

Main Characteristics, terms and conditions of the financing through the issuance of convertible bonds

Terms and conditions of the transaction

The agreement between the company and ASO procures financing for the company of up to € 14,200,000 (less an issuance discount of 7%) by way of the issuance to ASO of Convertible Bonds (“CBs”) each with a nominal value of € 1,000. This financing instrument allows the company over the next 24 months to draw down up to 25 tranches, thereof a first tranche in an amount of € 1,300,000 (the “First Tranche”), followed by 20 middle tranches for a total amount of € 9,500,000 (the “Middle Tranches”) and 4 drug manufacturing tranches for a total amount of € 3,400,000 (the “Drug Manufacturing Tranches”) (each such amounts being subject to said discount of 7%), by issuing up to 14,200 CBs, convertible into ordinary shares and/or repaid in cash if the company so chooses.

The tranches can be drawn subject to certain terms and conditions being met, which include the expiration of a cool down period of 30 days for the Middle Tranches and certain milestones being achieved in the brain cancer clinical trial for the Drug Manufacturing Tranches as well as the lapse of 45 days for the tranches 2-4 of the Drug Manufacturing Tranches.

The company is required to pay a transaction fee in an amount of 2% of the cash actually received under each tranche. The company may however elect to pay the transaction fee by way of issuing further convertible bonds.

Upon the request by the holder of the CBs to convert, the company may elect to issue shares, cash or a combination of shares and cash.

The company has the option to redeem the CBs prior to their maturity date at 105% of the nominal value of the outstanding CBs so to be redeemed. If a material change of ownership (being the acquisition of ownership of, or voting control or direction over, more than 50% of the issued and outstanding shares of the company) occurs, or a certain material adverse effect or event of default occurs, ASO has the right to request redemption of all outstanding CBs.

Main characteristics of the bonds

The CBs are unsecured and rank pari passu with all other present or future unsubordinated and unsecured obligations (with the exception of those benefiting from a preference in accordance with the law) of the company. The CBs bear no interest and have a maturity date of 24 months from their issuance. The company may elect to redeem outstanding CBs in cash against payment of a 5% premium in addition to the nominal value of the CBs to be redeemed. Each CB gives its holder a conversion right (“Conversion”) to receive, at the company’s discretion, ordinary shares, cash or a combination of ordinary shares and cash.

If upon Conversion the company chooses to remit in ordinary shares (“Conversion Shares”), the number of these shall be determined by dividing the nominal amount of the CBs so to be converted by the Conversion Price (as defined below).

The conversion price shall be determined by (a) the average of any three daily volume weighted average prices of the company’s share (“VWAPs”) selected from any of the 10 consecutive trading days preceding the receipt of the conversion notice (“Pricing Period”) on which the subscriber has not sold more than 20% of the daily volume in the market or (b) 100% of the VWAP over the Pricing Period, but may not be lower than the par value of the company’s ordinary share (the “Conversion Price”).

On the maturity date, each outstanding CB will be mandatorily converted applying the same calculations as above.

The CBs will be freely transferable and will not be admitted to trading on Euronext Growth Paris and therefore will not be listed.

Impact of the new shares resulting from this transaction

(assuming that Conversion Price will always be equivalent to the April 21, 2020 10-day volume weighted average price € 0.777)

Table: Dilutive Potential of Convertible Bonds

Description	Price per share paid	No. of bonds converted	Shares received	Nominal value converted to shares*	Dilution	Shareholder starting with 1% would then hold**
First Tranche	€ 0.777	1,300	1,673,101	€ 1,299,999	9.09%	0.91%
Each Middle Tranche (not cumulative with First Tranche for this calculation, there are 20 subsequent Middle Tranches)	€ 0.777	475	611,325	€ 475,000	3.53%	0.96%
All Drug Manufacturing Tranches	€ 0.777	3,400	4,375,804	€ 3,400,000	20.73%	0.79%
Full Vehicle	€ 0.777	14,200	18,275,418	€ 14,200,000	52.21%	0.48%

*rounded up for simplicity of presentation for amounts not used due to fractional shares

** the percentages shown each take into consideration only the dilutive effect of the transaction(s) specified in the Description column of the same row; these percentages are not cumulative with above rows.