur Lahr, Chief Executive Officer of Kiadis, commented, "Kiadis' vision is to bring novel cell-based medicines to people with life-threatening diseases, and this transaction will help achieve that vision. After the discontinuation of our lead product candidate and subsequent reorganization in 2019, we restarted Kiadis early in 2020 as an entirely new company focused solely on the proprietary and differentiated NK-cell platform that we obtained through the acquisition of CytoSen Therapeutics. Sanofi's offer is a clear testimony to the uniqueness of our NK-cell platform and the rapid success of Kiadis' transformation. The Kiadis Boards unanimously believe that Sanofi has the resources and financial strength to accelerate development of our NK-cell products, to the benefit of patients. We believe this transaction represents compelling value to shareholders and offers a fair reflection of the potential of our platform and pipeline, given the risk/reward profile typical to biotech and the capital required to execute our business plan. Finally, this transaction will provide excellent career opportunities for our employees, who will be viewed by Sanofi as their internal cell-therapy experts."

Strategic rationale

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. The platform has the potential to make products rapidly and economically available for a broad

patient population across a wide range of indications.

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).

- **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.
- **K-NK003** is in a Phase 1 study evaluating NK-cells for patients with relapsed or refractory AML.
- **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.

Transaction details

The proposed transaction envisions the acquisition of the Shares of Kiadis pursuant to a recommended public offer by Sanofi. The Offer Price represents an implied equity value for 100% of Kiadis on a fully diluted basis of EUR 308 million.

The Offer Price, delivering immediate, certain and significant value to Kiadis' shareholders, represents the following premiums:

- a premium of 272% to Kiadis' closing price on 30 October 2020 of EUR 1.464;
- a premium of 247% to Kiadis' volume-weighted average price for the 30 trading days up to and including 30 October 2020 of EUR 1.571; and
- a premium of 200% to Kiadis' volume-weighted average price for the 90 trading days up to and including 30 October 2020 of EUR 1.819.

Support and recommendation by the Boards

This announcement follows constructive interactions between the companies. Kiadis' Management Board and Supervisory Board (together, the "**Boards**") have frequently discussed the developments of the proposed transaction and the key decisions in connection therewith throughout the process. Consistent with their fiduciary responsibilities, the Boards, with the support of their financial and legal advisors, have given careful consideration to all aspects of the proposed transaction. Having taken the interests of all stakeholders into account the Boards have unanimously concluded that the Offer is in the best interests of Kiadis, the sustainable success of its business, its shareholders, employees, patients, business partners and other stakeholders.

Accordingly, the Boards have decided to fully support and recommend the Offer to the holders of the Shares and to furthermore recommend the holders of the Shares to vote in favor of the resolutions relating to the Offer (the "**Resolutions**") at the upcoming extraordinary general meeting of Kiadis (the "**EGM**") to be held during the offer period. Furthermore, all members of the Boards who hold Shares for their own account have committed to tender all those Shares into the Offer.

Acquisition of 100%

Sanofi's willingness to pay the Offer Price and pursue the Offer is predicated on the acquisition of 100% of the Shares or the entirety of Kiadis' assets and operations, the ability to delist Kiadis, and the ability to fully integrate the respective businesses of Kiadis and Sanofi and realize the operational, commercial, organizational, financial and tax benefits of the combination of the parties. Such benefits could not, or would only partially, be achieved if Kiadis were to continue as a standalone entity with a minority shareholder base. As soon as possible following the settlement of the Offer, Kiadis and Sanofi shall seek to procure delisting of the Shares on Euronext Amsterdam and Euronext Brussels.

If Sanofi acquires at least 95% of the Shares, Sanofi shall commence statutory squeeze-out proceedings, unless Sanofi and Kiadis after reasonable consultation, taking into account the interests of the remaining stakeholders and other relevant circumstances, agree that Sanofi can pursue the Post-Offer Restructuring (as defined below).

If the Shares held by Sanofi after expiry of the post acceptance period of the Offer will represent at least 80% and less than 95% of Kiadis' aggregate issued and outstanding ordinary share capital on a fully diluted basis or such lower percentage as may be agreed between Sanofi and Kiadis prior to settlement and the Offer being declared unconditional, Sanofi will have the right to pursue an asset sale and liquidation (the "**Asset Sale**") whereby Kiadis will sell and transfer all of its assets and liabilities to Sanofi against payment of a purchase price equal to the offer consideration (the "**Sale Price**"). Following the completion of the Asset Sale, Kiadis will effectuate the dissolution and liquidation of Kiadis (the "**Company Dissolution**") and, 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 Post-Offer Restructuring is subject to Kiadis' shareholders' approval at the EGM to be held prior to closing of the offer period.

Sanofi and Kiadis may explore and agree on potential alternative Post-Offer Restructurings, such as a combination of a statutory legal (triangular) merger and a sale of the shares in the surviving successor of Kiadis to Sanofi.

Sanofi may utilize all other available legal measures in order to acquire full ownership of Kiadis' outstanding Shares and/or its business in accordance with the terms of the Merger Agreement.

Fairness opinions

Moelis & Company LLC ("**Moelis**"), acting as exclusive financial advisor to Kiadis, has issued a fairness opinion to the Boards as to the fairness, as of such date, and based upon and subject to the factors, assumptions, qualifications and other matters set forth in the fairness opinion, to the effect that each of the Offer Price and the Sale Price is fair to the holders of Shares from a financial point of view. The full text of such fairness opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, will be included in the Boards' position statement.

The support and recommendation of the Boards, and the obligations of Sanofi in relation thereto, are subject to the terms and conditions of the Merger Agreement.

Irrevocable undertaking from Life Sciences Partners

Funds managed by Life Sciences Partners have committed to tender approximately 18.3%³ of the outstanding Shares under the Offer, if and when made, and to vote in favor of the Resolutions. The irrevocable undertaking contains certain customary undertakings and conditions.

Certain funds

Sanofi intends to finance the Offer by utilizing available cash resources.

Non-financial covenants

Kiadis and Sanofi have agreed to certain non-financial covenants in respect of, amongst others, corporate governance, strategy, employees, financing and disposals for a duration of 18 months after settlement of the Offer (the "**Non-Financial Covenants**"), including the covenants summarized below.

Corporate governance

It is envisaged that upon completion of the Offer the Supervisory Board of Kiadis will be composed of:

- Three members to be identified by Sanofi prior to the launch of the Offer;
- Two members qualifying as independent within the meaning of the Dutch Corporate Governance Code whereby these two members will be current members of the Supervisory Board to be identified prior to the launch of the Offer. The independent members will continue to serve for at least one year from settlement of the Offer or, if later, until the earliest of (i) the date on which all Shares are held by Sanofi, (ii) the date on which Sanofi has irrevocably initiated statutory buy-out proceedings 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 of the Amsterdam Court of Appeal has determined the price payable by Sanofi to the other shareholders pursuant to statutory buy-out proceedings, and (iv) the date on which, following the Post-Offer Restructuring, the holders of Shares have received the liquidation distribution.

It is envisaged that upon completion of the Offer the Management Board of Kiadis will be composed of the members of Kiadis' Management Board as per the date of the Merger Agreement and may be expanded with one additional member to be identified by Sanofi prior to launch of the offer.

Organization / location

There will be R&D and CMC activities at the Company's offices in Amsterdam, the Netherlands.

Sanofi is focused on ensuring that the Company group's key management and key staff is retained and offered suitable career opportunities.

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

Employees

There will be no material redundancies with respect to the Company group's employees as a direct consequence of the Offer and necessary redundancies going forward will be part of an integration committee process.

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

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

The existing pension rights of the Company group's current and former employees shall be respected by Sanofi.

Following settlement of the Offer, the nomination, selection and appointment of staff for functions within Sanofi's 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, or non-discriminatory, fair and business-oriented transparent set of criteria.

Financing

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

Sanofi will allocate suitable resources for the Company's R&D and CMC activities.

Pre-Offer and Offer Conditions

The commencement of the Offer is subject to the satisfaction or waiver of pre-offer conditions customary for a transaction of this kind, including:

- no material adverse effect having occurred and is continuing;
- no material breach of the Merger Agreement having occurred;
- the AFM having approved the offer document;
- the FSMA having recognized the offer document;
- no revocation or amendment of the recommendations by the Boards;
- no Superior Offer (as defined below) having been agreed upon by the third-party offeror and Kiadis, or having been launched;
- no third party being obliged and has announced to make, or has made a mandatory offer pursuant to Dutch law for consideration that is at least equal to the Offer Price;
- no order, stay, injunction, judgment or decree having been issued prohibiting or materially delaying the making of the Offer and/or the Post-Offer Restructuring;
- no notification having been received from the AFM stating that the preparations for the Offer are in breach of the Dutch offer rules or that one or more investment firms will not be allowed to cooperate with the Offer; and
- trading in the Shares on Euronext Amsterdam or Euronext Brussels not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam or Euronext Brussels.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of offer conditions customary for a transaction of this kind, including:

- minimum acceptance level of at least 95% of Kiadis' issued share capital on a fully diluted basis which will be automatically adjusted to 80% of Kiadis' issued share capital on a fully diluted basis if the Resolutions in connection with the Post-Offer Restructuring are passed at the EGM provided, however, that Sanofi may waive, to the extent permitted by applicable laws and regulations, the minimum acceptance level conditions without the consent of Kiadis if the acceptance level is at least 66.67% of Kiadis' issued share capital on a fully diluted basis;
- competition clearances having been obtained;
- no material breach of the Merger Agreement having occurred;
- no material adverse effect having occurred and is continuing;
- no revocation or amendment of the recommendations by the Boards;
- no recommended Superior Offer (as defined below) having been agreed upon by the third-party offeror and Kiadis, or having been launched;
- no third party being obliged and has announced to make, or has made a mandatory offer pursuant to Dutch law for consideration that is at least equal to the Offer Price;
- no governmental or court order having been issued prohibiting the consummation of the transaction or the Post-Offer Restructuring;
- no notification having been received from the AFM stating that the preparations for the Offer are in breach of the Dutch offer rules or that one or more investment firms will not be allowed to cooperate with the Offer; and
- trading in the Shares on Euronext Amsterdam or Euronext Brussels not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam or Euronext Brussels.

The Offer Conditions will have to be satisfied or waived ultimately on 31 December 2021.

Termination

On termination of the Merger Agreement by Sanofi on account of a material breach of the Merger Agreement by Kiadis or in case the Merger Agreement is terminated by either Kiadis or Sanofi pursuant to a Superior Offer that is not matched by Sanofi (see below), Kiadis will forfeit a gross EUR 2,880,600 termination fee to Sanofi.

On termination of the Merger Agreement by Kiadis, because of a material breach of the Merger Agreement by Sanofi, or because the competition clearance has not been obtained, Sanofi will forfeit a gross EUR 2,880,600 termination fee to Kiadis.

The foregoing termination fees are without prejudice to each party's rights under the Merger Agreement to demand specific performance.

Superior Offer

Sanofi and Kiadis may terminate the Merger Agreement in the event of a *bona fide* third-party offeror making an offer that the Boards determine in good faith to be substantially more beneficial than Sanofi's offer, also taking into account, amongst other things, all legal, financial and regulatory aspects, timing, certainty, conditionality and non-financial covenants, provided that (i) the offer exceeds the Offer Price by at least 8% and (ii) the third-party offeror has conditionally committed itself to Kiadis in the event of an offer, under customary conditions to the Company to launch such offer within the applicable time periods prescribed by applicable laws following announcement of such offer (a "**Superior Offer**"). In the event of a Superior Offer, Sanofi will be given the opportunity to match such offer. If Sanofi matches the Superior Offer, the third party offer may not be accepted and the Merger Agreement may not be terminated by Kiadis. Any additional subsequent competing offer will have a 4% offer threshold and matching right for Sanofi. As part of the agreement, Kiadis has entered into customary undertakings not to solicit third party offers.

Indicative Timetable

Sanofi and Kiadis will seek to obtain all necessary competition clearances as soon as practicable. The combination of Kiadis and Sanofi is not expected to raise antitrust concerns.

Sanofi expects to submit a request for review and approval of the Offer Document with the AFM at short notice and to publish the Offer Document after approval and recognition thereof by the FSMA, in accordance with the applicable statutory timeline.

Kiadis will hold the EGM at least ten business days prior to the closing of the Offer period to inform the shareholders about the Offer and to adopt the Resolutions.

Based on the required steps and subject to the necessary approval of the Offer Document, Kiadis and Sanofi anticipate that the Offer will close in the first half of 2021.

Bridge Loan

Sanofi and Kiadis have agreed upon the principal terms of a bridge loan facility in the aggregate amount of EUR 28 million to be provided by one of Sanofi's wholly owned subsidiaries to Kiadis, to be entered into within five weeks from today.

Advisors

Moelis & Company is acting as financial advisor and Allen and Overy LLP (Amsterdam) is acting as legal advisor to Kiadis. PJT Partners is acting as financial advisor and NautaDutilh N.V. is acting as legal advisor to Sanofi.

For more information:

Kiadis:

Maryann Cimino, Sr. Manager, Corporate Affairs
Tel: +1 (617) 710-7305
m.cimino@kiadis.com

Kiadis Media Relations Contacts

LifeSpring Life Sciences Communication:

Leon Melens (Amsterdam)
Tel: +31 538 16 427
lmelens@lifespring.nl

Optimum Strategic Communications:

Mary Clark, Supriya Mathur
Tel: +44 203 950 9144
kiadis@optimumcomms.com

Sanofi:

Sanofi Media Relations Contact

Ashleigh Koss
Tel.: +1 (908) 205-2572
ashleigh.koss@sanofi.com

Sanofi Investor Relations Contacts Paris

Eva Schaefer-Jansen
Arnaud Delepine
Yvonne Naughton

Sanofi Investor Relations Contacts North America

Felix Lauscher
Fara Berkowitz
Suzanne Greco

IR main line:

Tel.: +33 (0)1 53 77 45 45
ir@sanofi.com

Kiadis Conference Call

The Kiadis management will host a conference call for analysts and investors today, Monday, November 2nd at 13:00 CET / 12:00pm GMT / 9:00am EST. To participate in the conference call, ten minutes prior to the call start time, please call one of the following numbers, enter the Conference ID stated below, and leave any information requested after the tone:

Standard International Dial-in Number: +44 (0) 2071 928338
Netherlands, Amsterdam: +31 (0) 207956614
UK, London: +44 (0) 8444819752
Toll free US Dial-in Number: 1 877 870 9135
Conference ID: 4744279

Live webcast: A live audio webcast of the call can be accessed from the Events section of the Company's website, <https://ir.kiadis.com/events-and-presentations>.

Dutch Translation

For a full Dutch translation of this press release please visit <https://ir.kiadis.com/press-releases> and click on the title of this release.

About Kiadis

Founded in 1997, Kiadis is committed to developing innovative cell-based medicines for patients with life-threatening diseases. With headquarters in Amsterdam, The Netherlands, and offices and activities across the United States, Kiadis is reimagining medicine by leveraging the natural strengths of humanity and our collective immune system to source the best cells for life.

Kiadis is listed on the regulated market of Euronext Amsterdam and Euronext Brussels since July 2, 2015, under the symbol KDS. Learn more at www.Kiadis.com.

About Sanofi

Sanofi is dedicated to supporting people through their health challenges. It is a global biopharmaceutical company focused on human health. Sanofi prevents illness with vaccines and provides innovative treatments to fight pain and ease suffering. Sanofi stands by the few who suffer from rare diseases and the millions with long-term chronic conditions.

With more than 100,000 people in 100 countries, Sanofi is transforming scientific innovation into healthcare solutions around the globe.

Sanofi, Empowering Life

Disclaimer

This is a joint public announcement by Kiadis and Sanofi pursuant to section 4 paragraphs 1 and 3, section 5 paragraph 1 and Section 7 paragraph 4 of the Decree and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Sanofi and Kiadis disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Sanofi, nor Kiadis, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any Kiadis shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay.

Kiadis Forward-Looking Statements

Certain statements, beliefs and opinions in this press release are forward-looking, which reflect Kiadis' or, as appropriate, Kiadis' officers' current expectations and projections about future events. By their nature, forward-looking statements involve a number of known and unknown risks, uncertainties and assumptions that could cause actual results, performance, achievements or events to differ materially from those expressed, anticipated or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, regulation, competition and technology, can cause actual events, performance, achievements or results to differ significantly from any anticipated or implied development. Forward-looking statements contained in this press release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, Kiadis expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or projections, or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither Kiadis nor its advisers or representatives nor any of its subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the anticipated or implied developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release.

Sanofi Forward-Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates", "plans" and similar expressions. Although Sanofi's management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, risks related to Sanofi's ability to complete the acquisition on the proposed terms or on the proposed timeline, the possibility that competing offers will be made, other risks associated with executing business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the acquisition will not be realized, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the fact that product candidates if approved may not be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi's ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic and market conditions, cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. Any material effect of COVID-19 on any of the foregoing could also adversely impact us. This situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in Sanofi's annual report on Form 20-F for the year ended December 31, 2019. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

¹ Adjusted for the value of warrants which may be exercised in shares or paid in cash based on Black Scholes value as of the day immediately following the public announcement of the change of control

² Percentage shareholding based on the amount of Shares held by the funds managed by Life Sciences Partners and the issued capital of the Company on the date hereof

³ Percentage shareholding based on the amount of Shares held by the funds managed by Life Sciences Partners and the issued capital of the Company on the date hereof

11.2 Four weeks announcement dated 30 November 2020



Update on the intended offer by Sanofi for Kiadis

November 30, 2020

This is a joint press release by Sanofi ("Sanofi") and Kiadis Pharma N.V. ("Kiadis"), pursuant to the provisions of Section 7, paragraph 1 sub a of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft) (the "Decree") in connection with the intended public offer by Sanofi for all the issued and outstanding ordinary shares in the capital of Kiadis (the "Offer"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum (the "Offer Document") approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) (the "AFM") and recognized by the Belgian Authority for the Financial Markets (Autoriteit voor Financiële Diensten en Markten) (the "FSMA"). This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

Update on the intended offer by Sanofi for Kiadis

Paris, France and Amsterdam, The Netherlands, 30 November 2020 – Sanofi (Euronext: SAN and NYSE: SNY) and Kiadis Pharma N.V. ("Kiadis" or the "Company") (Euronext Amsterdam and Brussels: KDS)

Reference is made to the joint press release by Sanofi and Kiadis dated 2 November 2020 in respect of the Offer to be made by Sanofi at an offer price of EUR 5.45 in cash per share (cum dividend).

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree, requiring a public announcement including a status update regarding an intended public offer within four weeks following its announcement, Sanofi and Kiadis hereby provide this joint update on the Offer.

Sanofi and Kiadis confirm that they are making good progress on the preparations for the Offer. At the date of this press release, Sanofi will submit a request for review and approval of the offer document in relation to the Offer with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

In addition, Sanofi and Kiadis confirm that the process to obtain the required competition clearance for the Offer is proceeding. Sanofi and Kiadis anticipate that the Offer will close in the first half of 2021.

Dutch Translation/Nederlandse vertaling

Parijs, Frankrijk en Amsterdam, Nederland, 30 november 2020 – Sanofi (Euronext: SAN en NYSE: SNY) en Kiadis Pharma N.V. ("Kiadis" of de "Vennootschap") (Euronext Amsterdam en Brussels: KDS)

Verwezen wordt naar het gezamenlijk persbericht van Sanofi en Kiadis van 2 november 2020 met betrekking tot het voorgenomen openbaar bod (het Bod) dat door Sanofi zal worden uitgebracht tegen een biedprijs van EUR 5,45 in contanten (cum dividend) per aandeel.

Ingevolge het bepaalde in artikel 7 lid 1 sub a van het Besluit openbare biedingen Wft, waarin is bepaald dat binnen vier weken na aankondiging van een voorgenomen openbaar bod een openbare mededeling is vereist met daarin een update over dat bod, verstrekken Sanofi en Kiadis hierbij deze gezamenlijk voornoemde update met betrekking tot het Bod.

Sanofi en Kiadis bevestigen dat ze goede voortgang boeken met de voorbereidingen van het Bod. Vandaag zal Sanofi een verzoek tot beoordeling en goedkeuring van het biedingsbericht indienen bij de Autoriteit Financiële Markten.

Verder bevestigen Sanofi en Kiadis dat het proces om de benodigde toezichtrechtelijke goedkeuring te verkrijgen voor het Bod vordert. Sanofi en Kiadis verwachten dat het Bod zal worden afgerond in de eerste helft van 2021.

Dit is een samenvatting van het Engelstalige persbericht. Bij eventuele verschillen is de tekst van het Engelstalige persbericht altijd leidend.

For more information:

Kiadis:

Maryann Cimino, Sr. Manager, Corporate Affairs
Tel: +1 (617) 710-7305
m.cimino@kiadis.com

Kiadis Media Relations Contacts

LifeSpring Life Sciences Communication:
Leon Melens (Amsterdam)
Tel: +31 538 16 427
lmelens@lifespring.nl

Optimum Strategic Communications:

Sanofi:

Sanofi Media Relations Contact
Ashleigh Koss
Tel.: +1 (908) 205-2572
ashleigh.koss@sanofi.com

Sanofi Investor Relations Contacts Paris

Eva Schaefer-Jansen
Arnaud Delepine
Yvonne Naughton

Sanofi Investor Relations Contacts North America

Mary Clark, Supriya Mathur
Tel: +44 203 950 9144
kiadis@optimumcomms.com

Felix Lauscher
Fara Berkowitz
Suzanne Greco

IR main line:
Tel.: +33 (0)1 53 77 45 45
ir@sanofi.com

About Kiadis

Founded in 1997, Kiadis is committed to developing innovative cell-based medicines for patients with life-threatening diseases. With headquarters in Amsterdam, The Netherlands, and offices and activities across the United States, Kiadis is reimagining medicine by leveraging the natural strengths of humanity and our collective immune system to source the best cells for life.

Kiadis is listed on the regulated market of Euronext Amsterdam and Euronext Brussels since July 2, 2015, under the symbol KDS. Learn more at www.Kiadis.com.

About Sanofi

Sanofi is dedicated to supporting people through their health challenges. It is a global biopharmaceutical company focused on human health. Sanofi prevents illness with vaccines and provides innovative treatments to fight pain and ease suffering. Sanofi stands by the few who suffer from rare diseases and the millions with long-term chronic conditions.

With more than 100,000 people in 100 countries, Sanofi is transforming scientific innovation into healthcare solutions around the globe.

Sanofi, Empowering Life

Disclaimer

This is a joint public announcement by Kiadis and Sanofi pursuant to section 7 paragraph 1 sub a and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Sanofi and Kiadis disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Sanofi, nor Kiadis, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any Kiadis shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay.

Kiadis Forward-Looking Statements

Certain statements, beliefs and opinions in this press release are forward-looking, which reflect Kiadis' or, as appropriate, Kiadis' officers' current expectations and projections about future events. By their nature, forward-looking statements involve a number of known and unknown risks, uncertainties and assumptions that could cause actual results, performance, achievements or events to differ materially from those expressed, anticipated or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, regulation, competition and technology, can cause actual events, performance, achievements or results to differ significantly from any anticipated or implied development. Forward-looking statements contained in this press release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, Kiadis expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or projections, or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither Kiadis nor its advisers or representatives nor any of its subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the anticipated or implied developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release.

Sanofi Forward-Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates", "plans" and similar expressions. Although Sanofi's management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, risks related to Sanofi's ability to complete the acquisition on the proposed terms or on the proposed timeline, the possibility that competing offers will be made, other risks associated with executing business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the acquisition will not be realized, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could

affect the availability or commercial potential of such product candidates, the fact that product candidates if approved may not be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi's ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic and market conditions, cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. Any material effect of COVID-19 on any of the foregoing could also adversely impact us. This situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in Sanofi's annual report on Form 20-F for the year ended December 31, 2019. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

11.3 Press release satisfaction competition condition related to the tender offer dated 9 December 2020



Sanofi and Kiadis satisfy competition condition related to the tender offer

December 9, 2020

This is a joint press release by Sanofi ("Sanofi") and Kiadis Pharma N.V. ("Kiadis"), pursuant to the provisions of Section 4, paragraph 3 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft) and Section 17 paragraph 1 of the European Market Abuse Regulation (596/2014), in connection with the intended public offer by Sanofi for all the issued and outstanding ordinary shares in the capital of Kiadis (the "Offer"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum (the "Offer Document") approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) (the "AFM") and recognized by the Belgian Authority for the Financial Markets (Autoriteit voor Financiële Diensten en Markten) (the "FSMA"). This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

Sanofi and Kiadis satisfy competition condition related to the tender offer

Paris, France and Amsterdam, The Netherlands, 9 December 2020 – Sanofi (Euronext: SAN and NYSE: SNY) and Kiadis Pharma N.V. ("Kiadis" or the "Company") (Euronext Amsterdam and Brussels: KDS)

Reference is made to the joint press release by Sanofi and Kiadis dated 2 November 2020 in respect of the Offer to be made by Sanofi at an offer price of EUR 5.45 in cash per share (cum dividend).

Sanofi and Kiadis confirm that they are making good progress on the preparations for the Offer. As announced on 30 November 2020, the Offer Document in relation to the Offer was filed with the AFM on 30 November 2020 and is under review.

Today, Sanofi and Kiadis jointly announce that the competition condition for completion of the Offer as announced in the press release of 2 November 2020, has now been satisfied.

Sanofi and Kiadis anticipate that the Offer will close in the first half of 2021.

Dutch Translation/Nederlandse vertaling

Parijs, Frankrijk en Amsterdam, Nederland, 9 december 2020 – Sanofi (Euronext: SAN en NYSE: SNY) en Kiadis Pharma N.V. ("Kiadis" of de "Vennootschap") (Euronext Amsterdam en Brussels: KDS)

Verwezen wordt naar het gezamenlijk persbericht van Sanofi en Kiadis van 2 november 2020 met betrekking tot het voorgenomen openbaar bod (het **Bod**) dat door Sanofi zal worden uitgebracht tegen een biedprijs van EUR 5,45 in contanten (cum dividend) per aandeel.

Sanofi en Kiadis bevestigen dat ze goede voortgang boeken met de voorbereidingen van het Bod. Zoals aangekondigd op 30 november 2020, is het biedingsbericht met betrekking tot het Bod op 30 november 2020 bij de Autoriteit Financiële Markten ingediend en wordt momenteel beoordeeld.

Sanofi en Kiadis maken vandaag bekend dat de mededingingsvoorwaarde voor gestanddoening van het Bod zoals aangekondigd in het persbericht van 2 november 2020, nu is vervuld.

Sanofi en Kiadis verwachten dat het Bod zal worden afgerond in de eerste helft van 2021.

Dit is een samenvatting van het Engelstalige persbericht. Bij eventuele verschillen is de tekst van het Engelstalige persbericht altijd leidend.

For more information:

Kiadis:

Maryann Cimino, Sr. Manager, Corporate Affairs
Tel: +1 (617) 710-7305
m.cimino@kiadis.com

Kiadis Media Relations Contacts

LifeSpring Life Sciences Communication:

Leon Melens (Amsterdam)
Tel: +31 6 538 16 427
lmelens@lifespring.nl

Optimum Strategic Communications:

Mary Clark, Supriya Mathur
Tel: +44 203 950 9144
kiadis@optimumcomms.com

Sanofi:

Sanofi Media Relations Contact

Ashleigh Koss
Tel.: +1 (908) 205-2572
ashleigh.koss@sanofi.com

Sanofi Investor Relations Contacts Paris

Eva Schaefer-Jansen
Arnaud Delepine
Yvonne Naughton

Sanofi Investor Relations Contacts North America

Felix Lauscher
Fara Berkowitz
Suzanne Greco

IR main line:
Tel.: +33 (0)1 53 77 45 45
ir@sanofi.com

About Kiadis

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With more than 100,000 people in 100 countries, Sanofi is transforming scientific innovation into healthcare solutions around the globe.

Sanofi, Empowering Life

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Sanofi Forward-Looking Statements

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cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. Any material effect of COVID-19 on any of the foregoing could also adversely impact us. This situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in Sanofi's annual report on Form 20-F for the year ended December 31, 2019. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

11.4 Press release signing irrevocable commitments holders of 2025 Warrants, Kreos Capital, and former holders of CytoSen shares and options dated 2 February 2021



Kiadis Shareholders give irrevocable commitment to tender 36.6% of the shares under the offer by Sanofi

February 2, 2021

This is a joint press release by Sanofi ("Sanofi") and Kiadis Pharma N.V. ("Kiadis"), pursuant to the provisions of Sections 5 paragraphs 4 and 5 and Section 6 paragraph 2 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft) (the "Decree") in connection with the intended public offer by Sanofi for all the issued and outstanding ordinary shares in the capital of Kiadis (the "Offer"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum (the "Offer Document") approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) (the "AFM") and recognized by the Belgian Authority for the Financial Markets (Autoriteit voor Financiële Diensten en Markten) (the "FSMA"). This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

Kiadis Shareholders give irrevocable commitment to tender 36.6% of the shares under the offer by Sanofi

Paris, France and Amsterdam, The Netherlands, 2 February 2021 – Sanofi (Euronext: SAN and NYSE: SNY) and Kiadis Pharma N.V. ("Kiadis" or the "Company") (Euronext Amsterdam and Brussels: KDS)

Reference is made to the joint press release by Sanofi and Kiadis dated 2 November 2020 in respect of the Offer to be made by Sanofi at an offer price of EUR 5.45 in cash per share (cum dividend) (the "Offer Price").

Highlights:

- **36.6% Shares issued and outstanding on a fully diluted basis, now committed under the Offer**
- **Kiadis and Sanofi reached agreement with Empery, Life Sciences Partners, former CytoSen shareholders and option holders and Kreos Capital in relation to their rights to acquire Shares and their irrevocable commitment to tender all their Shares under the Offer**

Today, Sanofi and Kiadis jointly announce the entering into of irrevocable undertakings with (i) Empery Asset Master Ltd., Empery Tax Efficient, LP and Empery Tax Efficient III, LP (jointly "**Empery**"), (ii) funds managed by Life Sciences Partners (jointly "**Life Sciences Partners**"), (iii) former CytoSen Therapeutics Inc. ("**CytoSen**") shareholders and option holders, and (iv) Kreos Capital V (UK) Limited ("**Kreos Capital**").

36.6% Shares issued and outstanding on a fully diluted basis, now committed under the Offer

As set out in the joint press release by Sanofi and Kiadis dated 2 November 2020, Life Sciences Partners have previously undertaken to tender their current shareholding under the Offer. Together with the additional irrevocable undertakings given by Empery, Life Sciences Partners, the former CytoSen shareholders and option holders and Kreos Capital, approximately 36.6% of the total number of issued and outstanding ordinary shares in the capital of Kiadis, each with a nominal value of EUR 0.10 (the "**Shares**") on a fully diluted basis as at settlement of the Offer is now committed under the Offer.

Irrevocable Empery and Life Sciences Partners

Empery and Life Sciences Partners hold 3,745,318¹ and 1,493,429² warrants (the "**Warrants**"), respectively, and when exercised representing 6.13% and 2.44%, respectively, of the issued and outstanding Shares on a fully diluted basis as at settlement of the Offer.

Kiadis, Sanofi, Empery and Life Sciences Partners have agreed, pursuant to two separate agreements on customary terms and conditions and conditional upon the Offer being declared unconditional and the merger agreement between Sanofi and Kiadis (the "**Merger Agreement**") not being terminated: (i) to adjust the exercise price payable by Empery and Life Sciences Partners to Kiadis for the exercise of the Warrants to EUR 0.38 per Warrant, such that the net proceeds to be received by Empery and Life Sciences Partners per Warrant is equal to the Black Scholes value of the Warrant which would otherwise have been due and payable in cash upon settlement of the Offer; (ii) that the Warrants will be exercised by Life Sciences Partners and Empery for the aforementioned exercise price; and (iii) that upon exercise of the Warrants, the corresponding Shares will be tendered under the Offer in exchange for payment of the Offer Price per Share by Sanofi. The irrevocable undertakings given by Empery and Life Sciences Partners relate to their entire respective holdings of Warrants.

Irrevocable former CytoSen shareholders and option holders

Former CytoSen shareholders and option holders are, pursuant to the agreement made in relation to the Company's acquisition of CytoSen in June 2019, eligible to a potential future consideration of additional Shares, upon the achievement of six clinical development and regulatory milestones, which milestones will be accelerated in light of the Kiadis change of control, subject to a discount mechanism (the "**Milestone Shares**").

Kiadis, Sanofi and the former CytoSen shareholders³ and option holders⁴ have agreed, on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated: (i) that the Milestone Shares shall accelerate and become immediately payable by the Company; and (ii) that upon such acceleration, the Milestone Shares will be tendered under the Offer in exchange for the

Offer Price. The irrevocable undertakings given by the former CytoSen shareholders and option holders relate to their entire holdings of Shares, representing 11.19% of the total number of issued and outstanding Shares as at settlement of the Offer on a fully diluted basis. The former CytoSen shareholders have also agreed to vote, with their current holding of Shares, in favor of the resolutions relating to the Offer (the "**Resolutions**") at the upcoming extraordinary general meeting of Kiadis.

Irrevocable 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 171,015 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 upcoming extraordinary general meeting of Kiadis; and (ii) commits to tender all its holdings of Shares under the Offer in exchange for payment of the Offer Price per Share by Sanofi. The irrevocable undertaking given by Kreos Capital relates to its entire holding of Shares, representing, upon conversion, 4.35% of the total number of issued and outstanding Shares as at settlement of the Offer on a fully diluted basis.

Miscellaneous

Empery, Life Sciences Partners, the former CytoSen shareholders and option holders and Kreos Capital have not received any information in connection with the Offer other than: (i) the information that will be included in the Offer Document; or (ii) the information disclosed in this press release.

As at the date of this press release: (i) Sanofi does not hold any shares in the capital of Kiadis, Empery, Life Sciences Partners, any of the former CytoSen shareholders or option holders, or Kreos Capital; and (ii) Kiadis does not hold any shares in the capital of Sanofi, Empery, Life Sciences Partners, any of the former CytoSen shareholders or option holders, or Kreos Capital.

HIERONDER VOLGT EEN VERTALING VAN HET OORSPRONKELIJK IN DE ENGELSE TAAL OPGESTELDE PERSBERICHT EN WORDT UITSLUITEND VOOR INFORMATIEVE DOELEINDEN VERSTREKT. IN GEVAL VAN VERSCHILLEN TUSSEN BEIDE VERSIES PREVALEERT DE ENGELSE TEKST. AAN DE VERTALING KUNNEN GEEN RECHTEN WORDEN ONTLEEND

Parijs, Frankrijk en Amsterdam, Nederland, 2 februari 2021 – Sanofi (Euronext: SAN en NYSE: SNY) en Kiadis Pharma N.V. ("Kiadis" of de "Vennootschap") (Euronext Amsterdam en Brussels: KDS)

Verwezen wordt naar het gezamenlijke persbericht van Sanofi en Kiadis van 2 november 2020 met betrekking tot het voorgenomen openbaar bod (het "**Bod**") dat door Sanofi zal worden uitgebracht tegen een biedprijs van EUR 5,45 in contanten (cum dividend) per aandeel (de "**Biedprijs**").

Hoogtepunten

- 36,6% van de uitstaande aandelen op volledig verwaterde basis zijn nu toegezegd onder het Bod
- Kiadis en Sanofi hebben overeenstemming bereikt met Empery, Life Sciences Partners, de voormalig aandeelhouders en optiehouders van CytoSen en Kreos Capital met betrekking tot hun rechten om Aandelen te verwerven en hun onherroepelijke toezegging om al hun aandelen aan te melden onder het Bod

Vandaag kondigen Sanofi en Kiadis gezamenlijk aan dat er onherroepelijke toezeggingen zijn gedaan door (i) Empery Asset Master Ltd., Empery Tax Efficient, LP en Empery Tax Efficient III, LP (gezamenlijk "**Empery**"), (ii) fondsen beheerd door Life Sciences Partners (gezamenlijk "**Life Sciences Partners**"), (iii) de voormalige aandeelhouders en optiehouders in CytoSen Therapeutics Inc. ("**CytoSen**"), en (iv) Kreos Capital V (UK) Limited ("**Kreos Capital**").

36,6% van de Aandelen op volledig verwaterde basis nu toegezegd onder het Bod

Zoals uiteengezet in het gezamenlijke persbericht van Sanofi en Kiadis van 2 november 2020, heeft Life Sciences Partners eerder toegezegd zijn belang van ongeveer 18,3% onder het Bod aan te melden. Samen met de aanvullende onherroepelijke toezeggingen van Empery, Life Sciences Partners, de voormalige aandeelhouders en optiehouders van CytoSen en Kreos Capital zijn ongeveer 36,6% van het totale aantal uitstaande gewone aandelen in het kapitaal van Kiadis, elk met een nominale waarde van EUR 0,10 (de "**Aandelen**") op volledig verwaterde basis op het moment van *settlement* van het Bod nu toegezegd onder het Bod.

Onherroepelijke toezegging Empery en Life Sciences Partners

Empery en Life Sciences Partners bezitten respectievelijk 3.745.318⁵ en 1.493.429⁶ warrants (de "**Warrants**"), en vertegenwoordigen bij uitoefening daarvan respectievelijk 6,13% en 2,44% van de Aandelen op volledig verwaterde basis op het moment van *settlement* van het Bod.

Kiadis, Sanofi, Empery en Life Sciences Partners zijn overeengekomen, op grond van twee afzonderlijke overeenkomsten onder gebruikelijke voorwaarden, en op voorwaarde dat het Bod gestand wordt gedaan en de fusieovereenkomst tussen Sanofi en Kiadis (de "**Fusieovereenkomst**") niet wordt beëindigd: (i) om de uitoefenprijs die Empery en Life Sciences Partners aan Kiadis moeten betalen voor de uitoefening van de Warrants aan te passen naar EUR 0,38 per Warrant, zodat de netto-opbrengst die Empery en Life Sciences Partners per Warrant zullen ontvangen gelijk is aan de *Black Scholes*-waarde van de Warrant die anders in contanten verschuldigd en betaalbaar zou zijn bij *settlement* van het Bod; (ii) dat de Warrants door Life Sciences Partners en Empery zullen worden uitgeoefend voor de bovengenoemde uitoefenprijs; en (iii) dat bij uitoefening van de Warrants, de corresponderende Aandelen zullen worden aangemeld onder het Bod tegen betaling van de Biedprijs per Aandeel door Sanofi. De onherroepelijke toezeggingen afgegeven door Empery en Life Sciences Partners hebben betrekking op hun volledige respectievelijke bezit aan Warrants.

Onherroepelijke toezegging voormalige aandeelhouders en optiehouders van CytoSen

De voormalige aandeelhouders en optiehouders van CytoSen komen, overeenkomstig de overeenkomst die is gesloten met betrekking tot de overname van CytoSen door de Vennootschap in juni 2019, in aanmerking voor mogelijke toekomstige vergoeding in de vorm van aanvullende Aandelen, na het behalen van zes klinische- en regelgevingsmijlpalen, welke mijlpalen naar voren zullen worden gehaald in het licht van de verandering van controle over Kiadis, met inachtneming van een kortingsmechanisme (de "**Mijlpaalaandelen**").

Kiadis, Sanofi en de voormalige aandeelhouders⁷ en optiehouders⁸ van CytoSen zijn overeengekomen, onder gebruikelijke voorwaarden en op voorwaarde dat het Bod onvoorwaardelijk wordt verklaard en de Fusieovereenkomst niet wordt beëindigd: (i) dat de Mijlpaalaandelen naar voren worden gehaald en onmiddellijk door de Vennootschap betaalbaar zijn; en (ii) dat na het naar voren halen, de Mijlpaalaandelen zullen worden aangemeld onder het Bod tegen de Biedprijs. De onherroepelijke toezeggingen die zijn afgegeven door de voormalige aandeelhouders en optiehouders van CytoSen hebben betrekking op hun volledige Aandelenbezit, wat neerkomt op 11,19% van het totale aantal uitstaande Aandelen op het moment van *settlement* van het Bod op volledig verwaterde basis. De voormalige aandeelhouders van CytoSen zijn ook akkoord gegaan om, met hun huidige Aandelenbezit, voor de besluiten te stemmen die betrekking hebben op het Bod (de "**Besluiten**") op de aankomende buitengewone algemene vergadering van Kiadis.

Onherroepelijke toezegging Kreos Capital

Kiadis en Kreos Capital zijn overeengekomen dat Kreos Capital zijn volledige converteerbare obligaties van EUR 5.000.000 zal converteren naar Aandelen, tegen een uitoefenprijs van EUR 2 per Aandeel, plus een bijkomend bedrag van EUR 171.015 in rente, ingaande op 15 februari 2021. Bovendien zijn Kiadis, Sanofi en Kreos Capital onder gebruikelijke voorwaarden en op voorwaarde dat het Bod gestand wordt gedaan en de Fusieovereenkomst niet wordt beëindigd, overeengekomen dat Kreos Capital: (i) met zijn Aandelenbelangen voor de Besluiten zal stemmen op de aankomende buitengewone algemene vergadering van Kiadis; en (ii) zich ertoe verbindt om al zijn Aandelenbelangen aan te melden onder het Bod tegen betaling van de Biedprijs per Aandeel door Sanofi. De onherroepelijke toezegging die Kreos Capital heeft gedaan, heeft betrekking op haar gehele aandelenbezit, die na conversie 4,35% van het totale aantal uitstaande Aandelen vertegenwoordigt op het moment van *settlement* van het Bod op volledig verwaterde basis.

Overig

Empery, Life Sciences Partners, de voormalige aandeelhouders en optiehouders van CytoSen en Kreos Capital hebben geen informatie ontvangen in verband met het Bod anders dan (i) de informatie die in het Biedingsbericht zal worden opgenomen; of (ii) de informatie die is bekendgemaakt door middel van dit persbericht.

Op de datum van dit persbericht: (i) houdt Sanofi geen aandelen in het kapitaal van Kiadis, Empery, Life Sciences Partners, een van de voormalige aandeelhouders of optiehouders van CytoSen, of Kreos Capital; en (ii) houdt Kiadis geen aandelen in het kapitaal van Sanofi, Empery, Life Sciences Partners, een van de voormalige aandeelhouders of optiehouders van CytoSen, of Kreos Capital.

For more information:

Kiadis:

Maryann Cimino, Director, Corporate Affairs
Tel: +1 617 710 7305
m.cimino@kiadis.com

Kiadis Media Relations Contacts

LifeSpring Life Sciences Communication:
Leon Melens (Amsterdam)
Tel: +31 20 538 16 427
lmelens@lifespring.nl

Optimum Strategic Communications:

Mary Clark, Supriya Mathur
Tel: +44 203 950 9144
kiadis@optimumcomms.com

Sanofi:

Sanofi Media Relations Contact
Ashleigh Koss
Tel.: +1 908 205 2572
ashleigh.koss@sanofi.com

Sanofi Investor Relations Contacts Paris

Eva Schaefer-Jansen
Arnaud Delepine
Yvonne Naughton

Sanofi Investor Relations Contacts North America

Felix Lauscher
Fara Berkowitz
Suzanne Greco

IR main line:
Tel.: +33 1 53 77 45 45
ir@sanofi.com

About Kiadis

Founded in 1997, Kiadis is committed to developing innovative cell-based medicines for patients with life-threatening diseases. With headquarters in Amsterdam, The Netherlands, and offices and activities across the United States, Kiadis is reimagining medicine by leveraging the natural strengths of humanity and our collective immune system to source the best cells for life.

Kiadis is listed on the regulated market of Euronext Amsterdam and Euronext Brussels since July 2, 2015, under the symbol KDS. Learn more at www.Kiadis.com.

About Sanofi

Sanofi is dedicated to supporting people through their health challenges. It is a global biopharmaceutical company focused on human health. Sanofi prevents illness with vaccines and provides innovative treatments to fight pain and ease suffering. Sanofi stands by the few who suffer from rare diseases and the millions with long-term chronic conditions.

With more than 100,000 people in 100 countries, Sanofi is transforming scientific innovation into healthcare solutions around the globe.

Sanofi, Empowering Life

Disclaimer

This is a joint public announcement by Kiadis and Sanofi pursuant to section 7 paragraph 1 sub a and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Sanofi and Kiadis disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Sanofi, nor Kiadis, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any Kiadis shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay.

Kiadis Forward-Looking Statements

Certain statements, beliefs and opinions in this press release are forward-looking, which reflect Kiadis' or, as appropriate, Kiadis' officers' current expectations and projections about future events. By their nature, forward-looking statements involve a number of known and unknown risks, uncertainties and assumptions that could cause actual results, performance, achievements or events to differ materially from those expressed, anticipated or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, regulation, competition and technology, can cause actual events, performance, achievements or results to differ significantly from any anticipated or implied development. Forward-looking statements contained in this press release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, Kiadis expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or projections, or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither Kiadis nor its advisers or representatives nor any of its subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the anticipated or implied developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release.

Sanofi Forward-Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates", "plans" and similar expressions. Although Sanofi's management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, risks related to Sanofi's ability to complete the acquisition on the proposed terms or on the proposed timeline, the possibility that competing offers will be made, other risks associated with executing business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the acquisition will not be realized, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the fact that product candidates if approved may not be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi's ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic and market conditions, cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. Any material effect of COVID-19 on any of the foregoing could also adversely impact us. This situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in Sanofi's annual report on Form 20-F for the year ended December 31, 2019. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

¹ Issued on 28 April 2020.

² Issued on 30 April 2020.

³ Reference is made to the press release issued by Kiadis on 7 December 2020 regarding holdback shares, in which the names of the former CytoSen shareholders are set out.

⁴ The former CytoSen option holders are as follows: Mr. Caligiuri, Mr. Carrier, Mr. Chen, Mr. Crouch, Mr. Fehniger, Mr. Gibson, Ms. Heslop, Mr. June, Mr. Miller and Mr. Shan.

⁵ Uitgegeven op 28 april 2020.

⁶ Uitgegeven op 30 april 2020.

⁷ Verwezen wordt naar het persbericht van Kiadis van 7 december 2020 betreffende 'holdback'-aandelen, waarin de namen van de voormalige

aandeelhouders van CytoSen worden vermeld.

⁸ The voormalige optiehouders van CytoSen zijn als volgt: dhr. Caligiuri, dhr. Carrier, dhr. Chen, dhr. Crouch, dhr. Fehniger, dhr. Gibson, mevr. Heslop, dhr. June, dhr. Miller en dhr. Shan.

12. DUTCH LANGUAGE SUMMARY

*Dit Hoofdstuk 12 (Dutch language summary) is de Nederlandse samenvatting van dit Biedingsbericht dat is uitgegeven ter zake van het openbaar bod dat door de Bieder is uitgebracht op alle aandelen in het geplaatst en uitstaand kapitaal van Kiadis (de **Aandelen**) met inachtneming van de voorwaarden zoals beschreven in dit Biedingsbericht.*

De gedefinieerde termen in dit Hoofdstuk 12 (*Dutch language summary*) van dit Biedingsbericht hebben de betekenis die daaraan is gegeven in Hoofdstuk 12.2 (*Nederlandse definities*). Deze Nederlandse samenvatting maakt deel uit van dit Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang is om een afgewogen oordeel te kunnen vormen over het Bod.

Het lezen van deze Nederlandse samenvatting mag niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen) zorgvuldig door te lezen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen en goed geïnformeerd oordeel te kunnen vormen omtrent het Bod. Daarnaast wordt Aandeelhouders geadviseerd een onafhankelijke professionele adviseur te raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod. Waar deze Nederlandse samenvatting afwijkt van de Engelse tekst van dit Biedingsbericht, prevaleert de Engelse tekst.

12.1 Restricties en Belangrijke informatie

Het uitbrengen van het Bod, de algemeenverkrijgbaarstelling van dit Biedingsbericht, inclusief deze Nederlandse samenvatting, en/of de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan restricties onderhevig zijn. Zie Hoofdstukken 2 (*Restrictions*) en 3 (*Important information*).

Het Bod wordt gedaan in en vanuit Nederland en België met inachtneming van de verklaringen, voorwaarden en beperkingen opgenomen in het Biedingsbericht. Het Bod wordt direct noch indirect gedaan in, en mag niet worden aanvaard door of namens Aandeelhouders vanuit een jurisdictie waarin het uitbrengen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Het niet in acht nemen van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. De Bieder, Kiadis, hun respectievelijke adviseurs en het Omwissel- en Betaalkantoor aanvaarden geen enkele aansprakelijkheid ter zake van overtredingen van voornoemde restricties. Aandeelhouders dienen zo nodig onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

De Bieder behoudt zich het recht voor om in het kader van het Bod de aanmelding van Aandelen te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in dit Biedingsbericht.

De informatie en verklaringen opgenomen in Hoofdstuk 1 (*Table of Contents*) tot en met Hoofdstuk 6 (*Explanation and background of the Offer*) (uitgezonderd Hoofdstuk 6.7 (*Decision making and*

Recommendation by the Kiadis Boards) tot en met 6.10 (*Respective cross-shareholdings Sanofi – Kiadis*)), Hoofdstukken 8 (*Information regarding Sanofi*), 9(b) (*Further information required by the Decree*), 9(c) (*Further information required by the Decree*), 9(e) (*Further information required by the Decree*), 10 (*Material Dutch and Belgian Tax consequences of the Offer*), 12 (*Dutch language summary*) en 14 (*Articles of Association*) zijn uitsluitend door de Bieder verstrekt. De informatie opgenomen in Hoofdstuk 6.7 (*Decision making and Recommendation by the Kiadis Boards*), 6.8 (*Shareholdings of the members of the Kiadis Boards*), 7 (*Information regarding Kiadis*), 9(d) (*Further information required by the Decree*), 9(f) (*Further information required by the Decree*), 9(g) (*Further information required by the Decree*) en 13 (*Financial information Kiadis*) is uitsluitend door Kiadis verstrekt. De informatie opgenomen op de voorpagina, pagina's 1, 2 en 3 Hoofdstuk 6.9 (*Irrevocable undertakings of Shareholders and members of the Kiadis Boards*), 6.10 (*Respective cross-shareholdings Sanofi – Kiadis*), Hoofdstuk 9 (*Further information required by the Decree*) (opening), 9(a), 11 (*Press releases*) en 15 (*Advisors*) zijn verstrekt door de Bieder en Kiadis gezamenlijk.

Uitsluitend de Bieder en Kiadis zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in dit Biedingsbericht is verstrekt, ieder afzonderlijk voor de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De Bieder en Kiadis verklaren ieder afzonderlijk ten aanzien van de informatie die door henzelf is verstrekt, en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, dat de informatie in dit Biedingsbericht in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan de vermelding van dit Biedingsbericht zou wijzigen.

De informatie opgenomen in Hoofdstuk 13.3 (*Comparative overview of consolidated statements of financial position for the financial years 2017, 2018 and 2019*), 13.4 (*Comparative overview of consolidated statements of comprehensive income for the financial years 2017, 2018 and 2019*) en 13.5 (*Comparative overview of consolidated statements of cash flows for the financial years 2017, 2018 and 2019*) is door Kiadis ontleend aan de geconsolideerde jaarrekening voor de boekjaren 2019, 2018 en 2017 respectievelijk, zoals verder uiteengezet in Hoofdstuk 13.2 (*Basis for preparation*).

De accountantsverklaring opgenomen in Hoofdstuk 13.6 (*Independent auditor's report of KPMG on the selected consolidated financial information of Kiadis*) en de accountantsverklaring opgenomen in Hoofdstuk 13.7 (*Financial statements for the financial year 2019 including independent auditor's report of*) van dit Biedingsbericht is door Kiadis verkregen van KPMG.

De financiële informatie opgenomen in Hoofdstuk 13.8 (*Special Purpose Condensed Interim Consolidated Financial Statements as of and for the six-month period ended 30 June 2020, and the review in respect thereof*) (de **Tussentijdse Financiële Overzichten voor Bijzondere Doeleinden**), omvat beperkte aanpassingen en actualisaties tot de datum van deze Tussentijdse Financiële Overzichten voor Bijzondere Doeleinden, vergeleken met de interim financiële rapportages vanaf en tot de zes-maands periode eindigend op 30 juni 2020, zoals gepubliceerd door Kiadis op 30 september 2020. De Tussentijdse Financiële Overzichten voor Bijzondere Doeleinden waren onderhevig aan een review door KPMG, Kiadis' onafhankelijke accountant voor het boekjaar 2020.

De informatie in dit Biedingsbericht geeft de situatie weer op de datum van dit Biedingsbericht tenzij specifiek anders is aangegeven. Onder geen beding houden publicatie en verspreiding van dit

Biedingsbericht in dat de hierin opgenomen informatie ook na de datum van dit Biedingsbericht juist en volledig blijft. Het voorgaande laat echter onverlet de verplichting van de Bieder en de Vennootschap om een openbare mededeling te doen ingevolge de Europese Verordening Marktmisbruik (596/2014) of artikel 4 lid 1 en 3 van het Bob, voor zover van toepassing.

Getallen in dit Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

Uitsluitend de Bieder en Kiadis zijn bevoegd mededelingen te doen over het Bod of de in dit Biedingsbericht opgenomen informatie namens de Bieder respectievelijk Kiadis, zonder afbreuk te doen aan de accountantsverklaring van KPMG die is opgenomen in dit Biedingsbericht en de *fairness opinie* van Moelis die is verstrekt aan de Kiadis Besturen.

12.2 Nederlandse definities

2025-I Warrants 2025-II Warrants	betekent de rechten om Aandelen te verkrijgen die uitoefenbaar zijn tot 30 april 2025;
Aanbeveling	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.15;
Aandeelhouder(s)	betekent houder(s) van één of meer Aandelen;
Aandelen	heeft de betekenis die daaraan is gegeven in de inleiding van Hoofdstuk 12;
Aangemelde Aandelen	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.4;
Aangesloten Instelling	betekent de tot Euronext Amsterdam en Euronext Brussel aangesloten instellingen;
Aanmelding	betekent de aanmelding van Aandelen door de Aandeelhouders ter aanvaarding van het Bod;
Aanmeldingsdrempel	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 12.7(a)(i);
Aanmeldingstermijn	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 12.9;
Activa Koopovereenkomst	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 12.20;

AFM	betekent de Stichting Autoriteit Financiële Markten;
Afsluitingsuur	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 12.8;
Alternatief Voorstel	betekent elk aanbod of voorstel voor, of elke blijk van belangstelling voor, die door middel van een of meer transacties kan leiden tot: (a) elke directe of indirecte verwerving of aankoop (x) van Aandelen gelijk aan ten minste 5% of meer van het geplaatst en uitstaand gewoon aandelenkapitaal van Kiadis of (y) leidend tot een bezit van ten minste 5% van de stemrechten in de aandeelhoudersvergadering van Kiadis, of (b) enige directe of indirecte verwerving of aankoop van Aandelen die kan leiden tot een verplicht bod op Kiadis onder de Toepasselijke Regelgeving, of (c) enig openbaar bod met betrekking tot Aandelen, of (d) enige directe of indirecte verwerving of aankoop van activa van Kiadis of van een van haar Groepsondernemingen, die 10% (tien procent) of meer vertegenwoordigen van de geconsolideerde bruto-inkomsten, geconsolideerde bedrijfswinsten, of geconsolideerde bruto-activa van Kiadis zoals gepresenteerd in de gecontroleerde geconsolideerde jaarrekening van Kiadis of in haar financiële mededeling voor de fiscale jaarperiode eindigend op 31 december 2019, in elk geval, hetzij door directe of indirecte overname of aankoop, inschrijving, fusie, splitsing, reorganisatie, bijdrage, joint venture, aandelenruil, consolidatie,

bedrijfscombinatie, herkapitalisatie, liquidatie, ontbinding of soortgelijke transactie waarbij Kiadis of een van zijn Groepsondernemingen betrokken is, met een andere persoon dan de Bieder of een van zijn Verbonden Ondernemingen

Algemene Vergadering

betekent de algemene vergadering van Kiadis die in overeenstemming met artikel 18 lid 1 van het Bob zal worden gehouden om 10:00 CET op 30 maart 2021;

Besluiten

Betekent de besluiten:

- (a) tot wijziging van de Statuten, hoofdzakelijk overeenkomstig de concepten van de gewijzigde Statuten zoals opgenomen in Hoofdstuk 14 deel 1 en Hoofdstuk 14 deel 2;
- (b) tot het verlenen van volledige en finale kwijting aan ieder lid van de Raad van Bestuur en de Raad van Commissarissen voor zijn of haar taken en verplichtingen verricht en aangegaan in zijn of haar respectievelijke hoedanigheid als lid van de Raad van Bestuur of de Raad van Commissarissen (al naar gelang het geval);
- (c) tot de benoeming van de door de Bieder overeenkomstig Hoofdstuk 6.14 genomineerde leden in de Raad van Commissarissen;
- (d) tot de benoeming van het door de Bieder overeenkomstig Hoofdstuk 6.15 genomineerd lid van de Raad van Bestuur;
- (e) tot de benoeming van mr. Arthur Lahr als lid van de Raad van Bestuur; en

- (f) op voorwaarde dat de Bieder aan Kiadis heeft meegedeeld dat hij de Herstructurering na de Aanbieding wenst voort te zetten in overeenstemming met de voorwaarden van de Fusieovereenkomst, (A) in overeenstemming met artikel 2:107a BW, om het besluit van de Raad van Bestuur goed te keuren om de Verkoop van Activa voort te zetten en, onder voorbehoud van voltooiing van de Verkoop van Activa, (B) om Kiadis te ontbinden in overeenstemming met artikel 2:19 BW, (C) de Vereffenaar aan te stellen als vereffenaar van Kiadis, (D) de vergoeding van het redelijke salaris en de kosten van de Vereffenaar goed te keuren en (E) de Bieder aan te wijzen als bewaarder van de boeken en bescheiden van Kiadis na haar ontbinding in overeenstemming met artikel 2:24 BW;

Bieder

betekent Sanofi Foreign Participations B.V.;

Bieder Groep

betekent de Bieder en haar Verbonden Ondernemingen, van tijd tot tijd, waarbij geldt dat Kiadis en haar dochtervennootschappen niet als Verbonden Onderneming zullen worden aangeduid;

Biedingsbericht

betekent dit biedingsbericht dat de voorwaarden en beperkingen beschrijft die van toepassing zijn op het Bod, waarvan de Standpuntbepaling geen deel uitmaakt;

Biedprijs

heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.4 ;

Bob	betekent het Besluit openbare biedingen Wft;
Bod	betekent het bod zoals in het Biedingsbericht beschreven;
BW	betekent het Burgerlijk Wetboek;
CET	betekent Central European Time;
CytoSen	betekent CytoSen Therapeutics, Inc.;
Dag van Gestanddoening	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.11;
Dag van Overdracht	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.13;
Euronext Amsterdam	betekent de officiële markt van de gereguleerde markt van Euronext in Amsterdam, Nederland;
Euronext Brussel	betekent de officiële markt van de gereguleerde markt van Euronext in Brussel, België;
FSMA	betekent de Autoriteit voor Financiële Diensten en Markten;
Gerechtelijk Overheidsbesluit	Bevel of betekent (i) dat er geen bevel, opschorting, vonnis of verordening is uitgevaardigd door enige regelgevende instantie die van kracht blijft, en (ii) dat er geen wet, regel, voorschrift, verordening, overheidsbevel of bevelschrift is uitgevaardigd of dat het goedkeuringsproces effectief blijft of wordt afgedwongen, dit alles behalve als gevolg van de eigen voorwaarde, handelingen of nalatigheden van de Bieder (een van de voorgaande opgesomd onder (i) en (ii));
Groep	betekent met betrekking tot een Partij, die Partij en de Groepsondernemingen onmiddellijk voorafgaand aan de Dag van Overdracht;

Groepsondernemingen		betekent met betrekking tot een Partij, elke corporatie, partnerschap, coöperatief, of andere onderneming of juridische entiteit of andere persoon direct of indirect, alleen of gezamenlijk, gecontroleerd wordt door die Partij, en Groepsondernemingen betekent elke van de voorgaande;
Herstructurering na Aanbieding	na de	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.20;
Herstructureringsdrempel		heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.20;
Holdback Aandelen		betekent de 267.012 nieuw uitgegeven Aandelen waartoe de voormalige houders van Cytosen aandelen conditioneel gerechtigd toe zijn te ontvangen;
Initiële Aankondiging		betekent het gezamenlijke persbericht van Sanofi en Kiadis waarin zij bekend maakten voorwaardelijke overeenstemming te hebben bereikt met betrekking tot een aanbevolen openbaar bod door Sanofi op alle Aandelen voor de Biedprijs, gerefereerd wordt aan Hoofdstuk 11.1 (<i>Initial Announcement dated 2 November 2020</i>);
Kiadis		betekent Kiadis Pharma N.V.;
Kiadis Besturen		betekent de Raad van Bestuur van Kiadis en de raad van commissarissen van Kiadis gezamenlijk;
KPMG		betekent KPMG Accountants N.V.;
Kreos Capital Faciliteiten		betekent de gedekte kredietfaciliteit van 17 augustus 2017 (zoals gewijzigd en geherformuleerd bij een akte van wijziging en herformulering van 31 juli 2018) tussen Kiadis en Kreos Capital V (UK) Limited en een tweede kredietfaciliteit met Kreos Capital V (UK) Limited van 31 juli 2018;

Laatste Dag van Aanmelding	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.9;
Long Stop Date	betekent 31 december 2021;
Materieel Nadelig Effect	betekent elke verandering, gebeurtenis, omstandigheid of effect (dergelijke omstandigheden een Effect) individueel of gezamenlijk met andere Effecten, dat is of redelijk waarschijnlijk is om tot een duurzaam materieel nadelig is voor de onderneming, de pijplijn, de activa, de passiva, de financiële toestand of kapitalisatie van de Kiadis Groep in zijn geheel, op voorwaarde echter, dat alleen met het doel om te bepalen of er zich een Materieel Nadelig Effect heeft voorgedaan of kan voordoen, de volgende Effect niet in aanmerking zullen worden genomen: (a) wijzigingen of voorwaarden in het algemeen die de economieën of industrieën beïnvloeden waarin de Kiadis Groep opereert; (b) veranderingen in de economische, politieke, of marktomstandigheden, waaronder elke ongunstige ontwikkeling met betrekking tot de Europese Unie (met inbegrip van een of meerdere lidstaten die deze unie verlaten) en de Eurozone (inclusief een of meer lidstaten die daaruit vertrekken of gedwongen worden om een dergelijke zone te verlaten); (c) elke natuurramp, pandemie, daad van terrorisme, sabotage, gewapende vijandigheid, militaire actie, of <i>act of God</i>, of enige escalatie of verergering daarvan;

- (d) elke mislukking, op zichzelf, door Kiadis of de Kiadis-groep aan voldoen aan eventuele interne projecties of projecties gepubliceerd door derde partijen, prognoses of inkomsten of winstvoorspellingen (gegeven dat echter, in het geval van deze paragraaf (d), de onderliggende reden voor dit falen kan worden overwogen in de vaststelling of er zich een Materieel Nadelig Effect heeft voorgedaan);
- (e) de beoordeling van de kredietwaardigheid, de financiële draagkracht of andere beoordelingen (mits, echter, in het geval van deze paragraaf (e), de onderliggende reden voor deze verandering, gebeurtenis, omstandigheid of effect met betrekking tot het krediet, financiële draagkracht of andere beoordelingen kunnen worden overwogen om te bepalen of er een Materieel Nadelig Effect kan zijn zijn) van Kiadis of de Kiadis-Groep;
- (f) eventuele Effecten die voortvloeien uit handelen of nalaten van de Bieder, vóór of na de datum van de Fusieovereenkomst, met inbegrip van eventuele maatregelen die zijn genomen door Kiadis of een lid van de Kiadis-Groep met de schriftelijke toestemming van de Bieder of op instructie van de Bieder (of niet genomen wanneer deze toestemming werd achtergehouden) of naleving door Kiadis met de voorwaarden

van, of het ondernemen van enige actie vereist op grond van de Fusieovereenkomst, met uitzondering van Effecten van een handeling of nalaten van de Bieder als reactie op een inbreuk op de Fusieovereenkomst door Kiadis;

- (g) alle Effecten die voortvloeien uit
 - i) het aangaan van de Fusieovereenkomst, of
 - ii) de aankondiging, het maken of uitvoeren van het Bod;
- (h) een inbreuk op de Fusieovereenkomst of toepasselijke regelgeving door de Bieder;
- (i) elke verandering of toekomstige verandering van wet of regelgeving (met inbegrip van de beursregels inclusief noteringsstandaarden), of algemeen aanvaarde beginselen van boekhouden of de interpretatie of de handhaving daarvan;
- (j) eventuele juridische procedures die zijn geëntameerd door aandeelhouders met betrekking tot het Bod of de Herstructurering na Aanbieding;
- (k) enig Effect (met inbegrip van, maar niet beperkt tot beperkt tot juridische procedures) die daadwerkelijk bekend zijn bij het senior management van de Bieder per de datum van ondertekening van de Fusieovereenkomst, inclusief, maar niet beperkt tot, bij wijze van *fair disclosure* van

informatie middels *due diligence*; of

- (l) eventuele voorlopige resultaten of vertraging van klinische activiteiten door, of gesponsord door, Kiadis of een van haar samenwerkingspartners,

behalve, in de gevallen van lid (a) en (b), voor zover de Kiadis Groep, in zijn geheel genomen, materieel onevenredig beïnvloed is, vergeleken met andere deelnemers in de industrieën waarin de Kiadis-Groep voornamelijk actief is (in welk geval rekening kan worden gehouden met de incrementeel materieel onevenredige impact of effecten bij het bepalen of er zich een Materieel Nadelig Effect heeft voorgedaan of dat dat redelijkerwijs kan worden verwacht);

Milestone Aandelen

betekent de potentiële toekomstige vergoeding voor de voormalige CytoSen aandeelhouders en optiehouders, die kan oplopen tot 5.819.466 additionele Aandelen op de voltooiing van zes klinische ontwikkelings- en toezichtrechtelijke milestones, waarbij de finale milestone de eerste FDA goedkeuring van een NK-cell product is gebaseerd op de technologie van Cytosen, welke milestones geaccelereerd mogen worden door Kiadis in het licht van de Transactie;

Moelis

betekent Moelis & Company LLC;

Na-aanmeldingstermijn

heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.14;

Nadelige Verandering van de Aanbeveling

de Kiadis-Besturen of een van hun leden die hun respectievelijke Aanbeveling hebben teruggetrokken, gewijzigd of gekwalificeerd hebben, of tegenstrijdige verklaringen over hun positie met betrekking tot het Bod en de andere

	Transacties hebben gemaakt, met inbegrip van alle acties van een lid van de Kiadis Besturen in afwijking van of tegenstrijdig met de Aanbeveling die onzekerheid over de status van de Aanbeveling zou kunnen veroorzaken en publieke tegenstrijdige verklaringen met betrekking tot hun positie met betrekking tot het Bod hebben gemaakt, of om twijfel te voorkomen niet hun Aanbeveling te hebben aangekondigd of bevestigd, binnen 48 (achtenveertig) uur na een verzoek daartoe van de Bieder;
Omwissel- en Betaalkantoor	betekent ING Bank N.V., Bijlmerdreef 106, 1102 CT Amsterdam, Nederland;
Ontbinding van de Vennootschap	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.20;
Overbruggingskrediet	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.7;
Overdracht	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.13;
Overige Maatregelen na Overdracht	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.21;
Peildatum	betekent 30 oktober 2020;
Raad van Bestuur	betekent de raad van bestuur van Kiadis;
Raad van Commissarissen	betekent de raad van commissarissen van Kiadis;
Standpuntbepaling	betekent de standpuntbepaling van Kiadis, die geen onderdeel uitmaakt van het Biedingsbericht;
Superieur Bod	betekent een te goeder trouw schriftelijk Alternatief Voorstel, dat niet het gevolg is van een schending van Hoofdstuk 6.20 (<i>Exclusivity and Alternative Proposal</i>) en ten aanzien waarvan Kiadis Hoofdstuk 6.20 (<i>Exclusivity and Alternative Proposal</i>) heeft nageleefd, voor of ten aanzien van:

- (a) een volledig bod of voorstel dat een verplicht bod op Kiadis kan uitlokken onder Toepasselijke Regelgeving, een juridische fusie of een juridische splitsing dat leidt tot de zeggenschap over alle of substantieel alle Aandelen; of
- (b) enig Alternatief Voorstel dat, indien geconcretiseerd, ertoe zou leiden dat (A) een andere persoon dan de Bieder of een van zijn Verbonden Ondernemingen economisch meer dan 50% van enige klasse van aandelen of stemrecht in Kiadis zou bezitten, of (B) de huidige aandeelhouders van Kiadis, zoals van toepassing, direct of indirect een belang zou hebben van (x) minder dan 50% van het aandelenkapitaal van de opvolger of (y) minder dan 50% van de geconsolideerde activa van de opvolger, of activa van de opvolger waaraan 50% of meer van de geconsolideerde bruto inkomsten of winsten van de opvolger zijn toe te rekenen maar met uitzondering van reorganisaties binnen de groep; of
- (c) elk Alternatief Voorstel dat betrekking heeft op een directe of indirecte overname of aankoop van activa van Kiadis, van haar Groepsondernemingen die meer dan 50% of meer van de geconsolideerde bruto inkomsten, geconsolideerde bedrijfswinst of bruto activa van Kiadis vertegenwoordigen zoals opgenomen in de gecontroleerde geconsolideerde jaarrekening

van Kiadis in financiële
communicatie voor de fiscale
jaarperiode eindigend op 31
december 2019, en

waarvan, in elk geval, de Kiadis Besturen ter goeder trouw bepalen (na ontvangst van advies van hun financiële adviseurs en externe juridische adviseurs, in elk geval met internationale reputatie), rekening houdend met, onder andere, alle juridische, financiële en regelgevende aspecten, de timing en zekerheid van de voltooiing, de positie van werknemers, andere zaken die worden overwogen in de Niet-Financiële Covenanten, en naleving van Toepasselijke Regelgeving en de transactiestructuur van zowel het Alternatief Voorstel en de Transacties op de voorwaarden zoals opgenomen in de Fusieovereenkomst, dat deze per saldo voordeliger zijn voor Kiadis, het duurzame succes van de onderneming van Kiadis en haar Aandeelhouders, patiënten, werknemers, zakenpartners, schuldeisers en andere belanghebbenden dan de Transacties, op voorwaarde dat:

(i) de totale vergoeding betaalbaar aan de Aandeelhouders in verband met een Alternatief Voorstel de Biedprijs met ten minste 8% overschrijdt; en

(ii) het Alternatief Voorstel bindend is voor de betrokken derde partij en in het geval dat het Superieure Bod een openbaar bod op de Aandelen is, die derde partij (i) zich onder gebruikelijke voorwaarden jegens Kiadis heeft verbonden om een dergelijk bod uit te brengen binnen de toepasselijke termijnen die worden voorgeschreven door de Fusieregels na de aankondiging onder (ii) hieronder en (ii) publiekelijk haar voornemen heeft aangekondigd om het bod uit te brengen, welke

aankondiging de voorgestelde prijs per Aandeel en de relevante opschortende voorwaarden met betrekking tot een dergelijk bod en de aanvang daarvan omvat;

Toepasselijke Regelgeving

betekent alle toepasselijke wetten (civielrechtelijk, strafrechtelijk, of administratieve), met inbegrip van het gewoonterecht, statuten, ondergeschikte wetgeving, verdragen, verordeningen, regels, richtlijnen, besluiten, verordeningen, circulaires, codes (inclusief corporate-governancecodes), orders, aankondigingen, eisen, decreten, bevelen, richtsnoeren, vonnissen of resoluties van een parlement, overheid, semi-overheid, federaal, staat of lokale overheid, statutair, administratieve of regelgevende instantie, effectenbeurs, rechtbank of agentschap in elk deel van de wereld dat van kracht is of vastgesteld en zijn, in elk geval, legaal bindend als op het relevante tijdstip, en de term Toepasselijke Regelgeving wordt op die manier geïnterpreteerd;

Toeziethouder

betekent elke bevoegde overheid, administratief, toezichthoudend, regelgevend, gerechtelijk, tuchtrechtelijk, handhavend of belastingdienst, autoriteit, agentschap, commissie, bestuur, organisatie, rechtbank of tribunaal van enige jurisdictie, ongeacht of supranationaal, nationaal of regionaal of lokale en eventuele onderverdelingen, afdeling of een tak van een van de voorgaande;

Transacties

betekent het Bod, evenals de transacties die daarmee samenhangend zoals uiteengezet in de Fusieovereenkomst, met inbegrip van, voor zover van toepassing, de Uitkoopprocedure en de Herstructurering na de Aanbieding;

Tussentijdse Overzichten Doeleinden	voor	Financiële Bijzondere	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.1;
Uitkering			heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.4;
Uitkoopprocedure			heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.19;
Verbonden Ondernemingen			betekent elk bedrijf, partnerschap, coöperatief, of ander zakelijk of juridisch lichaam of andere persoon direct of indirect, alleen of gezamenlijk zeggenschap over of onder zeggenschap van die partij staan, met inbegrip van een van haar dochterondernemingen en groepsondernemingen in de zin van de artikelen 2:24a en 2:24b BW, respectievelijk;
Vereffenaar			betekent een speciaal vehikel dat zal worden opgericht door een professionele dienstverlener in opdracht van de Bieder;
Verkoop van Activa			heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.20;
Verkoop van Activa per Aandeel			heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.20;
Volledige Verwatering			betekent onder de assumptie dat alle opties, warrants converteerbare instrumenten of andere rechten om in te schrijven voor of te verkrijgen van Kiadis of haar Groepsondernemingen, Aandelen, volledig zijn uitgeoefend of geconverteerd, respectievelijk, ongeacht of zulke opties, warrants, converteerbare instrumenten of andere rechten zijn gevest, uitoefenbaar of converteerbaar, welke in totaal 61.084.776 zou bedragen;
Voorwaarden			betekent de opschortende voorwaarden waarvan de verplichting van de Bieder het Bod gestand te doen afhankelijk is

gesteld zoals uiteengezet in Hoofdstuk 12.7;

Werkdag(en)

betekent een dag (anders dan een zaterdag of zondag) waarop Euronext Amsterdam en Euronext Brussel open zijn en de banken in het algemeen open zijn voor de normale gang van zaken in Nederland, behalve wanneer het wordt gebruikt om te verwijzen naar begrippen die in het Bod zijn opgenomen, in welk geval het elke werkdag betreft die als zodanig is aangeduid in de *Algemene Bank-CAO*;

Wft

betekent Wet op het financieel toezicht.

12.3 Uitnodiging aan de Aandeelhouders

Onder verwijzing naar de verklaringen, voorwaarden en beperkingen zoals opgenomen in dit Biedingsbericht, worden Aandeelhouders uitgenodigd om hun Aandelen aan te bieden onder het Bod op de wijze en onder de voorwaarden zoals in dit Biedingsbericht beschreven. Aandeelhouders die overwegen hun Aandelen niet aan te melden, worden geadviseerd in het bijzonder Hoofdstuk 12.16 (*De gevolgen van het Bod voor Aandeelhouders die hun Aandelen niet aanbieden*) door te nemen.

12.4 Het Bod

De Bieder brengt het Bod uit om alle Aandelen te verwerven onder de voorwaarden en conform de bepalingen en beperkingen zoals opgenomen in dit Biedingsbericht.

Aandeelhouders die hun Aandelen aanmelden onder het Bod zullen onder de voorwaarden en de beperkingen opgenomen in dit Biedingsbericht voor elk Aandeel dat voorafgaand aan of op de Laatste Dag van Aanmelding op juiste wijze is aangemeld (of op onjuiste wijze indien de Bieder de aanmelding desalniettemin heeft aanvaard) (een dergelijk Aandeel, een **Aangemeld Aandeel**) en geleverd aan de Bieder een vergoeding in contanten betalen van EUR 5,45 (vijf euro en vijfenveertig eurocent) cum dividend, zonder betaling van rente en onder aftrek van enige toepasselijke belasting onder Toepasselijke Regelgeving (indien van toepassing) (de **Biedprijs**).

De Biedprijs is 'cum dividend'. Dit betekent dat indien er op of na 1 november 2020 een uitkering van (interim) cash of aandelendividend of een andere uitkering (elk een **Uitkering** en gezamenlijk de **Uitkeringen**) wordt vastgesteld door Kiadis, waarbij de registratiedatum die bepalend is voor de gerechtigdheid tot een dergelijke Uitkering op of vóór de Dag van Overdracht ligt, de Biedprijs zal worden verminderd met het volledige bedrag van een dergelijke Uitkering gedaan door Kiadis per

Aandeel (vóór toepassing van enige relevante heffingen). Op de datum van dit Biedingsbericht voorziet Kiadis geen Uitkeringen.

Elke aanpassing van de Biedprijs, ten gevolge van een Uitkering door Kiadis of een verhoging van de Biedprijs, zal door middel van een persbericht in overeenstemming met Hoofdstuk 5.11 (*Announcements*) van dit Biedingsbericht kenbaar worden gemaakt. Ter voorkoming van misverstanden, ingeval van een aanpassing van de Biedprijs zullen alle referenties in dit Biedingsbericht naar “Biedprijs” naar die aangepaste Biedprijs zijn, behalve in het geval van Hoofdstuk 6.3 (*Substantiation of the Offer Price*), 6.7 (*Decision making and Recommendation by the Kiadis Boards*), 9 (*Further information required by the Decree*) en 10 (*Material, Dutch, Belgian and U.S. Tax consequences of the Offer*).

De Biedprijs vertegenwoordigt:

- (i) een premie van 272% ten opzichte van de slotkoers per Aandeel op Euronext Amsterdam en Euronext Brussel op de Peildatum;
- (ii) een premie van 247% gebaseerd op de volume-gewogen gemiddelde prijs per Aandeel op Euronext Amsterdam en Euronext Brussel gedurende een periode van 30 (dertig) dagen eindigend op de Peildatum;
- (iii) een premie van 200% gebaseerd op de volume-gewogen gemiddelde prijs per Aandeel op Euronext Amsterdam en Euronext Brussel gedurende een periode van 90 (negentig) dagen eindigend op de Peildatum;
- (iv) een premie van 169% gebaseerd op de volume-gewogen gemiddelde prijs per Aandeel op Euronext Amsterdam en Euronext Brussel gedurende een periode van 12 (twaalf) maanden eindigend op de Peildatum; en
- (v) een premie van 70% ten opzichte van de hoogste slotkoers per Aandeel op Euronext Amsterdam en Euronext Brussel voor de periode van 52 (tweeënvijftig) weken eindigend op de Peildatum.

12.5 Rationale van de Transactie

Kiadis' NK cell platform en resulterende therapeutische pijplijn is complementair aan de Bieder Groep's in-house pijplijn, inclusief CD-38 (isatuximab) en NK-cell engager bispecifieke programma's die in een vroeg stadium zijn.

De Bieder Groep en Kiadis hebben de intentie om de ontwikkeling en commercialisatie van Kiadis' traject en pijplijn programma's te versnellen door gebruik te maken van de Bieder Groep's globale infrastructuur en mogelijkheden tot onderzoek, CMC, ontwikkeling, productie en commercialisering, alsmede de financiële kracht van de Bieder Groep. Dit zal erin resulteren dat producten snel en economisch beschikbaar worden voor een brede populatie patiënten over een breed spectrum van indicaties. Op de datum van dit Biedingsbericht heeft de Bieder Groep geen intenties

met betrekking tot de plaats van vestiging van Kiadis, anders dan zoals beschreven in Hoofdstuk 6.17 (c) (*Non-Financial Covenants*).

12.6 Financiering van het Bod

De Bieder waardeert 100% van de Aandelen op ongeveer EUR 308.000.000 (drie honderd acht miljoen euro).¹³ Omdat de 2025-I en 2025-II Warrants, die in totaal 5.238.747 Warrants bedragen, in totaal, niet zullen worden afgewikkeld door middel van cash, maar uitgeoefend met een lagere uitoefeningsprijs, zal het aandelenkapitaal op basis van Volledige Verwatering bestaan uit 40.308.501 gewone uitstaande Aandelen, 7.446.147 Aandelen op basis van de *in-the-money* uitstaande Opties, 2.585.507 Aandelen op basis van de Kreos Capital Faciliteiten en 5.505.874 Milestone Aandelen, aldus een totaal van 61.084.776 uitstaande Aandelen. De Bieder zal de Biedprijs volledig betalen door middel van beschikbare geldmiddelen. Gerefereerd wordt ook aan de Initiele Aankondiging, waarin de *certainty of funds* werd bevestigd.

Naar aanleiding van een overeenkomst op hoofdlijnen, overeengekomen op de datum van de Fusieovereenkomst, zijn Sanofi Finance Ireland Limited als leninggever en Kiadis als leningnemer op 13 januari 2021 een kredietfaciliteit overeengekomen (het **Overbruggingskrediet**). Het hoofddoel van het Overbruggingskrediet is de algemene bedrijfsvoering en werkkapitaaldoeleinden, om de Kiadis Groep te voorzien in de mogelijkheid om hun bedrijfsvoering op de normale wijze te kunnen voortzetten volgend op de ondertekening van de Fusieovereenkomst, vertraging in de operaties van de bedrijfsvoering te voorkomen en de continuïteit van de Kiadis Groep te verzekeren. Een deel van het Overbruggingskrediet, ter hoogte van EUR 7.700.000 kan gebruikt worden om de schuld onder de Kreos Capital Faciliteiten te herfinancieren en om de converteerbare obligatie van Kreos Capital terug te betalen. In hoofdsom zal het overeengekomen Overbruggingskrediet EUR 27.700.000 (zeven en twintig miljoen zeven honderd duizend euro) bedragen. Het Overbruggingskrediet zal onmiddellijk worden opgezegd en alle uitstaande voorschotten, rente en andere bedragen zullen onmiddellijk opeisbaar en betaalbaar worden ingeval van een overdracht van zeggenschap bij Kiadis (exclusief een overdracht van zeggenschap naar de Bieder maar inclusief een activaverkoop van de Kiadis Groep) of als de Fusieovereenkomst wordt beëindigd ten gevolge van een materiële schending van de Fusieovereenkomst door Kiadis zoals bepaald in Hoofdstuk 6.27(a)(iii) of ten gevolge van een Superieur Bod, zoals beschreven in Hoofdstuk 6.27(a)(iv) en kan worden opgezegd door de leninggever indien een of meerdere materiële gevallen van verzuim zich hebben voorgedaan of als het onrechtmatig is geworden voor de leninggever om de leningen te verstrekken. Het Overbruggingskrediet is een termijnkredietfaciliteit, waarvan de kredieten binnen een jaar na het eerste gebruik van het krediet terugbetaald dienen te worden (met een automatische verlenging van zes maanden). De kredieten zijn beschikbaar tot en met 30 mei 2021. De faciliteiten staan op gelijke voet met andere senior ongedekte schulden van Kiadis, maar is ondergeschikt aan de Kreos Capital Faciliteiten. De rentevoet is EURIBOR plus een marge, zijnde een PIK-marge van 2,5% per jaar en een marge van 2,0% in contanten, die beide worden verhoogd tot 10% in geval van een verandering in zeggenschap bij Kiadis (exclusief een overdracht van zeggenschap naar de Bieder maar inclusief een activaverkoop van de Kiadis Groep) of indien de Fusieovereenkomst wordt beëindigd. De documentatie bevat een gebruikelijke reeks van verklaringen, toezeggingen en

¹³ Op basis van volledige verwatering gebruik makend van de *treasury stock method* op de datum van de Fusieovereenkomst en aangepast voor de waarde van de *warrants* die konden worden uitgeoefend in aandelen of contant betaald gebaseerd op de Black Scholes waarde per de dag onmiddellijk na de dag van de aankondiging van de overdracht van zeggenschap.

gevallen van verzuim voor transacties van deze aard en een meestbegunstigingsclausule die de kredietverstrekker het voordeel geeft van een gunstigere bescherming die met andere schuldfinanciers van de Kiadis Groep is overeengekomen. De documentatie bevat ook een bepaling dat de Kiadis Groep verplicht is het Overbruggingskrediet te garanderen of zekerheid te stellen voor het Overbruggingskrediet indien aan bepaalde gebruikelijke omstandigheden wordt voldaan.

Op 14 januari 2021 maakte Kiadis via een persbericht bekend dat zij EUR 20.000.000 had getrokken onder het Overbruggingskrediet om aan Kiadis' kapitaalvereisten te voldoen tot aan de voltooiing van de acquisitie door Sanofi.

12.7 Voorwaarden, afstand en vervulling

(a) Voorwaarden

Niettegenstaande enige andere bepaling van het Bod, is de verplichting van de Bieder om het Bod gestand te doen afhankelijk van of op de Laatste Dag van Aanmelding wordt voldaan aan de volgende opschortende voorwaarden, of voor zover van toepassing, daarvan afstand is gedaan (de **Voorwaarden**):

—

Aanmeldingspercentage

- i. de Aangemelde Aandelen, samen met (i) de Aandelen rechtstreeks of indirect gehouden door Sanofi, de Bieder of hun Verbonden Ondernemingen, (ii) aandelen die schriftelijk (onherroepelijk) toegezegd zijn aan Sanofi, de Bieder of hun Verbonden Ondernemingen en (iii) de Aandelen waartoe de Bieder Groep onvoorwaardelijk gerechtigd is (gekocht maar nog niet geleverd), vertegenwoordigen ten minste de Aanmeldingsdrempel op de Laatste Dag van Aanmelding;

waarbij **Aanmeldingsdrempel** 95% (vijfennegentig procent) betekent van Kiadis' geplaatst en uitstaand gewoon aandelenkapitaal op basis van Volledige Verwatering, welk percentage automatisch zal worden aangepast naar 80% (tachtig procent) van Kiadis' geplaatst en uitstaand gewoon aandelenkapitaal op basis van Volledige Verwatering indien (i) de Besluiten met betrekking tot de Herstructurering na de Aanbieding zijn aangenomen op de Algemene Vergadering en volledig van kracht zijn op de Laatste Dag van Aanmelding en er (ii) is voldaan aan de voorwaarden genoemd in Hoofdstuk 6.6 (ix) onder (b), of in relatie tot de Herstructurering na de Aanbieding, daarvan afstand is gedaan;

Geen Materieel Nadelig Effect

- ii. er heeft zich geen Materieel Nadelig Effect voorgedaan welke voortduurt op de Laatste Dag van Aanmelding;

Geen inbreuk door Kiadis

- iii. Kiadis heeft geen inbreuk gemaakt op de Fusieovereenkomst, voor zover deze inbreuk (i) heeft geleid of redelijkerwijs kan leiden tot materieel nadelige gevolgen voor Kiadis, de Bieder, het Bod of de Herstructurering na de Aanbieding, en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door Kiadis van een schriftelijke kennisgeving van de Bieder of niet is hersteld door Kiadis binnen tien (10) Werkdagen na ontvangst door Kiadis van een schriftelijke kennisgeving van de Bieder;

Geen inbreuk door de Bieder

- iv. de Bieder heeft geen inbreuk gemaakt op de Fusieovereenkomst, voor zover deze inbreuk (i) heeft geleid of redelijkerwijs kan leiden tot materieel nadelige gevolgen voor Kiadis, de Bieder of het Bod of de Herstructurering na de Aanbieding; en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door de Bieder van een schriftelijke kennisgeving van Kiadis of niet is hersteld door Kiadis binnen tien (10) Werkdagen na ontvangst door de Bieder van een schriftelijke kennisgeving van Kiadis;

Aanbeveling niet ingetrokken of gewijzigd

- v. er heeft zich geen Nadelige Verandering van de Aanbeveling voorgedaan;

Geen Superieur Bod

- vi. er heeft zich geen Superieur Bod voorgedaan;

Geen verplicht bod door een derde partij

- vii. geen derde partij die niet aan Sanofi is gelieerd (i) is verplicht een verplicht bod uit te brengen en heeft dit aangekondigd in overeenstemming met artikel 5 lid 3 Bob, of (ii) heeft een verplicht bod uitgebracht op grond van artikel 5:70 Wft voor alle Aandelen van Kiadis tegen een prijs die minstens gelijk is aan de Biedprijs;
- *Geen Gerechtelijk Bevel of Overheidsbesluit*
- viii. er is geen Gerechtelijk Bevel of Overheidsbesluit van kracht, welke het in beide gevallen (x) en (y) zoals genoemd in de definitie van het Gerechtelijk Bevel of Overheidsbesluit de voltooiing verbiedt (ongeacht of er voorgaande goedkeuring is van een bevoegde Toezichthouder) van (a) het Bod of (b) de Herstructurering na de Aanbieding in materiële zin;

Geen notificatie door AFM of inbreuk Wft

- ix. er is geen mededeling ontvangen van de AFM, waarin is opgenomen dat de voorbereiding van het Bod heeft plaatsgevonden in strijd met hoofdstuk 5.5. van de Wft, en dat, ten gevolge van artikel 5:80 paragraaf 2 van de Wft, beleggingsondernemingen niet zouden mogen meewerken aan het Bod;

Geen opschorting van handelen

- x. het handelen in Aandelen op Euronext Amsterdam of Euronext Brussel is niet opgeschort of beëindigd ten gevolge van een noteringsmaatregelen genomen door Euronext Amsterdam of Euronext Brussel in overeenstemming met artikel 6901/2 of enige andere relevante bepaling van het Euronext Rulebook I (Harmonised Rules).

(b) Afstand

De Voorwaarden uiteengezet in Hoofdstuk 12.7(a) (i), (ii), (iii), (vi) en (vii) zijn uitsluitend opgenomen ten behoeve van de Bieder en hiervan mag, voor zover toegestaan onder Toepasselijke Regelgeving, te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door de Bieder, door middel van een schriftelijke kennisgeving aan Kiadis, met dien verstande dat voor het afstand doen van de Voorwaarde uiteengezet in Hoofdstuk 12.7(a) (i) vereist is dat de Kiadis Besturen voorafgaande schriftelijke toestemming geven (welke niet onredelijk zal worden onthouden of vertraagd) in het geval dat de Aangemelde Aandelen (exclusief Aandelen die worden gehouden door Kiadis op de Laatste Dag van Aanmelding) op de Laatste Dag van Aanmelding minder bedraagt dan 66,67% (zesenzestig komma zevenenzestig procent) van het geplaatst en uitstaand gewoon kapitaal van Kiadis op basis van Volledige Verwatering.

De Voorwaarde uiteengezet in Hoofdstuk 12.7(a) (iv) is uitsluitend opgenomen ten behoeve van Kiadis en hiervan mag te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door Kiadis, door middel van een schriftelijke kennisgeving aan de Bieder.

De Voorwaarden uiteengezet in Hoofdstuk 12.7(a) (viii) en (x) zijn opgenomen ten behoeve van Kiadis en de Bieder en hiervan mag alleen (geheel of gedeeltelijk) afstand worden gedaan, voor zover toegestaan onder Toepasselijke Regelgeving, door Kiadis en de Bieder gezamenlijk door middel van schriftelijke overeenstemming.

Van de Voorwaarde uiteengezet in Hoofdstuk 12.7(a) (v) en (ix), kan geen afstand worden gedaan.

Geen Partij mag zich er op beroepen dat een Voorwaarde niet is vervuld indien die niet-vervulling van (een) dergelijke Voorwaarde(n) veroorzaakt is door een inbreuk van diezelfde partij op enige van haar verplichtingen uit de Fusieovereenkomst.

In het geval dat de Aanmeldingsdrempel op de Laatste Dag van Aanmelding 95% (vijfennegentig procent) van Kiadis' geplaatst en uitstaand gewoon kapitaal op basis van Volledige Verwatering vertegenwoordigt, zal de Bieder op verzoek van Kiadis, tijdig afstand doen van de Voorwaarde genoemd in Hoofdstuk 12.7(a) (viii) onder (b) (*Geen Gerechtelijk Bevel of Overheidsbesluit*), voor zover het relevante Gerechtelijk Bevel of Overheidsbesluit uitsluitend betrekking heeft op de Herstructurering na de Aanbieding.

(c) Materieel Nadelig Effect

Naar weten van de Bieder heeft er zich op of voor de dag van dit Biedingsbericht geen Materieel Nadelig Effect voorgedaan.

(d) Vervulling

Overeenkomstig de in artikel 12 lid 2 van het Bob opgenomen verbodsbepaling hangt de vervulling van elk van de Voorwaarden niet af van de wil van de Bieder.

Zowel de Bieder als de Vennootschap zal in redelijkheid haar uiterste best doen om zo snel als redelijkerwijs mogelijk de vervulling van de Voorwaarden te bewerkstelligen. Indien de Bieder of Kiadis op enig moment kennisneemt van een feit of omstandigheid dat/die een significante impact zou hebben op de vervulling van een Voorwaarde zal die partij de ander daarvan onverwijld op de hoogte stellen.

Met betrekking tot de Voorwaarde opgenomen in Hoofdstuk 12.7(a) (ii), zijn de Bieder en Kiadis een bindend advies procedure overeengekomen voor het geval dat de Bieder deze Voorwaarde niet vervuld acht en Kiadis daarover van mening verschilt. In een dergelijk geval, zal een bindend adviseur over het geschil beslissen binnen 10 (tien) Werkdagen vanaf de datum waarop het geschil aan de bindend adviseur is voorgelegd of een kortere termijn zoals overeengekomen tussen de Bieder en Kiadis, waarbij is begrepen dat een beslissing niet later zal worden genomen dan 12:00 CET op de Werkdag voor de Dag van Gestanddoening. De bindend adviseur zal worden aangesteld in overeenstemming met het bindend advies reglement van het NAI (*Nederlands Arbitrage Instituut*). Het bindend advies zal finaal en bindend zijn voor de Bieder en Kiadis.

12.8 Aanvaarding door Aandeelhouders

Door het aanmelden van een Aandeel aanvaardt een Aandeelhouder het Bod. Aandeelhouders worden verzocht om de aanmelding van hun Aandelen bekend te maken via hun bewaarder, bank of commissionair, niet later dan op de Laatste Dag van Aanmelding om 17:40 uur CET (het **Afsluitingsuur**). De relevante bewaarder, bank of commissionair kan een uiterst moment vaststellen voor communicatie door een Aandeelhouder, zodat de bewaarder, bank of commissionair voldoende tijd heeft om de aanmelding door te geven aan het Omwissel- en Betaalkantoor. Aandeelhouders dienen daarom contact op te nemen met hun financiële tussenpersoon om informatie te verkrijgen over de toepasselijke deadline voor verzending van instructies aan de tussenpersoon om het Bod te aanvaarden en zich te houden aan de data gecommuniceerd door de tussenpersoon (welke data kunnen afwijken van de data en tijden die in dit Biedingsbericht zijn opgenomen).

De Aangesloten Instellingen kunnen de Aandelen uitsluitend aanmelden bij het Omwissel- en Betaalkantoor en alleen in schriftelijke vorm. Bij het indienen van de aanmelding dient iedere Aangesloten Instelling te verklaren dat:

- (a) zij de Aangemelde Aandelen, aangemeld door de relevante Aandeelhouder, in haar administratie heeft opgenomen;
- (b) iedere Aandeelhouder die het Bod aanvaardt, onherroepelijk verklaart en garandeert dat (i) de Aangemelde Aandelen worden aangemeld in overeenstemming met de restricties vermeld in

Hoofdstukken 2 en 3 en (ii) de Aandeelhouder niet, direct of indirect, onderwerp of doelwit is van enige economische of financiële sanctie opgelegd of afgedwongen door enige instantie van de Amerikaanse overheid, de Europese Unie, enige lidstaat van de Europese Unie of de Verenigde Naties, anders dan uitsluitend op grond van zijn opname in, of eigendom door een persoon opgenomen in, de Amerikaanse 'Sectoral Sanctions Identifications (SSI) List' of Annex 97 III, IV, V of VI van Verordening (EU) No. 833/2014 van 31 juli 2014, zoals laatstelijk gewijzigd;

- (c) zij zich verplicht om de Aangemelde Aandelen uiterlijk op de Dag van Overdracht te leveren aan de Bieder, onder de voorwaarde dat het Bod gestand is gedaan.

Alhoewel gebruikelijk is dat de Aangesloten Instelling zorg draagt dat de Aangemelde Aandelen op verzoek van de Aandeelhouder geleverd worden aan de Bieder, zal elke Aandeelhouder verantwoordelijk zijn voor de levering van zulke Aangemelde Aandelen aan de Bieder.

Met inachtneming van het recht tot herroeping zoals omschreven in Hoofdstuk 12.10 (*Recht tot herroeping*), vormt de aanmelding van Aandelen ter aanvaarding van het Bod een onherroepelijke instructie door de betreffende Aandeelhouder aan de desbetreffende Aangesloten Instelling om:

- (a) elke poging tot levering van deze Aandelen tegen te houden, zodat op of vóór de Dag van Overdracht geen levering van deze Aandelen uitgevoerd kan worden (anders dan enige handeling die vereist is om de levering aan de Bieder te bewerkstelligen);
- (b) de effectenrekening te debiteren waarop deze Aandelen op de Dag van Overdracht worden aangehouden ten aanzien van al deze Aandelen, tegen betaling van de Biedprijs voor deze Aandelen door het Omwissel- en Betaalkantoor namens de Bieder; en
- (c) de levering van deze Aandelen aan de Bieder te bewerkstelligen.

12.9 Aanmeldingstermijn

De Aanmeldingstermijn vangt aan om 09:00 uur, CET op 15 februari 2021 en eindigt om 17:40 uur CET, op 12 april 2021, tenzij de Aanmeldingstermijn wordt verlengd in overeenstemming met artikel 15 van het Bob en Hoofdstuk 12.12 (*Verlenging*), de **Aanmeldingstermijn**. De dag waarop de Aanmeldingstermijn eindigt, ongeacht of die is verlengd of niet, is de **Laatste Dag van Aanmelding**.

Als het Bod gestand wordt gedaan door de Bieder, zal de Bieder alle Aangemelde Aandelen waarvan de aanmelding niet voordien geldig is herroepen, aanvaarden met inachtneming van de procedures zoals uiteengezet in artikel 15 van het Bob en Hoofdstuk 12.8 (*Aanvaarding door de Aandeelhouders*).

12.10 Recht tot herroeping

Aandelen die zijn aangemeld op of voorafgaand aan de Laatste Dag van Aanmelding mogen niet worden ingetrokken, behoudens het recht tot intrekking van elke aanmelding op grond van artikel 5b, paragraaf 5 en artikel 15 paragraaf 9 van het Bob of:

- (i) gedurende enige verlenging van de Aanmeldingstermijn in overeenstemming met de bepalingen in artikel 15 lid 3 van het Bob; of
- (ii) na de verhoging van de Biedprijs die erin resulteert dat de Biedprijs niet langer bestaat uit slechts contanten en er een document dat daaraan gerelateerd is algemeen verkrijgbaar wordt gemaakt in overeenstemming met de bepalingen in artikel 15a lid 3 van het Bob, mits dergelijke Aandelen reeds aangemeld waren voorafgaand aan het algemeen verkrijgbaar stellen van het document en werden ingetrokken binnen zeven (7) Werkdagen nadat het document algemeen verkrijgbaar is gesteld.

Om eerder aangeboden Aandelen in te trekken, moeten Aandeelhouders de Toegelaten Instelling die zij oorspronkelijk opdracht hebben gegeven om de Aandelen aan te melden, opdracht geven om de intrekking van die Aandelen te regelen door de tijdige levering van een schriftelijke of telefonische kennisgeving van intrekking aan het Omwissel- en Betaalkantoor op het adres dat in Hoofdstuk 3.6 (*Contact details*) is vermeld.

Elk bericht van intrekking moet de naam vermelden van de persoon die de Aandelen heeft ingeschreven op de inschrijving voor de in te trekken Aandelen, het aantal in te trekken Aandelen en de naam van de houder van de in te trekken Aandelen, indien deze verschilt van de persoon die de inschrijving voor de Aandelen heeft gedaan. De handtekening(en) op het bericht van intrekking moet(en) worden gegarandeerd door een Toegelaten Instelling, tenzij dergelijke Aandelen zijn aangeboden voor rekening van een Toegelaten Instelling. Alle vragen met betrekking tot de vorm en de geldigheid (inclusief het tijdstip van ontvangst) van enige kennisgeving van intrekking zullen door de Bieder naar eigen goeddunken worden bepaald, welke bepaling definitief en bindend zal zijn. Aandeelhouders dienen contact op te nemen met hun financiële intermediair om informatie te verkrijgen over de uiterste datum waarop deze aandeelhouder instructies moet sturen naar de financiële intermediair om zijn of haar aanvaarding van het Bod in te trekken en dienen zich te houden aan de data die door deze financiële intermediair zijn vastgesteld, aangezien deze data kunnen afwijken van de data en tijdstippen die in dit Biedingsbericht zijn vermeld.

Intrekkingen van inschrijvingen op Aandelen kunnen niet worden herroepen, en alle Aandelen die naar behoren zijn ingetrokken, worden geacht niet geldig te zijn aangeboden in het kader van het Bod. De ingetrokken Aandelen kunnen echter opnieuw worden aangeboden via de inschrijvingsprocedure voor Aandelen zoals beschreven in Hoofdstuk 12.8 (*Aanvaarding door de Aandeelhouders*).

Tijdens de (eventuele) Na-aanmeldingstermijn zullen geen intrekkingen gelden voor Aandelen die tijdens deze Na-aanmeldingstermijn worden aangeboden of voor Aandelen die in het kader van het Aanbod op of vóór het Afsluitingsuur worden aangeboden en door de Bieder worden aanvaard.

12.11 Gestanddoening

De verplichting van de Bieder om het Bod gestand te doen is onder voorbehoud van de vervulling van de Voorwaarden zoals uiteengezet in Hoofdstuk 12.7 (*Voorwaarden*). Van de Voorwaarden kan afstand worden gedaan, voor zover toegestaan onder Toepasselijke Regelgeving of bij overeenkomst, zoals uiteengezet in Hoofdstuk 12.7(b) (*Afstand*). Indien de Bieder, Kiadis, of de Bieder en Kiadis, waar relevant, afstand wensen te doen (volledig of deels) van een of meer Voorwaarden in

overeenstemming met het bepaalde in Hoofdstuk 12.7(b) (*Afstand*), dan zal de Bieder daarvan kennisgeven aan de Aandeelhouders zoals voorgeschreven onder Toepasselijke Regelgeving.

Uiterlijk op de 3^e (derde) Werkdag na de Laatste Dag van Aanmelding (de **Dag van Gestanddoening**) zal de Bieder vaststellen of aan de Voorwaarden is voldaan, dan wel daarvan afstand is gedaan, voor zover toegestaan onder Toepasselijke Regelgeving. Daarnaast zal de Bieder op de Dag van Gestanddoening bekendmaken of (i) het Bod gestand wordt gedaan, (ii) het Bod wordt verlengd in overeenstemming met artikel 15 van het Bob en Hoofdstuk 12.12 (*Verlenging*) of (iii) het Bod wordt beëindigd omdat de Voorwaarden zoals beschreven in Hoofdstuk 12.7(a) (*Voorwaarden*) niet zijn voldaan of daarvan afstand is gedaan, alles in overeenstemming met Hoofdstuk 12.7(b) (*Afstand*) en 12.7(c) (*Vervulling*) en artikel 16 van het Bob. Indien de Bieder het Bod niet gestand doet, zal de Bieder dit besluit toelichten.

Indien de Bieder het Bod gestand doet, dan zullen Aandeelhouders de Biedprijs ontvangen voor elk Aangemeld Aandeel, en zal de Bieder elk Aangemeld Aandeel verkrijgen, binnen 5 (vijf) Werkdagen na de Dag van Gestanddoening (de **Overdracht**, en de dag waarop die plaatsvindt, de **Dag van Overdracht**). Het Omwissel- en Betaalkantoor zal de Aangemelde Aandelen verkrijgen tegen betaling van de Biedprijs aan de Toegelaten Instellingen, de Bieder kan niet garanderen dat de Aandeelhouders de Biedprijs van de Toegelaten Instellingen zullen ontvangen binnen diezelfde periode.

12.12 Verlenging

Indien op de dan geplande Laatste Dag van Aanmelding één of meer Voorwaarden niet zijn vervuld en daarvan evenmin afstand is gedaan, mag de Bieder, na overleg met Kiadis en in overeenstemming met artikel 15 van het Bob, de Aanmeldingstermijn verlengen, met dien verstande dat (i) de eerste verlenging van de Aanmeldingstermijn minimaal twee (2) weken en maximaal tien (10) weken zal zijn gerekend vanaf de dag vanaf de oorspronkelijke Laatste Dag van Aanmelding, en (ii) elke volgende verlenging afhankelijk zal zijn van het verkrijgen van een vrijstelling van de AFM.

Ter voorkoming van misverstanden, in het geval van enige verlenging van de Aanmeldingstermijn zullen alle verwijzingen in dit Biedingsbericht naar “Afsluitingstijd” en “Laatste Dag van de Aanmelding” geacht te zijn gewijzigd in de laatste tijd en datum waarnaar de Aanmeldingstermijn is verlengd, tenzij uit de context anderszins blijkt.

Als de Aanmeldingstermijn wordt verlengd, waardoor de verplichting op grond van artikel 16 van het Bob om openbaar mede te delen of het Bod gestand wordt gedaan wordt uitgesteld, zal uiterlijk op de derde Werkdag na de oorspronkelijke Laatste Dag van de Aanmelding hierover een openbare mededeling worden gedaan in overeenstemming met de bepalingen van artikel 15, leden 1 en 2 van het Bob. Indien de Bieder de Aanmeldingstermijn verlengt, zal het Bod aflopen op de uiterste tijd en datum waartoe de Bieder de Aanmeldingstermijn heeft verlengd.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Aandeel dat reeds is aangemeld en waarvan de aanmelding niet is herroepen in overeenstemming met Hoofdstuk 12.10 (*Recht tot herroeping*), aangemeld onder het Bod. De aanmelding van elk Aandeel dat wordt aangemeld

gedurende een verlenging van de Aanmeldingstermijn kan niet worden herroepen, behoudens het recht tot herroeping in overeenstemming met Hoofdstuk 12.10 (*Recht tot herroepping*).

12.13 Overdracht

Als de Bieder het Bod gestand doet, zal de Bieder de levering van alle Aangemelde Aandelen aanvaarden onder de voorwaarden van het Bod.

Op de Dag van Overdracht zal de Bieder de Biedprijs betalen voor elk Aangemeld Aandeel dat is aangemeld gedurende de Aanmeldingstermijn en is geleverd aan de Bieder door een Aandeelhouder aan het Omwissel- en Betaalkantoor van die Aandeelhouder, onder de voorwaarden als uiteengezet in dit Biedingsbericht. De Dag van Overdracht zal niet later zijn dan vijf (5) Werkdagen volgend op de Laatste Dag van Aanmelding. De Bieder kan niet garanderen dat Aandeelhouders de Biedprijs daadwerkelijk binnen deze periode zullen ontvangen van hun Omwissel- en Betaalkantoor. Er is geen specifieke actie van Aandeelhouders vereist met betrekking tot de betaling van de Biedprijs.

Vanaf de Dag van Overdracht is het niet mogelijk de aanmelding, verkoop of levering te herroepen, te ontbinden of te vernietigen van enig Aangemeld Aandeel dat gedurende de Aanmeldingstermijn is aangemeld.

12.14 Na-aanmeldingstermijn

Indien de Bieder het Bod gestand doet, zal de Bieder binnen drie (3) Werkdagen na de Dag van Gestanddoening een na-aanmeldingstermijn aankondigen van twee (2) weken (de **Na-aanmeldingstermijn**) om Aandeelhouders die hun Aandelen niet hebben aangemeld tijdens de Aanmeldingstermijn de mogelijkheid te geven hun Aandelen alsnog aan te melden onder dezelfde voorwaarden en beperkingen als het Bod.

De Bieder zal de resultaten van de Na-aanmeldingstermijn, samen met het aantal en percentage van Aandelen die zijn aangemeld gedurende de Na-aanmeldingstermijn en het totale aantal en percentage van de door de Bieder gehouden Aandelen uiterlijk op de derde Werkdag na de laatste dag van de Na-aanmeldingstermijn openbaar mededelen, in overeenstemming met artikel 17 lid 4 van het Bob.

Tijdens de Na-aanmeldingstermijn zal de Bieder doorgaan met het aanvaarden van alle Aandelen die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) en betaling van de Biedprijs voor dergelijke Aandelen die zijn

geleverd aan de Bieder tijdens de Na-aanmeldingstermijn zal plaatsvinden niet later dan op de vijfde Werkdag volgend op de laatste dag van de Na-aanmeldingstermijn.

Gedurende de Na-aanmeldingstermijn hebben Aandeelhouders niet het recht de aanmelding van Aandelen te herroepen, ongeacht of de desbetreffende Aandelen zijn aangemeld tijdens de Aanmeldingstermijn of tijdens de Na-aanmeldingstermijn.

Vanaf de relevante dag van overdracht is het niet mogelijk de aanmelding, verkoop of levering te herroepen, te ontbinden of te vernietigen van enig Aangemeld Aandeel dat gedurende de Na-aanmeldingstermijn is aangemeld.

12.15 Besluitvorming en Aanbeveling van het Bestuur

Na ontvangst van de niet-bindende indicatie van interesse van Sanofi op 16 oktober 2020 zijn de Kiadis Besturen regelmatig bijeengekomen om op de hoogte te blijven van de laatste ontwikkelingen, het proces te monitoren en het bod en de alternatieven daartoe te bespreken.

De leden van de Kiadis Besturen hebben in de besluitvorming gepaste aandacht besteed aan (potentiële) belangenverstrengelingen tussen een van hen en Kiadis en hebben vastgesteld dat dit niet het geval was.

De Kiadis Besturen hebben, na uitgebreid juridisch en financieel advies te hebben ingewonnen, alle aspecten van het aanbod zorgvuldig overwogen, inclusief:

a) de strategische onderbouwing van het Bod, ook met inachtneming van de risico's en onzekerheden van de andere voor Kiadis beschikbare alternatieven;

(b) de financiële aspecten van het Bod (zoals de vergoeding per Aandeel);

(c) de niet-financiële (zoals operationele en sociale) aspecten van het Bod, zoals de impact op stakeholders; en

(d) de zekerheid van de transactie en de bescherming van de deal,

en zijn tot de conclusie gekomen dat het Bod, alle omstandigheden in aanmerking te hebben genomen, *fair* is voor de Aandeelhouders vanuit financieel oogpunt en in het belang van Kiadis en al haar stakeholders.

Moelis heeft een *fairness opinion* aan de Raad van Bestuur van Kiadis uitgebracht van 1 november 2020, waarin wordt gesteld dat vanaf die datum, op basis van en onder voorbehoud van de daarin opgenomen kwalificaties, beperkingen en veronderstellingen, de Biedprijs die door de Aandeelhouders onder het Bod zal worden ontvangen of de Verkoopprijs van de activa (zoals gedefinieerd in de Fairness Opinion) vanuit financieel oogpunt *fair* is voor de Aandeelhouders (de **Fairness Opinion**). De volledige tekst van de Fairness Opinion, waarin de gemaakte veronderstellingen, de gevolgde procedures, de in overweging genomen kwesties en de beperkingen van de beoordeling in verband met de Fairness Opinion worden uiteengezet, is opgenomen in de Standpuntbepaling.

Onder verwijzing naar het bovenstaande, en met inachtneming van de voorwaarden van het Biedingsbericht, ondersteunen de Kiadis Besturen (i) de Transacties, (ii) bevelen de Aandeelhouders aan het Bod te aanvaarden en hun Aandelen onder het Bod aan te bieden, en (iii) bevelen zij de Aandeelhouders aan voor de Resoluties te stemmen (de **Aanbeveling**).

Het Kiadis Bestuur mag alleen overgaan tot een Nadelige Verandering van de Aanbeveling in de omstandigheden uiteengezet in Hoofdstukken 6.20 (*Exclusivity and Alternative Proposal*) tot 6.25 (*Consecutive (Potential) Superior Offers*).

Meer informatie is opgenomen in de Standpuntbepaling.

12.16 De gevolgen van het Bod voor Aandeelhouders die hun Aandelen niet aanbieden

De Bieder beoogt om uiteindelijk 100% van de Aandelen of alle activa en activiteiten van Kiadis (inclusief de volledige onderneming van de Kiadis Groep) te verwerven en de bereidheid van Bieder om de Biedprijs te betalen is gebaseerd op een dergelijke verkrijging. Daartoe kan de Bieder, na de Overdracht, ervoor kiezen om bepaalde herstructureringsmaatregelen te (laten) implementeren, waaronder een Uitkoopprocedure, de Verkoop na Overdracht en/of meer Overige Maatregelen na Overdracht (zoals nader beschreven in Hoofdstuk 6.11 (*Consequences of the Offer for non-tendering Shareholders*) en dit Hoofdstuk 12.16 (*De gevolgen van het Bod voor aandeelhouders die hun Aandelen niet aanbieden*)). De Bieder behoudt zich het recht voor om van iedere juridisch toegestane methode gebruik te maken om alle Aandelen (of de volledige eigendom van de onderneming van de Kiadis Groep) te verwerven en/of de juridische, financiële, en fiscale structuur van de Kiadis Groep te optimaliseren. Verwezen wordt naar Hoofdstuk 6.11 (*Consequences of the Offer for non-tendering Shareholders*).

12.17 Liquiditeit

De aankoop van Aandelen door de Bieder in het kader van het Bod zal het aantal Aandeelhouders en het aantal Aandelen dat anders publiekelijk zou kunnen worden verhandeld, verminderen. Hierdoor kan na de Overdracht de omvang van de *free float* van de Aandelen aanzienlijk zijn verminderd en kunnen de handelsvolumes en de liquiditeit van de Aandelen negatief worden beïnvloed. De Bieder heeft niet de intentie de Aandeelhouders voor dergelijke nadelige gevolgen te compenseren.

12.18 Beëindiging beursnotering

Indien het Bod gestand wordt gedaan, zullen de Bieder en Kiadis de notering van de Aandelen aan Euronext Amsterdam en Euronext Brussel zo snel mogelijk beëindigen in overeenstemming met de Toepasselijke Regelgeving. Dit kan de liquiditeit en marktwaaarde van de Aandelen verder negatief beïnvloeden.

Beëindiging van de notering van de Aandelen aan Euronext Amsterdam en Euronext Brussel kan geschieden indien de Bieder tenminste 95% van de Aandelen heeft verkregen of op basis van Herstructurering na de Aanbieding of de Overige Maatregelen na Overdracht. In het geval dat Kiadis niet langer beursgenoteerd zal zijn, zullen de bepalingen ten aanzien van de governance van beursgenoteerde ondernemingen niet meer van toepassing zijn en worden de rechten van resterende minderheidsaandeelhouders mogelijk beperkt tot het wettelijk minimum.

12.19 Uitkoopprocedure

Indien na de Dag van Overdracht en, indien van toepassing, de afwikkeling van de aangeboden Aandelen gedurende de Na-Aanmeldingstermijn, de Bieder Groep, alleen of samen met Kiadis, ten minste 95% (vijfennegentig procent) van het geplaatste gewone aandelenkapitaal van Kiadis houden, zal de Bieder (i) een wettelijke uitkoopprocedure in gang zetten overeenkomstig artikel 2:92a of 2:201a BW om de houders van Aandelen die hun Aandelen niet hebben aangemeld uit te kopen, en/of (ii) een uitkoopprocedure in overeenstemming met artikel 2:359c BW om de houders van Aandelen die hun Aandelen niet in het kader van het Bod hebben aangemeld uit te kopen (de **Uitkoopprocedure**), tenzij de Bieder ervoor kiest om de Herstructurering na de Aanbieding en de Kiadis Besturen, rekening houdend met de belangen van Kiadis en haar stakeholders (inclusief eventuele overige aandeelhouders) en andere relevante omstandigheden, er mee instemmen om de Herstructurering na de Aanbieding uit te voeren, in welk geval de Herstructurering na de Aanbieding zal worden uitgevoerd conform Hoofdstuk 12.20 (*De Herstructurering na de Aanbieding*). Kiadis zal de Bieder alle bijstand verlenen die redelijkerwijs nodig is in verband met de Uitkoopprocedure, met inbegrip van, indien nodig, het deelnemen aan een dergelijke procedure als mede-eiser.

12.20 De Herstructurering na de Aanbieding

Onder voorbehoud van (i) de goedkeuring van de Besluiten na de Aanbieding, (ii) dat de Aangeboden Aandelen ten minste 80% (tachtig procent) en minder dan 95% (vijfennegentig procent) van het totale geplaatste en uitstaande gewone aandelenkapitaal van Kiadis vertegenwoordigen, in elk geval op basis van Volledige Verwatering (de **Herstructureringsdrempel**), of een lager percentage als overeengekomen tussen de Bieder en Kiadis in overeenstemming met de overwegingen die hieronder worden uiteengezet, en (iii) het Bod gestand is gedaan, kan de Bieder, na overleg met Kiadis, besluiten om de Herstructurering na de Aanbieding voort te zetten, in welk geval Kiadis:

- (a) zo spoedig mogelijk na het besluit van de Bieder om de verkoop van activa na het Bod voort te zetten, een overeenkomst voor de verkoop van activa zal aangaan met de Bieder (de **Activa Koopovereenkomst**), op grond waarvan alle activa en passiva van Kiadis zullen worden verkocht en overgedragen aan de Bieder (of de door hem voorgedragen persoon die in overeenstemming met de Fusieovereenkomst inzake de verkoop van activa is voorgedragen), en de partijen zullen de verkoop van activa zoals bedoeld in de overeenkomst inzake de verkoop van activa (de **Verkoop van Activa**) onmiddellijk ten uitvoer leggen en de stappen nemen (of laten nemen) om de acties en transacties die in de overeenkomst inzake de Verkoop van Activa zijn uiteengezet, te voltooien; en
- (b) na de voltooiing van de Verkoop van Activa, de ontbinding en vereffening van de Vennootschap (de **Ontbinding van de Vennootschap** en, samen met de Verkoop van Activa, de **Herstructurering na de Aanbieding**) uitvoeren en een voorafgaande vereffeningssuitkering per Aandeel doen die bedoeld is om te gebeuren op of over de datum waarop de Verkoop van Activa is voltooid en voor een bedrag dat zo volledig mogelijk gelijk is aan de Aanbodprijs, zonder enige rente en verminderd met de toepasselijke roerende voorheffing en andere belastingen (de **Verkoopprijs van Activa per Aandeel**).

Indien de Aanbieder na de Aanvaardingsperiode na het sluiten van de Aanmeldingsperiode minder Aandelen houdt dan de Herstructureringsdrempel, is geen van de Partijen verplicht om samen te

werken met de Herstructurering na de Aanbieding, maar heeft elk van de Partijen het recht om de betreffende de Herstructurering na de Aanbieding opnieuw te evalueren en om aan de andere Partij voor te stellen om toch door te gaan met de Herstructurering na de Aanbieding in het licht van de dan geldende omstandigheden.

Zo spoedig mogelijk na de datum van deze Fusieovereenkomst zal elke partij zich naar beste vermogen inspannen om de uitvoering en effectuering van de Verkoop van Activa voor te bereiden en mogelijke herstructureringen na de afwikkeling te onderzoeken, zoals een combinatie van een wettelijke (driehoeks-)fusie en een verkoop van de aandelen in de overlevende opvolger van de Vennootschap aan de Bieder, waarmee de partijen kunnen instemmen als alternatief voor de overeengekomen Verkoop van Activa.

12.21 Overige Maatregelen na Overdracht

Zonder af te doen hetgeen hierboven in Hoofdstuk 12.19 (*Uitkoopprocedure*) en 12.20 (*De Herstructurering na de Aanbieding*) is bepaald, is de bieder na Gestanddoening van het Bod bevoegd om een herstructurering van de Kiadis Groep te (laten) effectueren om 100% van de Aandelen te verkrijgen en de mogelijkheid te hebben om Kiadis te delisten in overeenstemming met Toepasselijke Regelgeving (**Overige Maatregelen na Overdracht**). Sommige Overige Maatregelen na Overdracht kunnen het (neven-)effect hebben van verwatering van de overgebleven minderheidsaandeelhouders van Kiadis. Verwezen wordt naar Hoofdstuk 6.11 (*Consequences of the Offer for non-tendering Shareholders*).

12.22 Aankondigingen

Iedere verdere aankondiging met betrekking tot het Bod, waaronder begrepen met betrekking tot het gestand doen van het Bod en aankondigingen met betrekking tot het verlengen van de Aanmeldingstermijn, zal worden gedaan door middel van een persbericht. Ieder persbericht dat wordt uitgebracht door de Bieder zal beschikbaar worden gesteld op de website van de Bieder (www.sanofi.com). Ieder persbericht dat wordt uitgebracht door Kiadis zal beschikbaar worden gesteld op de website van Kiadis (www.kiadis.com).

Met inachtneming van de toepasselijke vereisten op grond van de Toepasselijke Regelgeving en zonder afbreuk te doen aan de manier waarop de Bieder een openbare mededeling wenst te doen, zal op de Bieder geen enkele verplichting rusten om een openbare mededeling te doen anders dan zoals uiteengezet in dit Biedingsbericht.

12.23 Governance van de Bieder en Kiadis

Het bestuur van de Bieder wordt gevormd door mevrouw A.R. Perré en de heer P.W. Oldenziel. De Bieder heeft geen raad van commissarissen.

De bestuurder van Kiadis is de heer Arthur Lahr (CEO). De raad van commissarissen van Kiadis bestaat uit Mark Wegter (Voorzitter), Berndt Modig, Martijn Kleijwegt, Robert Soiffer, Otto Schwarz en Subhanu Saxena.

13. FINANCIAL INFORMATION KIADIS

13.1 Selected consolidated financial information Kiadis

The selected consolidated financial information has been derived from the 2017, 2018 and 2019 financial statements. Reading the selected consolidated financial information is not a substitute for reading the audited financial statements of Kiadis which are included in Section 13.7 (*Financial statements for the financial year 2019 including independent auditor's report of KPMG*).

13.2 Basis for preparation

The selected consolidated financial information of Kiadis is that of Kiadis and its consolidated subsidiaries. The selected consolidated financial information of Kiadis included in Section 13.3 (*Comparative overview of consolidated statements of financial position for the financial years 2019, 2018 and 2017*) to Section 13.5 (*Comparative overview of the consolidated statements of cash flows relating to the financial years 2019, 2018 and 2017*) comprises of summaries of the consolidated statements of financial position, the consolidated statements of comprehensive income and the consolidated statements of cash flows for the financial years ended 31 December 2019, 2018 and 2017. This selected consolidated financial information has been derived from:

- (a) the consolidated financial statements for the financial year ended 31 December 2019 as audited by KPMG, which issued an independent auditor's report thereon, without qualification, on 30 April 2020;
- (b) the consolidated financial statements for the financial year ended 31 December 2018 as audited by KPMG, which issued an independent auditor's report thereon, without qualification, on 30 April 2019; and
- (c) the consolidated financial statements for the financial year ended 31 December 2017 as audited by KPMG, which issued an independent auditor's report thereon, without qualification, on 13 April 2018.

Although the opinions of the independent auditor KPMG are not modified in relation to this matter, it is noted that the 2019 audit opinion issued on 30 April 2020 and the 2018 audit opinion issued on 30 April 2019 contain a paragraph emphasizing that at the date of the opinions Kiadis had insufficient cash and cash equivalents to meet its working capital requirements through the next 12 months.

The financial statements from which the selected consolidated financial information has been derived were prepared in accordance with IFRS, and Part 9 of Book 2 DCC. Reference is made to note 2 to the consolidated financial statements for the financial year ended 31 December 2019 (included on page 55 of the annual report for the financial year 2019) for a summary of the significant accounting policies of Kiadis applicable to the financial year ended 31 December 2019.

The selected consolidated financial information set out in Section 13.3 (*Comparative overview of consolidated statements of financial position for the financial years 2019, 2018 and 2017*) to Section 13.5 (*Comparative overview of the consolidated statements of cash flows relating to the financial years 2019, 2018 and 2017*) contains summaries only of the consolidated statements of financial position, the consolidated statements of comprehensive income and the consolidated statements of

cash flows, excluding related note disclosures and a description of significant accounting policies. For a better understanding of Kiadis' financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the audited consolidated financial statements for the financial years ended 31 December 2019, 2018 and 2017, including the related notes and description of significant accounting policies that were applied for each of these years, which are available on the website of Kiadis (www.kiadis.com) and the AFM register of financial reporting.

The financial information included in Section 13.7 (*Special Purpose Condensed Interim Consolidated Financial Statements as of and for the six-month period ended 30 June 2020, and the review report in respect thereof*) includes limited amendments and updates through the date of these unaudited condensed consolidated financial statements compared to the unaudited condensed consolidated interim financial statements as of and for the six-month period ended 30 June 2020 as published by Kiadis on 30 September 2020.

In particular, the subsequent events set out in paragraph 25 of the Special Purpose Interim Financial Statements has been updated compared to the unaudited condensed consolidated interim financial statements as of and for the six-month period ended 30 June 2020 as published by Kiadis on 30 September 2020 to reflect subsequent events related to the period between 30 September 2020 and the date of publication of the Special Purpose Interim Financial Statements. The Special Purpose Interim Financial Statements were prepared in accordance with International Accounting Standard 34.

The Special Purpose Interim Financial Statements have been subject to a review by KPMG, Kiadis' independent auditor for the financial year 2020. KPMG issued a review report on 3 February 2020, in accordance with the requirements pursuant to the Decree and the requirements included in the Dutch Standard NV COS (*Nadere Voorschriften Controle en Overige Standaarden*) 2410, as included in Section 13.7 (*Special Purpose Condensed Interim Consolidated Financial Statements as of and for the six-month periods ended 30 June 2020, and the review report in respect thereof*). The unaudited condensed interim consolidated financial information as of and for the six-month period ended 30 June 2019, as included in the Special Purpose Financial Statements, has not been audited or reviewed. The Special Purpose Interim Financial Statements should be read in conjunction with the consolidated financial statements and the notes thereto as of and for the year ended 31 December 2019.

13.3 Comparative overview of consolidated statements of financial position for the financial years 2017, 2018 and 2019

	As at December 31,		
	2017	2018	2019
Assets			
Intangible assets and goodwill	12.830	12.368	35.451
Property, plant and equipment	602	7.720	12.031
Non-current financial assets	-	-	294
Total non-current assets	13.432	20.088	47.776
VAT and other receivables	582	729	1.705
Deferred expenses	767	1.413	509
Cash and cash equivalents	29.906	60.314	29.459
	31.255	62.456	31.673
Assets held for sale	-	-	53
Total current assets	31.255	62.456	31.726
Total assets	44.687	82.544	79.502
Equity			
Share capital	1.729	2.434	2.956
Share premium	124.413	180.553	220.040
Translation reserve	295	298	(132)
Warrant reserve	1.275	392	392
Accumulated deficit	(111.853)	(139.533)	(189.000)
Equity attributable to owners of the company	15.859	44.144	34.256
Liabilities			
Loans and borrowings	21.599	21.836	912
Lease liabilities	-	5.255	6.615
Derivatives	1.445	-	-
Contingent Consideration	-	-	1.297
Deferred tax liability	-	-	6.163
Employee benefits	540	-	-
Total non-current liabilities	23.584	27.091	14.987
Loans and Borrowings	1.789	5.308	11.910
Lease liabilities	-	1.033	1.235
Provisions	-	-	3.630
Contingent Consideration	-	-	3.142
Trade & other payables	3.455	4.968	10.342
Total current liabilities	5.244	11.309	30.259
Total liabilities	28.828	38.400	45.246
Total equity and liabilities	44.687	82.544	79.502

13.4 Comparative overview of consolidated statements of comprehensive income for the financial years 2017, 2018 and 2019

	For the year ended December 31,		
	2017	2018	2019
Revenue	-	-	-
Other income	-	-	-
Research & development expenses	(11.215)	(17.468)	(43.043)
General & administrative expenses	(4.905)	(7.733)	(30.191)
Total operating expenses	(16.120)	(25.201)	(73.234)
Operating loss	(16.120)	(25.201)	(73.234)
Interest income	-	-	-
Interest expenses	(2.285)	(4.302)	(4.013)
Other net finance income or (expenses)	1.372	(288)	24.676
Net finance income or (expenses)	(913)	(4.590)	20.663
Loss before tax	(17.033)	(29.791)	(52.571)
Income tax expenses	(5)	(10)	(64)
Loss for the period	(17.038)	(29.801)	(52.635)
Other comprehensive income			
Foreign currency translation difference for foreign operations	(12)	3	(430)
Related tax	-	-	-
	(12)	3	(430)
Other comprehensive income for the period, net of tax	(12)	3	(430)
Total comprehensive income for the period	(17.050)	(29.798)	(53.065)
<u>Loss attributable to:</u>			
Owners of the Company	(17.038)	(29.801)	(52.635)
	(17.038)	(29.801)	(52.635)
<u>Total comprehensive income attributable to:</u>			
Owners of the Company	(17.050)	(29.798)	(53.065)
	(17.050)	(29.798)	(53.065)
Earnings per share			
Basic earnings per share (EUR)	(1,14)	(1,46)	(1,92)
Diluted earnings per share (EUR)	(1,14)	(1,46)	(1,92)

13.5 Comparative overview of consolidated statements of cash flows for the financial years 2017,

	For the year ended December 31,		
	2017	2018	2019
Cash flow from operating activities			
Profit or (loss) for the period	(17.038)	(29.801)	(52.635)
Adjustments for:			
Depreciation & Impairment of property, plant and equipment (PP&E)	177	1.047	2.561
Impairment of Intangible Assets and Goodwill	-	-	13.169
Net interest expense	2.285	4.302	4.013
Share-based payments	1.199	1.643	3.237
Net unrealised foreign exchange (gain) or loss	(752)	962	(866)
(Gain) or loss from changes in fair value	(36)	589	(13.050)
(Gain) or loss from adjustment of loans	(614)	(1.299)	(10.803)
(Gain) or loss on disposals of fixed assets	-	-	(57)
Income tax expense	5	10	64
Cash used in operating activities before changes in working capital and provisions:	(14.774)	(22.547)	(54.367)
VAT & other receivables and deferred expenses	(776)	(793)	95
Trade & other payables and other liabilities	720	1.324	4.630
Total change in working capital	(56)	531	4.725
Change in provisions		-	3.630
Cash used in operations	(14.830)	(22.016)	(46.012)
Interest paid	(1.040)	(2.133)	(2.210)
Income tax paid	(3)	(18)	(29)
Net cash used in operating activities	(15.873)	(24.167)	(48.251)
Cash flow from investing activities			
Interest received	8	-	-
Acquisition of PP&E	(83)	(1.122)	(4.495)
Disposals of property, plant and equipment	-	-	13
Investment in new legal entities	-	-	(23)
Acquisition through business combination net of cash	-	-	3.056
Net cash used in investing activities	(75)	(1.122)	(1.449)
Cash flow from financing activities			
Proceeds from issuance of shares	23.000	54.600	27.631
Payment of share issue costs	(2.212)	(3.994)	(2.299)
Proceeds from exercise of warrants	-	2.942	-
Proceeds from exercise of options	2.372	124	150
Proceeds from the issue of warrants	-	193	-
Proceeds from loans and borrowings	15.000	4.807	-
Payment of transaction costs of loans and borrowings	(295)	(51)	-
Repayment of loans and borrowings	(6.561)	(2.361)	(5.705)
Payment of lease liabilities	-	(566)	(847)
Net cash from/(used in) financing activities	31.304	55.694	18.930
Net increase/(decrease) in cash and cash equivalents	15.356	30.405	(30.770)
Cash and cash equivalents at beginning of period	14.559	29.906	60.314
Effect of exchange rate fluctuations on cash held	(9)	3	(85)
Cash and cash equivalents at end of period	29.906	60.314	29.459

13.6 Independent auditor's report of KPMG on the selected consolidated financial information of Kiadis

Report of the independent auditor

To: the Management Board of Kiadis Pharma N.V.

Our opinion

The selected consolidated financial information of Kiadis Pharma N.V. for the years ended December 31, 2017, 2018 and 2019 (hereafter 'the summary financial statements') have been derived from the audited financial statements of Kiadis Pharma N.V. for the years ended December 31, 2017, 2018 and 2019 included in the annual reports.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with those financial statements, on the basis described in the basis for preparation as described in Section 13.2 of this Offer Memorandum.

The summary financial statements comprise:

- 1 the comparative overview of consolidated statements of financial position for the financial years 2017, 2018 and 2019;
- 2 the comparative overview of consolidated statements of comprehensive income for the financial years 2017, 2018 and 2019;
- 3 the comparative overview of consolidated statements of cash flows for the financial years 2017, 2018 and 2019.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and by Part 9 of Book 2 of the Dutch Civil Code. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Kiadis Pharma N.V. and our report thereon.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements of April 13, 2018, April 30, 2019 and April 30, 2020 respectively.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements of Kiadis Pharma N.V. for the years ended December 31, 2017, 2018 and 2019 in our reports dated April 13, 2018, April 30, 2019 and April 30, 2020 respectively. The 2019 audit opinion issued on April 30, 2020 and the 2018 audit opinion issued on April 30, 2019 contain a paragraph on material uncertainty related to going concern emphasizing that at the date of the opinions Kiadis had insufficient cash and cash equivalents to meet its working capital requirements through the next 12 months.

Our auditor's report also includes communication of materiality, scope of the group audit and key audit matters.

Responsibilities of the Management Board and the Supervisory Board for the summary financial statements

The Management Board is responsible for the preparation of the summary financial statements on the basis as described in Section 13.2 of this Offer Memorandum.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the summary financial statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respect, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on summary financial statements).

Amsterdam, February 12, 2021

KPMG Accountants N.V.

F.A.M. Croiset van Uchelen RA

13.7 Financial statements for the financial year 2019 including independent auditor's report of KPMG

The other information included in Kiadis' annual report for 2019 is not included in these financial statements. The other information consists of:

- Mission statement;
- Message from the CEO;
- Strengths & strategy;
- Key developments;
- How Natural Killer cells work;
- Our K-NK platform;
- Our research & clinical trials;
- Forward-looking statements;
- Report of the Management Board;
- Statement of the Management Board;
- Corporate governance;
- Risk management & internal control systems;
- Report of the Supervisory Board; and
- Remuneration report.

The other information is incorporated by reference in this Offer Memorandum and available free of charge at the offices of Kiadis and the Settlement Agent and on the website of Kiadis (ir.kiadis.com/financial-documents).

13.8 Special Purpose Condensed Interim Consolidated Financial Statements as of and for the six-month periods ended 30 June 2020, and the review report in respect thereof

Kiadispharma

Table of contents

UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	6
INDEPENDENT AUDITOR'S REVIEW REPORT	28

UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in EUR x 1,000)

		June 30, 2020	December 31, 2019
	Note	Unaudited	Audited
Assets			
Intangible assets and goodwill	6	35,477	35,451
Property, plant and equipment	5	10,904	12,031
Non-current financial assets	7,22	294	294
Total non-current assets		46,675	47,776
VAT and other receivables	8,22	914	1,705
Deferred expenses	8	661	509
Cash and cash equivalents	10,22	19,809	29,459
		21,384	31,673
Assets held for sale	5,9	63	53
Total current assets		21,447	31,726
Total assets		68,122	79,502
Equity			
Share capital	11	4,004	2,956
Share premium	11	228,593	220,040
Translation reserve		639	(132)
Warrant reserve	11	392	392
Accumulated deficit		(206,037)	(189,000)
Equity attributable to owners of the company	11	27,591	34,256
Liabilities			
Loans and borrowings	13,22	928	912
Lease liabilities	14	5,785	6,615
Contingent Consideration	16	958	1,297
Deferred tax liability	12	6,167	6,163
Derivatives	15	4,600	-
Total non-current liabilities		18,438	14,987
Loans and Borrowings	13,22	8,932	11,910
Lease liabilities	14	1,062	1,235
Provisions	17	395	3,630
Contingent Consideration	16	2,321	3,142
Trade & other payables	18,22	9,383	10,342
Total current liabilities		22,093	30,259
Total liabilities		40,531	45,246
Total equity and liabilities		68,122	79,502

The Notes on pages 6 to 27 are an integral part of these unaudited special purpose condensed consolidated interim financial statements.

UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in EUR x 1,000)

	Note	For the six months ended	
		June 30, 2020	June 30, 2019
		Unaudited	Unaudited
Revenue		-	-
Other income		149	-
Research & development expenses	19,20	(13,751)	(16,247)
General & administrative expenses	19,20	(6,265)	(9,487)
Total operating expenses		(20,016)	(25,734)
Operating loss		(19,867)	(25,734)
Interest income	21	-	1
Interest expenses	21	(1,130)	(2,211)
Other net finance income or (expenses)	21	2,211	2,038
Net finance income or (expenses)		1,081	(172)
Loss before tax		(18,786)	(25,906)
Income tax expenses		(58)	(28)
Loss for the period		(18,844)	(25,934)
Other comprehensive income			
Foreign currency translation difference for foreign operations		771	(414)
Related tax		-	-
		771	(414)
Other comprehensive income for the period, net of tax		771	(414)
Total comprehensive income for the period		(18,073)	(26,348)
Loss attributable to:			
Owners of the Company		(18,844)	(25,934)
		(18,844)	(25,934)
Total comprehensive income attributable to:			
Owners of the Company		(18,073)	(26,348)
		(18,073)	(26,348)
Earnings per share			
Basic earnings per share (EUR)		(0.57)	(1.03)
Diluted earnings per share (EUR)		(0.57)	(1.03)

The Notes on pages 6 to 27 are an integral part of these unaudited special purpose condensed consolidated interim financial statements.

UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in EUR x 1,000)

	Note	Share Capital	Share Premium	Translation Reserve	Warrant Reserve	Accumulated deficit	Total Equity
Balance as at January 1, 2020		2,956	220,040	(132)	392	(189,000)	34,256
Loss for the period		-	-	-	-	(18,844)	(18,844)
Other comprehensive income		-	-	771	-	-	771
Total comprehensive income		-	-	771	-	(18,844)	(18,073)
Transactions with owners, recorded directly in equity							
Issue of shares for cash	11	1,048	15,937	-	-	-	16,985
Transaction costs	11	-	(884)	-	-	-	(884)
Issuance shares related to business combinations	11	-	-	-	-	-	-
Fair value of warrants issued	15	-	(6,500)	-	-	-	(6,500)
Equity-settled share-based payments	19	-	-	-	-	1,807	1,807
Shares upon exercise of options	13	-	-	-	-	-	-
Balance as at June 30, 2020		4,004	228,593	639	392	(206,037)	27,591

	Note	Share Capital	Share Premium	Translation Reserve	Warrant Reserve	Accumulated deficit	Total Equity
Balance as at January 1, 2019		2,434	180,553	298	392	(139,533)	44,144
Loss for the period		-	-	-	-	(25,934)	(25,934)
Other comprehensive income		-	-	(414)	-	-	(414)
Total comprehensive income		-	-	(414)	-	(25,934)	(26,348)
Transactions with owners, recorded directly in equity							
Issue of shares for cash	11	368	27,263	-	-	-	27,631
Transaction costs	11	-	(2,244)	-	-	-	(2,244)
Issuance shares related to business combinations	11	151	14,307	-	-	-	14,458
Equity-settled share-based payments	19	-	-	-	-	1,910	1,910
Shares upon exercise of options	11	3	216	-	-	(69)	150
Balance as at June 30, 2019		2,956	220,095	(116)	392	(163,626)	59,701

The Notes on pages 6 to 27 are an integral part of these unaudited special purpose condensed consolidated interim financial statements.

UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in EUR x 1,000)

	Note	For the six months ended	
		June 30, 2020	June 30, 2019
		Unaudited	Unaudited
Cash flow from operating activities			
Profit or (loss) for the period		(18,844)	(25,934)
<u>Adjustments for:</u>			
Depreciation & Impairment of property, plant and equipment (PP&E)	5	1,206	740
Net interest expense	21	1,130	2,211
Share-based payments	19	1,807	1,910
Net unrealised foreign exchange (gain) or loss	21	802	(474)
(Gain) or loss from changes in fair value	21	(3,060)	(446)
(Gain) or loss from adjustment of loans	13	-	(1,118)
(Gain) or loss on disposals of fixed assets	5	(29)	(8)
Income tax expense		58	28
Cash used in operating activities before changes in working capital and provisions:		(16,930)	(23,091)
VAT & other receivables and deferred expenses	8	797	(939)
Trade & other payables and other liabilities	18	(987)	3,778
Total change in working capital		(190)	2,839
Change in provisions	17	(3,235)	-
Cash used in operations		(20,355)	(20,252)
Interest paid	13,14	(813)	(1,148)
Income tax paid		-	(28)
Net cash used in operating activities		(21,168)	(21,428)
Cash flow from investing activities			
Acquisition of PP&E	5	(964)	(1,835)
Disposals of property, plant and equipment	5	28	13
Investment in new legal entities		-	(23)
Acquisition through business combination net of cash		-	3,056
Net cash used in investing activities		(936)	1,211
Cash flow from financing activities			
Proceeds from issuance of shares	11	16,985	27,631
Payment of share issue costs	11	(884)	(2,244)
Proceeds from exercise of warrants	11	-	-
Proceeds from exercise of options	11	-	150
Proceeds from the issue of warrants		-	-
Proceeds from loans and borrowings	13	-	-
Payment of transaction costs of loans and borrowings	13	-	-
Repayment of loans and borrowings	13	(3,302)	(2,559)
Payment of lease liabilities	14	(392)	(371)
Net cash from/(used in) financing activities		12,407	22,607
Net increase/(decrease) in cash and cash equivalents		(9,697)	2,390
Cash and cash equivalents at beginning of period		29,459	60,314
Effect of exchange rate fluctuations on cash held		47	(34)
Cash and cash equivalents at end of period	10	19,809	62,670

The Notes on pages 6 to 27 are an integral part of these unaudited special purpose condensed consolidated interim financial statements.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

1. Company information

Kiadis Pharma N.V. ("the Company" or "Kiadis Pharma") and its subsidiaries (together "the Group") are engaged in the pharmaceutical development of innovative natural killer (NK) cell-based medicines for the treatment of life-threatening diseases.

The Company is a public limited liability company incorporated and domiciled in Amsterdam, The Netherlands. The address of its business office is Paasheuvelweg 25A, 1105 BP Amsterdam, The Netherlands.

2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The financial statements do not contain all information required for an annual report and should therefore be read in conjunction with the Company's Annual Report 2019.

The unaudited special purpose condensed consolidated interim financial statements were authorized for issue by the Management Board and the Supervisory Board of the Company on February 3, 2021. The original condensed consolidated interim financial statements have been published on the corporate website on 30 September 2020 and have been submitted to the AFM. The original condensed statements dated 30 September 2020 remain the interim financial statements required to be published by law.

These special purpose unaudited condensed consolidated interim financial statements for the period ended 30 June 2020 have been prepared for this offer memorandum and contains only the six-month period until 30 June 2020 and the comparative figures over 2019. The condensed interim consolidated financial information as of and for the six-month periods ended June 30, 2019 is not audited or reviewed by an external auditor. Consequently, the corresponding figures included in the statements of comprehensive income and the statements of changes in equity and cash flows and in the related notes have not been audited or reviewed.

Going concern assessment

The unaudited special purpose condensed consolidated interim financial statements have been prepared on a going concern basis. Based on the existing operating plan, anticipated working capital requirements of the Group through the 12 months following the date of these financial statements require additional funds which indicates the existence of a material uncertainty and which may cast significant doubt about the Company's ability to continue as a going concern.

Kiadis announced the intended acquisition by Sanofi on November 2, 2020. On January 13, 2021, Sanofi and the Company have entered into a credit facility ('Bridge Loan'). The total principal amount agreed upon in the Bridge Loan amounts to a total EUR 27.7 million of which EUR 7.7 million for final payments under the existing debt facility with Kreos and of the secured convertible bonds with Kreos.

If the intended acquisition by Sanofi is successful, funding for the Company for the period after the intended acquisition has to be arranged by Sanofi. If the intended acquisition by Sanofi would not be successful, the Company will need additional sources of financing, which could include equity financing, non-dilutive financing or strategic transactions

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

starting in the third quarter of 2021. The Bridge Loan shall be immediately cancelled and all outstanding advances, interest and other amounts will become immediately due and payable in case of a change of control at Kiadis (not being Sanofi) or if the merger Agreement signed by both parties on November 1, 2020 is terminated following a material breach of the Merger Agreement by the Company or terminated following a superior offer for the Kiadis Shares.

On October 1, 2020 the Company announced the placement of €5 million of secured convertible bonds to Kreos Capital V (UK) Limited ("Kreos") in consideration for Kreos waiving the equivalent amount of €5 million in cash repayments under the Kreos debt facilities that the Company entered into with Kreos in 2017 and 2018. As a result of the placement of the bonds, the outstanding amount under the Kreos debt facilities has decreased to €1.6 million.

Management believes that sufficient additional funds can be raised to meet its financial obligations in the 12 months following these financial statements, also in case the intended acquisition is not successful and is therefore of the opinion that application of the going concern assumption is justified.

In the event the Company is not able to generate sufficient funds, it may be unable to continue as a going concern, its business, financial condition and/or results of operations could be materially and adversely affected and it may ultimately go into insolvency.

Impact Corona virus

The Company is monitoring the situation regarding the coronavirus and evaluating the potential interruption of the clinical trial activities, regulatory reviews and the supply chain production and deliveries, and will try to mitigate via alternative plans where necessary. The coronavirus may impact the continuity of the Company. The exact future financial impact for the Company remains difficult to estimate.

3. Significant accounting policies

The accounting policies are consistent with those of the financial statements for the year ended December 31, 2019.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the unaudited special purpose condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards effective as of January 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the unaudited special purpose condensed consolidated interim financial statements of the Group.

The following new or amended standards have no significant impact on Kiadis' unaudited special purpose condensed consolidated interim financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9, and IAS 39).

In 2020, the Company received a subsidy from the Dutch Government which supports the Company's research efforts in defined research and development projects. These subsidies generally provide for reimbursement of approved costs incurred as defined in various grants. Subsidies are recognized if the Company can demonstrate it has complied with all attached conditions and it is probable that the grant amount will be received. The Company includes income from grants under other income in the statement of comprehensive income.

The functional currency of the US subsidiaries, including CytoSen Therapeutics Inc ("CytoSen"), is the US dollar.

Significant accounting estimates and judgments

The preparation of financial statements requires judgments and estimates that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the unaudited special purpose condensed consolidated interim financial statements. The resulting accounting estimates will, by definition, seldom equal the actual results. See also note 15 Derivatives for estimates and judgements related to warrants issued in 2020 and note 3 of the consolidated financial statements on pages 65 to 67 of the Annual Report 2019.

4. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Management Board. The Group operates in one reportable segment.

5. Property, plant and equipment

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

(Amounts in EUR x 1,000)

	Laboratory Equipment	Furniture & Hardware	Leasehold Improvements	ROU Assets - Buildings	Total
<u>Balance as at December 31, 2019</u>					
Cost of acquisition	4,086	1,433	1,486	9,118	16,123
Depreciation / impairment	(1,172)	(444)	(753)	(1,723)	(4,092)
Book value as at December 31, 2019	2,914	989	733	7,395	12,031
<u>Changes in book value</u>					
Remeasurements	-	-	-	(869)	(869)
Additions	499	98	183	258	1,038
Depreciation	(462)	(221)	(76)	(442)	(1,201)
Reclassification to Assets held for Sale	(63)	-	-	-	(63)
Retirements & Disposals	(176)	(94)	(79)	(296)	(645)
Depreciation Retirements & Disposals	152	94	76	296	618
Impairment loss	(1)	(4)	-	-	(5)
Effect of movement in foreign exc. Rates	-	-	-	-	-
Total changes in book value	(51)	(127)	104	(1,053)	(1,127)
<u>Balance as at June 30, 2020</u>					
Cost of acquisition	4,346	1,437	1,590	8,211	15,584
Depreciation / impairment	(1,483)	(575)	(753)	(1,869)	(4,680)
Book value as at June 30, 2020	2,863	862	837	6,342	10,904

The amounts recognized for Right-of-Use assets were calculated as the net present value of all future lease payment due under the lease contracts. The remeasurement accounted for in 2020 contains the increase of the future lease payments for contracts which have been updated with the Customer Price Index for EUR115 thousand. See also Note 14 'Lease liabilities'.

On January 29, 2020 the Company amended the sub lease agreement of the headquarters in Amsterdam and reducing office space resulting in a decrease of the Right-of-Use assets and lease liability in 2020 of EUR1.0 million.

As of June 1, 2020 the Company added additional office space under an existing lease contract at its headquarters in Amsterdam for a period of 9 years adding EUR0.3 million to the Right-of-Use assets.

6. Intangible assets

(Amounts in EUR x 1,000)

	Goodwill	In-process Research & Development	Patents	Total
<u>Balance as at December 31, 2019</u>				
Cost	10,329	38,291	80	48,700
Amortization / Impairment	(4,166)	(9,003)	(80)	(13,249)
Book value as at December 31, 2019	6,163	29,288	-	35,451
<u>Changes in book value</u>				
Additions	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Impairment loss	-	-	-	-
Effect of movement in foreign exchange rates	4	22	-	26
Total changes in book value	4	22	-	26
<u>Balance as at June 30, 2020</u>				
Cost	10,333	38,313	80	48,726
Amortization / Impairment	(4,166)	(9,003)	(80)	(13,249)
Book value as at June 30, 2020	6,167	29,310	-	35,477

NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2020

Goodwill and In-process Research & Development relates to the 2019 acquisition of CytoSen. In 2020 the carrying value of the Company's intangible assets increased by EUR26 thousand due to a slight increase of strength of the USD dollar against the euro of approximately 0,1%.

7. Non-current financial assets

On June 30, 2020 the deposit for leased buildings has an expected maturity between five and ten years.

8. VAT & other receivables and deferred expenses

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
VAT and other receivables		
VAT receivables	336	957
Deposits (lease of buildings)	90	287
Other amounts receivable	488	461
	914	1,705
Deferred expenses		
Deferred expenses	661	509
	661	509

Other receivables and deferred expenses have an estimated maturity shorter than one year.

9. Assets held for sale

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
Assets held for sale		
Property, plant & equipment - Laboratory Equipment	63	53
	63	53

Additional assets will be recovered through sale rather than through continuing use and accordingly classified these assets as assets held for sale. Sale has been effectuated in the second half of 2020 (refer to note 5 Property, plant & equipment).

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

10. Cash and cash equivalents

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
Cash at bank and in hand	19,809	29,459
Short-term bank deposits	-	-
Cash and cash equivalents	19,809	29,459
Bank overdrafts used for cash management purposes	-	-
Net cash as per statement of cash flows	19,809	29,459

All amounts reported as cash or cash equivalents are at the free disposal of the Group.

11. Shareholders' equity

Shares issued and share capital

On June 30, 2020, the Company's authorized share capital pursuant to the Articles of Association amounts to EUR20,000,000 and is divided into 100,000,000 ordinary shares and 100,000,000 preference shares, each with a nominal value of EUR0.10. Kiadis' Articles of Association also state that as soon as the Company files with the Trade Register of the Dutch Chamber of Commerce that the issued capital amounts to at least EUR10,000,000, the authorized share capital as set out in the Articles of Association shall be amended and shall amount to EUR50,000,000 and be divided into 250,000,000 ordinary shares and 250,000,000 preference shares, each with a nominal value of EUR0.10.

On June 25, 2020 a General Meeting was held at which it was resolved to authorize the Management Board, subject to the approval of the Supervisory Board, to issue shares and to grant rights to subscribe for shares for a period of 5 years from the date of the General Meeting (i.e. up to and including June 25, 2025), up to the authorized share capital included in the Articles of Association from time to time, and to exclude pre-emptive rights in relation thereto.

Many Dutch listed companies have anti-takeover protection in the form of a call option, which is not limited in time and that is granted to an independent foundation, the statutory goal of which is to protect the listed company's interests by, amongst others, protecting the company from influences that may threaten its continuity, independence and identity. Such a call option typically entitles the foundation to acquire a number of preference shares in the company, which have the same voting rights as ordinary shares, not exceeding the total issued number of ordinary shares, and on which upon exercise of the call option, 25% of the nominal value of such preference shares needs to be paid by the foundation. As per this structure, in the event of any circumstances where the company in question is subject to influences as described above, the board of the foundation may decide to exercise the call option, with a view to enable the company to determine its position in relation to the circumstances as referred to above and seek alternatives, and without the company's ordinary shareholders having any pre-emptive rights.

The Company currently does not have anti-takeover protections as described above. However, the Management Board and the Supervisory Board are enabled to implement such anti-takeover protections (without further shareholder approval being required and without shareholders having any pre-emptive rights) if and when they deem this appropriate. The authorization to issue shares or grant rights to subscribe for shares that was granted to them on June 25, 2020 by the General Meeting enables the Management

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

Board and the Supervisory Board to grant a call option that is not limited in time to subscribe for preference shares to an independent foundation to be established, and which can be exercised in whole or in part, up to the authorized share capital of preference shares as per the articles of association at the time of exercise and at multiple times and occasions (including after the issuance and subsequent cancellation of preference shares) and which can also be made conditional upon the preceding cancellation of preference shares that have been issued following the exercise of an option or otherwise. Preference shares issued to an independent foundation may be paid-up at the expense of the Company's reserves.

As at June 30, 2020, a total number of 40,041,489 ordinary shares were outstanding. Each share holds the right to one vote.

	Number of Issued Shares	Issued Share Capital
	Ordinary Shares	in EUR x1,000
Balance as at December 31, 2019	29,563,994	2,956
New shares issued for cash	10,477,495	1,048
New shares issued upon exercise of warrants	-	-
New shares issued upon acquisition through business combinations	-	-
Equity-settled share-based payments	-	-
Balance as at June 30, 2020	40,041,489	4,004

	June 30, 2020	June 30, 2019
Loss attributable to owners of the Company	(18,844)	(25,934)
Issued ordinary shares at January 1	29,563,994	24,341,410
Effect of shares issued for cash	3,531,089	614,033
Effect of warrants exercised	-	-
New shares upon acquisition through business combinations	-	210,146
Equity-settled share-based payments	-	9,066
Weighted-average number of ordinary shares at end of period	33,095,083	25,174,655
Basic earnings per share (EUR)	(0.57)	(1.03)

In April 2020, the Company raised EUR 17 million in gross proceeds through two private placements, both of which closed on April 30, 2020. Pursuant to the first EUR12.0 million private placement with a U.S.-based healthcare focused investment fund, 7,490,637 new ordinary shares were issued at a subscription price of EUR1.60 per share, and 3,745,318 5-year warrants with an exercise price of EUR2.22 were granted. Pursuant to the second EUR5 million private placement with LSP Advisory, the public investment arm of Life Sciences Partners, on behalf of the LSP Life Sciences Fund N.V. and several mandate clients, 2,986,858 new ordinary shares were issued at a subscription price of EUR1.67 per share, and 1,493,429 5-year warrants with an exercise price of EUR2.32 were granted.

NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2020

In May 2019, the Company raised EUR25.3 million in net proceeds of which EUR25.0 million was recorded as premium. Transaction costs comprise bank fees from the syndicates that arranged the private placement, legal fees and due diligence related costs of EUR2.3 million in total.

Upon the completion of the purchase of CytoSen, Kiadis shares and Kiadis share options were issued resulting in an increase of share premium of EUR 14.3 million (refer to note 4 Business Combinations of the 2019 Consolidated financial statements).

Share Premium

(Amounts in EUR x 1,000)

	June 30, 2020	June 30, 2019
Balance as at January 1,	220,040	180,553
Share premium on new shares issued	15,937	27,263
Transaction costs	(884)	(2,244)
Share premium upon acquisition through business combinations	-	14,307
Fair value of warrants issued	(6,500)	-
Equity-settled share-based payments	-	216
Warrants exercised	-	-
Balance as end of period	228,593	220,095

Warrant Reserve

(Amounts in EUR x 1,000)

	June 30, 2020	June 30, 2019
Balance as at January 1,	392	392
Warrants issues in connection with loans	-	-
Warrants exercised	-	-
Balance as end of period	392	392

On July 31, 2018, the Company received a new debt facility from Kreos providing the Company with up to EUR20 million of additional financing. This is in addition to the Company's EUR15 million debt financing from Kreos in 2017. Upon drawing down the first tranche of the new loan, the Company issued 41,212 warrants to Kreos. These warrants meet the 'fixed for fixed' condition under IAS32. The fair value of these warrants on the transaction date was determined at EUR193 thousand.

12. Deferred Tax Liability

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
Balance as at January 1,	6,163	-
Acquisitions through business combinations	-	6,140
Effect of movement in foreign exchange rates	4	23
Balance end of period	6,167	6,163

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

The Group recognizes a deferred tax liability related to IPR&D acquired from CytoSen (refer to note 4 Business Combinations of the 2019 Consolidated financial statements).

13. Loans and borrowings

(Amounts in EUR x 1,000)

Non current liabilities

Loan from Kreos Capital V (UK) Ltd
Loan from Hospira Inc.
Loan from University of Montreal

June 30, 2020	December 31, 2019
-	-
-	-
928	912
928	912

Current liabilities

Loan from Kreos Capital V (UK) Ltd
- Facility 1
- Facility 2

June 30, 2020	December 31, 2019
5,816	8,105
3,116	3,805
8,932	11,910

Secured Loan from Kreos Capital V (UK) Ltd ("Kreos Capital Facility Agreements")

In August 2017, the Company entered into a debt financing agreement with Kreos for a total amount of EUR15.0 million ("Facility 1"), consisting of two tranches of EUR5.0 and EUR10.0 million respectively. The loan bears a contractual interest rate of 10.0% per annum. The change in the carrying amount reflects interest accrued during the period of EUR591 thousand, interest payments of EUR361 thousand and loan repayments of EUR2,519 thousand. The first tranche will be repaid in 36 equal instalments until May 2021. The second tranche will be repaid in 36 equal monthly instalments until October 2021.

In July 2018, the Company entered into a second debt financing agreement with Kreos for a total amount of EUR 20.0 million ("Facility 2"), consisting of two tranches of EUR5.0 and EUR15.0 million respectively. The first tranche was drawn down immediately. As at December 31, 2019 the second tranche of Facility 2 can no longer be drawn by the Company. The loan bears a contractual interest rate of 9.0% per annum. The change in the carrying amount reflects interest accrued during the period of EUR258 thousand interest payments of EUR164 thousand on the first tranche and a loan repayment of EUR783 thousand. This first tranche of Facility 2 will be repaid in 36 equal installments until April 2022. Kiadis issued 41,212 warrants to Kreos in relation to facility 2 (refer to note 11 Shareholders' equity).

The loan is secured by a lien on all Group assets, including the Company's intellectual property. The Kreos Capital Facility Agreements contain various affirmative and negative covenants and events of default. Further, as long as any of the loans under the Kreos Capital Facility Agreements remain outstanding, the Company is not entitled to make any dividend payment or other distributions to its shareholders without the prior written consent of Kreos, which may not be unreasonably withheld or delayed. Additionally, none of the Groups' subsidiaries may issue any shares (other than to Group affiliates) without the prior written consent of Kreos.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

The loans provided under the Kreos Capital Facility Agreements shall become immediately due and payable in the event that a person or group of persons acting in concert gains direct or indirect control over the Company by (i) obtaining the power to (a) to cast or control the casting of more than half the votes that can be cast at a General Meeting, (b) appoint or remove all or the majority of the directors or (c) give binding directions with respect to the operating and financial policies or (ii) beneficially holding more than 50% of the issued share capital.

In the event that the Company breaches any of its covenants or an event of default becomes applicable, Kreos may require the Company to immediately prepay all loans. Events of default include non-payment, non-compliance, misrepresentation, cessation of business, cross-default, insolvency events, creditors' process, enforcement of security, illegality, material adverse change – including any event or circumstance which in Kreos' reasonable opinion has a material adverse effect on the ability to perform or otherwise comply with the payment obligations under the agreements or on the business, operations, property or financial condition - and de-listing. As management cannot exclude the risk of an event of default (e.g. the Company does not succeed in being properly funded, because of coronavirus related issues, if the discontinuation of ATIR101 is held to qualify as such, or otherwise) with early repayment of the loans as a result, management has classified the entire Kreos loan as a short term liability.

Loan from Hospira Inc.

In December 2011, the Company entered into an agreement with Hospira Inc. for which an amount of USD24.5 million had been judged as a loan. The loan bears a contractual interest rate of 1.5% per annum and the conditional payment obligations are dependent on the commercial sale of products based on Kiadis' ATIR platform, or linked to granting a sublicense to such products. For this financial liability, the Company had to make significant judgments and estimates previously about future cash flows towards Hospira Inc. Due to the 2019 decision to terminate all ATIR activities, the repayment of the outstanding amount became remote. The Company reduced the outstanding loan balance to zero in 2019.

University of Montreal and Hospital Maisonneuve-Rosemont Letter Agreement

Pursuant to a letter agreement with the University of Montreal and the Hospital Maisonneuve-Rosemont that the Company entered into on September 19, 2012 the Company agreed to pay the University of Montreal an amount of USD750,000, subject to a low-single digit percentage interest amount per annum (effective as of January 1, 2011), which is recorded as a loan on the balance sheet and that amounted to EUR0.9 million as at June 30, 2020 including accrued interest. Repayment is contractually contingent upon a change of control, net sales of licensed ATIR products or partly (50%) upon granting a sublicense to any of the licensed ATIR products. Repayment in relation to ATIR events became remote due to the cancellation of the ATIR platform. However, full repayment of the loan and the interest applicable remains due upon undergoing a change of control.

The changes in loans and borrowings in the first six months of 2020 can be summarized as follows:

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

(Amounts in EUR x 1,000)

	Kreos Capital V (UK) Ltd Facility 1	Kreos Capital V (UK) Ltd Facility 2	Hospira Inc.	University of Montreal	Total
Balance as at January 1, 2020	8,105	3,805	-	912	12,822
Interest accrued during the period	591	258	-	16	865
Interest payments	(361)	(164)	-	-	(525)
New loan agreements	-	-	-	-	-
Repayments	(2,519)	(783)	-	-	(3,302)
Adjustment of carrying amount	-	-	-	-	-
Effect of changes in foreign exchange rates	-	-	-	-	-
Balance as at June 30, 2020	5,816	3,116	-	928	9,860

14. Lease liabilities

(Amounts in EUR x 1,000)

Non-current lease liabilities

Lease liabilities related to buildings

June 30, 2020	December 31, 2019
5,785	6,615
5,785	6,615

Current lease liabilities

Lease liabilities related to buildings

June 30, 2020	December 31, 2019
1,062	1,235
1,062	1,235

(Amounts in EUR x 1,000)

Balance as at January 1, 2020

	Lease liabilities related to buildings	Total lease liabilities
Balance as at January 1, 2020	7,850	7,850
Remeasurement	(869)	(869)
New lease agreement	258	258
Interest expense in the period	217	217
Lease payments	-	-
- Interest paid	(217)	(217)
- Payment leases	(392)	(392)
Balance as at June 30, 2020	6,847	6,847

The headquarters of the Group are located at Paasheuvelweg 25A in Amsterdam, The Netherlands, where the Company leases approximately 2,700 square meters of office space and a commercial manufacturing facility, logistics, storage, process development and quality control laboratories, pursuant to a sublease agreement entered into on December 7, 2017, and approximately 1,250 square meters of additional office space, pursuant to a lease agreement that became effective on June 1, 2019 (for approximately 1,000 square meters) and a second part that became effective on June 1, 2020 (for approximately 250 square meters).

Future lease payments are adjusted annually based on a Consumer Price Index (CPI) as published by CBS, the Dutch Statistics Office causing an increase of the lease liability of EUR115 thousand in 2020 (2019 EUR175 thousand).

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

On January 29, 2020 the Company amended the sub lease agreement of the headquarters in Amsterdam reducing office space resulting in a decrease of the Right-of-Use assets and lease liability in 2020 of EUR1.0 million.

The current lease liabilities are based on the expected payments to the counterparty in the coming year.

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
<u>Maturity analysis of contracted undiscounted cash flows</u>		
Less than one year	1,076	1,252
Between one and three years	2,152	2,433
Between three and five years	2,152	2,433
More than 5 years	3,138	4,054
Total undiscounted lease liabilities	8,518	10,172

15. Derivatives

(Amounts in EUR x 1,000)

	June 30, 2020	June 30, 2019
Balance as at January 1,	-	-
Initial recognition upon issue	6,500	-
Changes in fair value included in 'finance income':		
- Gain from change in fair value	(1,900)	-
- Loss from change in fair value	-	-
Warrants exercised	-	-
Balance end of period	4,600	-

On April 30, 2020, the Company raised EUR17 million in gross proceeds through the two private placements (refer to note 11 Shareholders' equity). Pursuant to the first EUR12.0 million private placement, 3,745,318 5-year warrants (the "2025- I Warrants") with an exercise price of EUR2.22 were granted and pursuant to the second EUR5.0 million private placement, 1,493,429 5-year warrants (the "2025- II Warrants") with an exercise price of EUR2.32 were granted (jointly the '2025 Warrants').

If the Company subdivides its ordinary shares into a greater number of shares, the number of ordinary shares purchasable upon the exercise of the 2025 Warrants shall be proportionately increased and the exercise price shall be proportionately decreased. If the ordinary shares are combined or consolidated into a lesser number of shares, the exercise price shall be proportionately increased and the number of ordinary shares purchasable upon the exercise of the 2025 Warrants shall be proportionately decreased. In the event that the Company would make a dividend payment or other distribution on its ordinary shares, the exercise price of the 2025-I Warrants is lowered with an equal amount. Upon any event whereby all of the ordinary shares are reclassified, exchanged, combined, substituted, or replaced for, into, with or by the securities of a different class and/or kind, then from and after the consummation of such event, the 2025 Warrants will be exercisable for the number, class and kind of Company securities that the holder of a 2025 Warrant would have received had the ordinary shares purchasable upon the exercise of the 2025 Warrant been outstanding on and as of the consummation of such event. This

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

adjustment shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

In the event of a change of control, the Company 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, provided, however, that if the greater of (i) the highest weighted average price of the Company ordinary shares during the ten trading day period ending on the trading day immediately following the public announcement of such change of control, and (ii) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in the change of control (the "Change of Control Price") is less than fifty percent of then applicable exercise price of the 2025 Warrants, the Black Scholes value of the remaining unexercised portion of the 2025 Warrants shall instead be paid by delivery of a number of ordinary shares obtained by dividing the Black Scholes value of the remaining unexercised portion of the 2025 Warrants, by the applicable Change of Control Price.

The 2025 Warrants are classified as a type 3 financial instrument. The Company has calculated the fair value of the 2025 Warrants using a Black-Scholes pricing model. The Black-Scholes pricing model requires the use of highly subjective assumptions to estimate the fair value of share-based awards. These assumptions include the following estimates:

Volatility: the Company calculates the estimated volatility rate based on the volatilities of ordinary shares of comparable companies in its industry in line with the probability of the volatility used for calculating share-based payment expense.

Change of control: the estimated probability of a change of control and the time this might occur. In case of a change of control, the volatility is set at the contractual maximum for the remainder of the contractual term.

Contractual term: the expected life of the warrants, which is based on the contractual term of the warrants.

Expected dividend yield: the Company has never declared or paid any cash dividends and does not currently plan to pay cash dividends in the foreseeable future. Consequently, the Company used an expected dividend yield of zero.

Risk-free rate: the risk-free interest rate is based on the Euro Treasury rate for similar periods as those of expected volatility.

The following summarizes certain key assumptions used in estimating the fair values.

	June 30, 2020	April 30, 2020
Average volatility*	87,5%	87,5%
Contractual term (years)	4,83	5
Expected dividend yield	—%	—%
Risk-free rate	0.5%	0.4%

* based on probability of change of control.

As of April 30, 2020 and June 30, 2020, the fair value of the 2025 Warrants was estimated at EUR 6.5 million and EUR 4.6 million, respectively. The EUR 1.9 million decrease in the fair value of the liability for the 2025 Warrants during the two months period ended June 30, 2020 was recorded as other financial income.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

The key Level 3 inputs used by management to estimate the fair value are the share price, the expected volatility and the probability of a change of control. If the share price were to increase by EUR1, this would increase the estimated fair value of the obligation by approximately EUR 4.3 million as at June 30, 2020. If the share price were to decrease by EUR1, this would decrease the estimated fair value of the obligation by approximately EUR 3.6 million. If the volatility were to increase or decrease by 2.5%, this would increase or respectively decrease the estimated fair value of the obligation by approximately EUR 0.1 million and EUR 0.1 million. In case the estimated probability on a change of control would increase or decrease by 5% the fair value of the obligation would respectively increase or decrease by approximately EUR 0.1 million and EUR 0.1 million as at June 30, 2020 in case all assumptions remain the same.

The Group has no further derivative financial instruments embedded in contracts.

16. Contingent Consideration

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
Balance as at January 1,	4,439	-
Acquisitions through business combinations	-	17,489
Change in fair value	(1,160)	(13,050)
Balance end of period	3,279	4,439

	June 30, 2020	December 31, 2019
Current	2,321	3,142
Non-current	958	1,297
Total Contingent Consideration	3,279	4,439

The Group recognizes a contingent consideration related to the 2019 acquisition of CytoSen. Previous CytoSen's shareholders and former CytoSen's option holders received potential future consideration of Kiadis shares upon the achievement of six clinical development and regulatory milestones. The fair value of the contingent acquisition consideration is determined using the assumed probability rates of success (PoS) of the different milestones and the closing price as of each reporting date (refer to note 4 Business Combinations of the 2019 Consolidated financial statements). The change in fair value fully due to the change in the Kiadis share price is recorded as other net finance income (expenses).

As of June 30, 2020 the contingent consideration would increase by EUR5.3 million to EUR8.6 million considering full achievement of all milestones based on the share price of June 30, 2020. If the share price were to increase with EUR1, the total contingent consideration would increase to EUR5.5 million. If the share price were to decrease with EUR1, the contingent consideration would decrease to EUR1.0 million.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

17. Provisions

(Amounts in EUR x 1,000)

	Onerous contracts	Restructuring	Total
Balance as at January 1, 2020	935	2,695	3,630
<u>Changes in 2020</u>			
Provisions made during the year	-	-	-
Provisions used during the year	(788)	(2,447)	(3,235)
Balance as at June 30, 2020	147	248	395

On November 12, 2019 the Company announced that it had completed a strategic portfolio review and had decided to change strategy and to focus all resources and investments on NK-cell therapy platform and programs. The Company withdrew the ATIR101 marketing authorization application and announced that the Company discontinued development of ATIR101, terminated its ongoing Phase III trial and that the Company would restructure the organization, resulting in a reduction of the workforce.

As of December 31, 2019, the Company recorded a provision for an amount of EUR3.6 million. As of June 30, 2020, the remaining provision of EUR0.4 million is expected to be released before December 31, 2020.

18. Trade and other payables

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
Suppliers	1,340	3,940
Salaries, bonuses, vacation and restructuring	3,660	2,495
Payroll tax and social premium contributions	1,876	796
Interest to be paid	22	46
Accrued clinical costs	423	729
Accrued manufacturing costs	859	1,295
Accrued audit fees	85	455
Accrued legal fees	268	115
Consulting	109	-
Other	741	471
	9,383	10,342

All trade and other payables have an estimated maturity shorter than one year.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

19. Employee benefits

(Amounts in EUR x 1,000)

	For the six months ended	
	June 30, 2020	June 30, 2019
Wages and salaries	7,577	7,730
Compulsory social security contributions	545	715
Contributions to defined contribution plans	268	241
Equity-settled share-based payment	1,807	1,910
Restructuring expenses	-	-
Other employee benefits	231	152
Total	10,428	10,748

Equity-settled share-based payment expense relate to share options granted under Kiadis' share option and stock appreciation right plan.

On April 1, 2020, subject to further conditions including renewed vesting, certain options previously granted to active eligible employees not being members of the Management Board were cancelled with new options granted as per that same date at the following exchange ratio: 1 new option for every option granted in 2017, for every 2 options granted in 2018 and for every 3 options granted in 2019. Options previously granted to active Management Board members have a similar conversion ratio, effectuated by amending all of the options granted in 2017, half of the options granted in 2018 and a third of the options granted in 2019, with all other options cancelled. These options as amended are also subject to an exercise price set as per April 1, 2020 and renewed vesting conditions, vesting between 1 and 3 years.

The incremental fair value of these options granted is the difference between (i) the fair value of the replacement options and (ii) the fair value of the cancelled options (i.e. based on original terms and conditions), both fair values determined at the date the replacement equity instruments are granted. The weighted average incremental value of the granted new options is EUR 0.43. The incremental fair value granted is recognized over the period from the replacement date until the date when the replacement options vest.

In the first six months of 2020 an aggregate number of 7,430,584 share options (including replacement options) were granted with a weighted average exercise price of EUR1.40.

For calculating the fair value of the share based options granted in 2020 and 2019, the Hull and White option valuation model is applied. The parameters used in the model were:

	For the 6 months ended June 2020	For the year ended December 31, 2019
Exercise price (in Euro), between	1.31 - 12.35	2.23 - 14.48
Expected volatilities, between	58% - 77.5%	58% - 75%
Risk-free interest rates, between	0% - 0.54%	0% - 0.54%
Exercise multiple	2	2
Dividend yield	Nil	Nil
Estimated forfeiture rates	0% - 10%	0% - 10%

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

In this period, employees leaving the Company forfeited a total of 199,028 share options and 54,859 options lapsed. No options were exercised.

On June 30, 2020, a total of 7,870,695 share options with an average exercise price of EUR1.89 were issued and outstanding considering 35,332 exercised share options. On this date 374,304 of the share options were exercisable.

20. Expenses

(Amounts in EUR x 1,000)

	For the six months ended	
	June 30, 2020	June 30, 2019
Employee benefits (see note 19)	10,428	10,748
Depreciation & impairment expense (see note 5 and 6)	1,205	740
Facilities	518	448
Consultancy	3,618	7,495
Telecom & IT	287	247
Travel	275	1,084
Insurance	128	52
Clinical costs	722	1,760
Manufacturing	2,461	1,528
Other	374	1,632
Total operating expenses	20,016	25,734
	June 30, 2020	June 30, 2019
Research and development expenses	13,751	16,247
General and administrative expenses	6,265	9,487
Total operating expenses	20,016	25,734

In the first six months of 2020 total research and development expenses decreased by EUR2.5 million compared to the same period of prior year, due to the discontinuation of ATIR in November 2019. In 2020 research and development costs are related to K-NK development.

In the first six months of 2020 general and administrative expenses decreased by EUR3.2 million compared to the same period prior year. In 2019, the general and administrative expenses included market access preparations and the acquisition of CytoSen.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

21. Finance income and expenses

(Amounts in EUR x 1,000)

	For the six months ended	
	June 30, 2020	June 30, 2019
<u>Finance income</u>		
Interest income	-	1
	-	1
<u>Finance expenses</u>		
Interest Expense on bank loans and other debt	(913)	(1,973)
Interest Expense on Leases	(217)	(238)
	(1,130)	(2,211)
<u>Other net finance income or (expenses)</u>		
Net gain (loss) from changes in fair value:		
- Contingent Liability	1,160	446
- Warrants	1,900	-
Net gain (loss) adjustments of loans	-	1,118
Net foreign exchange gain (loss)	(849)	474
	2,211	2,038
Net finance income and expenses	1,081	(172)

The interest expense on bank loans and other debt decreased by EUR1,060 thousand due to a decrease of the outstanding debt.

Net foreign exchange loss of EUR849 thousand in the first six months of 2020 includes amongst others EUR712 thousands of unrealized (non-cash) Canadian dollar/euro exchange rate loss on intra-group loans. The net gain from changes in fair value relates to a change of EUR1,160 thousand in the contingent consideration (refer to note 16 Contingent Considerations) and a gain of EUR1,900 thousand related to warrants granted as part of the private placement of April 30, 2020 (refer to note 15 Derivatives).

22. Financial instruments

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. These tables do not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2020

(Amounts in EUR x 1,000)

	Carrying amount				Fair value			
	Non-current assets		Current assets		Level 1	Level 2	level 3	Total
	Non-current financial assets		Trade and other receivables	Cash and cash equivalents				
June 30, 2020								
Financial assets not measured at fair value								
Deposits (building leases)	294		-	-	-	-	-	-
VAT and other receivables	-		914	-	-	-	-	-
Cash and cash equivalents	-		-	19,809	-	-	-	-
	294		914	19,809				21,017

December 31, 2019

Financial assets not measured at fair value

Deposits (building leases)	294		-	-	-	-	-	-
VAT and other receivables	-		1,705	-	-	-	-	-
Cash and cash equivalents	-		-	29,459	-	-	-	-
	294		1,705	29,459				31,458

(Amounts in EUR x 1,000)

	Carrying amount						Fair value			
	Non-current liabilities		Current liabilities				Level 1	Level 2	level 3	Total
	Other Long Term Liabilities	Loans and borrowings	Trade and other payables	Other Short Term Liabilities	Loans and borrowings	Total				
June 30, 2020										
Financial liabilities measured at fair value										
Contingent Consideration	958	-	-	2,321	-	3,279	-	-	3,279	3,279
Derivatives	4,600	-	-	-	-	4,600	-	-	4,600	4,600
Financial liabilities not measured at fair value										
Loan from Kreos Capital V (UK) Ltd:										
- Facility 1	-	-	-	-	5,816	5,816	-	5,816	-	5,816
- Facility 2	-	-	-	-	3,116	3,116	-	3,116	-	3,116
Loan from Hospira Inc.	-	-	-	-	-	-	-	-	-	-
Loan from University of Montreal	-	928	-	-	-	928	-	928	-	928
Trade and other payables	-	-	9,383	-	-	9,383	-	-	-	-
	5,558	928	9,383	2,321	8,932	27,122				

December 31, 2019

Financial liabilities measured at fair value

Contingent consideration	1,297	-	-	3,142	-	4,439	-	-	4,439	4,439
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Financial liabilities not measured at fair value

Loan from Kreos Capital V (UK) Ltd:										
- Facility 1	-	-	-	-	8,105	8,105	-	8,105	-	8,105
- Facility 2	-	-	-	-	3,805	3,805	-	3,805	-	3,805
Loan from Hospira Inc.	-	-	-	-	-	-	-	-	-	-
Loan from University of Montreal	-	912	-	-	-	912	-	912	-	912
Trade and other payables	-	-	10,342	-	-	10,342	-	-	-	-
	1,297	912	10,342	3,142	11,910	27,603				

23. Commitments

(a) Lease of premises

(Amounts in EUR x 1,000)

	June 30, 2020	December 31, 2019
Less than one year	465	799
Between one and five years	1,568	2,288
More than 5 years	1,043	1,768
	3,076	4,855

The commitments as at June 30, 2020 in the table above, relate to services to be received under non-cancellable lease contracts for buildings. The lease contracts relate to a commercial manufacturing facility, laboratories and office space in Amsterdam, The Netherlands.

(b) Capital commitments

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

As of June 2020, the Group entered into various contracts with services and products to be delivered in 2020 for a total amount of approximately EUR0.8 million (December 2019: EUR1.0 million), almost entirely to be paid in the first year and the remainder within no more than 5 years. EUR0.7 million relates to the development of the NK platform and EUR0.1 million relates to General and Administrative functions.

(c) Contingencies

Nationwide Children's Hospital (NCH) License Agreement

In relation to the intellectual property underlying the NK-platform, the Company obtained an exclusive worldwide license to certain NCH inventions, and in addition obtained the right to exclusively license related intellectual property developed by Dr. Dean Lee at NCH. The Company is obliged to pay NCH milestone payments that are tied to specific milestones and a royalty of a low single digit percentage of net sales of licensed products sold by the Company or by any of its sublicensees, including affiliates to whom the Company grants sublicenses. In addition, the Company must pay NCH a percentage of any non-royalty sublicense consideration payments the Company receives in connection with sublicenses the Company grants, the percentage ranging from medium single digit to a double-digit depending on the stage of development of licensed products at the time the corresponding sublicense agreement is executed.

University of Central Florida (UCF) License Agreement

In relation to the intellectual property underlying the NK-platform, UCF has granted the Company an exclusive worldwide license for certain patents and patent applications and a non-exclusive license for certain information and methods as necessary to exploit, utilize and commercialize such patents and patent applications.

In exchange for the license granted, the Company must pay UCF milestone payments that are tied to specific milestones and a royalty of a low single digit percentage of net sales of licensed products sold by the Company or by any of its sublicensees, including affiliates to whom the Company grants sublicenses. In addition, the Company must pay UCF a double-digit percentage of any non-royalty sublicense consideration payments the Company receives in connection with sublicenses the Company grants. Under the UCF License Agreement, the Company has granted UCF a security interest in and to the rights under the agreement, as collateral security for payment by the Company of the sums the Company owes to UCF.

24. Transactions with related parties

The transactions with related parties that have a significant influence over the Company during the six months presented in this Interim Report are described below. Other than this, there were no transactions or business activities with related parties.

April 2020 Private Placements

Because of their positions at Life Sciences Partners, Mr. Wegter and Mr. Kleijwegt (both members of the Supervisory Board) did not participate in the deliberations and decision-making regarding the private placements that were closed on April 30, 2020 for the total amount of EUR 17 million with two investors including LSP Advisory, the public investment arm of Life Sciences Partners, on behalf of the LSP Life Sciences Fund N.V. and several mandate clients.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

between Kiadis and Kreos, Kreos Capital has the irrevocable right to at any time before the repayment date convert the whole or part of the principal amount of the bonds then outstanding including interest accrued thereon into Shares at a conversion price of EUR 2,- per Share.

On November 2, 2020, Kiadis Pharma N.V. ("Kiadis") and Sanofi jointly announced that they had reached conditional agreement on a recommended all-cash public offer (the "Offer") by Sanofi or one of its wholly owned subsidiaries for Kiadis of EUR 5.45 in cash (cum dividend) for each issued and outstanding ordinary share in the capital of Kiadis representing an aggregate adjusted equity value of EUR308 million. The Offer is subject to certain customary conditions and is expected to complete in the first half of 2021.

The announcement of the Offer and the subsequent completion of the transaction impacts the valuation of the 2025 Warrants and the contingent consideration to former CytoSen shareholders upon the achievement of certain milestones (the "Milestone Shares"). These changes in valuations will result in a non-cash expense to the income statement, and certain relevant liabilities will be converted to equity. The Company is currently assessing the accounting impact. These warrants and the contingent consideration, and the outstanding share options granted under Kiadis' share option and stock appreciation right plan, include change of control clauses, refer to notes 13, 15, 16 and 19. Specifically in relation to the outstanding share options, the completion of the transaction results in accelerated vesting of these options, being a total of 7,848,153 as of January 31, 2021.

In February 2021, Kiadis and Sanofi reached agreement with the 2025 Warrant holders, former CytoSen shareholders and option holders and Kreos in relation to their rights to acquire Shares and their irrevocable commitment to tender all their Shares under the Offer. All irrevocable commitments are subject to Sanofi declaring the offer unconditional and the Merger Agreement not being terminated. Approximately 36.6% Shares outstanding as at settlement of the Offer are now committed under the Offer.

Kiadis, Sanofi and the 2025 Warrant holders, pursuant to two separate agreements, agreed, conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated: (i) to adjust the exercise price, such that the net proceeds to be received by the 2025 Warrant holders is equal to the Black Scholes value of the Warrants which would otherwise be due and payable upon settlement of the Offer; (ii) that the 2025 Warrants will be exercised for an adjusted exercise price of EUR0.38; and (iii) that upon exercise of the 2025 Warrants, the corresponding Shares will be tendered under the Offer in exchange for the Offer Price.

Kiadis, Sanofi and the former CytoSen shareholders and option holders have agreed that, conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated, and subject to the discount mechanism in the agreement made in relation to the Company's acquisition of CytoSen in June 2019: (i) the Milestone Shares shall accelerate and be immediately payable by the Company to the former CytoSen shareholders and option holders against nil consideration; and (ii) upon such acceleration, the Milestone Shares will be tendered under the Offer in exchange for the Offer Price.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

Kiadis and Kreos have agreed that: (i) Kreos will convert into Shares, at an exercise price of EUR 2 per Share, its entire convertible bond of EUR 5.0 million plus an additional amount of EUR 0.2 million interest. In addition, Kiadis, Sanofi and Kreos have agreed, on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated, that Kreos: (i) will vote with its holdings of Shares in favor of the resolutions at the upcoming extraordinary general meeting of Kiadis; and (ii) commits to tender all its holdings of Shares under the Offer in exchange for payment of the Offer Price.

On January 13, 2021, Kiadis and Sanofi Finance Ireland Limited, a wholly owned subsidiary of Sanofi, entered into a credit facility ("Bridge Loan"). The total principal amount agreed upon in the Bridge Loan amounts to EUR 27.7 million of which EUR 7.7 million is for prepayment of the existing debt facilities with Kreos and prepayment of secured convertible bonds with Kreos.

**NOTES TO THE UNAUDITED SPECIAL PURPOSE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**
For the six months ended June 30, 2020

INDEPENDENT AUDITOR'S REVIEW REPORT



Review report

To: the General Meeting and the Supervisory Board of Kiadis Pharma N.V.

Introduction

We have reviewed the accompanying Special Purpose Condensed Interim Consolidated Financial Statements as of and for the six-month periods ended 30 June 2020 of Kiadis Pharma N.V., Amsterdam, which comprises the special purpose condensed consolidated statement of financial position as at 30 June 2020, the special purpose condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period ended 30 June 2020, and the notes, comprising a summary of the significant accounting policies and other explanatory information. The Management Board of the Company is responsible for the preparation and presentation of this Special Purpose Condensed Consolidated Interim Financial Statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Condensed Interim Consolidated Financial Statements as at 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Emphasis of an uncertainty with respect to the going concern assumption

We draw attention to page 6 of the Special Purpose Condensed Interim Consolidated Financial Statements, which indicate that the Company will require additional funding based on its existing operating plans. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

Corresponding figures not audited or reviewed

The condensed Interim Consolidated Financial Statements as of and for the six month period ended 30 June 2019 have not been audited nor reviewed. Consequently, the corresponding figures included in the condensed consolidated statements of comprehensive income, changes in equity and cash flows and in the related notes have not been audited nor reviewed.

Amstelveen, 3 February 2021

KPMG Accountants N.V.

F.A.M. Croiset van Uchelen RA

14. ARTICLES OF ASSOCIATION

14.1 Post-Settlement

NOTE: THIS IS A TRANSLATION INTO ENGLISH OF THE OFFICIAL DUTCH VERSION OF THE ARTICLES OF ASSOCIATION (*STATUTEN*) OF A PRIVATE COMPANY WITH LIMITED LIABILITY (*BESLOTEN VENNOOTSCHAP MET BEPERKTE AANSPRAKELIJKHEID*) UNDER DUTCH LAW. DEFINITIONS INCLUDED IN ARTICLE 1 BELOW APPEAR IN THE ENGLISH ALPHABETICAL ORDER, BUT WILL APPEAR IN THE DUTCH ALPHABETICAL ORDER IN THE OFFICIAL DUTCH VERSION. IN THE EVENT OF A CONFLICT BETWEEN THE ENGLISH AND DUTCH TEXTS, THE DUTCH TEXT SHALL PREVAIL.

ARTICLES OF ASSOCIATION

DEFINITIONS

Article 1

The following definitions shall apply in these articles of association (with definitions expressed in the singular having a corresponding meaning when used in the plural and vice versa):

- a.** share: an ordinary share in the capital of the Company;
- b.** general meeting: the general meeting of shareholders as body of the Company as well as meetings of this body;
- c.** depositary receipts: depositary receipts for shares;
- d.** subsidiary: has the meaning as referred to in section 2:24a Dutch Civil Code;
- e.** group: has the meaning as referred to in section 2:24b Dutch Civil Code;
- f.** group company: a legal entity or company with which the Company is affiliated in a group;
- g.** dependent company: has the meaning as referred to in section 2:152 Dutch Civil Code;
- h.** Wge: the securities giro act (*Wet giraal effectenverkeer*);
- i.** central institute: the central institute (*centraal instituut*) as referred to in the Wge being Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;
- j.** intermediary: an intermediary (*intermediair*) as referred to in the Wge;
- k.** collection deposit: a collection deposit (*verzameldepot*) as referred to in the Wge;
- l.** giro deposit: a giro deposit (*girodepot*) as referred to in the Wge;
- m.** participants: participants (*deelgenoten*) as referred to in the Wge;
- n.** persons with voting rights: holders of shares with voting rights as well as holders of a right of usufruct or pledge on shares with the right to vote;
- o.** persons with meeting rights: persons with voting rights, shareholders who do not have the right to vote as well as holders of depositary receipts issued with the Company's cooperation;
- p.** For the implementation of these articles of association, persons with meeting rights with respect to shares included in a collection deposit or the giro deposit are considered to be the persons who as such are recorded in the administration of the intermediary which manages the collection deposit concerned respectively in whose names a part in the giro deposit is registered;
- q.** Management Board: management board of the Company;

- r. Supervisory Board: supervisory board of the Company;
- s. record date: the day mentioned in section 2:119 paragraph 2 Dutch Civil Code;
- t. written / in writing: with respect to the provisions of these articles of association the requirement of being in writing shall also be complied with if the notification, announcement, statement, acknowledgement, decisionmaking, power of attorney, vote or request, have been laid down electronically, unless otherwise required by applicable law.

NAME AND SEAT

Article 2

2.1 The name of the Company is:

[STARSHIP]

2.2 The Company has its corporate seat in Amsterdam.

OBJECTS

Article 3

The objects of the Company are:

- a. to develop and subsequently market or license new pharmaceutical products with a primary, but not sole, focus on oncology;
- b. to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises and provide advice and other services;
- c. to acquire, use and/or assign industrial and intellectual property rights and real property;
- d. to invest funds;
- e. to provide security for the obligations of the Company, group companies or third parties;
- f. to undertake all that which is connected to the foregoing or in furtherance thereof;

all in the widest sense of the words.

CAPITAL AND SHARES

Article 4

- 4.1 The Company's authorized capital amounts to ten million Euro (EUR 10,000,000) and is divided into one hundred million (100,000,000) shares, each share with a nominal value of ten Eurocent (EUR 0.10).
- 4.2 All shares shall be registered shares. Shares are numbered from 1 onwards. No share certificates shall be issued for the shares.
- 4.3 The Company can cooperate with the issue of depositary receipts issued for shares in its own capital.
- 4.4 The central institute is in charge of the management of the giro deposit. The intermediaries are in charge of the management of the collection deposit kept by them.
The Wge applies to this management.
- 4.5 Delivery (*uitlevering*) of shares as referred to in articles 26 and 45 of the Wge is impossible, unless otherwise provided or allowed for by law.

THE ISSUE OF SHARES

Article 5

- 5.1 Shares shall be issued pursuant to a resolution of the general meeting, or pursuant to such resolution of the Management Board if designated thereto by the general meeting for a period not exceeding five years.

At the designation, the number of shares that may be issued by the Management Board should be determined.

The designation may be prolonged each time for a period not exceeding five years.

Unless it has been determined differently at the designation, it cannot be revoked.

- 5.2 The resolution to issue shares contains the price and further terms of issue.

The resolution of the general meeting to issue shares and the resolution to designate the Management Board can only be adopted pursuant to a proposal thereto by the Management Board which proposal has been approved by the Supervisory Board.

If the Management Board has been designated as authorised to resolve on the issue of shares, the resolution of the Management board to issue shares is subject to the prior approval of the Supervisory Board.

- 5.3 Within eight days after a resolution of the general meeting to issue shares or to designate the Management Board, as referred to above, the Management Board shall deposit a complete text thereof at the office of the Trade Register.

Within seven days after each issue of shares, the Management Board shall submit a statement thereof to the office of the Trade Register, stating the number of shares.

- 5.4 The previous provisions of this article shall apply mutatis mutandis to granting rights to acquire shares, but do not apply to the issue of shares to a party exercising a previously obtained right to acquire shares.

- 5.5 Issue of shares shall never be below par, unless the provisions of section 2:80 paragraph 2 Dutch Civil Code apply.

- 5.6 Shares shall be issued only against payment of at least the nominal value.

- 5.7 Payment on shares must be made in cash to the extent that no other contribution has been agreed – subject to the provisions of section 2:80b Dutch Civil Code.

Payment in foreign currency may only be made with the permission of the Company and also subject to the provisions of section 2:80a paragraph 3 Dutch Civil Code.

- 5.8 The Management Board is authorised, without any prior approval of the general meeting, to perform legal acts within the meaning of section 2:94 paragraph 1 Dutch Civil Code.

- 5.9 Upon issue of a share, the Company can issue/cause this share to be included in a collection deposit and the inclusion of the share in the giro deposit can be effected via an intermediary.

For this purpose the Company may register the intermediary concerned respectively the central institute as holder of this share in the shareholders' register, mentioning the fact that the share is included in the collection deposit respectively the giro deposit and the other information as referred to in article 10.

PRE-EMPTIVE RIGHTS

Article 6

- 6.1 Without prejudice to the applicable legal provisions, upon the issue of shares, each shareholder has a pre-emptive right in proportion to the aggregate amount of shares held by him.

If a shareholder who is entitled to a pre-emptive right does not or does not fully exercise such right, the other shareholders shall be similarly entitled to preemptive rights with respect to those shares, which have not been claimed.

- 6.2** In case the other shareholders collectively do not or do not fully exercise their pre-emptive rights, then the general meeting or – if the Management Board is authorised to issue the shares concerned – the Management Board, with the prior approval of the Supervisory Board shall be free to decide to whom the shares which have not been claimed shall be issued.
Such issuance may not be made against a lower price.
- 6.3** Upon the issue of shares, there is no pre-emptive right to shares which were issued against payment other than in cash.
- 6.4** The Company shall announce an issue with pre-emptive rights and the time frame within which the pre-emptive rights may be exercised in the Government Gazette (*Staatscourant*) and in a nationally distributed newspaper, unless the announcement to all shareholders is made in writing and sent to the address stated by them.
- 6.5** The pre-emptive right may be exercised at least two weeks as of the day of the announcement in the Government Gazette or, if the announcement is made in writing, at least two weeks as of the day of the mailing of the announcement.
- 6.6** The pre-emptive right may be restricted or excluded by a resolution of the general meeting or by the Management Board if designated thereto by the general meeting, for a period not exceeding five years, and also authorised to issue shares during that period.
Unless it has been determined differently at the designation, the right of the Management Board to restrict or to exclude the pre-emptive right cannot be revoked.
Unless the Management Board is designated to restrict or to exclude the preemptive right, a resolution to restrict or exclude the pre-emptive right will be passed by the general meeting on proposal of the Management Board, with the prior approval of the Supervisory Board.
A resolution by the general meeting or by the Management Board to restrict or exclude the pre-emptive right is subject to the prior approval of the Supervisory Board.
In the proposal in respect thereof, the reasons for the proposal and the determination of the intended issue price shall be explained in writing.
- 6.7** A resolution of the general meeting to restrict or exclude the pre-emptive right or to designate the Management Board as referred to in paragraph 6 requires a majority of at least two-thirds of the votes cast, if less than half of the issued capital is represented at the meeting.
Within eight days after said resolution, the Management Board shall deposit a complete text thereof at the office of the Trade Register.
- 6.8** The provisions of this article 6 apply to the granting of rights to acquire shares.
Shareholders shall have no pre-emptive right to shares that are issued to a party exercising a previously obtained right to acquire shares.

OWN SHARES/RIGHT OF PLEDGE ON OWN SHARES

Article 7

- 7.1** The Company cannot subscribe for shares in its own capital at the time shares are issued.
- 7.2** Any acquisition by the Company of shares in its own capital that are not fully paid-up shall be null and void.
- 7.3** The Company may acquire fully paid-up shares in its own capital for no consideration, or if:
- a.** the shareholders' equity less the acquisition price is not less than the sum of the paid in and

- called up part of its capital and the reserves that it is required to maintain by law; and
- b.** the nominal value of the shares to be acquired in its capital, which the Company itself holds or holds in pledge, or which are held by a subsidiary is not more than half of the issued capital, such in accordance with section 2:98 paragraph 2 Dutch Civil Code; and
 - c.** the acquisition is authorised by the general meeting.

The authorization of the general meeting shall be valid for a maximum of eighteen months.

The general meeting shall determine in the authorisation how many shares may be acquired, how they may be acquired and between what limits the price must lie.

The authorisation referred to in this paragraph is not required to the extent the Company acquires its own shares in order to transfer them to employees of the Company or of a group company pursuant to a scheme applicable to such employees.

- 7.4** For the purposes of subparagraph a of paragraph 3, the amount of the shareholders' equity according to the last adopted balance sheet shall be decisive less the acquisition price of shares in the capital of the Company and distributions to others from profits or reserves having become due by the Company and its subsidiaries after the balance sheet date.

If more than six months have lapsed since the commencement of the financial year, and no annual accounts have been adopted, then an acquisition in accordance with paragraph 3 above shall not be permitted.

- 7.5** The Company may only take its own shares in pledge if:
- a.** the shares involved have been fully paid up;
 - b.** the nominal amount of the shares to be taken in pledge and those already held or held in pledge is no more than one/tenth part of the issued capital, and
 - c.** the general meeting has approved the pledge agreement.

- 7.6** The preceding paragraphs shall not apply to shares which the Company acquires by universal succession of title (*verkrijging onder algemene titel*).

- 7.7** The Company is not entitled to any distributions from shares in its own capital.

In the calculation of the distribution of profits or other distributions, the shares referred to in the previous sentence are not counted unless there is a right of usufruct or right of pledge on such shares, and if this usufructuary or pledgee is entitled to the distributions on the shares, for the benefit of a party other than the Company.

- 7.8** No vote may be cast at the general meeting for shares held by the Company or by a subsidiary. Usufructuaries of shares that belong to the Company or a subsidiary are, however, not excluded from exercising their right to vote if the right of usufruct was created before the share belonged to the Company or a subsidiary.

The Company or a subsidiary cannot cast a vote for a share on which it has a right of usufruct.

In determining the extent to which the shareholders vote, are present or represented, or the extent to which the share capital is provided or represented, the shares on which, by law, no vote may be cast shall not be taken into account.

- 7.9** A subsidiary may not subscribe or its own account or acquire shares in the capital of the Company.

- 7.10** The provisions of article 5 and 6 of these articles of association shall apply accordingly to the disposal of shares that the Company holds in its own capital, except that such disposal may be below par.

7.11 The term shares as used in this article shall include depositary receipts issued for shares.

Article 8

8.1 The Company may not give loans, provide collateral, guarantee the price, otherwise guarantee or bind itself jointly or severally with or for third parties, for the purpose of the subscription or acquisition by third parties of shares in its capital.

This prohibition shall also extend to any of the subsidiaries.

8.2 This prohibition shall not apply if shares or depositary receipts are subscribed or acquired by or for employees of the Company or a group company.

REDUCTION OF CAPITAL

Article 9

9.1 The general meeting, upon proposal of the Management Board, which proposal has been approved by the Supervisory Board, may resolve to reduce the issued share capital by (i) reducing the nominal value of shares, or (ii) cancelling shares which the Company holds in its own share capital or of which the Company holds the issued depositary receipts.

REGISTER OF SHAREHOLDERS

Article 10

10.1 The Management Board shall keep a register in which the names and addresses of all shareholders are recorded, indicating the date on which they acquired the shares, the date of the acknowledgement or service as well as the amount paid up on each share.

10.2 If shares are issued or transferred to an intermediary to include these shares in a collection deposit or to the central institute to include these shares in the giro deposit, the name and address of the intermediary respectively the central institute will be entered into the shareholders' register, mentioning the date on which the shares concerned were included in a collection deposit respectively the giro deposit, the date of acknowledgement or service (if relevant), as well as the amount paid on each share.

10.3 The names and addresses of those with a right of usufruct or pledge on shares (except in case of a right of usufruct or pledge on shares that are issued or transferred to an intermediary or to the central institute in accordance with paragraph 2), shall also be recorded in the register stating the date on which the parties acquired the right, the date of acknowledgement or service, as well as stating those rights to which the usufructuaries or pledgees are entitled in connection with the shares pursuant to paragraph 2 up to and including paragraph 4 of section 2:88 respectively 2:89 Dutch Civil Code.

10.4 The register shall be up-dated regularly.

It shall also record any discharge of liability for payments not yet made. The register may consist of several parts.

10.5 If so requested, the Management Board shall provide, free of charge, an extract from the register to a holder of shares, a usufructuary or a pledgee of shares pertaining to his right to such shares.

If a share is subject to a right of usufruct or pledge then the extract shall state who is entitled to the rights referred to in paragraph 4 of section 2:88 respectively 2:89 Dutch Civil Code.

10.6 The Management Board shall make the register available at the offices of the Company for inspection by the shareholders, as well as the usufructuaries and pledgees of shares.

The information in the register regarding shares which are not fully paid up may be inspected by

anyone; a copy or extract of this information shall be supplied at a charge of no more than the cost price.

- 10.7** Each holder of shares as well as anyone with a right of usufruct or pledge on shares (except shareholders for which the intermediary or central institute is listed in the register or usufructuaries/pledgees on such shares) is obliged to notify the Company in writing of his place of residence and address.
- 10.8** If shares, that do not form part of a collection deposit or giro depot, are part of a community of property, the combined joint owners may only be represented vis-à-vis the Company by a person who has been appointed by them jointly in writing.
- 10.9** All entries in, copies of, or extracts from the register of shareholders shall be signed in conformity with the provisions of article 16 paragraph 1.

TRANSFER OF SHARES / USUFRUCT / PLEDGE

Article 11

- 11.1** A transfer of a share or of a limited right (*beperkt recht*) thereto requires a deed of transfer and, except in the event the Company itself is party to that legal act, acknowledgement in writing by the Company of the transfer.
- The acknowledgement shall be given in the deed, or by dated statement embodying such acknowledgement on the deed or on a copy or extract thereof duly authenticated by a civil-law notary or by the transferor.
- Service of the deed of transfer, copy or extract on the Company shall be deemed to be equal to acknowledgement.
- 11.2** The acknowledgement shall be signed with due observance of the provisions with respect to representation as laid down in article 16 paragraph 1.
- 11.3** The provisions of paragraphs 1 and 2 shall apply mutatis mutandis to the creation or release of a right of usufruct and a right of pledge.
- A pledge may also be established on a share without acknowledgement by or service on the Company.
- In such cases, section 3:239 Dutch Civil Code shall be equally applicable, whereby the notification by a shareholder as referred to in paragraph 3 of that section, shall be replaced by acknowledgement by or service on the Company.
- 11.4** The provisions of paragraphs 1 and 2 shall apply mutatis mutandis to the allotment of shares in the event of partition of any community.
- 11.5** If a share is transferred to include it in the collection deposit, the transfer will be accepted by the intermediary concerned.
- If a share is transferred to include it in the giro deposit, the transfer will be accepted by the central institute.
- The transfer and acceptance can be effected without the co-operation of the other participants in the collection deposit and without the co-operation of other intermediaries.
- Upon issue of a new share to the central institute respectively to an intermediary, the inclusion of the share in the giro deposit respectively the collection deposit will be effected without the co-operation of other intermediaries and of other participants in the collection deposit.

USUFRUCT ON SHARES, PLEDGE OF SHARES

Article 12

- 12.1** The shareholder shall have the right to vote on shares on which a right of usufruct has been established.
The usufructuary shall, however, have the right to vote if so provided for upon the establishment of the right of usufruct.
- 12.2** A shareholder without the right to vote and a usufructuary with the right to vote shall have the rights conferred by law upon holders of depositary receipts issued with a company's cooperation.
A usufructuary without the right to vote shall not have the rights referred to in the preceding sentence.
- 12.3** Shares can be pledged. Upon the establishment of a pledge on a share, the right to vote may be vested in the pledgee.
The pledgee with the right to vote shall have the rights conferred by law upon the holders of depositary receipts issued with a company's cooperation.

MANAGEMENT BOARD

Article 13

- 13.1** The Company shall have a Management Board consisting of one or more members of the Management Board.
The number of members of the Management Board shall be determined by the Supervisory Board.
- 13.2** Members of the Management Board shall be appointed by the general meeting.
The Supervisory Board may draw up a non-binding nomination of one or more nominees for each vacancy to be filled for the appointment of a person as member of the Management Board.
A resolution of the general meeting to appoint a member of the Management Board in conformity with the nomination of the Supervisory Board shall be passed by an absolute majority of votes cast.
A resolution of the general meeting to appoint a member of the Management Board not in conformity with, or without, the nomination of the Supervisory Board shall require an absolute majority of the votes cast representing more than half of the Company's issued capital.
With respect to the resolution of the general meeting referred to in the previous sentence, the provisions included in section 2:120 paragraph 3 Dutch Civil Code are not applicable.
- 13.3** At a general meeting, votes in respect of the appointment of a member of the Management Board, can only be cast for candidates named in the agenda of the meeting or explanatory notes thereto.
- 13.4** Members of the Management Board may be suspended or dismissed by the general meeting at any time.
A resolution of the general meeting to suspend or dismiss a member of the Management Board pursuant to a proposal by the Supervisory Board shall be passed with an absolute majority of the votes cast.
A resolution of the general meeting to suspend or dismiss a member of the Management Board other than pursuant to, or without, a proposal by the Supervisory Board shall require an absolute majority of the votes cast representing more than half of the Company's issued capital.
With respect to the resolution of the general meeting referred to in the previous sentence, the provisions included in section 2:120 paragraph 3 Dutch Civil Code are not applicable.

- 13.5** Members of the Management Board may be suspended by the Supervisory Board at any time.
- 13.6** A suspension may last no longer than three months in total, even after having been extended one or more times. The general meeting may at any time terminate a suspension.
- 13.7** The Company has a policy governing the remuneration of the Management Board.
The policy will be adopted by the general meeting.
The remuneration of each member of the Management Board will be determined by the Supervisory Board with due observance of the policy referred to here before.
With respect to arrangements with members of the Management Board in the form of shares or options the Supervisory Board submits a proposal to the general meeting for approval.
The proposal must include the number of shares and/or options that may be granted to the Management Board and which criteria apply to a grant or modification.

Article 14

- 14.1** With due observance of the limitations set out by these articles of association, the Management Board is charged with the management of the Company.
- 14.2** The Management Board may adopt internal rules regulating its decision making process and working methods, in addition to the relevant provisions of the articles of association.
The resolution of the Management Board to establish such rules is subject to the approval of the general meeting.
- 14.3** The Management Board may adopt an internal allocation of duties for each member of the Management Board individually.
The internal allocation of duties can be implemented in the rules as referred to in the previous paragraph.
The resolution of the Management Board to establish such allocation of duties is subject to the approval of the Supervisory Board.
- 14.4** Without prejudice to its own responsibility, the Management Board is authorised to appoint persons with such authority to represent the Company and, by granting of a power of attorney, conferring such titles and powers as shall be determined by the Management Board.
- 14.5** A member of the Management Board may not participate in deliberating or decision-making within the Management Board, of with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it. If, as a result hereof, the Management Board cannot make a decision, the Supervisory Board will resolve the matter.
- 14.6** With due observance of and without prejudice to the provisions of these articles of association, the Management Board resolutions relating to any of the following matters shall be subject to the approval of the Supervisory Board:
- a.** issue and acquisition of shares of the Company and debt instruments issued by the Company or of debt instruments issued by a limited partnership or general partnership of which the Company is a fully liable partner;
 - b.** application on the withdrawal for quotation of the securities referred to under a, in the listing of any stock exchange;
 - c.** entering into or terminating a permanent cooperation of the Company or a dependent

company with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if such cooperation of termination is of major significance to the Company;

- d. participation for a value of at least one-fourth of the amount of the issued capital with the reserves according to the most recent adopted balance sheet (whether consolidated or not) with explanatory notes of the Company by the Company or by a dependent company in the capital of another company, as well as a significant increase or reduction of such a participation;
- e. investments involving an amount equal to at least the sum of one fourth of the Company's issued capital plus the reserves of the Company as shown in its most recent balance sheet (whether consolidated or not);
- f. a proposal to amend the articles of association;
- g. a proposal to dissolve (*ontbinden*) the Company;
- h. a proposal to conclude a legal merger (*juridische fusie*) or a demerger (*splitsing*);
- i. application for bankruptcy or for suspension of payments (*surseance van betaling*);
- j. termination of the employment of a considerable number of employees of the Company or of a dependent company at the same time or within a short period of time;
- k. far-reaching changes in the employment conditions of a significant number of employees of the Company or of a dependent company;
- l. a proposal to reduce the issued share capital.

14.7 Without prejudice to the provisions above, decisions of the Management Board involving a major change in the Company's identity or character are subject to the approval of the general meeting, including:

- a. the transfer of the enterprise or practically the whole enterprise to third parties;
- b. to enter into or to terminate longstanding joint ventures of the Company or a subsidiary with another legal entity or company or as fully liable partner in a limited partnership or a general partnership of this joint venture or termination of such a joint venture is of a major significance to the Company;
- c. the acquisition or disposal of a participation in the capital of a company worth at least one third of the amount of the assets according to the balance sheet with explanatory notes thereto, or if the Company prepares a consolidated balance sheet, according to such consolidated balance sheet with explanatory notes according to the last adopted annual accounts of the Company, by the Company or a subsidiary.

14.8 Failure to obtain the approval defined in paragraphs 6 and 7 of this article shall not affect the authority of the Management Board or the members of the Management Board to represent the Company.

Article 15

In the event that one or more members of the Management Board are absent or prevented from acting, the remaining members of the Management Board or the sole remaining member of the Management Board shall be entrusted with the management of the Company.

In the event that all the members of the Management Board or the sole member of the Management Board is absent or prevented from acting, a person to be appointed for that purpose by the Supervisory Board,

whether or not from among its members, shall be temporarily entrusted with the management of the Company.

REPRESENTATION

Article 16

16.1 The Company shall be represented by the Management Board.

In addition, the authority to represent the Company is vested in each member of the Management Board.

16.2 The Management Board may grant a continuing power of attorney for signature to one or several persons and may alter or revoke such power of attorney.

SUPERVISORY BOARD

Article 17

17.1 The Company shall have a Supervisory Board consisting of three or more natural persons.

If there are less than three Supervisory Board members, the Supervisory Board shall proceed without delay to supplement the number of its members.

17.2 With due observance of the provisions in paragraph 1, the number of members of the Supervisory Board shall be determined by the general meeting.

17.3 Members of the Supervisory Board will be appointed by the general meeting. A Supervisory Board member is appointed for a period of four years and may then be reappointed once for another four-year period. The Supervisory Board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board.

17.4 Without prejudice to paragraph 3, the Supervisory Board members shall retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board.

An amendment to that rotation plan may not result in a member of the Supervisory Board in office resigning against his will before the period for which he has been (re)appointed has expired.

17.5 The provisions of paragraphs 2, 3 and 4 of article 13 will apply similarly to the appointment, suspension and dismissal of members of the Supervisory Board.

17.6 A suspension of members of the Supervisory Board may last no longer than three months in total, even after having been extended one or more times.

17.7 The duties of the Supervisory Board shall be the supervision of the conduct of management by the Company's Management Board and of the general course of affairs of the Company and of any affiliated enterprise.

The Supervisory Board shall assist the Management Board by rendering advice.

In performing their duties, the members of the Supervisory Board shall be guided by the interests of the Company and of any enterprise affiliated therewith.

17.8 Each financial year the Supervisory Board shall make a report. The report of the Supervisory Board shall form part of the annual financial documents of the Company.

17.9 The Supervisory Board shall at any time have access to all buildings and premises in use by the Company, and shall be entitled to inspect all of the Company's books and records and to examine all of the Company's assets. The Supervisory Board may delegate this authority to one or more of its

members, or to an expert.

- 17.10** The Management Board shall provide the Supervisory Board with the information necessary for the performance of its duties, in a timely manner.
- 17.11** The Management Board shall inform the Supervisory Board at least once each year in writing of the general lines of the strategy, the general and financial risks and the management and control system of the Company.
- 17.12** The Company has a policy governing the remuneration of the Supervisory Board. The policy will be adopted by the general meeting. The remuneration of each member of the Supervisory Board will be determined by the general meeting with due observance of the policy as stated above.

Article 18

- 18.1** The Supervisory Board shall appoint a chairman from among its members and a deputy chairman.
- 18.2** In the absence of the chairman and the deputy chairman in a meeting, the meeting shall appoint a chairman from among those present.
- 18.3** The Supervisory Board may also designate a member of the Supervisory Board as delegated member who shall be particularly responsible for maintaining regular contact with the Management Board on the state of affairs in the Company.
- 18.4** The Supervisory Board may appoint from among its members committees. If the Supervisory Board comprises of more than four members, it shall install, from among its members, an audit committee, a remuneration committee and a selection committee. The task of these committees is to prepare the resolution taking process within the Supervisory Board. The Supervisory Board shall establish further regulations applicable to such committees, of so required.
- 18.5** The Supervisory Board shall hold meetings as often as one or more of its members shall desire, as often as the Management Board shall request, or as often as necessary in pursuance of the provisions of these articles of association.
- 18.6** The Supervisory Board may adopt internal rules regulating its decision making process and working methods, in addition to the relevant provisions of the articles of association. The resolution of the Supervisory Board to establish such rules is subject to the approval of the general meeting.
- 18.7** A member of the Supervisory Board may not participate in the deliberations and decision-making by the Supervisory Board if he has a direct or indirect personal interest therein that conflicts with the interests of the Company or the business connected with it. If there is a conflict of interest in respect of all members of the Supervisory Board, the resolution shall nevertheless be taken by the Supervisory Board.
- 18.8** Where one or more members of the Supervisory Board are no longer in office or are unable to act, the remaining member(s) of the Supervisory Board shall be provisionally charged with the duties of the Supervisory Board. Where all members of the Supervisory Board or the only member of the Supervisory Board are/is no longer in office or are/is unable to act, the duties of the Supervisory Board shall be provisionally conducted by the person designated for that purpose by the general meeting.

INDEMNIFICATION MEMBERS OF THE MANAGEMENT BOARD AND MEMBERS OF THE SUPERVISORY BOARD

Article 19

- 19.1** The Company shall indemnify any person who was or is a member of the Management Board or the Supervisory Board (each of them an "Indemnified person") and who was or is in his capacity as member of the Management Board or the Supervisory Board a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal or administrative or an action, suit or proceeding in order to obtain information (other than an action, suit or proceeding instituted by or on behalf of the Company or its subsidiaries), against any and all liabilities including all expenses (including attorneys' fees), judgments, fines, amounts paid in settlement and other financial losses, actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and its stakeholders.
- The termination of any action, suit or proceeding by a judgment, order, settlement, conviction, or the failure to put up a defense or its equivalent, shall not, in and of itself, create a presumption that the person did not act in good faith and not in a manner which he reasonably could believe to be in or not opposed to the best interests of the Company and its stakeholders.
- The Indemnified person is obliged to inform the Company as soon as practically possible about any claim or any circumstance that could lead to a claim.
- 19.2** No indemnification pursuant to paragraph 1 of this article shall be made in respect of any claim, issue or matter:
- a.** as to which such person shall have been adjudged in a final and nonapplicable judgment by a Dutch judge to be liable for gross negligence or willful misconduct in the performance of his duty to the Company, unless and only to the extent that the judge before whom such action or proceeding was brought or any other Dutch judge having appropriate jurisdiction shall determine upon application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to a compensation which the judge before whom such action or proceeding was brought or such other judge having appropriate jurisdiction shall deem proper; or
 - b.** insofar costs and losses have been insured under any insurance and the insurance company had reimbursed to him the costs and losses or has indicated to do so.
- 19.3** Expenses (including attorneys' fees) incurred by an Indemnified person in defending a civil or criminal action, suit or proceeding (except if instituted by or on behalf of the Company or any subsidiary) shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of an Indemnified person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorised in this article.
- 19.4** The indemnification provided for by this article shall not be deemed exclusive of any other right to which a person seeking indemnification or advancement of expenses may be entitled under the laws of the Netherlands as from time to time amended or under any by-laws, agreement, resolution of the general meeting or of the members of the Management Board or Supervisory Board who are not an interested party in this matter or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such position, and shall continue as to a person who has ceased to be a member of the Management Board or the Supervisory Board and shall also inure to the benefit

of the heirs, executors and administrators of the estate of such person.

19.5 The Company may purchase and maintain insurance on behalf of any Indemnified person, whether or not the Company would have the power to indemnify him against such liability under the provisions of this article.

19.6 No amendment or repeal of this article shall adversely affect any right to protection of any person entitled to indemnification or advancement of expenses under this article prior to such amendment or repeal.

By the amendment or repeal of this article an amendment can be made in the protection of any persons that have been (re-)appointed as member of the Management Board or Supervisory Board after the amendment or repeal of this article.

FINANCIAL YEAR, ANNUAL ACCOUNTS, MANAGEMENT REPORT

Article 20

20.1 The Company's financial year shall be concurrent with the calendar year.

20.2 The Management Board shall prepare the annual accounts (consisting of the balance sheet and profit and loss accounts with explanatory notes thereto) within four months of the end of each financial year.

The annual accounts shall be signed by all members of the Management Board and all members of the Supervisory Board.

If the signature of one or more of them is lacking, this fact and the reason thereof shall be indicated.

The Management Board shall also, within the period of four months of the end of each financial year, prepare a management report.

20.3 The general meeting shall instruct a registered accountant or a firm of registered accountants, as defined in section 2:393 paragraph 1 Dutch Civil Code, to audit the annual accounts and the management report, to report thereon and to issue an auditor's certificate with respect thereto.

If the general meeting fails to issue such instructions, the Supervisory Board shall be authorised to do so, and if the latter fails to do so, the Management Board.

20.4 The Company shall ensure that, as of the day on which a general meeting at which they are to be considered, is called, the annual accounts, the management report and the additional information to be provided pursuant to section 2:392 paragraph 1 Dutch Civil Code are available for examination by persons with meeting rights.

The Company shall make copies of the documents referred to in the previous sentence available free of charge to persons with meeting rights.

If these documents are amended, this obligation shall also extend to the amended documents.

20.5 The annual accounts shall be adopted by the general meeting.

20.6 The annual accounts shall not be adopted if the general meeting is unable to take cognizance of the certificate as referred to in paragraph 3 of this article, unless, together with the other information as referred to in section 2:392 Dutch Civil Code, a legitimate ground is given why the certificate is lacking.

After the proposal to adopt the annual accounts has been dealt with, the proposal will be made to the general meeting to discharge the members of the Management Board in respect of their conduct

of management and the members of the Supervisory Board for their supervision thereon during the relevant financial year insofar this appears from the annual accounts or has otherwise been made known to the general meeting.

- 20.7** The Company shall be obliged to make its annual accounts publicly available at the Trade Register. The provisions of section 2:394 paragraph 8 apply to the Company.

ALLOCATIONS OF PROFIT

Article 21

- 21.1** The Company may make distribution to the shareholders and other persons entitled to the distributable profits only to the extent that the Company's shareholders' equity exceeds the sum of the paid-in capital and the reserves which it is required to maintain by law.
- 21.2** The profits as appearing from the Company's adopted annual accounts shall be at the disposal of the general meeting.
- 21.3** After the approval of the Supervisory Board, the Management Board may make interim distributions to shareholders, provided that an interim statement of assets and liabilities drawn up in accordance with the statutory requirements shows that the requirement of paragraph 1 above are satisfied as apparent from an (interim) financial statement drawn up in accordance with the law, and with due observance of paragraph 2 and 3 of this article.
- 21.4** The general meeting may decide that a distribution on shares is not made entirely or partly in cash, but rather in shares in the Company.
- 21.5** The general meeting may decide to make payments to shareholders from the distributable part of the shareholders' equity.
- 21.6** Any claim a shareholder may have to a distribution shall lapse after five years, to be computed from the date on which such a distribution becomes payable.
- 21.7** The date on which dividends and other distributions shall be made payable shall be announced in accordance with article 22 of these articles of association.
Unless the Company body authorised to make distributions determines another date of payment, distributions on shares shall be made payable immediately after they have been declared.
- 21.8** The parties entitled to a dividend or other distribution shall be the shareholders, usufructuaries and pledgees, as the case may be, as at a date to be determined by the Management Board for that purpose. This date shall not be earlier than the date on which the dividend or other distribution was announced.

GENERAL MEETINGS OF SHAREHOLDERS

Article 22

- 22.1** The annual general meeting shall be held every year within six months of the end of the financial year, in which shall be considered:
- a.** the consideration of the management report;
 - b.** the adoption of the annual accounts;
 - c.** any other matters put forward by the Supervisory Board, Management Board or a shareholder representing more than fifty percent (50%) of the issued and outstanding share capital and announced pursuant to this article.
- 22.2** General meetings of shareholders will be held in the municipality, in which the Company has its seat, or in Rotterdam, Utrecht of Haarlemmermeer (Schiphol).

- 22.3** Persons with meeting rights can be sent notice of a general meeting at the addresses listed in the shareholders' register.
- 22.4** Without prejudice to paragraph 3 and without prejudice to the regulations of Euronext Amsterdam N.V., persons with meeting rights can be notified by an advertisement by a public announcement made through an electronic channel which is directly and permanently accessible until the general meeting.
If a person with meeting rights consents thereto, he/she may also be notified by a legible message sent electronically to the address that he/she has given to the Company for this purpose.
- 22.5** General meetings of shareholders shall be convened by the Supervisory Board, the Management Board or by a shareholder representing more than fifty percent (50%) of the issued and outstanding share capital.
The convocation shall be effected no later than on the forty-second day before the day of the meeting.
- 22.6** Extraordinary general meetings of shareholders shall be held as often as the Management Board, the Supervisory Board or a shareholder representing more than fifty percent (50%) of the issued and outstanding share capital deems this necessary of upon the written request of one or more shareholder(s), representing at least one-tenth of the issued capital, to the Management Board and/or the Supervisory Board, setting out the matters to be considered in detail.
- 22.7** An item proposed by one or more shareholders having the right thereto according to the next sentence, will be included in the convocation or announced in the same manner, provided the Company receives such request or a proposal for a resolution in writing no later than the sixtieth day before the day of the meeting.
Consideration may be requested by one or more shareholders or other persons with meeting rights representing jointly or separately at least three percent (3%) of the issued capital.

Article 23

- 23.1** The general meetings of shareholders will be chaired by the chairman of the Supervisory Board, or, in his absence by the deputy chairman of the Supervisory Board; if both are absent, the general meeting shall appoint the chairman.
- 23.2** Minutes shall be kept of the items dealt with at the general meeting of shareholders.
The minutes shall be adopted by the chairman and the secretary appointed thereto by the chairman, and shall be signed by them in witness thereof.
- 23.3** The chairman of the meeting as well as any member of the Management Board may at all times commission the drawing up of a notarial record of the meeting at the Company's expense.
- 23.4** The chairman shall decide on all disputes with regard to voting, admitting people and, in general the procedure at the meeting, insofar as this is not provided for by law or the articles of association.

Article 24

- 24.1** Each shareholder as well as each other person with meeting rights, is entitled, in person or through an attorney authorised in writing for the specific meeting, to attend the general meeting, to address the meeting and, in case he is entitled to the voting rights, to exercise the voting rights.
- 24.2** For the application of the provision in paragraph 1, persons with voting rights and/or meeting rights are considered to be those persons who (i) on the record date are persons with voting rights and/or

meeting rights with respect to a share, and (ii) are registered as such in (a) register(s) determined by the Management Board, irrespective of who at the time of the general meeting is a person with voting rights and/or meeting rights.

In addition, as a prerequisite for being admitted to a general meeting, each person with voting rights and/or meeting rights who is entitled to attend and, if relevant, vote at a general meeting pursuant to the previous sentence, must give notice to the Company of its intention to attend such general meeting at least seven days prior to the general meeting, specifying such person's name and the number of shares for which such person may exercise the voting rights and/or meeting rights at such meeting.

With respect to shares included in a so-called collection deposit or giro deposit, the notice referred to in the previous sentence may be sent by the intermediary concerned at the request of the person with voting rights and/or meeting rights.

The record date and the deadline for submitting a notice as referred to in the second sentence shall be mentioned in the notice of the meeting.

- 24.3** Without prejudice to the relevant statutory requirements and the other provisions under these articles of association, the notice convening the general meeting shall at least state the agenda for the meeting, the place, time, date and record date of the meeting, and the way in which the persons with meeting rights can register and exercise their rights at the meeting.
- 24.4** If the Management Board so decides, each person with meeting rights may participate, speak and insofar as he/she has voting rights, vote in person or through a proxy via an electronic channel of communication at the general meeting.
- 24.5** For the effectuation of the provisions of paragraph 4 the person with meeting rights must be identifiable via the electronic communication channel, must be able to take direct cognizance of the business of the meeting, and must be able to exercise voting rights insofar as he/she is entitled thereto. The Management Board may moreover decide that a person with meeting rights must be able to participate in the discussions via the electronic communication channel.
- 24.6** Before pronouncing the provisions of paragraph 4 effective the Management Board shall draw up regulations setting out, amongst others, the conditions for the application of the provisions in paragraph 4, the identification and other matters referred to in paragraph 5, and the use of electronic communication media.
- 24.7** The conditions which are incorporated in the regulations and pronounced effective shall be announced in the notice convening the general meeting. The regulations shall contain provisions for the consequences of failures of the electronic communication channels in relation to, amongst others, the quorum requirements for passing resolutions at the meeting.
- 24.8** Each person with voting rights and/or meeting rights or his representative wishing to attend the general meeting may be asked to sign the attendance list prior to the meeting.
- 24.9** The members of the Supervisory Board, and the members of the Management Board shall have the right to attend the general meeting. In these meetings they shall have an advisory vote.

Article 25

- 25.1** Each share shall confer the right to cast one vote.
- 25.2** Insofar as the law or these articles of association do not prescribe a larger majority, resolutions shall

be passed by an absolute majority of votes cast.

25.3 All voting shall be orally.

Unless the chairman of the general meeting determines otherwise, the oral voting takes place by acclamation.

The chairman of the general meeting may, however, determine that voting shall be in writing.

In the event of the election of persons, anyone entitled the vote may demand that voting shall take place by written ballot.

Voting by written ballot shall take place by means of sealed, unsigned ballot papers.

25.4 In the event the votes tie, the issue shall be decided by drawing lots, if it involves a proposal pertaining to individuals.

If it concerns matters, the proposal shall be rejected in the event the votes tie.

25.5 Blank votes and invalid votes and abstentions shall be considered as not having been cast, but shall be counted towards a quorum.

25.6 If the Management Board so decides and makes its decision known in the notice convening the meeting, votes which are cast prior to the general meeting via electronic channels or via letter shall be equivalent to votes cast during the meeting, provided that these votes are not cast before the record date and provided further that the votes so cast have been exercised by the person who was entitled to vote at the record date, irrespective of who holds the rights to the shares during the general meeting.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION, LEGAL MERGER, DEMERGER, DISSOLUTION AND LIQUIDATION

Article 26

26.1 The general meeting may resolve to amend the Company's articles, to conclude a legal merger (*juridische fusie*) or a demerger (*splitsing*), or to dissolve the Company.

The resolution to amend the articles may stipulate that the amendment shall only enter into force if and when a copy thereof has been deposited at the Trade Register. The Management Board is authorized to determine if such a deposit is to be made and to execute such deposit.

26.2 The full proposal shall be available at the offices of the Company from the day of the convocation to the general meeting until the close of same for inspection by persons with meeting rights; the copies of this proposal shall be made available free of charge to persons with meeting rights.

26.3 Upon dissolution, the liquidation of the Company shall be effected by the Management Board, unless the general meeting has designated other liquidators.

26.4 The remainder of the Company's assets after payment of all debts and the costs of the liquidation be paid to the shareholders, in proportion to the nominal amount of each shareholder's shareholding.

26.5 During the liquidation, the provisions of the articles of association shall remain in force as much as possible.

14.2 Post-Delisting

NOTE: THIS IS A TRANSLATION INTO ENGLISH OF THE OFFICIAL DUTCH VERSION OF THE ARTICLES OF ASSOCIATION (*STATUTEN*) OF A PRIVATE COMPANY WITH LIMITED LIABILITY

(BESLOTEN VENNOOTSCHAP MET BEPERKTE AANSPRAKELIJKHEID) UNDER DUTCH LAW. DEFINITIONS INCLUDED IN ARTICLE 1 BELOW APPEAR IN THE ENGLISH ALPHABETICAL ORDER, BUT WILL APPEAR IN THE DUTCH ALPHABETICAL ORDER IN THE OFFICIAL DUTCH VERSION. IN THE EVENT OF A CONFLICT BETWEEN THE ENGLISH AND DUTCH TEXTS, THE DUTCH TEXT SHALL PREVAIL.

ARTICLES OF ASSOCIATION

DEFINITIONS AND INTERPRETATION

Article 1

1.1 In these articles of association the following definitions shall apply:

Article	an article of these articles of association.
Company	the legal entity to which these articles of association relate.
DCC	the Dutch Civil Code (<i>Burgerlijk Wetboek</i>).
General Meeting	the body formed by Persons with Meeting Rights, or a meeting of Persons with Meeting Rights.
Group Company	a legal entity or partnership with which the Company forms an economic and organisational unit.
Management Board	the management board of the Company.
Meeting Rights	the right to attend and address a General Meeting, whether in person or represented by the holder of a written proxy.
Person with Meeting Rights	a Shareholder, a usufructuary (<i>vruchtgebruiker</i>) with voting rights and/or Meeting Rights, or a pledgee with voting rights and/or Meeting Rights.
Shareholder	a holder of shares in the capital of the Company.
Simple Majority	more than fifty percent (50%) of the votes cast.
Subsidiary	a legal entity in whose general meeting the Company or one or more of its subsidiaries can, whether by virtue of an agreement with other persons with voting rights or otherwise and whether acting alone or together, exercise more than fifty percent (50%) of the voting rights, and any other legal entities and partnerships that are designated as such by the DCC.
Supervisory Board	the supervisory board of the Company.

1.2 References to statutory provisions are to those provisions as they are in force from time to time.

1.3 Terms that are defined in the singular shall have the corresponding meaning in the plural and vice versa.

1.4 The term "written" or "in writing" shall also include the use of electronic means of communication.

NAME AND SEAT

Article 2

2.1 The name of the Company is **[STARSHIP] B.V.**

2.2 It has its corporate seat at Amsterdam.

OBJECTS

Article 3

The objects of the Company are:

- a. to develop and subsequently market or license new pharmaceutical products with a primary, but not sole, focus on oncology;
- b. to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises and provide advice and other services;
- c. to acquire, use and/or assign industrial and intellectual property rights and real property;
- d. to invest funds;
- e. to provide security for the obligations of the Company, group companies or third parties;
- f. to undertake all that which is connected to the foregoing or in furtherance thereof;

all in the widest sense of the words.

SHARES - CAPITAL

Article 4

- 4.1 The nominal value of each share shall be ten eurocents (EUR 0.10).
- 4.2 The shares shall be registered shares and shall be numbered consecutively, starting from 1.
- 4.3 At least one share must be held by a party other than, and not on behalf of, the Company or any of its Subsidiaries.

SHARES - REGISTER

Article 5

- 5.1 The Management Board shall keep a register setting out the names and addresses of all Shareholders, usufructuaries and pledgees. If shares have been transferred to an intermediary or to a central institute within the meaning of the Dutch Giro Securities Act, the name and address of the intermediary or central institute, respectively, may be included in the register. The register shall also set out any other particulars that must be included in the register pursuant to applicable law.
- 5.2 Shareholders and others whose particulars must be set out in the register shall provide the Management Board with the necessary particulars in a timely manner. Any consequences of a failure to notify such particulars or to notify the correct particulars in a timely manner shall be borne by the relevant person.
- 5.3 All notifications and notices convening meetings shall be sent to Persons with Meeting Rights at the addresses set out in the register.
- 5.4 Section 2:194 DCC shall be applicable in respect of the register.

SHARES - ISSUE

Article 6

- 6.1 Shares may only be issued by the Company pursuant to a resolution of the Management Board.
- 6.2 Article 6.1 shall apply *mutatis mutandis* where rights to subscribe for shares are granted, but shall not apply where shares are issued to a person exercising an existing right to subscribe for shares.
- 6.3 The Company may not subscribe for shares in its own capital.

SHARES - PRE-EMPTION RIGHTS

Article 7

- 7.1 In the event of an issue of shares, each Shareholder shall have a pre-emption right in proportion to

the aggregate nominal value of its shares. Shareholders shall not have pre-emption rights in respect of shares issued to employees of the Company or of a Group Company.

- 7.2 Pre-emption rights may, in relation to any particular issue, be limited or excluded by a resolution passed by the body entitled to decide on the issue.
- 7.3 The Company shall announce an issue with pre-emption rights and the period in which such rights can be exercised by sending a written notice to all Shareholders at the addresses given by them.
- 7.4 The pre-emption rights may be exercised for a period of not less than four weeks after the date on which the notice was sent.
- 7.5 The preceding provisions of Article 7 shall apply *mutatis mutandis* where rights to subscribe for shares are granted, but shall not apply where shares are issued to a person exercising an existing right to subscribe for shares.

SHARES - PAYMENT

Article 8

- 8.1 The full nominal value of each share shall be paid up upon subscription for that share. It may be stipulated that all or part of the nominal value need not be paid up until after a certain period of time or until the Company has called for payment.
- 8.2 Shares shall be paid up in cash, except to the extent that payment by means of a contribution in another form has been agreed.
- 8.3 Payment in a currency other than that in which the nominal value of the shares is denominated is only permitted with the Company's consent. Where such a payment is made, the payment obligation in respect of the relevant shares is discharged to the extent of the sum, in the currency in which the nominal value of the shares is denominated, into which the payment can be freely converted, applying the exchange rate in effect on the date of the payment.
- 8.4 The Management Board may perform juristic acts (*rechtshandelingen*) in respect of non-cash contributions for shares without the prior approval of the General Meeting.

SHARES - OWN SHARES

Article 9

- 9.1 The acquisition by the Company of shares in its own capital shall be decided on by the Management Board. The acquisition by the Company of shares in its own capital which have not been fully paid up shall be null and void.
- 9.2 Except where it acquires such shares for no consideration, the Company may not acquire fully paid-up shares in its own capital if the shareholders' equity less the acquisition price is less than the reserves which must be maintained by law, or if the Management Board knows or should reasonably foresee that, following the acquisition, the Company will be unable to continue paying its due and payable debts.
- 9.3 The preceding provisions of Article 9 shall not be applicable to shares acquired by the Company by universal succession (*onder algemene titel*).
- 9.4 The term shares in the preceding provisions of Article 9 shall include depositary receipts issued therefor.
- 9.5 Article 12 below shall be applicable to the disposal by the Company of shares that it holds in its own capital.

SHARES - REDUCTION OF ISSUED CAPITAL

Article 10

- 10.1** A reduction of the Company's issued capital by cancelling shares or by reducing the nominal value of the shares through an amendment to the articles of association shall require a resolution to that effect passed by the General Meeting. The resolution must specify the shares to which the resolution relates and provide for the implementation of the resolution.
- 10.2** A resolution to cancel shares may only relate to shares held by the Company itself or in respect of which the Company holds the depositary receipts. In all other cases, such a resolution shall require the consent of the relevant Shareholders.
- 10.3** A reduction of the nominal value of shares without repayment and without a release from the obligation to pay up the shares must be effected in respect of all shares on a proportional basis. The requirement of proportionality may be waived with the consent of all the relevant Shareholders.
- 10.4** A repayment or a release from the obligation to pay up shares as referred to in Article 10 is only permitted to the extent that the shareholders' equity exceeds the reserves which must be maintained by law.
- 10.5** Where a resolution to reduce the Company's issued capital entails a repayment, such a resolution shall not take effect as long as the Management Board has not given its approval. The Management Board may only withhold such approval if it knows or should reasonably foresee that, following the repayment, the Company will be unable to continue paying its due and payable debts.
- 10.6** The notice convening a meeting at which a resolution as referred to in Article 10 is to be passed shall state the purpose of the reduction of the Company's capital and the manner of implementation.

SHARES - TRANSFER

Article 11

- 11.1** The issue or transfer of a share or the creation of a limited right (*beperkt recht*) in respect of a share shall require a deed to that effect executed before a civil law notary practising in the Netherlands and to which the persons involved are parties.
- 11.2** The transfer of a share or the creation of a limited right in respect thereof in accordance with Article 11.1 shall also, by operation of law, have effect vis-à-vis the Company. Unless the Company itself is a party to the transaction, the rights attached to the relevant share may not be exercised until the Company has acknowledged the transaction or been served with the deed.

SHARES - TRANSFER RESTRICTIONS

Article 12

The transferability of shares shall not be subject to any restrictions.

SHARES - USUFRUCT AND PLEDGE

Article 13

- 13.1** The voting rights attached to shares which are subject to a usufruct or pledge shall be vested in the relevant Shareholder.
- 13.2** Notwithstanding Article 13.1 and subject to what is provided in, respectively, Section 2:197 DCC and Section 2:198 DCC, a usufructuary or pledgee shall have voting rights if this has been stipulated when the relevant limited right was created or if this has been agreed at a subsequent time.
- 13.3** Usufructuaries and pledgees without voting rights shall not have Meeting Rights, unless the contrary

is stipulated upon the creation or transfer of the relevant usufruct or, respectively, the creation or transmission (*overgang*) of the relevant pledge and this is approved by the Management Board.

MANAGEMENT BOARD - APPOINTMENT, SUSPENSION AND REMOVAL

Article 14

- 14.1** The Company shall have a Management Board consisting of one or more managing directors. Both natural persons and legal entities may be managing directors.
- 14.2** The General Meeting shall determine the number of managing directors.
- 14.3** The General Meeting shall appoint the managing directors and may at any time suspend or remove any managing director.
- 14.4** The Management Board may appoint a chairperson from among the managing directors.
- 14.5** The General Meeting shall determine the remuneration and other terms of employment of each managing director.
- 14.6** Where one or more managing directors are no longer in office or are unable to act, the remaining managing director(s) shall be provisionally charged with the entire management of the Company. Where all managing directors or the only managing director are/is no longer in office or are/is unable to act, the management shall be provisionally conducted by the person designated for that purpose by the Supervisory Board.

MANAGEMENT BOARD - DUTIES, ORGANISATION AND DECISION MAKING

Article 15

- 15.1** The Management Board is charged with the management of the Company, subject to the restrictions contained in these articles of association. In performing their duties, managing directors shall be guided by the interests of the Company and of the enterprise connected with it.
- 15.2** Each managing director may cast one vote at a meeting of the Management Board.
- 15.3** Only a managing director can represent another managing director for the purpose of decision making by the Management Board.
- 15.4** Where the Management Board consists of more than one managing director, resolutions shall be passed – irrespective of whether this occurs at a meeting or otherwise – by a Simple Majority. Invalid votes and blank votes shall not be counted as votes cast.
- 15.5** In the event of a tie at a meeting of the Management Board, the Supervisory Board shall decide.
- 15.6** A managing director may not participate in the deliberations and decision making of the Management Board on a matter in relation to which the managing director has a direct or indirect personal interest which conflicts with the interests of the Company and of the enterprise connected with it. Where all managing directors or the only managing director have/has such a conflict of interest, the decision shall be taken by the Supervisory Board.
- 15.7** Meetings of the Management Board can be held through audio or audiovisual communication facilities, unless a managing director objects thereto.
- 15.8** Resolutions of the Management Board may, instead of at a meeting, be passed in writing, provided that all managing directors are familiar with the resolution to be passed and none of them objects to this decision-making process.
- 15.9** The Management Board may draw up rules concerning its internal matters. The managing directors may also allocate their duties among themselves, whether by drawing up rules or otherwise. The

resolution of the Management Board to establish such rules is subject to the approval of the General Meeting.

MANAGEMENT BOARD - RESTRICTIONS

Article 16

- 16.1** The Management Board shall require the approval of the General Meeting for such resolutions of the Management Board as the General Meeting shall have specified in a resolution to that effect and notified to the Management Board.
- 16.2** Failure to obtain the approval required under Article 16.1 shall not affect the powers of representation of the Management Board or managing directors.
- 16.3** The Management Board must follow the instructions of the General Meeting, unless these instructions are contrary to the interests of the Company and the enterprise connected with it.

MANAGEMENT BOARD - REPRESENTATION

Article 17

- 17.1** The Management Board is entitled to represent the Company, as is each managing director individually.
- 17.2** The Management Board may grant one or more persons a power of attorney to represent the Company and determine the scope of authority of such persons in this regard. The Management Board may give a person holding a power of attorney such title as it deems appropriate.

SUPERVISORY BOARD - APPOINTMENT, SUSPENSION AND REMOVAL

Article 18

- 18.1** The Company shall have a Supervisory Board consisting of one or more supervisory directors. Supervisory directors must be natural persons.
- 18.2** The General Meeting shall determine the number of supervisory directors.
- 18.3** The General Meeting shall appoint the supervisory directors and may at any time suspend or remove any supervisory director.
- 18.4** The Supervisory Board may draw up a roster in accordance with which supervisory directors shall resign.
- 18.5** The Supervisory Board may appoint a chairperson from among the supervisory directors.
- 18.6** The General Meeting may grant a remuneration to supervisory directors. The expenses incurred by supervisory directors in their capacity as such shall be reimbursed.
- 18.7** Where one or more supervisory directors are no longer in office or are unable to act, the remaining supervisory director(s) shall be provisionally charged with the duties of the Supervisory Board. Where all supervisory directors or the only supervisory director are/is no longer in office or are/is unable to act, the duties of the Supervisory Board shall be provisionally conducted by the person designated for that purpose by the General Meeting.

SUPERVISORY BOARD - DUTIES, ORGANISATION AND DECISION MAKING

Article 19

- 19.1** It shall be the duty of the Supervisory Board to supervise the policies pursued by the Management Board and the general course of affairs in the Company and the business enterprise connected with it. The Supervisory Board shall also assist the Management Board by providing advice. In carrying out their duties, supervisory directors shall be guided by the interests of the Company and the

business enterprise connected with it.

- 19.2** Each supervisory director may cast one vote at a meeting of the Supervisory Board.
- 19.3** Only a supervisory director can represent another supervisory director for the purpose of decision making by the Supervisory Board.
- 19.4** Supervisory Board resolutions shall be passed – irrespective of whether this occurs at a meeting or otherwise – by a Simple Majority. Invalid votes and blank votes shall not be counted as votes cast.
- 19.5** In the event of a tie at a meeting of the Supervisory Board, the chairperson of that board shall decide. If the Supervisory Board has not appointed a chairperson or if the chairperson does not participate in the decision making, the General Meeting shall decide.
- 19.6** All resolutions of the Supervisory Board, including those adopted without holding a meeting, shall be entered in a minute book.
- 19.7** A supervisory director may not participate in the deliberations and decision making of the Supervisory Board on a matter in relation to which the supervisory director has a direct or indirect personal interest which conflicts with the interests of the Company and of the enterprise connected with it. Where all supervisory directors or the only supervisory director have/has such a conflict of interest, the relevant decision shall be taken by the General Meeting.
- 19.8** Meetings of the Supervisory Board can be held through audio or audiovisual communication facilities, unless a Supervisory Director objects thereto.
- 19.9** Resolutions of the Supervisory Board may, instead of at a meeting, be passed in writing, provided that all supervisory directors are familiar with the resolution to be passed and none of them objects to this decision-making process.
- 19.10** The Supervisory Board may draw up rules concerning its internal matters. Such rules may not be in conflict with the provisions of these articles of association. The supervisory directors may also allocate their duties among themselves, whether by drawing up rules or otherwise. The resolution of the Supervisory Board to establish such rules is subject to the approval of the General Meeting.

GENERAL MEETINGS – CONVOCATION AND AGENDA

Article 20

- 20.1** During each financial year at least one General Meeting must be held or at least one resolution passed in accordance with Article 24.1.
- 20.2** General Meetings shall also be held whenever such a meeting is convened by the Management Board, Supervisory Board, one or more managing directors or supervisory directors, or a shareholder representing more than fifty percent (50%) of the issued and outstanding share capital.
- 20.3** One or more Shareholders who individually or collectively represent at least one percent (1%) of the issued capital may request the Management Board in writing to convene a General Meeting, setting out in detail the matters to be discussed. The Management Board must take the steps necessary to ensure that the General Meeting can be held within four weeks after the request, unless this would conflict with a substantial interest of the Company. In the event that the Management Board fails to convene the meeting in such a manner that it is held within four weeks of receipt of the request, each of the persons who made the request shall have the right to convene the meeting himself in accordance with the relevant provisions of these articles of association. For the purposes of applying Article 20.3, other Persons with Meeting Rights shall be equated with Shareholders.

- 20.4** General Meetings must be held in the place where the Company has its corporate seat as set out in these articles of association. In the event that the General Meeting is held elsewhere, legally valid resolutions may only be passed if all Persons with Meeting Rights have consented to the place of the meeting and the managing directors and supervisory directors have been afforded the opportunity to give their advice prior to the decision-making.
- 20.5** A General Meeting must be convened by letters sent to Persons with Meeting Rights no later than on the eighth day prior to the day of the meeting.
- 20.6** A convening notice may, if the Person with Meeting Rights consents thereto, take the form of a legible and reproducible communication sent by electronic means to the address notified by him to the Company for this purpose.
- 20.7** Any matter whose consideration has been requested in writing by one or more Shareholders who individually or collectively represent at least one percent (1%) of the issued capital shall be included in the convening notice or made known in the same manner, provided that the Company has received the request no later than on the thirtieth day prior to the day of the meeting and that doing so would not conflict with a substantial interest of the Company. For the purposes of applying Article 20.7, other Persons with Meeting Rights shall be equated with Shareholders.
- 20.8** Where the rules laid down by law or by these articles of association in relation to the place where meetings should be held, the convening of meetings or the drawing up of agendas and the availability for inspection of the list of matters to be discussed, have not been complied with, legally valid resolutions may still be passed provided that all Persons with Meeting Rights have consented to the place of the meeting or to a decision being made on the relevant matters, respectively, and provided that the managing directors and supervisory directors have been afforded the opportunity to give their advice prior to the decision-making.

GENERAL MEETING - PROCEDURAL RULES

Article 21

- 21.1** The General Meeting shall be chaired by the chairperson of the Supervisory Board or, where the Supervisory Board has not appointed a chairperson or where the chairperson is not present, by the supervisory director present at the meeting who is the oldest in age. Where no supervisory director is present at the meeting, the meeting shall be chaired by the chairperson of the Management Board or, where the Management Board has not appointed a chairperson or where the chairperson is not present, by the managing director present at the meeting who is the oldest in age. Where no managing director is present at the meeting, the General Meeting shall appoint its own chairperson.
- 21.2** The chairperson shall appoint one of the persons present as secretary to minute the meeting. The chairperson and the secretary shall adopt the minutes and, in evidence thereof, sign them. The minutes shall be entered into a minute book. Where an official report of the meeting is drawn up by a civil law notary, no minutes need be taken and signing of the report by that notary shall suffice.
- 21.3** Every managing director and the chairperson of the meeting may instruct a civil law notary to draw up a notarial report of the matters dealt with at the meeting at the Company's expense.
- 21.4** Every Person with Meeting Rights may be represented at the General Meeting by a person holding a written proxy which is determined to be acceptable by the chairperson of the meeting, at the latter's sole discretion.

- 21.5** Managing directors and supervisory directors shall, in that capacity, have an advisory vote at General Meetings.
- 21.6** The Management Board may decide that each Person with Meeting Rights is entitled, whether in person or represented by a person holding a written proxy, to participate in, address and (where applicable) exercise its voting rights at the General Meeting by electronic means of communication. For the purposes of applying the preceding sentence it must be possible, by electronic means of communication, for the Person with Meeting Rights to be identified, observe in real time the proceedings at the meeting and (where applicable) exercise its voting rights.
- 21.7** The Management Board may impose conditions on the use of electronic means of communication. Such conditions must be announced in the convening notice.
- 21.8** The chairperson of the meeting shall decide whether persons other than Persons with Meeting Rights may be admitted to the General Meeting.

GENERAL MEETING - DECISION-MAKING

Article 22

- 22.1** Each share shall give the right to cast one vote at General Meetings.
- 22.2** The Management Board may decide that votes cast before the General Meeting, but not earlier than on the thirtieth day before that of the meeting, by electronic means of communication shall be equated with those cast at the time of the meeting.
- 22.3** No vote may be cast at a General Meeting in respect of a share belonging to the Company or a Subsidiary thereof or in respect of a share for which either of them holds depositary receipts. Holders of a usufruct or pledge in respect of shares belonging to the Company or a Subsidiary thereof are not, however, precluded from exercising their right to vote if the usufruct or pledge was created before the relevant share belonged to the Company or Subsidiary. Neither the Company nor a Subsidiary thereof may cast a vote on shares in respect of which it holds a usufruct or a pledge.
- 22.4** Unless a greater majority is required by law or under these articles of association, all resolutions shall be passed by a Simple Majority. Invalid and blank votes shall not be counted as votes cast.
- 22.5** The determination made by the chairperson at the General Meeting with regard to the results of a vote shall be decisive. The same shall apply to the contents of a resolution passed, where there has been a vote about a proposal which has not been put in writing. However, where the accuracy of the chairperson's determination is contested immediately after it has been made, a new vote shall take place if the majority of the General Meeting so requires or, where the original vote did not take place by response to a roll call or in writing, if one person with the right to vote so requires. The legal consequences of the original vote shall become void as a result of the new vote.
- 22.6** The Management Board shall keep a record of the resolutions passed. The record shall be available at the Company's offices for inspection by Persons with Meeting Rights. Each of them shall, upon request, be provided with a copy of or extract from the record, at no more than the cost price.

GENERAL MEETING - SPECIAL RESOLUTIONS

Article 23

- 23.1** Without prejudice to the subsequent provisions of Article 23, resolutions to:
- a.** amend the articles of association;
 - b.** enter into a merger or demerger as referred to in Title 7 of Book 2 DCC; and

c. dissolve the Company;

may only be passed pursuant to a proposal thereto by the Management Board and by a majority of not less than two-thirds of the votes cast.

23.2 A resolution to amend the articles of association in order to designate a place outside the Netherlands as a place where General Meetings can be held may only be passed by a unanimous vote at a meeting at which the entire issued capital is represented and if all Persons with Meeting Rights consent to the amendment.

23.3 A resolution to amend the articles of association in order to change the voting rights may only be passed by a unanimous vote at a meeting at which the entire issued capital is represented.

23.4 The provision in these articles of association in which Meeting Rights are granted to pledgees and usufructuaries may only be amended with the consent of the relevant pledgees and usufructuaries.

23.5 A resolution to amend the articles of association with regard to the calculation of the amount to be distributed on each share within the meaning of Section 2:216 (6) DCC or with regard to the right to participate in the Company's profits or reserves within the meaning of Section 2:216 (7) DCC may only be passed with the consent of all Shareholders whose rights will be prejudiced by the amendment.

23.6 A resolution to reduce the nominal value of shares shall require a majority of at least two-thirds of the votes cast if less than fifty percent (50%) of the issued capital is represented at the meeting.

GENERAL MEETING - RESOLUTIONS WITHOUT HOLDING A MEETING

Article 24

24.1 Shareholders may pass resolutions without holding a meeting provided that all Persons with Meeting Rights have consented to this manner of decision-making, which consent may be given electronically. The votes on such a resolution must be cast in writing.

24.2 The managing directors and supervisory directors must have been afforded the opportunity to give their advice prior to the decision-making referred to in Article 24.1.

AUDIT

Article 25

25.1 The General Meeting shall have the right – and, if required by law, be under an obligation – to instruct an auditor as referred to in Section 2:393 DCC to audit the annual accounts drawn up by the Management Board, to report to the Management Board and to issue an auditor's opinion on the truth and fairness of the annual accounts.

25.2 Where the General Meeting fails to instruct an auditor the Management Board shall do so.

25.3 The instruction may be revoked at any time by the General Meeting and the Management Board if the Management Board granted the instruction. The instruction may only be revoked for well-founded reasons; a difference of opinion regarding the reporting or auditing methods shall not constitute such a reason.

FINANCIAL YEAR, ANNUAL ACCOUNTS

Article 26

26.1 The financial year of the Company coincides with the calendar year.

26.2 Each year, within five months after the end of the Company's financial year, unless this period is extended by a maximum of five months by the General Meeting on account of special circumstances,

the Management Board shall prepare annual accounts and deposit them at the Company's office for inspection by the Shareholders. If the Company is required by law to prepare a management report, the Management Board shall, within the same period, also deposit the management report for inspection by the Shareholders. The annual accounts shall be signed by all managing directors and supervisory directors. If one or more of their signatures is missing, this fact and the reason therefor shall be stated.

- 26.3** The Company shall ensure that the annual accounts, the management report and the information to be added pursuant to Section 2:392(1) DCC are available at its offices from the date of the convening notice for the General Meeting at which they are to be discussed. Persons with Meeting Rights are entitled to inspect such documents at the aforementioned location and obtain a copy at no cost.
- 26.4** The annual accounts shall be adopted by the General Meeting. The signing of the annual accounts as provided for in the first sentence of section 2:210(5) DCC shall not serve as adoption of those accounts.
- 26.5** The Company shall publish the documents and information referred to in Article 26 if and to the extent and in the manner required by Sections 2:394 et seq. DCC.

DISTRIBUTIONS ON SHARES

Article 27

- 27.1** The Management Board may decide to make a distribution, to the extent that the shareholders' equity exceeds the reserves that must be maintained by law and provided that the Management Board must refrain from deciding to make a distribution if it knows or should reasonably foresee that, following the distribution, the Company will be unable to continue paying its due and payable debts.
- 27.2** For the purposes of calculating any distribution, shares held by the Company in its own capital shall not be included.
- 27.3** Unless the Management Board determines otherwise, distributions shall be payable immediately following the resolution of the Management Board to make the relevant distribution.
- 27.4** A Shareholder's claim under Article 27 shall lapse after five years.

DISSOLUTION AND LIQUIDATION

Article 28

- 28.1** In the event of the Company being dissolved, the liquidation shall be effected by the Management Board, under the supervision of the Supervisory Board, unless the General Meeting decides otherwise.
- 28.2** The General Meeting shall determine the remuneration of the liquidators.
- 28.3** To the extent possible, these articles of association shall remain in effect during the liquidation.
- 28.4** Any assets remaining after payment of all of the Company's debts shall first be applied to pay back the part of the nominal value that has been paid up on the shares. Any remaining assets shall then be distributed among the Shareholders in proportion to the aggregate nominal value of their shares. No distribution may be made to the Company in respect of shares held by it.
- 28.5** After the liquidation has been completed, the books, records and other information carriers of the Company shall be kept for the period prescribed by law by the person designated for that purpose in the resolution of the General Meeting to dissolve the Company. Where the General Meeting has not designated such a person, the liquidators shall do so.

15. ADVISORS

15.1 Advisors to the Offeror

Financial advisor

PJT Partners (UK) Limited

Legal advisor

NautaDutilh N.V.

15.2 Advisors to Kiadis

Financial advisors

Moelis & Company LLC

Legal advisor

Allen & Overy LLP