

NYXOAH SA
Rue Edouard Belin 12
B-1435 Mont-Saint-Guibert
VAT: BE 0817.149.675
Register of legal entities of Walloon Brabant

(hereinafter the “**Company**”)

**SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH
ARTICLE 7:199 OF THE BELGIAN CODE OF COMPANIES AND ASSOCIATIONS**

This special report is drawn up by the board of directors (the “**Board**”) in accordance with Article 7:199 of the Code of Companies and Associations (the “**CCA**”) in respect of the proposal to authorize the Board to increase the capital of the Company in one or several phases with a (cumulated) amount (excluding issuance premium) equal to EUR 3,436,000 (the “**Authorized Capital**”).

1 Legal provision

Article 7:199 CAA provides that a special report needs to be prepared when the shareholders meeting grants the Board the authority to increase the capital. This special report needs to describe the circumstances under which the Company’s management body is authorized to increase the capital and the objectives it can pursue in this regard.

2 Proposed Authorized Capital

As set out in Article 7 of the articles of association of the Company, the extraordinary shareholders’ meeting of 7 September 2020 has authorized the Board to increase the share capital in one or more times for an (aggregate) amount of EUR 3,680,297.39 in the framework of the authorized capital, as published on 28 September 2020 in the Annexes to the Belgian State Gazette, for a period of 5 years. Taking into account the use and conditional use of such authorized capital by the Board prior to the date of this report for (i) some capital increases that effectively have been realized, (ii) some conditional capital increases in relation to the issuance of subscription rights under the Company’s incentive plans, and (iii) the conditional capital increase in relation to the setting up of the Company’s ATM (“at the market”) offering plan, the remaining available authorized capital under the authorization of 7 September 2020 amounts to EUR 1,376,838.38 (excluding issue premium) on the date of this report.

The Board now proposes to the extraordinary shareholders’ meeting to authorize the Board to increase the capital of the Company in one or several phases with an amount of EUR 3,436,000 (excluding issuance premium). If approved, this new authorization would replace the remaining available authorized capital under the authorization of 7 September 2020.

Any capital increase decided upon by the Board in the context of authorized capital may amongst others be achieved by contributions in cash or in kind, or a combination of both, by capitalization of reserves, whether available or unavailable for distribution, and capitalization of issue premiums, with or without the issuance of new shares, with or without voting rights, that will have the rights as will be determined by the Board. The Board is also authorized to use this authorization for the issuance of convertible bonds or warrants, bonds with warrants or other securities.

Under this authorization, the Board is authorized, when exercising its powers within the framework of the Authorized Capital, to restrict or cancel, in the interest of the Company, the preferential subscription rights of each existing shareholder, and - as far as needed and applicable - of each holder of existing subscription rights issued by the Company. This restriction or cancellation of the preferential subscription rights can also be done in favor of members of the personnel of the company or of its subsidiaries, or in favor of one or more persons other than members of the personnel of the Company or of its subsidiaries.

The proposed authorization will be granted for a period of five years as from the publication date of the minutes of the extraordinary shareholders' meeting that approves it in the Annexes to the Belgian State Gazette. During these five years, the Board would have the possibility to increase the capital of the company on one or several occasions, up to the abovementioned maximum amount.

3 Circumstances in which the Authorized Capital can be used and objectives pursued

The technique of the authorized capital offers the Board a degree of flexibility and allows the Company to react quickly which could be necessary to ensure an optimal management of the Company and to be able to take advantage of all opportunities and proposals for contributions in cash or in kind that are in the interest of the Company.

The calling of a shareholders' meeting of a listed company to proceed with a capital increase, and the burdensome procedure this entails, is not always in the Company's interest. This is especially true, for example, when the calling of a shareholders' meeting, due to its timing and the disclosure thereof, risks compromising a proposed transaction or when the costs associated with calling a shareholders' meeting are disproportionate compared to the amount of the proposed capital increase. The Board may thus have recourse to the Authorized Capital in all cases when calling a shareholders' meeting is not advisable.

The Authorized Capital may also be used in cases where it is important to react quickly to make the most of market developments and conditions in order to respond to interest expressed by investors and, in general, to take advantage of all opportunities to strengthen the Company's own funds, make use of business opportunities, adapt the Company's financial structure to business development needs and statutory and regulatory provisions, improve the Company's capacity to act, and promote the development of its activities. For example, such situation could occur in case the Company would wish to entirely or partially finance a transaction or investment by issuing new shares. Convening an extraordinary shareholders' meeting could in such circumstances, for example, lead to a premature announcement of the relevant transaction.

Using the Authorized Capital is also appropriate when there is a need for quick financing or when it is necessary to respond swiftly to a financing opportunity, without the possibility for the Company's shareholders to exercise a pre-emptive right or priority allocation right.

The Authorized Capital may be also used when the Board wishes to proceed with a capital increase in the context of an optional dividend, regardless of whether the dividend is (fully or partially) paid directly in shares or in cash and, thereafter, it is possible to subscribe, in whole or in part, to the new shares, with or without a balancing cash adjustment.

Finally, the Board may also use the Authorized Capital in the context of the remuneration policy, including to grant, for example, shares, or warrants to personnel, directors or consultants of the Company

or any of its subsidiaries, as well as to other persons who in the scope of their professional activity have made themselves useful to the Company or a subsidiary.

Due to its flexibility, the technique of the Authorized Capital facilitates continued pursuit of the growth policy successfully followed by the Board for many years.

The specific circumstances in which the Authorized Capital may be used and the objectives described in this report are not exhaustive and should be interpreted as broadly as possible.

The Board therefore requests that the shareholders' meeting vote in favor of the amendment to the Company's articles of association for the purpose of granting to the Board the Authorized Capital, on the terms and conditions set out in this report.

4 Proposed amendments to the articles of association

In view of the foregoing, the Board proposes to delete the first and second paragraph of Article 7 ("*Authorized capital*") of the articles of association of the Company entirely and to replace such first and second paragraph of Article 7 respectively with the following text (whereby (i) the date referred to between brackets in the second paragraph shall be the date of the shareholders' meeting approving the renewed authorized capital, and (ii) the other provisions of Article 7 remain in place and are re-approved):

- a) text of the first paragraph: "*The board of directors is authorized to increase the capital of the company on one or several occasions in accordance with the Code of Companies and Associations by a maximum aggregate amount of EUR 3,436,000.*"
- b) text of the second paragraph: "*This authorization is valid for a period of five years as from the date of publication in the Annexes to the Belgian State Gazette of an extract of the minutes of the extraordinary shareholders' meeting of the company [date of the shareholders' meeting approving the renewed authorized capital].*"

5 Conclusion

The Board believes that the granting of the Authorized Capital is in the interest of the Company and therefore invites the shareholders' meeting to vote in favor of the granting of the Authorized Capital.

Done on 7 May 2024.

On behalf of the Board

Olivier Taelman
Director and CEO