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

WITH RESPECT TO THE RENEWAL OF THE AUTHORISED CAPITAL

The Board of Directors proposes to the Extraordinary General Meeting of CELYAD, which will be held on 10 March 2020, or at any other date (the "EGM"), to renew the authorizations granted to the Board of Directors to increase the share capital of CELYAD in accordance with Article 7:198 of the Belgian Companies and Associations Code ("BCAC"), as described in Article 7 of the Articles of Association. The Board of Directors has prepared this special report pursuant to Article 7:199 BCAC.

1. DESCRIPTION OF THE CURRENT AUTORISATION TO INCREASE THE CAPITAL BY RESOLUTION OF THE BOARD OF DIRECTORS

The first paragraph of Article 7 of CELYAD's Articles of Association authorizes the Board of Directors to increase the share capital in one or several times, by issuing a number of shares or financial instruments giving right to a number of shares such as, but not limited to, convertible bonds or warrants, up to a maximum amount equal to CELYAD's share capital on 29 June 2017, i.e. EUR 33,117,976.63.

Such capital increase may be effected:

- either by contribution in cash or in kind, including as the case may be an issue premium not available for distribution, the amount of which shall be fixed by the Board of Directors, and by creation of new shares conferring such rights as the Board of Directors shall determine, or
- either by capitalization of reserves, including those not available for distribution, or an issue premium, with or without the creation of new shares.

This authorization was granted by the shareholders on 29 June 2017 for 5 years. The Board of Directors wishes to profit from the meeting of the EGM of 10 March 2020 in order to submit the proposal to renew the authorized capital for a new period of 5 years ending on 10 March 2025.

The third paragraph of Article 7 of CELYAD's Articles of Association empowers the Board to proceed with a capital increase in any and all form, including but not limited to a capital increase accompanied by the restriction or cancellation of the preferential subscription right, even after receipt by the company of a notification by the Financial Services and Markets Authority ("FSMA") of a takeover bid for the Company's shares. This last authorization was granted by the shareholders for three years and will expire, except if it is renewed, on 29 June 2020.

Pursuant to Article 7.1, paragraph 5, of the Articles of Association, in case of a capital increase or issue of convertible bonds or warrants pursuant to the authorized capital, the Board of Directors may likewise, in the

Company's interest and subject to compliance with Articles 7:198 third indent, 7:188, 7:189 and 7:201 BCAC, restrict or cancel the preferential subscription right, including, as the case may be, in favor of one or more specific persons other than employees of the Company or of one of its subsidiaries.

It is to be noted that, as a matter of Belgian company law, the Board of Directors cannot, within the framework of the authorised capital, decide to:

- issue warrants that are mainly reserved for one or more specific persons who are not members of the staff of CELYAD or its subsidiaries;
- issue shares with multiple voting rights or financial instruments giving the right to subscribe to shares with multiple voting rights;
- increase the capital mainly by way of contribution in kind exclusively reserved for a person holding more than 10% of the voting rights of CELYAD ;
- issue shares of a new category.

2. PROPOSAL TO RENEW THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL

The Board of Directors proposes to renew the authorizations granted to the Board of Directors to increase the share capital, on the same terms and conditions as those applying to the current authorizations.

This will require an amendment to:

- Article 7.1, first paragraph, of the Articles of Association so as to authorize the Board of Directors to increase the share capital of CELYAD, in one or several times, by issuing a number of shares or financial instruments giving right to a number of shares such as, but not limited to, convertible bonds or warrants, up to a maximum amount equal to CELYAD's share capital on 10 March 2020, i.e. EUR 48,512,614.57, for a period of 5 years from the date of publication in the Annexes in the Belgian State Gazette of this amendment to the Articles of Association by the EGM;
- Article 7.3 of the Articles of Association so as to empower the Board of Directors to proceed, in accordance with Article 7:202 BCAC, with a capital increase in any and all form, including but not limited to a capital increase accompanied by the restriction or cancellation of the preferential subscription right, even after receipt by the company of a notification by the Financial Services and Markets Authority (FSMA) of a takeover bid for the company's shares, for a period of 3 years from the date of the EGM.

3. CIRCUMSTANCES IN WHICH AND PURPOSES FOR WHICH THE AUTHORISED CAPITAL CAN BE USED

The technique of the authorized capital offers the Board of Directors a degree of flexibility and allows swift execution, which could be necessary to ensure an optimal management of CELYAD in certain circumstances, the relatively complex, expansive and time-consuming procedure of convening an extraordinary shareholders' meeting for a capital increase in a listed company could be irreconcilable with certain

fluctuations on the capital markets or certain opportunities presented to CELYAD. For example, such situation could occur in case CELYAD would wish to entirely or partially finance strategic alliances, takeovers or acquisitions of companies and/or assets by issuing new shares. Convocation of an extraordinary shareholders' meeting could in such circumstances, for example, lead to a delay in the execution of the concerned transaction.

The Board of Directors will also be allowed to use the authorized capital within the framework of the remuneration policy of CELYAD, namely to implement stock option plans, share plans or any other share-based plans by issuing shares and subscription rights relating to CELYAD's shares in favor of all or part of its employees, management and consultants and/or in favor of all or part of the employees, management and consultants of its subsidiaries, and this with a view to incentivizing them.

The Board of Directors will also be allowed to use the authorized capital to issue shares, convertible bonds and warrants (whether or not attached to bonds) in order to be able to respond quickly to certain market opportunities, in particular in order to finance (in whole or in part) strategic alliances, takeovers or acquisitions of companies and/or assets, or to finance its operations.

The Board of Directors may in respect of the above, in the Company's interest and subject to compliance with Articles 7:198 third indent, 7:188, 7:189 and 7:201 BCAC, restrict or cancel the preferential subscription right, including, as the case may be, in favor of one or more specific persons other than members of the staff of the Company or of one of its subsidiaries.

The proposed renewal of the specific authorization expressly empowers the Board of Directors to proceed with a capital increase in any and all form, including but not limited to a capital increase accompanied by the restriction or cancellation of the preferential subscription right, even after receipt by CELYAD of a notification by the FSMA of a takeover bid for CELYAD's shares. Where this is the case, however, the capital increase must comply with the additional terms and conditions laid down in Article 7:202 BCAC.

The Board of Directors trusts that the shareholders have been sufficiently informed herewith and request the EGM to renew the requested authorizations for the Board of Directors to increase the share capital.

Mont-Saint-Guibert,2020

On behalf of the Board of Directors,

Director

Director