



This Securities Note (the "**Securities Note**") has been prepared by Bone Therapeutics SA (the "**Company**" or "**Bone Therapeutics**") in relation to the admission to trading of up to 21,739,130 new shares on Euronext Brussels and Euronext Paris. The new shares may be issued by the Company upon conversion of a maximum of 100 convertible bonds in accordance with the terms and conditions of a subscription agreement dated 30 May 2022 between the Company and Global Tech Opportunities 15. This Securities Note has been approved by the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers*, the "**FSMA**") on 7 June 2022, and subsequently notified to the French Financial Markets Authority (*Autorité des Marchés Financiers*, the "**AMF**"), and should be read in conjunction with the following documents:

- the Company's registration document as approved by the FSMA on 28 September 2021 (the "**Registration Document**"); and
- the Company's summary in relation to the admission to trading of up to 21,739,130 new shares on Euronext Brussels and Euronext Paris, as approved by the FSMA on 7 June 2022 and as subsequently notified to the AMF (the "**Summary**").

The Registration Document and the Summary, together with this Securities Note, constitute a prospectus within the meaning of article 10 of the Prospectus Regulation 2017/1129. This Securities Note contains the minimum disclosure requirements for a share securities note in accordance with Annex 12 of the Prospectus Delegated Regulation 2019/980. This prospectus was therefore drawn up as a simplified prospectus in accordance with article 14 of the Prospectus Regulation 2017/1129.

No public offering of the New Shares has or will be made in Belgium, France or in any other member state of the European Economic Area and no one has taken any action that would, or is intended to, permit a public offering of the new shares in any country or jurisdiction where any such action for such purpose is required.

Investing in the New Shares involves a high degree of risk. An investor is exposed to the risk to lose all or part of his/her investment. Bone Therapeutics is a biotech company which undertakes clinical trials that have not led to the commercialisation of any products yet and which has never been profitable. Previous positive phase II results are no guarantee for success in subsequent studies, for regulatory approval and for market acceptance. Investors are advised to carefully consider the information contained in the whole prospectus and, in particular, the risks described in the Part "Risk factors related to the shares", including the risk that the Company does currently not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus and the Company is dependent on the realisation of various assumptions (including a full subscription of the Convertible Bonds) in order to meet its capital and expenditure needs. As mentioned in the emphasis of matter set out in the statutory auditor's report for the consolidated financial statements for the year ended 31 December 2021, if such assumptions cannot be realised, which is not certain, the Company's ability to continue as a going concern might be threatened, which would have a material adverse impact on the Company and its shareholders leading to the potential total loss of their investment (we refer to Sections 1.1 and 3.2 in this respect). Investors must be able to bear the economic risk of an investment in shares and should be able to sustain a partial or total loss of their investment.

The Board of Directors of Bone Therapeutics assumes responsibility for the content of the Prospectus. The Board of Directors declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its contents.

On behalf of the Board of Directors,

**mC4Tx SRL,**  
represented by Miguel Forte

**Finsys Management SRL,**  
represented by Jean-Luc Vandebroek

# Contents

1	Risk Factors related to the shares .....	4
1.1	The Company does currently not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus and the Company is dependent on the realisation of various assumptions (including a full subscription of the Convertible Bonds) in order to meet its capital and expenditure needs. If such assumptions cannot be realised, which is not certain, its ability to continue as a going concern might be threatened, which would have a material adverse impact on the Company and its shareholders leading to the potential total loss of their investment .....	4
1.2	Various factors including changes in the operating results of the Company and its competitors as well the potential extreme price and volatility of stock markets may significantly affect the market price of the shares .....	5
1.3	Future issuances of shares or subscription rights or the conversion of the Convertible Bonds may significantly dilute the interests of existing shareholders and therefore adversely affect the market price of the shares, the earnings of the shares and the net asset value thereof.....	5
1.4	The Company does not intend to obtain a registration statement in the United States or to fulfill any requirement in other jurisdictions, which may significantly affect the ability of holders of shares outside Belgium and France to exercise pre-emption rights.....	6
1.5	The Company does not intend to pay dividends for the foreseeable future.....	6
1.6	Certain significant shareholders of the Company may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes, which may have a negative impact on the Company's activities and financial condition .....	7
2	General Information.....	8
2.1	Introduction .....	8
2.1.1	The Prospectus .....	8
2.1.2	No offering of the New Shares and the Convertible Bonds.....	9
2.1.3	Language of the Prospectus.....	9
2.1.4	Availability of the Prospectus .....	9
2.2	Persons responsible for the contents of the Prospectus .....	9
2.3	Approval of the Prospectus .....	10
2.4	Available information.....	10
2.5	Notice to investors.....	10
2.5.1	Decision to invest .....	10
2.5.2	Forward looking statements .....	10
2.5.3	Industry data, market share, ranking and other data .....	11
2.5.4	Rounding of financial and statistical information.....	11
3	Essential Information.....	12
3.1	Capitalisation and indebtedness.....	12
3.2	Working capital statement.....	13
3.3	Reason for the capital increase and use of proceeds.....	15
3.4	Outlook.....	15
4	Description of the New Shares to be admitted to trading .....	16
4.1	Authorised capital.....	16
4.2	The issue of the Convertible Bonds.....	17
4.3	Standstill and lock-up.....	17
4.4	Issue price of the New Shares.....	17
4.5	Description of the New Shares .....	18
4.6	Rights attached to the shares of the Company.....	18
4.6.1	Dividend rights.....	18
4.6.2	Voting rights.....	18
4.6.3	Right to participate in shareholders' meeting and voting rights.....	19
4.6.4	Preferential subscription right .....	22
4.6.5	Dissolution and liquidation.....	22
4.6.6	Acquisition of the Company's shares.....	23
4.7	Takeover bids, squeeze-out and sell-out rules.....	23
4.7.1	Takeover bids .....	23
4.7.2	Squeeze-out and sell-out.....	25
4.8	Takeover bids instigated by third parties during the previous financial year and the current financial year.....	25

4.9	Taxation in Belgium.....	25
4.9.1	Dividends .....	26
4.9.2	Capital gains and losses.....	30
4.9.3	Tax on stock exchange transactions .....	32
4.9.4	(New) Tax on Securities Accounts.....	33
4.9.5	Common reporting standard.....	33
4.10	Taxation in France.....	34
4.10.1	Dividends .....	34
4.10.2	Capital gains and losses.....	37
4.10.3	Stamp duties .....	38
4.10.4	Other situations.....	38
5	Admission to trading.....	39
6	Dilution.....	40
6.1	Evolution of the share capital of the Company since the IPO.....	40
6.2	Financial consequences for the existing shareholders .....	44
7	Additional information .....	46
7.1	Statutory auditor .....	46
7.2	Update of the Registration Document and documents incorporated by reference.....	46
7.3	Overview of press releases .....	54
7.3.1	26 October 2021 press release : Bone Therapeutics Provides Third Quarter 2021 Business Update .....	55
7.3.2	Press release of 3 December 2021: Bone Therapeutics Successfully Raises EUR 3.3 Million in Private Placement .....	57
7.3.3	Press release of 8 December 2021: Bone Therapeutics announces closing of private placement .....	57
7.3.4	Press release of 19 January 2022: Bone Therapeutics provides fourth quarter 2021 business update and 2022 outlook .....	58
7.3.5	Press release of 29 March 2022: Bone Therapeutics to strategically focus on lead cell therapy product ALLOB.....	60
7.3.6	Press release of 12 April 2022: Bone Therapeutics Secures EUR 5 Million Financing.....	60
7.3.7	Press release of 29 April 2022: Bone Therapeutics announces 2021 full year results.....	61
7.3.8	Press release of 12 May 2022: Bone Therapeutics enters into exclusive reverse merger discussions with Medsenic.....	63
7.3.9	Press release of 31 May 2022: Bone Therapeutics signs definitive subscription agreement for a maximum of EUR 5M convertible bonds facility with ABO.....	64
7.3.10	Press release of 1 June 2022: Bone Therapeutics Provides First Quarter 2022 Business Update.....	64
7.4	Financial information .....	65
8	Definitions .....	67

# 1 Risk Factors related to the shares

The risks and uncertainties that the Company believes to be material are described below. The occurrence of one or more of these risks may have a material adverse effect on the Company's share price, cash flows, results of operations, financial condition and/or prospects and may even endanger the Company's ability to continue as a going concern. Moreover, the Company's share price could fall significantly if any of these risks were to materialise. However, these risks and uncertainties may not be the only ones faced by the Company. Additional risks, including those currently unknown or deemed immaterial, may also impair the Company's business operations.

The risk factor which in the assessment of the Company is the most material, taking into account the negative impact on the Company and the probability of its occurrence, is mentioned first. The remaining risk factors are not ranked in order to their materiality.

Prospective investors should also carefully read the detailed information set out in this Securities Note and in the Registration Document (including any documents incorporated in it by reference) and reach their own view prior to making any investment decision.

## 1.1 **The Company does currently not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus and the Company is dependent on the realisation of various assumptions (including a full subscription of the Convertible Bonds) in order to meet its capital and expenditure needs. If such assumptions cannot be realised, which is not certain, its ability to continue as a going concern might be threatened, which would have a material adverse impact on the Company and its shareholders leading to the potential total loss of their investment**

The Company does currently not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus.

Based on the 2022 revised projected cash forecast considering an operating cash burn of €8 million to €10 million and a projected financing cash burn of around €1.6 million, the Company anticipates having sufficient cash to carry out its revised strategic focus, namely achieving an efficacy outcome milestone with ALLOB TF2 Phase IIB clinical study by early 2023 taking into account the following relevant assumptions:

- a collection of a milestone payment from the licensees Link Health-Pregene of €0.93 million;
- an assumed continued support from the Walloon Region from which the Company expects to receive non-dilutive funds still in 2022 of about €0.32 million and a negotiation of a revised RCA repayment schedule for 2022 (the latter not included yet in the cash flow projection);
- the issuance of all Convertible Bonds, of which the first five tranches amounting to €2.5 million in the aggregate can be issued without liquidity conditions and assuming compliance with the permitted indebtedness as imposed by certain lenders of the Company. It is assumed that all remaining tranches can also be issued to the Investor, meaning that the Company will be able to satisfy the conditions for such issuance (including, among others, liquidity and market capitalisation conditions);
- no further delays together with an acceleration of the patient recruitment in the Phase IIB ALLOB clinical study in high-risk tibial fractures;
- considering further downsizing of the Company, allowing the Company to execute its redefined and focused strategic priorities concentrating on the development of ALLOB and abandon all other activities.

The assumptions made above comprise various risks and uncertainties, mainly but not limited to the timing of collection of certain funds, the uncertainty about the ALLOB top line results, including but not limited to the uncertainty of the clinical trial development process for ALLOB and the uncertainty related to the equity. As the cash runway of the Company is currently expected into Q1 2023, the Company will continue to require additional financing to continue its operations in the longer term. As mentioned in the Going Concern statement in the Company's 2021 financial report (p. 23-24), the Company also continues to evaluate other options with a potential positive impact on working capital, including as follows:

- *Completion of business deal with a Chinese partner:* Discussions are still ongoing with a Chinese partner for the global rights for ALLOB, Bone Therapeutics' allogeneic osteoblastic cell therapy product. If the licensing deal is concluded, the partner would be responsible for all future costs of development of ALLOB, including the ongoing ALLOB TF2 Phase IIB trial and costs related to development, process development (scale up)

and manufacturing of the product. The negotiations for the global rights agreement are, however, taking longer than expected. The envisaged completion of a final binding agreement has been delayed and is now foreseen to be potentially completed in the second quarter 2022 after approval by the Board of Directors. Milestone payment from the licensees Link Health-Pregene of €0.930 million is a condition precedent to this new potential global rights deal.

- *Interim analysis ALLOB clinical study:* The Company is currently assessing the possibility to anticipate the assessment of the efficacy of ALLOB through an interim analysis of the clinical results at about 66 patients with 3 months followup. Although no formal decision has been taken by the Company yet, this would give the opportunity to define at an early stage the value proposition of ALLOB and hence optimising the ongoing study costs while at the same time providing an opportunity to initiate strategic discussions with potential partners based on positive clinical results.
- *Potential M&A options:* The Company announced on 12 May 2022 that it had entered into a non-binding term sheet and exclusive discussions for a period of 3 months with the shareholders of Medsenic, a privately held, clinical stage biopharmaceutical company incorporated in France and specialized in the development of optimized formulations of arsenic salts and their application in inflammatory conditions and other potential new indications. The objective of the discussions is to explore the benefits of a potential reverse merger or a similar transaction whereby all shareholders of Medsenic would individually contribute 51% of the total outstanding share capital of Medsenic into the capital of the Company in exchange for a certain number of shares issued by the Company (the "**Business Combination**"). The objective of the parties is that, as a result of the Business Combination, the Company would remain a Belgian listed company and own 51% of the share capital of Medsenic. The Company and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent.

For more information about the Company's working capital, see also Section 3.1 "Capitalisation and Indebtedness" and Section 3.2 "Working capital statement" of this Prospectus.

## **1.2 Various factors including changes in the operating results of the Company and its competitors as well the potential extreme price and volatility of stock markets may significantly affect the market price of the shares**

A number of factors may significantly affect the market price of the shares. Such factors include changes in the operating results of the Company and its competitors, divergence in financial results from stock market expectations, changes in earnings estimates by analysts, changes in estimates in relation to the duration or success of the Company's clinical trials, changes in the general conditions in the pharmaceutical industry and general economic, financial market and business conditions in the countries in which the Company operates.

In addition, stock markets have from time to time experienced extreme price and volume volatility which, in addition to general economic, financial and political conditions, could materially adversely affect the market price for the shares regardless of the operating results or financial condition of the Company.

Also, the liquidity of the shares trading on the regulated markets of Euronext Brussels and Euronext Paris is limited and this may cause the Company's share price to be volatile.

In addition, large, unorganised sales by shareholders or by holders of convertible bonds upon conversion of the bonds may adversely affect the Company's share price.

Furthermore, no guarantee can be given that there are no large, unorganised sales by pre-IPO shareholders, who are no longer bound by lock-up arrangements which all ended on 6 August 2016 and by other shareholders which could cause to decrease the Company's share price. Any such large, unorganised sale of shares in the public markets could have a material adverse effect on the Company's share price

The negative fluctuations of the market price of the shares of the Company resulting from the abovementioned factors are likely to occur and may have a significant negative impact on the financial condition and viability of the Company.

## **1.3 Future issuances of shares or subscription rights or the conversion of the Convertible Bonds may significantly dilute the interests of existing shareholders and therefore adversely affect the market price of the shares, the earnings of the shares and the net asset value thereof**

The Company may decide to raise capital in the future through public or private offering of equity securities, convertible debt or rights to acquire these securities. The Company may decide to exclude or limit the preferential subscription rights pertaining attached to the then outstanding securities in accordance with applicable law. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the holders of its

securities and could have a significant negative impact on the share price, earnings per share and net asset value per share.

Also, the dilution resulting from issue and exercise of new or existing subscription rights could materially adversely affect the price of shares.

1,600 convertible bonds were issued following the private placement announced on 6 May 2020. At the date of this Document, only 800 convertible bonds issued following the private placement announced on 6 May 2020 remain outstanding. Using the predetermined conversion price of EUR 7.00, the 800 convertible bonds can be converted into 285,714 new shares in the Company in case all such convertible bonds are converted. These 800 convertible bonds may be converted at the convertible bonds holder's request at any time until the day before their maturity date (i.e. 38 months after their issuance). The shares resulting from the convertible bonds conversions shall immediately bear the same rights of all other existing shares and will be traded on the Euronext stock exchanges in Brussels and in Paris.

In addition, up to 100 convertible bonds for an aggregate nominal value of EUR 5 million (the "**Convertible Bonds**") could be issued to the Investor (as defined below) in accordance with the Subscription Agreement (as described in Section 2.1.1 of this Securities Note). The Convertible Bonds have a nominal value of €50,000 per Convertible Bond and will be issued and subscribed for in 10 tranches of 10 Convertible Bonds per tranche. The first tranche of 10 Convertible Bonds will be subscribed for and issued immediately on or about 9 June 2022 and the Company has the right to call for the subscription of the remaining 90 Convertible Bonds during a term of 18 months after execution of the Subscription Agreement (subject to applicable conditions being met). The maturity date of the Convertible Bonds will be 5 years following the issue date of the relevant Convertible Bond. The Convertible Bonds may be converted at the holder's request at any time from the issue date until the close of business on the date expected to be 10 trading days prior to the final maturity date of such Convertible Bond, or in the event of early redemption 10 trading days prior to the relevant early redemption date, at the Conversion Price (as defined below) upon delivery of a conversion notice. The Company may also require the Investor to convert any Convertible Bonds that are not converted within 6 months after their issue date at the Conversion Price (as defined below), provided that the New Shares issued upon conversion of such Convertible Bond are admitted to trading.

The shares resulting from the conversion of the Convertible Bonds (the "**New Shares**") shall immediately bear the same rights of all other existing shares and will be traded on the Euronext stock exchanges in Brussels and in Paris.

For more information on the financial consequences of the issuance of the New Shares upon conversion of the Convertible Bonds and the exercise of existing subscription rights for the shareholders of the Company, please refer to Section 6.2 of this Securities Note.

#### **1.4 The Company does not intend to obtain a registration statement in the United States or to fulfill any requirement in other jurisdictions, which may significantly affect the ability of holders of shares outside Belgium and France to exercise pre-emption rights**

In the event of an increase in the share capital of the Company in cash, holders of shares and other voting securities are generally entitled to preferential subscription rights (unless these rights are excluded or limited by either a resolution of the shareholders' meeting or a resolution by the meeting of Board of Directors). For more information on the exercise of preferential subscription rights, please refer to Section 4.6.4 of this Securities Note. Certain holders of shares outside Belgium or France may not be able to exercise pre-emption rights unless local securities laws have been complied with. In particular, US holders of the shares may not be able to exercise preferential subscription rights unless a registration statement under the Securities Act is declared effective with respect to the shares issuable upon exercise of such rights or an exemption from the registration requirements is available. The Company does not intend to file a registration statement in the United States or to fulfil any requirement in other jurisdictions (other than in Belgium and France) in order to allow shareholders in such jurisdictions to exercise their preferential subscription rights (to the extent not excluded or limited). As a result, the risk that holders of shares of the Company outside Belgium and France may not be able to exercise pre-emption rights is medium.

#### **1.5 The Company does not intend to pay dividends for the foreseeable future**

All shares (including the New Shares) of the Company are entitled to participate in the profits of the Company (if any). For more information on the entitlement to dividends, please refer to Section 3.7.1 of the Registration Document and Section 4.6.1 of this Securities Note.

As indicated under Section 3.7.2 of the Registration Document, the Company has never declared or paid any dividend on its shares. The Company does not anticipate paying dividends for the foreseeable future. In case the Company then changes its dividend policy, the payment of future dividends to shareholders will still be subject to a decision by the shareholders' meeting or the Board of Directors of the Company and subject to legal restrictions pursuant to Belgian corporate law. For more details on these requirements and restrictions, please refer to Section 4.6.1 of this Securities

Note. Furthermore, financial restrictions and other limitations may be included in current or future credit and subsidy agreements.

The probability that the shareholders of the Company do not receive dividends in the near future is therefore high.

### **1.6 Certain significant shareholders of the Company may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes, which may have a negative impact on the Company's activities and financial condition**

For an overview of the Company's current significant shareholders reference is made to Section "6 Dilution".

Currently, the Company is not aware that any of its current shareholders have entered or will enter into a shareholders' agreement with respect to the exercise of their voting rights in the Company. Nevertheless, they could, alone or together, have the ability to elect or dismiss directors, and, depending on how broadly the Company's other shares are held, take certain other shareholders' decisions that require, or require more than, 50%, 75% or 80% of the votes of the shareholders that are present or represented at shareholders' meetings where such items are submitted to voting by the shareholders. Alternatively, to the extent that these shareholders have insufficient votes to impose certain shareholders' decisions, they could still have the ability to block proposed shareholders' resolutions that require, or require more than, 50%, 75% or 80% of the votes of the shareholders that are present or represented at shareholders' meetings where such decisions are submitted to voting by the shareholders. Any such voting by the shareholders may not be in accordance with the interests of the Company or the other shareholders of the Company and may therefore have a negative impact on the Company's activities and financial condition. As a result, this risk is medium.

## 2 General Information

### 2.1 Introduction

#### 2.1.1 *The Prospectus*

This Securities Note is to be read together with the Registration Document and the Summary, which together constitute a prospectus (the "**Prospectus**"), prepared by the Company in accordance with article 10 of the Prospectus Regulation 2017/1129. This Securities Note contains the minimum disclosure requirements for a share securities note in accordance with Annex 12 of the Prospectus Delegated Regulation 2019/980.

On 30 May 2022 (the "**Closing Date**"), the Company entered into an agreement for the issuance and irrevocable subscription of the Convertible Bonds (the "**Subscription Agreement**") with Global Tech Opportunities 15, having its registered office at PO Box 2775, 67 Fort Street, Artemis House, Grand Cayman KY1-1111, Cayman Islands (the "**Investor**"). Under the terms of the Subscription Agreement, the Investor agreed to make available to the Company a convertible bond facility for a total amount of up to EUR 5 million to be drawn down for the full amount by the way of the issuance of a maximum of 100 Convertible Bonds at an issue price of €50,000 each (to be fully paid up in cash at the time of subscription). The Convertible Bonds are non-interest bearing, unsecured and subordinated to the existing loan granted to the Company by the European Investment Bank (the "**EIB**") pursuant to the loan agreement dated 30 June 2021. The subscription and the effective release of these Convertible Bonds will occur in a staggered manner over a maximum of 18 months after the Closing Date, with a first tranche consisting of 10 Convertible Bonds, followed by 9 further tranches of 10 Convertible Bonds during this 18-month period.

The Company may issue (and call for subscription of) any tranche at any time without the Investor's prior consent during 18 months after the Closing Date, subject to (i) the earliest of: a) the conversion of all previously issued Convertible Bonds, or b) a cool down period of 5 trading days following the closing date of the first two tranches and a cool down period of 30 trading days for subsequent tranches having elapsed since the last call for subscription, and (ii) the other conditions set forth in the Subscription Agreement.

If the Convertible Bonds are fully subscribed before the expiration of the 18-month period after the Closing Date, the commitment of the Investor to subscribe for 100 Convertible Bonds shall be renewable under the same conditions at the sole discretion of the Company.

The 10 Convertible Bonds of the first tranche will be subscribed for and issued on or about 9 June 2022 (the "**First CB Issue**").

The Convertible Bonds constitute convertible bonds within the meaning of articles 7:65 and following of the Belgian Code on Companies and Associations and shall be convertible into new shares. Upon conversion of all 100 Convertible Bonds and assuming that the conversion price will not be lower than the current par value of €0.23 (rounded) per share, the Company may issue up to 21,739,130 new shares (the "**New Shares**"). The maturity date of the Convertible Bonds will be 5 years following the issue date of the relevant Convertible Bond (the "**Maturity Date**"). The Convertible Bonds may be converted into ordinary shares at a conversion price (the "**Conversion Price**") which shall be equal to the lowest 1-day volume-weighted average price (the "**1-day VWAP**") at which the shares are tradable on the Euronext Brussels and Euronext Paris markets during a period of 10 consecutive trading days immediately preceding the date of the Conversion Notice with the application of a discount of 5%. Pursuant to the terms and conditions of the Convertible Bonds, the Conversion Price may be lower than the par value of the existing shares (i.e., EUR 0.23 (rounded) per share). In case the Conversion Price would fall below EUR 0.23 (rounded) per share, additional new shares will be issued upon conversion of the Convertible Bonds (the "**Additional Shares**") and, if and when required, a new prospectus will be prepared by the Company for the admission to trading of these Additional Shares.

The Convertible Bonds may be converted at the holder's request at any time from the issue date until the close of business on the date expected to be 10 trading days prior to the final Maturity Date of such Convertible Bond, or in the event of early redemption 10 trading days prior to the relevant early redemption date, at the Conversion Price (as defined below) upon delivery of a conversion notice (the "**Conversion Notice**"). The number of New Shares to be issued upon conversion of a Convertible Bond shall be determined by dividing the principal amount of the Convertible Bond to be converted (i.e., the issue price) by the Conversion Price.

The Company may require the Investor to convert any Convertible Bonds that are not converted within 6 months after their issue date at the Conversion Price, provided that the New Shares issued upon conversion of such Convertible Bonds are admitted to trading.

The New Shares are expected to be admitted to trading on Euronext Brussels at the time of their issue (i.e. upon conversion of the Convertible Bonds). This Prospectus has been prepared for the purpose of the admission to trading of the New Shares on Euronext Brussels, a regulated market of Euronext Brussels SA / NV, ("**Euronext Brussels**")



and Euronext Paris, a regulated market of Euronext Paris SA, ("**Euronext Paris**") pursuant to and in accordance with article 3, paragraph 3 of the Prospectus Regulation 2017/1129.

### **2.1.2 No offering of the New Shares and the Convertible Bonds**

No offering of the New Shares or the Convertible Bonds to the public was made or will be made and no one has taken any action that would, or is intended to, permit such an offering in any country or jurisdiction where any such action for such purpose is required, including in Belgium, France or any other member state of the European Economic Area to which the Prospectus Regulation 2017/1129 applies (each a "**Relevant Member State**").

For purposes of this provision, (a) the expression an "offer of securities to the public" in any Relevant Member State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the New Shares to be offered, so as to enable an investor to decide to purchase or subscribe for the New Shares and (b) the expression "Prospectus Regulation 2017/1129" means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as transposed in the Relevant Member State).

The New Shares and the Convertible Bonds have not been, or will not be, registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and they may not be offered, sold, pledged or otherwise transferred in the United States except pursuant to a transaction that is exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

### **2.1.3 Language of the Prospectus**

The Company has prepared and approved the Prospectus in English and has been translated into French. Without prejudice to the responsibility of the Company for inconsistencies between the different language versions of the Prospectus, the English version will prevail. However, in their contractual relation with the Company, the investors can call upon the translated version.

### **2.1.4 Availability of the Prospectus**

The Prospectus consists of the Summary, this Securities Note and the Registration Document. The Summary and the Securities Note can only be distributed together, in combination with the Registration Document. To obtain a copy of the Prospectus in English or in French, free of charge, please contact:

*To the attention of Investor Relations  
Rue Granbonpré 11, Building H  
1435 Mont-Saint-Guibert  
Belgium*

The Prospectus is also available on the Company's website ([www.bonetherapeutics.com](http://www.bonetherapeutics.com)). The consultation of the Prospectus may be subject to certain conditions, such as the acceptance of a disclaimer. The distribution of the Prospectus may be restricted by law in certain jurisdictions outside Belgium or France. The Company does not represent that the Prospectus may be lawfully distributed in jurisdictions outside Belgium and France. The Company does not assume any responsibility for such distribution. Posting this Prospectus on the internet does not constitute an offer to sell or a solicitation of an offer to purchase shares in the Company in any jurisdiction and there will not be a sale of any of the shares in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to its registration or qualification under the laws of such jurisdiction or to or for the benefit of any person to whom it is unlawful to make such offer, solicitation or sale. The electronic version of the Prospectus may not be copied, made available or printed for distribution. Other information on the website of the Company or on any other website does not form part of this Prospectus and has not been scrutinised or approved by the competent authority. Persons in whose possession this Prospectus or any New Shares may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus. Any person that, for any reason whatsoever, circulates or allows circulation of this Prospectus, must draw the addressee's attention to the provisions of this section.

## **2.2 Persons responsible for the contents of the Prospectus**

In accordance with Article 26, §1 and 2 of the Prospectus Act, the Company, with registered office at Rue Granbonpré 11, Building H, 1435 Mont-Saint-Guibert, Belgium, represented by its Board of Directors, assumes responsibility for the completeness and accuracy of the content of the Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to its knowledge, in accordance with the facts and contains no omission which would affect its import.

## 2.3 Approval of the Prospectus

The English version of the Registration Document, the Summary and this Securities Note were approved by the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers*, the "FSMA") in accordance with Article 20 of the Prospectus Regulation 2017/1129, and subsequently notified to the AMF, for the purposes of the admission to trading of the New Shares on Euronext Brussels and Euronext Paris.

The approval by the FSMA does not imply any judgment on the merits or the quality of the transactions contemplated by the Prospectus nor of the securities or the status of the Company.

## 2.4 Available information

The Company must file its coordinated Articles of Association and all other deeds that are to be published in the Belgian Official Gazette with the clerk's office of the enterprise court of Walloon Brabant (Belgium), where they are available to the public. A copy of the most recently coordinated Articles of Association and of the Company's corporate governance charter is also available on the Company's website ([www.bonetherapeutics.com](http://www.bonetherapeutics.com)).

In accordance with Belgian law, the Company must annually prepare audited statutory and consolidated financial statements. The statutory and consolidated financial statements and the reports of the Board of Directors and of the statutory auditor relating thereto are filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a listed company, the Company publishes statutory financial statements and semi-annual interim financial statements (in the form as provided by the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (as amended from time to time) (*Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis à la négociation sur un marché réglementé*)). Copies will be available on the Company's website ([www.bonetherapeutics.com](http://www.bonetherapeutics.com)).

The Company also has to disclose price sensitive information, information about its shareholders' structure and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007, such information and documentation will be made available through press releases, the Company's website, the communication channels of Euronext Brussels and Euronext Paris or a combination of these media.

All regulated information on the Company will be made available on STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via [stori.fsma.be](http://stori.fsma.be) or [www.fsma.be](http://www.fsma.be).

## 2.5 Notice to investors

### 2.5.1 Decision to invest

In making an investment decision, potential investors must rely on their own examination of the Company and the terms of the admission to trading, including the risks and merits involved. Any summary or description set forth in the Prospectus of legal provisions, corporate structurings or contractual relationships is for information purposes only and should not be construed as legal or tax advice as to the interpretation or enforceability of such provisions or relationships. In general, none of the information in the Prospectus should be considered investment, legal or tax advice. Investors should consult their own counsel, accountant and other advisers for legal, tax, business, financial and related advice regarding investing in the Company's shares. The Company's shares have not been recommended by any federal or state securities commission or regulatory authority in Belgium, France or elsewhere.

No dealer, sales person or other person has been authorized to give any information or to make any representation in connection with the admission to trading of the New Shares that is not contained in the Prospectus. If anyone provides different or inconsistent information, it should not be relied upon. The information appearing in the Summary, Securities Note and Registration Document should be assumed to be accurate only as at the date of approval by the FSMA of the relevant document as indicated on the cover page of this Securities Note. The Company's business, financial condition, results of operations and the information set forth in the Prospectus may have changed since those dates. In accordance with Belgian law, if a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Company's shares and which arises or is noted between the time when the Prospectus is approved and the start of the trading of the New Shares on the relevant market, such will be set out in a supplement to the Prospectus. Any supplement is subject to approval by the FSMA, in the same manner as the Prospectus and must be made public, in the same manner as the Prospectus.

### 2.5.2 Forward looking statements

The Prospectus contains forward-looking statements and estimates made by the Company with respect to the anticipated future performance of Bone Therapeutics and the market in which it operates. Certain of these statements, forecasts and estimates can be recognised by the use of words such as, without limitation, "believes", "anticipates", "expects", "intends", "plans", "seeks", "estimates", "may", "will", "predicts", "projects" and "continue" and similar

expressions. They include all matters that are not historical facts. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct. Actual events are difficult to predict and may depend upon factors that are beyond the Company's control. Therefore, actual results, the financial condition, performance or achievements of Bone Therapeutics, or industry results, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements, forecasts and estimates. Factors that might cause such a difference include, but are not limited to, those discussed in the sections "Risk Factors" of this Securities Note and/or the Registration Document. Given these uncertainties, no representations are made as to the accuracy or fairness of such forward-looking statements, forecasts and estimates. Furthermore, forward-looking statements, forecasts and estimates in the Summary, the Securities Note or the Registration Document only speak as at the date of approval by the FSMA of the relevant document as indicated on the cover page of this Securities Note. Bone Therapeutics disclaims any obligation to update any such forward-looking statement, forecast or estimates to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement, forecast or estimate is based, except to the extent required by Belgian law.

### **2.5.3 *Industry data, market share, ranking and other data***

Certain of the information contained in the Prospectus is based on the Company's own estimates and assumptions, believed by the Company to be reasonable. Certain information, industry data, market size/share data and other data provided in the Prospectus was derived from publications by leading organisations and scientific journals. The information published by such organisations and journals has been accurately reproduced and as far as the Company is aware and able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Company (with respect to information derived from publications by leading organisations) nor its advisers have independently verified any of the abovementioned information. Furthermore, market information is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market information. As a result, prospective investors should be aware that market share, ranking and other similar data in the Prospectus, and estimates and beliefs based on such data, may not be reliable.

### **2.5.4 *Rounding of financial and statistical information***

Certain numerical figures included in the Prospectus have been subject to rounding adjustments and currency conversion adjustments. Accordingly, the sum of certain data may not be equal to the expressed total.

### 3 Essential Information

#### 3.1 Capitalisation and indebtedness

The following table sets forth the statement of capitalisation of the Company as of 31 March 2022. This information presented as of 31 March 2022 has not yet been audited by the auditor. For a summary description of the audited balance sheet of 31 December 2021, we refer to the the Annual Report 2021 published on the Company's website <http://www.bonetherapeutics.com/en/financial-reports>.

(€'000) - Capitalization	31/03/22	31/12/21
<b>Total Current debt</b>	<b>5,404</b>	<b>6,673</b>
Secured	<b>106</b>	<b>101</b>
<i>bank loans</i>	<i>0</i>	<i>0</i>
<i>finance lease liabilities</i>	<i>106</i>	<i>101</i>
Unsecured	5,298	6,572
<i>government loans "recoverable cash advances"</i>	<i>733</i>	<i>864</i>
<i>loans from related parties</i>	<i>66</i>	<i>81</i>
<i>Convertible Bonds</i>	<i>0</i>	<i>0</i>
<i>Trade and other payables (***)</i>	<i>3,695</i>	<i>4,822</i>
<i>Other current liabilities (**)</i>	<i>804</i>	<i>804</i>
<i>put on non-controlling interest</i>	<i>0</i>	<i>0</i>
<b>Total Non-Current debt</b>	<b>19,807</b>	<b>19,864</b>
Secured	464	509
<i>bank loans</i>	<i>0</i>	<i>0</i>
<i>finance lease liabilities</i>	<i>464</i>	<i>509</i>
Unsecured	19,343	19,355
<i>government loans "recoverable cash advances"</i>	<i>4,250</i>	<i>4,250</i>
<i>loans from related parties</i>	<i>13</i>	<i>25</i>
<i>Non convertible bonds (***)</i>	<i>13,019</i>	<i>13,019</i>
<i>Convertible Bonds (***)</i>	<i>1,949</i>	<i>1,949</i>
<i>put on non-controlling interest</i>	<i>112</i>	<i>112</i>
<b>Shareholder's Equity -</b>	<b>-8,643</b>	<b>-6,765</b>
Share capital	4,924	4,924
Share premium	69,499	69,499
Share-based payments	301	301
Retained earnings *	-81,488	-68,563
Result of the period	-1,878	-12,925
<b>Total capitalization and Indebtedness</b>	<b>16,567</b>	<b>19,772</b>

\* Retained earnings March '22 = Dec'21 + YTD result of year '22

\*\* Updated per 30/06 and 31/12 only

\*\*\* Revaluation NCB Patronale & EIB, CB Integrale + Warrants per 30/06 and 31/12 only

The following table sets out the net financial indebtedness of Bone Therapeutics as of 31 March 2022 and 31 December 2021:

(€'000)	As of 31 March 2022	As of 31 December 2021
A Cash	5,951	9,510
B Cash equivalents	0	0
C Other current financial assets	1,000	1,000
D Liquidity (A + B + C)	6,951	10,510
E Current financial debt (including debt instrument, but excluding current portion of non-current financial debt)*	905	1,046
F Current portion of non-current financial debt	0	0
G Current financial indebtedness (E + F)	905	1,046
H Net current financial indebtedness (G - D)	-6,046	-9,464
I Non-current financial debt (excluding current portion and debt instrument)*	19,807	19,864
J Debt instruments	0	0
K Non-current trade and other payables	0	0
L Non-current financial indebtedness (I + J + K)	19,807	19,864
M Total financial indebtedness (H + L)	13,761	10,401

\* The convertible bonds issued by the Company in May 2020 are included therein as they are not likely to be converted by the investor because the strike price is currently significantly higher than the share price and they are redeemable at maturity.

### **Material evolution since 31 December 2021:**

In Q1 2022, the Company officially relocated its corporate offices to the Louvain-la-Neuve Science Park in Mont-Saint-Guibert (Louvain-la-Neuve), Belgium.

In March 2022, the Company announced it was redefining its strategic priorities to concentrate specifically on the development of its most advanced clinical asset, ALLOB. Based on the positive results of the previous clinical studies of ALLOB and the extensive preclinical data set, the Company firmly believes that ALLOB has the highest potential of near-term value creation. In order to deliver the results from the Phase IIb clinical study, the Company has implemented a number of actions to reduce its cost base to enable completion of its Phase IIb study. As a result, the Company will focus its R&D activities to support the clinical development of ALLOB and all activities related to the development of the pre-clinical iMSCg platform as well as all other non ALLOB related activities, will be stopped. In this context, some members of the Company's management team will transition to depart the Company in the following months in alignment with the focus in activity. This includes Miguel Forte (CEO), Tony Ting (CSO), Stefanos Theoharis (CBO) and Lieve Creten (CFO). The CEO, Miguel Forte, will remain in function for the transition. The Scientific Advisory Board was also dissolved.

On 30 May 2022, the Company entered into the Subscription Agreement, pursuant to which the Investor agreed to make available to the Company a convertible bond facility for a total amount of up to €5 million to be drawn down for the full amount by the way of the issuance of a maximum of 100 Convertible Bonds at an issue price of €50,000 each (to be fully paid up in cash at the time of subscription) as further set out in section 2.1.1 above.

### **3.2 Working capital statement**

The Company does currently not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus.

Based on the 2022 revised projected cash forecast considering an operating cash burn of €8 million to €10 million and a projected financing cash burn of around €1.6 million, the Company anticipates having sufficient cash to carry out its revised strategic focus, namely achieving an efficacy outcome milestone with ALLOB TF2 Phase IIb clinical study by early 2023 taking into account the following relevant assumptions:

- a collection of a milestone payment from the licensees Link Health-Pregene of €0.93 million;
- an assumed continued support from the Walloon Region from which the Company expects to receive non-dilutive funds still in 2022 of about €0.32 million and a negotiation of a revised RCA repayment schedule for 2022 (the latter not included yet in the cash flow projection);
- the issuance of all Convertible Bonds, of which the first five tranches amounting to €2.5 million in the aggregate can be issued without liquidity conditions and assuming compliance with the permitted indebtedness as imposed by certain lenders of the Company. It is assumed that all remaining tranches can also be issued to the Investor, meaning that the Company will be able to satisfy the conditions for such issuance (including, among others, liquidity and market capitalisation conditions) as set out in the Subscription Agreement;
- no further delays together with an acceleration of the patient recruitment in the Phase IIb ALLOB clinical study in high-risk tibial fractures. Temporary slowdown in recruitment rates announced to the market on January 19, 2022 was caused by fewer accidents and reduced availability of health care facilities in 2021 due to the COVID-19 pandemic;
- considering further downsizing of the Company, allowing the Company to execute its redefined and focused strategic priorities concentrating on the development of its most advanced clinical asset, the allogeneic cell therapy platform, ALLOB and abandon all other activities. In this context disciplined cost and cash management with further restructuring of any excess capacity is assumed.

The assumptions made above comprise various risks and uncertainties, mainly but not limited to the timing of collection of certain funds, the uncertainty about the ALLOB top line results, including but not limited to the uncertainty of the clinical trial development process for ALLOB and the uncertainty related to the equity.

As the cash runway of the Company is currently expected into Q1 2023, the Company will continue to require additional financing to continue its operations in the longer term. As mentioned in the Going Concern statement in the Company's 2021 financial report (p. 23-24), the Company also continues to evaluate other options with a potential positive impact on working capital, including as follows:

- *Completion of business deal with a Chinese partner:* Discussions are still ongoing with a Chinese partner for the global rights for ALLOB, Bone Therapeutics' allogeneic osteoblastic cell therapy product. If the licensing deal is concluded, the partner would be responsible for all future costs of development of ALLOB, including the ongoing ALLOB TF2 Phase IIb trial and costs related to development, process development (scale up) and manufacturing of the product. The negotiations for the global rights agreement are, however, taking longer than expected. The envisaged completion of a final binding agreement has been delayed and is now foreseen to be potentially completed in the second quarter 2022 after approval by the Board of Directors. Milestone payment from the licensees Link Health-Pregene of €0.930 million is a condition precedent to this new potential global rights deal.
- *Interim analysis ALLOB clinical study:* The Company is currently assessing the possibility to anticipate the assessment of the efficacy of ALLOB through an interim analysis of the clinical results at about 66 patients with 3 months followup. Although no formal decision has been taken by the Company yet, this would give the opportunity to define at an early stage the value proposition of ALLOB and hence optimising the ongoing study costs while at the same time providing an opportunity to initiate strategic discussions with potential partners based on positive clinical results.
- *Potential M&A options:* The Company announced on 12 May 2022 that it had entered into a non-binding term sheet and exclusive discussions for a period of 3 months with the shareholders of Medsenic, a privately held, clinical stage biopharmaceutical company incorporated in France and specialized in the development of optimized formulations of arsenic salts and their application in inflammatory conditions and other potential new indications. The objective of the discussions is to explore the benefits of a potential reverse merger or a similar transaction whereby all shareholders of Medsenic would individually contribute 51% of the total outstanding share capital of Medsenic into the capital of the Company in exchange for a certain number of shares issued by the Company (the "**Business Combination**"). The objective of the parties is that, as a result of the Business Combination, the Company would remain a Belgian listed company and own 51% of the share capital of Medsenic. The Company and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent.

### 3.3 Reason for the capital increase and use of proceeds

If all 100 Convertible Bonds are subscribed for by the Investor, this will result €4.7 million of net proceeds. The costs and expenses incurred by the Company in relation to the issue and the admission to trading of the New Shares on Euronext Brussels and Euronext Paris (including a 5% commission payable to the Investor upon subscription of any tranche of Convertible Bonds) amount to approximately 6% of the gross proceeds of the transaction.

The Company intends to use the net proceeds over a time horizon until early 2023 for the following purposes:

- The continuation of the Phase IIb clinical trial with its allogeneic bone cell therapy product ALLOB in patients with difficult-to-heal tibial fractures in Europe (approximately 70 % of the net proceeds);
- General business expenses and corporate activities (approximately 30 % of the net proceeds).

The operating cash burn for the full year 2022 is expected to be in the range of €8 - €10 million and the financing cash burn is expected to be around €1.6 million.

The Company has in its projections not taken into consideration yet any income from partnering activities which could positively impact the cash burn in the future.

At the date of this Prospectus, the Company cannot predict with certainty all of the particular uses of the funds, or the amounts that will effectively be allocated to the above projects. The approximate allocation of the use of proceeds set out above is based on the Company's current best estimate and is likely to change over time.

The Board of Directors and Management of the Company have the discretion to set the amounts and timing of expenditures, which will be based on many factors, including all conditions that may be imposed by regulatory authorities to the Company, the progress of its clinical trials, the research of potential partnerships, strategic collaborations and all resulting funding, such as the existence of candidates for the licensing or acquisition, the funds, all received grants or subsidies, and the costs and operating expenses of the Company. Consequently, the management of the Company will have flexibility in allocating the funds.

Depending on the use to be made of the actual proceeds of the issue of the Convertible Bonds, as described before, or elsewhere, the Company intends to invest the net proceeds in risk-free short-term securities and or interest-bearing investment grade and other money market instruments.

### 3.4 Outlook

In the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, Bone Therapeutics' clinical team, in partnership with its clinical research organization, is continuing to institute corrective measures to mitigate the impact of the pandemic and will closely monitor the recruitment progress. As a result of the initial mitigation actions, Bone Therapeutics continues to expect to report topline results as scheduled by the Q1 2023. However, a delay cannot be excluded. Should the pandemic continue to have impact on patient availability, Bone Therapeutics may have to re-evaluate this timeline and, in that eventuality, will communicate again to the market.

The negotiations for ALLOB, with one of Bone Therapeutics' current Chinese partners, for the global rights agreement are still ongoing but are taking longer than originally anticipated. The potential completion of a final binding agreement has been delayed into Q2 2022.

In the context of the exclusive reverse merger discussions with Medsenic, the terms and conditions of the subscription rights still need to be agreed by the parties. Moreover, the final valuation of both companies and exchange ratio shall be further discussed between Medsenic and Bone Therapeutics and confirmed by its auditor, on the basis of mutually accepted external valuations. Bone Therapeutics and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent.

Following the restructuring of the management team announced on 12 April 2022, the Company has initiated the search for a new CEO and CFO.

Disciplined cost and cash management will remain a key priority. The operating cash burn for the full year 2022 is expected to be in the range of €8-10 million, assuming normal operations as the effect of the ongoing COVID-19 epidemic cannot be excluded. The situation will be actively and closely monitored. The Company anticipates having sufficient cash to carry out its business objectives into Q1 2023, assuming amongst other full issuance of the Convertible Bonds. Reference is made to Section 3.2 "Working capital statement" of this Prospectus for all key assumptions taken.

## 4 Description of the New Shares to be admitted to trading

### 4.1 Authorised capital

In accordance with the Articles of Association, on 9 July 2018, the extraordinary shareholders' meeting of the Company granted the authorisation to the Board of Directors to increase the Company's share capital in one or several times, in accordance with articles 604 *juncto* 607, para. 2, 2° of the Belgian Companies Code (now articles 7:199 *juncto* 7:202, para. 2, 2° of the Belgian Code on Companies and Associations, for a period of five years from the date of the publications of the resolution in the Annexes to the Belgian Official Gazette (*Moniteur belge*), with a global maximum amount of EUR 11,043,220.58 on the same terms as currently provided for in article 7 of the Articles of Association, including in case of reception by the Company of a communication by the FSMA stating that the FSMA has been informed of a public takeover bid regarding the Company.

The extraordinary shareholders' meeting amended article 7 of the Articles of Association in order to reflect the renewal of said authorisation.

If the Company's share capital is increased within the limits of the authorised share capital, the Board of Directors is authorised to request payment of an issuance premium. This issuance premium will be booked on a non-available reserve account, which may only be decreased or disposed of by a resolution of the shareholders' meeting subject to the same quorum and majority requirements that apply to an amendment of the Articles of Association.

The Board of Directors can make use of the authorised share capital for capital increases subscribed for in cash or in kind, or effected by incorporation of reserves, issuance premiums or revaluation surpluses, with or without issue of new shares. The Board of Directors is authorised to issue convertible bonds, bonds cum warrants or subscription rights within the limits of the authorised share capital and with or without preferential subscription rights for the existing shareholders.

The Board of Directors is authorised, within the limits of the authorised share capital, to limit or cancel the preferential subscription rights granted by law to the existing shareholders in accordance with article 7:191 of the Belgian Code on Companies and Associations. The Board of Directors is also authorised to limit or cancel the preferential subscription rights of the existing shareholders in favour of one or more specified persons, even if such persons are not members of the personnel of the Company or its subsidiaries.

This authorisation was granted for a term of five years commencing from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette (*Moniteur belge*; 26 July 2018), and can be renewed.

In principle, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company, the authorization of the Board of Directors to increase the Company's share capital in cash or in kind, while limiting or cancelling the preferential subscription right, is suspended. However, the Company's extraordinary shareholders' meeting held on 9 July 2018 expressly granted the Board of Directors the authority to increase the Company's share capital, in one or several times, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company and subject to the limitations imposed by the Belgian Companies Code (now the Belgian Code on Companies and Associations. This authorization is granted until 9 July 2021.

Since the renewal of the authorized capital by the extraordinary shareholders' meeting on 9 July 2018, the Board has made use of its powers as described above:

- to increase the share capital by an amount of EUR 2,040,541.52 within the framework of the authorized capital on 1 July 2019 following the private placement of 1,351,352 new shares announced on 27 June 2019;
- to increase the share capital within the framework of the placement of up to 2,500 convertible bonds approved on 30 April 2020. This capital increase was subject to the condition precedent and to the extent that convertible bonds are subscribed and subsequently converted. On the day of the issue of the convertible bonds, the capital was increased by EUR 203,302.32 within the framework of the authorised capital following the immediate subscription and conversion of 400 convertible bonds. A total of 305 additional convertible bonds were effectively subscribed for and converted prior to the Company's decision to close and terminate the placement of convertible bonds on 29 October 2020. These 305 convertible bonds resulted in additional capital increases of EUR 199,509.45 in total ;
- to increase the share capital within the framework of the issue of 1,600 convertibles bonds completed on 29 May 2020. Within the framework of the conversion of these 1,600 convertible bonds, the capital will be increased by an amount equal to the number of new shares subscribed and effectively issued multiplied by the accounting par value, provided that the final issue price of the new shares to be issued exceeds the accounting par value of the existing shares of the Company (EUR 0.51 per share). Based on the agreed fixed conversion price of EUR 7.00, the share capital could have therefore been increased by a maximum amount



of EUR 291,428.28. However, 800 convertible bonds issued to Patronale Life NV on 29 May 2021 were cancelled on 14 October 2021. Therefore, the share capital can therefore only be increased by a maximum amount of EUR 145,714.14;

- to increase the share capital within the framework of the issue of 69,978 subscription rights on 29 May 2020. Upon exercise, each beneficiary has a right to subscribe to one share of the Company, thereby resulting in a capital increase of up to EUR 35,688.78. Out of these 69,978 subscription rights, 63,724 subscription rights have been granted to beneficiaries pursuant to a decision of the Board of Directors dated 5 May 2020;
- to increase the share capital by an amount of EUR 2,248,529.31 (excluding share premium) within the framework of the authorised capital on 15 December 2020 following the private placement of 4,408,881 new shares announced on 11 December 2020;
- to increase the share capital through the issue of 99,832 subscription rights on 23 December 2020. Upon exercise, each beneficiary has the right to subscribe to one share of the Company, resulting in a capital increase of up to EUR 50,914.32; and
- to increase the share capital by an amount of EUR 1,111,440.96 (excluding share premium) within the framework of the authorised capital on 7 December 2021 following the private placement of 4,832,352 new shares announced on 3 December 2021.

Consequently, prior to the conditional capital increase for the First CB Issue, the Board is therefore authorized to increase the share capital of the Company within the framework of the authorized capital for a maximum amount of EUR 5,007,579.78 (excluding any share premiums).

## **4.2 The issue of the Convertible Bonds**

On or about 9 June 2022, the Board of Directors will conditionally increase the share capital of the Company for an amount of up to €5 million, using the authorised capital, through the conditional issuance of up to 100 Convertible Bonds, subject to and to the extent of subscription of the Convertible Bonds and the conversion thereof leading to the issue of the New Shares.

The New Shares (if and when issued) will be traded on Euronext Brussels and Euronext Paris under the symbol "BOTHE".

## **4.3 Standstill and lock-up**

No standstill or lock-up has been agreed upon in the framework of the issuance of the Convertible Bonds.

However, under the Subscription Agreement, the Company agreed not to draw down any variable rate equity financings (being, for these purposes, the issue of any equity securities (or debt securities carrying the right to convert into, or otherwise acquire, equity securities) for which the conversion, redemption or exercise price is variable, including but not limited to equity lines and convertible debt structures similar to the structure of the transaction contemplated in the Subscription Agreement), unless the variable rate element of such financing may only occur after the later of (a) the expiry date of the commitment period of 18 months following the date of the Subscription Agreement and (b) the date on which any and all Convertible Bonds funded during the aforementioned commitment period shall have been fully converted.

The Company is not aware of any other lock-up arrangements signed by its shareholders in connection with the issue of the Convertible Bonds.

## **4.4 Issue price of the New Shares**

The total aggregate issue price of the New Shares (accounting par value (*pair comptable*) plus issuance premium (*prime d'émission*)) at which the New Shares will be subscribed for and issued upon conversion of all Convertible Bonds is EUR 5 million.

The issue price of the New Shares will depend on the 1-day VWAP of the Company's shares during a period of 10 consecutive trading days immediately preceding the conversion requests for the Convertible Bonds and the number of New Shares to be issued is calculated by dividing the amount of the nominal value of the Convertible Bonds for which the conversion has been requested by the applicable issue price for each conversion request.

The portion of the issue price per New Share up to the accounting par value of EUR 0.23 (as may be changed from time to time) will be recorded on the "Share Capital" account. The balance (if any) will be recorded on the "Issuance Premium" account, which in the same manner as the Company's share capital serves as guarantee for third parties and

which, save for the possibility of conversion into capital, can only be decided on in accordance with the conditions required for an amendment of the Articles of Association.

## **4.5 Description of the New Shares**

The New Shares are being issued under Belgian law in the form of dematerialized shares without nominal value, having the same rights and advantages as the existing shares, it being understood, for the avoidance of doubt, that these New Shares will be entitled to dividends as from the first date of the financial year during which they are issued.

Where applicable, distributed dividends on the New Shares will be subject to a Belgian withholding tax at the applicable ordinary rate which currently amounts to 30%, save for any reduction or exemption. See Sections 4.9 "Taxation in Belgium" and 4.10 "Taxation in France" for more information.

All of the Company's shares are fully paid up and freely transferable. Likewise, all of the New Shares will be fully paid up and freely transferable.

Every shareholder may request conversion of its shares, at its own cost, either into registered shares, or into dematerialised shares. Conversion of dematerialised shares into registered shares will be done by entering them in the related register of registered shares.

For a more detailed description of the rights attached to the shares of the Company, reference is made to Section 4.6 "Rights attached to the shares of the Company" below.

## **4.6 Rights attached to the shares of the Company**

### **4.6.1 Dividend rights**

All shares, including the New Shares, participate in the same manner in the Company's profits (if any). In accordance with the Belgian Code on Companies and Associations, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual shareholders' meeting, on the basis of the most recent statutory audited annual accounts, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Board of Directors. The Articles of Association also authorise the Board of Directors to declare interim dividends subject to the terms and conditions of the Belgian Code on Companies and Associations.

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year according to the statutory annual accounts (*i.e.* the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as prepared in accordance with Belgian accounting rules), decreased with the non-amortised costs of incorporation and expansion and the costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the called capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the share capital.

The right to payment of dividends expires five years after the Board of Directors declared the dividend payable.

For more information on the dividend policy of the Company and other restrictions, see section 3.7 of the Registration Document and Risk Factor 1.5 "The Company does not intend to pay dividends for the foreseeable future".

### **4.6.2 Voting rights**

Each shareholder is entitled to one vote per share.

Voting rights may be suspended in relation to shares, in the following events, without limitation and without this list being exhaustive:

- which are not fully paid up, notwithstanding the request thereto by the Board of Directors;
- to which more than one person is entitled, except in the event that a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 5%, 10%, 15% or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant shareholders' meeting, except in case the relevant shareholder has notified the Company and the FSMA at least 20 days prior to the date of the shareholders' meeting of its shareholding reaching or exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the FSMA.

Generally, the shareholders' meeting has sole authority with respect to:

- the approval of the audited statutory financial statements under Belgian GAAP;
- the appointment and dismissal of directors and of the auditor;
- the granting of discharge of liability to the directors and to the auditor;
- the determination of the remuneration of the directors and of the auditor for the exercise of their mandate;
- the determination of the remuneration of the directors and of the auditor for the exercise of their mandate, including inter alia, as relevant, (i) in relation to the remuneration of executive and non-executive directors, the approval of an exemption from the rule that, in accordance with article 7:91, subsection 1, of the Belgian Code on Companies and Associations, Share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, the approval of an exemption from the rule that, in accordance with article 7:91, subsection 2, of the Belgian Code on Companies and Associations, (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years and (iii) in relation to the remuneration of non-executive directors (that are not independent directors), the approval of any variable part of the remuneration, in accordance with Article 7:92, subsection 4 of the Belgian Code on Companies and Associations;
- the approval of provisions of service agreements to be entered into with executive directors, members of the Executive Committee and other executives providing for severance payments exceeding 12 months' remuneration (or, subject to a motivated opinion by the Nomination & Remuneration Committee, 18 months' remuneration);
- the approval of the grant of rights to third parties affecting the assets and liabilities of the Company or creating a debt or obligation of the Company when the exercise of these rights depends on the issue of a public takeover bid over the Company or on a change of control of the Company, in accordance with article 7:151 of the Belgian Code on Companies and Associations;
- the approval of the remuneration report included in the annual report of the Board of Directors;
- the distribution of profits;
- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, mergers, de-mergers and certain other reorganisations of the Company; and
- the approval of amendments to the articles of association.

#### **4.6.3 *Right to participate in shareholders' meeting and voting rights***

##### 4.6.3.1 Ordinary shareholders' meetings

The ordinary shareholders' meeting is held each year on the second Wednesday of June at 4:00 p.m. (Brussels time), or if not a business day, on the next business day.

At the ordinary shareholders' meeting, the Board of Directors submits the audited statutory financial statements under Belgian GAAP, the audited consolidated financial statements under IFRS, as adopted by the European Union, and the reports of the Board of Directors and of the auditor with respect thereto to the shareholders.

The ordinary shareholders' meeting typically decides on:

- the approval of the audited statutory financial statements under Belgian GAAP;
- the proposed allocation of the Company's profit or loss;
- the discharge of liability to the directors and the auditor;
- the approval of the remuneration report included in the annual report of the Board of Directors;
- the (re-) appointment or dismissal of all or certain directors (as the case may be); and
- the (re-) appointment or dismissal of the auditor (as the case may be).

In addition, as relevant, the shareholders' meeting must also decide on the approval of the remuneration of the directors and the auditor for the exercise of their mandate, and on the approval of provisions of service agreements to be entered into with executive directors, members of the management team and other executives providing (as the case may be)

for severance payments exceeding 12 months' remuneration (or, subject to a motivated opinion by the Nomination and Remuneration Committee, 18 months' remuneration).

#### 4.6.3.2 Other shareholders' meetings

The Board of Directors or the auditor (or the liquidator(s), as the case may be) may, whenever the interest of the Company so requires, convene a shareholders' meeting.

The Board of Directors must convene a shareholders' meeting if one or more shareholders representing 10% of the Company's issued share capital so request. Said request shall specify the agenda items to be included in the convocation notice.

#### 4.6.3.3 Convening notices

The convocation notice for the shareholders' meeting must include:

- the place, date and hour of the meeting; and
- the agenda of the meeting indicating the items to be discussed as well as any draft resolutions.

The notice needs to contain a description of the formalities that shareholders must fulfil in order to be admitted to the shareholders' meeting and exercise their voting right, information on the manner in which shareholders can put additional items on the agenda of the shareholders' meeting and table draft resolutions, information on the manner in which shareholders can ask questions during the shareholders' meeting, information on the procedure to participate to the shareholders' meeting by means of a proxy or to vote by means of a remote vote, and the registration date for the shareholders' meeting.

The notice must also mention where shareholders can obtain a copy of the documentation that will be submitted to the shareholders' meeting, the agenda with the proposed draft resolutions or, if no resolutions are proposed, a commentary by the Board of Directors, updates of the agenda if shareholders have put additional items or draft resolutions on the agenda, the forms to vote by proxy or by means of a remote vote, and the address of the webpage on which the documentation and information relating to the shareholders' meeting will be made available. This documentation and information, together with the notice and the total number of outstanding voting rights, must also be made available on the Company's website at the same time as the publication of the convocation notice for the shareholders' meeting.

At least 30 days prior to the date of the shareholders' meeting, the convocation notice must be published:

- in the Belgian Official Gazette (*Moniteur belge*);
- in a nation-wide newspaper (except if the relevant meeting is an ordinary shareholders' meeting held at the municipality, place, date and hour mentioned in the articles of association and its agenda is limited to the review of the annual financial statements, the annual report of the Board of Directors, the report of the auditor, the vote on the discharge of the directors and the auditor and the matters described in article 7:92 paragraph 1 and article 7:149, paragraph 3 of the Belgian Code on Companies and Associations);
- in media of which it reasonably can be expected that they will ensure an effective distribution of the information among the public in the EEA and which is accessible quickly and in a non-discriminatory manner; and
- on the Company's website.

Convocation notices must be sent 30 days prior to the shareholders' meeting to the holders of registered shares, holders of registered bonds, holders of registered subscription rights, holders of registered certificates issued with the co-operation of the Company (if any), and, as the case may be, to the directors and auditor. This communication is made by letter unless the addressees have individually and expressly provided their email-address to the Company, in accordance with articles 7:128 *juncto* 2:32 of the Belgian Code on Companies and Associations. The convocation notice and the other documents referred to above are also made available on the Company's website as of the date of the publication of the convening notice.

The term of 30 days prior to the date of the shareholders' meeting for the publication and distribution of the convening notice can be reduced to 17 days for a second meeting if the applicable quorum for the meeting is not reached at the first meeting, the date of the second meeting was mentioned in the notice for the first meeting and no new item is put on the agenda of the second meeting.

#### 4.6.3.4 Formalities to attend the shareholders' meeting

All holders of shares, subscription rights and bonds issued by the Company and all holders of certificates issued with the co-operation of the Company (if any) may attend the shareholders' meeting. Only shareholders, however, may vote at shareholders' meetings. If any holder of securities other than shares wishes to attend a shareholders' meeting, it must comply with the same formalities as those imposed on the shareholders.

The fourteenth day prior to the shareholders' meeting, at 24:00 (Brussels time), constitutes the registration date. A shareholder can only participate to a shareholders' meeting and exercise its voting right provided that its shares are registered in its name on the registration date (and irrespective of the number of Shares the shareholder holds at the date of the shareholders' meeting). For registered shares, this is the registration of the shares in the Company's shareholders' register, and for dematerialized shares, this is the registration of the shares in the accounts of a certified account holder or settlement institution in accordance with article 7:134 of the Belgian Code on Companies and Associations. The convocation notice to the shareholders' meeting must explicitly mention the registration date.

The shareholder must also notify the Company (or any person so appointed by the Company) whether it intends to participate to the shareholders' meeting, at the latest on the sixth day before the date of such meeting.

Prior to participating to the shareholders' meeting, the holders of securities or their proxy holders must sign the attendance list, thereby mentioning: (i) the identity of the holder of securities, (ii) if applicable, the identity of the proxy holder and (iii) the number of securities they represent. The representatives of shareholders-legal entities must present the documents evidencing their quality as legal body or special proxy holder of such legal entity. In addition, the proxy holders must present the original of their proxy evidencing their powers, unless the convocation notice required the prior deposit of such proxies. The physical persons taking part in the shareholders' meeting must be able to prove their identity.

#### 4.6.3.5 Voting by proxy

Each shareholder has, subject to compliance with the requirements set forth above to attend shareholders' meetings, the right to attend a shareholders' meeting and to vote at such meeting in person or through a proxy holder. The Board of Directors can request the participants to the meeting to use a model of proxy (with voting instructions), which must be deposited at the Company's registered office or at a place specified in the notice convening the shareholders' meeting at the latest six days prior to the meeting. The appointment of a proxy holder must be made in accordance with the applicable rules of Belgian law, including in relation to conflicts of interest and the keeping of a register.

#### 4.6.3.6 Quorums and majorities

In general, there is no attendance quorum requirement for a shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present or represented at the meeting.

However, decisions regarding:

- amendments of the articles of association;
- an increase or decrease of the Company's share capital (other than a capital increase decided by the Board of Directors pursuant to the authorised share capital);
- the Company's dissolution, mergers, de-mergers and certain other reorganisations of the Company;
- the issue of convertible bonds or bonds with subscription rights or the issue of subscription rights; and
- certain other matters referred to in the Belgian Code on Companies and Associations,

require a presence quorum of 50% of the share capital of the Company and a majority of at least 75% of the votes cast, with the exception of an amendment of the Company's corporate purpose which requires the approval of at least 80% of the votes cast at a shareholders' meeting, which can only validly pass such resolution if at least 50% of the Company's share capital and at least 50% of the profit certificates, if any, are present or represented.

In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting may validly deliberate and decide regardless of the number of shares present or represented.

#### 4.6.3.7 Right to add items to the agenda and file draft resolutions

In accordance with article 7:130 of the Belgian Code on Companies and Associations, one or more shareholders holding at least 3% of the Company's share capital have the right to add new items on the agenda of a shareholders' meeting and to file draft resolutions concerning items that were or will be included on the agenda of a shareholders' meeting. This right does not apply to shareholders' meetings that are being convened on the grounds that the presence quorum was not met at the first duly convened meeting.

Shareholders who exercise this right must comply with the following two conditions for the proposal(s) to be eligible for consideration at the shareholders' meeting: (i) they must prove that they hold the abovementioned percentage of shares on the date of their request (either by producing a certificate of registration of those shares in the Company's shareholders' register, or by producing a certificate from a certified account holder or settlement institution evidencing that the relevant number of dematerialised shares are registered in their name in the accounts of such certified account

holder or settlement institution) and (ii) they must demonstrate that they still hold the abovementioned percentage of shares on the registration date.

The Company must receive requests to add new items on the agenda of shareholders' meetings and to file draft resolutions at the latest 22 days prior to the date of the shareholders' meeting. The revised agenda must be published by the Company at the latest 15 days prior to the date of the shareholders' meeting.

#### 4.6.3.8 Right to ask questions

In accordance with article 7:139 of the Belgian Code on Companies and Associations, shareholders have a right to ask questions to the directors in connection with the report of the Board of Directors or the items on the agenda of such shareholders' meeting. Shareholders can also ask questions to the auditor in connection with its report. Such questions can be submitted in writing prior to the meeting or can be raised at the meeting. Written questions must be received by the Company no later than the sixth day prior to the meeting.

Written and oral questions will be answered during the meeting in accordance with applicable law. In addition, in order for written questions to be considered, the shareholders who submitted the written questions concerned must comply with the requirements set forth above to attend shareholders' meetings.

#### 4.6.4 *Preferential subscription right*

In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or subscription rights exercisable in cash, the shareholders have a preferential right to subscribe for the new shares, convertible bonds or subscription rights, pro rata to the part of the share capital represented by the shares that they already hold. The shareholders' meeting may decide to limit or cancel such preferential subscription right, subject to specific substantive and reporting requirements. Such decision must satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders can also decide to authorise the Board of Directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Code on Companies and Associations. In principle, the authorisation of the Board of Directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid on the shares of the Company. The shareholders' meeting can, however, authorise the Board of Directors to increase the share capital by issuing further shares, not representing more than 10% of the shares of the Company at the time of such a public takeover bid.

In accordance with the Articles of Association, on 9 July 2018, the extraordinary shareholders' meeting of the Company granted the authorisation to the Board of Directors to increase the Company's share capital in one or several times, in accordance with articles 604 *juncto* 607, para. 2, 2° of the Belgian Companies Code (now articles 7:199 *juncto* 7:202, para. 2, 2° of the Belgian Code on Companies and Associations, for a period of five years from the date of the publications of the resolution in the Annexes to the Belgian Official Gazette (*Moniteur belge*), with a global maximum amount of 11,043,220.58 € on the same terms as currently provided for in article 7 of the Articles of Association, including in case of reception by the Company of a communication by the FSMA stating that the FSMA has been informed of a public takeover bid regarding the Company.

#### 4.6.5 *Dissolution and liquidation*

The Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented.

If, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian GAAP) to share capital is less than 50%, the Board of Directors must convene a shareholders' meeting within two months from the date the Board of Directors discovered or should have discovered this undercapitalisation. At such shareholders' meeting, the Board of Directors must propose either the dissolution of the Company, or the continuation of the Company's activities, in which case the Board of Directors must propose measures to redress the Company's financial situation. Shareholders representing at least 75% of the votes validly cast at this meeting can decide to dissolve the Company, provided that at least 50% of the Company's share capital is present or represented at the shareholders' meeting.

If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in such event shareholders representing 25% of the votes validly cast at the shareholders' meeting can decide to dissolve the Company.

If the amount of the Company's net assets fall below € 61,500 (the minimum amount of share capital of a Belgian public limited liability company (*société anonyme*)), each interested party is entitled to request the competent court to

dissolve the Company. The court may order the dissolution of the Company or grant a grace period within which the Company is allowed to remedy the situation.

In case of dissolution of the Company for whatever reason, and provided that the Company is not dissolved and liquidated in one deed, the shareholders' meeting shall appoint and dismiss the liquidator(s), determine their powers and the manner of liquidation. The shareholders' meeting shall fix the remuneration of the liquidator(s), if any.

The liquidators can only take up their function after confirmation of their appointment by the shareholders' meeting by the competent Enterprise Court pursuant to Articles 2:83 to 2:86 of the Belgian Code on Companies and Associations.

After settlement of all debts, charges and expenses relating to the liquidation, the net assets shall be equally distributed amongst all shares, after deduction of that portion of such shares that are not fully paid-up, if any.

#### **4.6.6 Acquisition of the Company's shares**

In accordance with the Belgian Code on Companies and Associations, the Company can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 75% of the votes validly cast at a shareholders' meeting where at least 50% of the share capital are present or represented. The prior approval by the shareholders is not required if the Company purchases its own shares to offer them to its personnel.

In accordance with the Belgian Code on Companies and Associations, an offer to purchase shares must be made by way of an offer to all shareholders under the same conditions. This does not apply to (i) the acquisition of shares by companies listed on a regulated market and companies whose shares are admitted to trading on a multilateral trading facility (an "MTF"), provided that the company ensures equal treatment of shareholders finding themselves in the same circumstances by offering an equivalent price (which is assumed to be the case: (a) if the transaction is executed in the central order book of a regulated market or MTF; or (b) if it is not so executed in the central order book of a regulated market or MTF, in case the offered price is lower than or equal to the highest actual independent bid price in the central order book of a regulated market or (if not listed on a regulated market) of the MTF offering the highest liquidity in the share); or (ii) the acquisition of shares that has been unanimously decided by the shareholders at a meeting where all shareholders were present or represented.

A company can only acquire its own shares with funds that would otherwise be available for distribution to the company's shareholders pursuant to Article 7:212 of the Belgian Code on Companies and Associations.

At the date of this Prospectus, the Board of Directors of the Company was not authorised by the shareholders' meeting to purchase its own shares and neither do the Articles of Association authorise the Board of Directors to purchase own shares in case of imminent serious harm to the Company in accordance with Article 7:215, §1, paragraph 4 of the Belgian Code on Companies and Associations.

## **4.7 Takeover bids, squeeze-out and sell-out rules**

### **4.7.1 Takeover bids**

The Directive 2004/25/EC of the European Parliament and the Council dated 21 April 2004 on takeover bids (the "**Takeover Directive**") sets forth the principles governing the choice of laws applicable to the Company in the context of a takeover bid for the shares of the Company. Article 4-2(c) of the Takeover Directive provides that if the securities of a company subject to the offer were first admitted to trading on regulated markets in more than one Member State simultaneously, the offeree company shall determine which of the supervisory authorities of those Member States shall be the authority competent to supervise the bid by notifying those regulated markets and their supervisory authorities on the first day of trading.

Article 4.2 (e) of the Takeover Directive also provides that matters relating to the consideration offered in the case of an offer, in particular the price and matters relating to the offer procedure, in particular the information on the offeror's decision to make an offer, the contents of the offer document and the disclosure of the offer, shall be dealt with in accordance with the rules of the Member State of the competent authority. As to matters relating to the information to be provided to the employees of the offered company and matters relating to corporate law, in particular the percentage of voting rights which confers control and any exemption from the obligation to launch an offer, as well as the conditions under which the supervisory board of the offeree company may undertake any action which might result in the frustration of an offer, the applicable rules and the competent authority shall be those of the Member State in which the offeree company has its registered office.

These provisions have been implemented in Belgium by the Law of 1 April 2007 on public takeover bids (*Loi du 1er avril 2007 relative aux offres publiques d'acquisition*) (the "**Takeover Law**"), as implemented by the Royal Decree of 27 April 2007 on public takeover bids (*Arrêté royal du 27 avril 2007 relatif aux offres publiques d'acquisition*) (the "**Takeover Decree**") and the Royal Decree of 27 April 2007 on public squeeze-outs (*Arrêté royal du 27 avril 2007*

*relatif aux offres publiques de reprise*) (for the latter, see below under Section 4.7 "Takeover bids, squeeze-out and sell-out rules").

The Company has chosen the FSMA as competent authority. As a consequence, Belgian laws and regulations will fully apply and public takeover bids on the Company's shares and other securities granting access to voting rights (such as subscription rights or convertible bonds, if any) will be subject to supervision by the FSMA. In accordance with article 6.2 of the Takeover Directive, the takeover bid documents approved by the FSMA will be recognized in full in France, subject to any translation required, without the need to obtain the approval of the AMF. The AMF may however require the inclusion of additional information regarding the formalities to be complied with to accept the takeover bid and to receive the consideration due at the close of the takeover bid as well as to the tax arrangements to which the consideration offered to the holders of the securities will be subject.

Public takeover bids must be made for all of the Company's voting securities, as well as for all other securities issued by the Company that entitle the holders thereof to the subscription for, or the conversion in, voting securities. Prior to making an offer, an offeror must issue and disseminate an offer document, which must be approved by the FSMA. The offeror must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of the shares of the target.

All shareholders and holders of subscription rights (and holders of other securities granting access to voting rights issued by the target company) must have equal rights to contribute their securities in any public takeover bid. Furthermore, whenever a person (as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly) acquires more than 30% of the voting securities of a company that are (at least in part) admitted to trading on a regulated market, such person must launch a mandatory takeover bid for all the voting securities and securities granting access to voting securities issued by the target company. In general and except for certain exceptions, the mere fact of exceeding the relevant threshold as a result of an acquisition will give rise to the obligation to launch a mandatory takeover bid, irrespective of whether or not the price paid in the relevant transaction exceeds the then current market price. For the calculation of the 30% threshold, the number of voting securities is taken into account and not the number of voting rights attached to such voting securities.

In such an event, the takeover bid must be launched at a price equal to the higher of the two following amounts: (i) the highest price paid by the offeror or the persons acting in concert with it for the acquisition of the relevant securities during the last 12 calendar months; and (ii) the average trading price during the last 30 days before the obligation to launch a takeover bid arose. No mandatory takeover bid is required, amongst other things, when the acquisition is the result of a subscription for a capital increase with application of the preferential subscription rights of the shareholders as decided by the shareholders' meeting.

The price for the acquisition of the shares can be in cash or in securities. In the event of a mandatory takeover bid or a voluntary takeover bid launched by an offeror who controls the target, if a price composed of securities is offered, a cash alternative must also be offered in the event that: (i) the price does not consist of liquid securities admitted to trading on a regulated market; or (ii) the offeror, or a person acting in concert with it, acquired shares for cash during a period of 12 calendar months preceding the publication of the takeover bid or during the takeover bid period (whereby these shares, in the event of a voluntary takeover bid by a controlling shareholder, represent more than 1% of the outstanding voting securities).

Where the voluntary takeover bid is launched by a controlling shareholder, the price must be supported by a fairness opinion issued by an independent expert. In addition, in any cases, the Board of Directors of the target company is required to publish its opinion concerning the takeover bid, as well as its comments on the offer document.

The acceptance period for the takeover bid must be at least two weeks and may not exceed ten weeks.

In principle, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company, the authorization of the Board of Directors to increase the Company's share capital in cash or in kind, while limiting or cancelling the preferential subscription right, is suspended. However, the Company's extraordinary shareholders' meeting held on 9 July 2018 expressly granted the Board of Directors the authority to increase the Company's share capital, in one or several times, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company and subject to the limitations imposed by the Belgian Companies Code (now the Belgian Code on Companies and Associations). This authorization became effective as per 9 July 2018 and was granted for a period of three years.

A Belgian public limited liability company (*société anonyme*) can acquire, dispose of, or pledge its own shares, profit certificates or any certificates relating thereto subject to compliance with the relevant legal provisions. In particular, the shareholders' meeting can authorise the Board of Directors to, without any resolution of the shareholders' meeting, purchase and keep the Company's own shares when such is necessary to "to avoid imminent and serious danger to the Company" within the meaning of article 7:215 of the Belgian Code on Companies and Associations. If granted, such authorisation is valid for a period of three years as of the publication thereof in the Annexes to the Belgian Official



Gazette (*Moniteur belge*). On the date of this Securities Note, such authorisation has not been granted to the Board of Directors of the Company.

The Articles of Association do not provide for any other specific protective mechanisms against public takeover bids.

#### **4.7.2 Squeeze-out and sell-out**

Pursuant to Article 7:82 of the Belgian Code on Companies and Associations, a person or legal entity, acting alone or in concert, who owns 95% of the voting securities in a listed company, such as the Company, can acquire all of the outstanding voting securities or securities granting access to such voting securities in the Company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the offeror at the end of the procedure. At the end of the procedure, the Company is no longer deemed to be a listed company, unless bonds issued by the Company, if any, are still spread across the public. The consideration paid for the securities must be in cash and must represent the fair value of the securities with a view to safeguarding the interests of the holders of voting securities and securities granting access to such voting securities.

The Takeover Law and the Takeover Decree provide for certain rules on the squeeze-out by majority shareholders of the minority shareholders and on the sell-out right of the minority shareholders. If, as a result of a (reopened) public takeover bid, a bidder (together with any person acting in concert with the bidder) holds 95% or more of the voting capital and 95% of the voting securities of the target company, and provided that, in case of a voluntary public takeover bid, the bidder acquired securities representing at least 90% of the voting capital to which the public takeover bid relates, then the bidder can proceed with a simplified squeeze-out in accordance with article 42 of the Takeover Decree, provided that all conditions for such simplified squeeze-out are met, to acquire the securities not yet acquired by the bidder (or any other person deemed to act in concert with the bidder).

Also, if, as a result of such a (reopened) public takeover bid, a bidder (together with any person acting in concert with the bidder) holds 95% or more of the voting capital and 95% or more of the voting securities of the target company, and provided that the bidder acquired securities representing at least 90% of the voting capital to which the public takeover bid relates, each security holder has the right to require the bidder take over its securities against the offer price in accordance with article 44 of the Takeover Decree.

### **4.8 Takeover bids instigated by third parties during the previous financial year and the current financial year**

No takeover bid has been instigated by third parties in respect of the Company's equity during the previous financial year and the current financial year.

### **4.9 Taxation in Belgium**

**Important Notice** - Prospective investors are warned that the tax legislation of the investor's jurisdiction or of Belgium (being the Issuer's country of incorporation) might have an impact on the income received from the New Shares.

The following is a non-exhaustive summary of the principal Belgian tax consequences for investors relating to the acquisition, the ownership and disposal of the New Shares. The Prospectus does not cover the tax consequences related to the acquisition, ownership, conversion or disposition of the Convertible Bonds. Prospective investors should consult their own (tax) advisers regarding the tax consequences, in Belgium or elsewhere, related to the acquisition, ownership, conversion or disposition of the Convertible Bonds.

This summary is based on the Company's understanding of the applicable laws, treaties and regulatory interpretations as in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have a retroactive effect. The foregoing is particularly relevant since the new Belgian government in place as from September 30, 2020 announced a "wide-ranging tax reform", which is currently (May 2022) still under discussion. Investors should appreciate 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 acquisition, ownership and disposal of the New Shares, and does not take into account the specific circumstances of any particular investor or the tax laws of any country other than Belgium. Moreover, it does not address specific rules, such as Belgian federal or regional estate and gift taxes, nor 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 local taxes that may be due in connection with an investment in shares, other than Belgian local surcharges (*gemeentebelasting/taxe communale*) which generally vary from 0% to 10% of the investor's income tax liability.

For the purposes of this summary, a resident investor is:

- an individual subject to Belgian personal income tax, i.e. (i) an individual having their domicile in Belgium, (ii) when not having their domicile in Belgium, an individual having their seat of wealth in Belgium, or (iii) an individual assimilated to a resident for purposes of Belgian tax law;
- a company (as defined by Belgian tax law) subject to Belgian corporate income tax, i.e. a corporate entity having its principal establishment, administrative seat or effective place of management in Belgium (and that is not excluded from the scope of the Belgian corporate income tax). A company having its registered seat in Belgium shall be presumed, unless the contrary is proved, to have its principal establishment, administrative seat or effective place of management in Belgium; or
- a legal entity subject to the Belgian tax on legal entities, i.e. a legal entity other than a company subject to Belgian corporate income tax having its principal establishment, administrative seat or effective place of management in Belgium.

A non-resident investor is any individual, company or legal entity that does not fall in any of the three previous classes.

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.

Investors should consult their own (tax) advisers regarding the tax consequences of an investment in the New Shares in light of their particular situation, including the effect of any state, local or other national laws, treaties and regulatory interpretations thereof.

#### **4.9.1 Dividends**

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the shares (including the New Shares) is generally treated as a dividend distribution.

By way of exception, the repayment of capital carried out in accordance with the Belgian Code on Companies and Associations is not treated as a dividend distribution to the extent that such repayment is imputed (proportionally or totally) to the fiscal capital (*gestort kapitaal/capital libéré*). Whether a repayment is imputed to fiscal capital will depend on the company's taxed (and certain untaxed) reserves. Any capital reduction will be deemed to be paid out on a pro rata basis of the Company's fiscal capital and its relevant reserves (being any taxed reserve incorporated or not in the capital, and any tax-exempt reserve incorporated in the capital). The portion of the capital reduction that is deemed to be paid out of the reserves will be considered as a dividend distribution.

Belgian withholding tax of 30% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In the case of a redemption of the shares (including the New 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 case of liquidation of the Company, any amounts distributed in excess of the fiscal capital (i.e. the liquidation bonus) will in principle 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.

##### **4.9.1.1 Resident individuals**

For Belgian resident individuals who acquire and hold the New Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. This means that they do not have to declare the dividends in their personal income tax return and that the Belgian withholding tax constitutes a final tax.

They may nevertheless opt to report the dividends in their personal income tax return. Belgian resident individuals who report the dividends in their personal income tax return will normally be taxable at the lower of the generally applicable 30% Belgian withholding tax rate on dividends or at the progressive personal income tax rates applicable to their overall declared income. If the beneficiary reports the dividends, any income tax due on such dividends will not be increased by communal surcharges. In addition, if the dividends are reported, the Belgian dividend withholding tax levied at source may, in both cases, 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 of the Company. The latter condition is not applicable if the individual can demonstrate that they have held shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends. An exemption from personal income tax could in principle be claimed by Belgian resident individuals in their personal income tax return for a first bracket of dividend income up to the amount of EUR 800 per year (amount applicable for income year 2022 – tax year 2023). For the avoidance of doubt, all

reported dividends (not only dividends distributed on the New Shares) are taken into account to assess whether said maximum amount is reached (and hence not only the amount of dividends paid or attributed on the shares).

For resident individuals who acquire and hold the shares (including the New Shares) for professional purposes, the Belgian withholding tax does not fully discharge their income tax liability. Dividends received must be declared by the investor as a professional income and will, in such a case, be taxable at the investor's progressive (per bracket) personal income tax rates (from 25% up to 50%, depending on the bracket, plus local surcharges). The Belgian withholding tax levied at source 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 investor must have held full legal ownership of the Company's shares at the time of payment or attribution of the dividends and (ii) the dividend distribution may not result in a reduction in value of, or a capital loss on, the Company's shares. The latter condition is not applicable if the investor demonstrates that they have held full legal ownership of the Company's shares during an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

#### 4.9.1.2 Resident companies

##### *Corporate income tax*

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. For resident companies, the gross dividend income (including the Belgian withholding tax levied) must be declared in the corporate income tax return and will generally be taxable at the ordinary corporate income tax rate of 25% (the ordinary rate of 25% is applicable since tax year 2021 in relation to a taxable period starting at the earliest on January 1, 2020). Subject to certain conditions, a reduced corporate income tax rate of 20% (the reduced rate of 20% is applicable since tax year 2021 in relation to a taxable period starting at the earliest on January 1, 2020) applies for 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 bracket of EUR 100,000 taxable profits.

Belgian resident companies can generally (subject to certain limitations) deduct 100% of the gross dividend received from their taxable income (the "**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 the share capital of the Company or a participation in the Company 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 of the Company have been or will be held in full ownership for an uninterrupted period of at least one year immediately prior to the payment or attribution of the dividend; and (iii) the conditions relating to the taxation of the underlying distributed income ("subject-to-tax" condition), as described in Article 203 of the Belgian Income Tax Code (the "**Article 203 BITC Taxation Condition**") are met (together, the "**Conditions for the application of the Dividend Received Deduction regime**").

Conditions (i) and (ii) above are, in principle, not applicable for dividend received by an "investment company" within the meaning of art. 2, §1, 5°, f) of the Belgian Income Tax Code 1992 ("**BITC**"). 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.

Any Belgian dividend withholding tax levied at source may, in principle, be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the investor's corporate income tax due, subject to two conditions: (i) the investor must have held the full legal ownership of the shares on the day the beneficial owner 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 Company's shares. The latter condition is not applicable (A) if the investor demonstrates that it has held the Company's shares in full legal ownership during an uninterrupted period of 12 months prior to the payment or attribution of the dividends or (B) if, during that period, the Company's shares never belonged to a taxpayer other than a resident company or a non-resident company that held the Company's shares in an uninterrupted manner through a permanent establishment in Belgium.

##### *Withholding tax*

Dividends distributed to a resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the investor must provide the Company or its paying agent at the latest upon the attribution or payment of the dividend with an *ad hoc* tax certificate confirming its qualifying status and the fact that it meets the two required conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies its qualifying status, the date from which it has held such minimum participation, its commitment to hold the minimum participation for an uninterrupted period of at least one year and its commitment to immediately notify to the Company or its paying agent a reduction of its shareholding below such threshold prior to the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the levied dividend withholding tax which was temporarily withheld will be passed on to the investor.

The above described Dividend Received Deduction and withholding tax exemption 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, the above dividend withholding tax exemption or one of the advantages of the EU Parent-Subsidiary Directive of November 30, 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.

#### 4.9.1.3 Organisations for Financing Pensions

For organisations for financing of pensions ("**OFPs**"), i.e. Belgian pension funds incorporated under the form of an OFP (*organisme voor de financiering van pensioenen/organismes de financement de pensions*) within the meaning of Article 8 of the Belgian Law of 27 October 2006, dividend income is generally tax exempt. Subject to certain limitations, any Belgian withholding tax levied at source may be credited against the final income tax due and is reimbursable to the extent that it exceeds the investor's income tax due.

Belgian (or foreign) OFPs not holding the shares – which give rise to dividends – for an uninterrupted period of 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*). The withholding tax exemption will in such case not apply and/or any Belgian dividend withholding tax levied at source on the dividends will in such case not be credited against the corporate income tax, unless counterproof is provided by the OFP that the arrangement or series of arrangements are genuine.

#### 4.9.1.4 Resident legal entities

For resident legal entities subject to the Belgian income tax on legal entities, the Belgian withholding tax levied at source generally constitutes their final tax liability.

#### 4.9.1.5 Non-residents

##### *Belgian dividend withholding tax for non-resident*

For non-resident individuals, corporations or other legal entities the withholding tax levied at source will be the only tax on dividends in Belgium, unless the non-resident holds Company's shares in connection with a business conducted in Belgium through a fixed base in Belgium or a permanent establishment in Belgium.

If the Company's shares are acquired or held by a non-resident in connection with a business conducted in Belgium through a fixed base in Belgium or a permanent establishment in Belgium, the investor must report any dividends received in its Belgian income tax return and the dividends will be taxable at the applicable non-resident individual or corporate income tax rate, as appropriate. Withholding tax levied at source may then be credited against non-resident individual or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the investor must have held full legal ownership of the shares on the day the beneficial owner 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 Company's shares. The latter condition is not applicable if (i) the non-resident individual or the non-resident company demonstrates that the Company's shares were held in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or (ii) with regard to non-resident companies only, if, during the said period, the Company's shares have not belonged to a taxpayer other than a resident company or a non-resident company that held the Company's shares in an uninterrupted manner through a permanent establishment in Belgium.

Non-resident companies whose Company's shares are invested in a permanent establishment may 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 met (see above section 4.9.1.2 "Resident companies"). 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.

##### *Belgian dividend withholding tax relief for non-residents*

Dividends distributed to non-resident companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause and qualifying as a parent company in the meaning of Parent-Subsidiary Directive, will, under certain conditions, be exempt from Belgian withholding tax provided that Company's shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the Company's share capital and such minimum participation

is held or will be held during an uninterrupted period of at least one year. A company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the Parent-Subsidiary Directive, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty it has a legal form similar to the ones listed in such annex, (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries, and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime.

In order to benefit from this exemption, the non-resident company must provide the Company or its paying agent with an *ad hoc* tax certificate confirming its qualifying status and the fact that it meets the three abovementioned conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed to the Company's shares, the Company or the paying agent will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies its qualifying status, the date from which the investor has held such minimum participation, its commitment to hold the minimum participation for an uninterrupted period of at least one year and its commitment to immediately notify the Company of a reduction of its shareholding below such threshold prior to the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the levied dividend withholding tax, which was temporarily withheld, will be passed on to the non-resident company.

The withholding tax exemption 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, the above dividend withholding tax exemption or one of the advantages of the Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements are regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

Dividends distributed by a Belgian company to non-resident companies on a share participation of less than 10% will under certain conditions be subject to an exemption from withholding tax, provided that the non-resident companies (i) are either established in another Member State of the EEA or in a country with which Belgium has concluded a double tax treaty, where that treaty, or any other treaty concluded between Belgium and that jurisdiction, includes a qualifying exchange of information clause; (ii) have a legal form as listed in Annex I, Part A to the Parent-Subsidiary Directive as amended from time to time, or a legal form similar to the legal forms listed in the aforementioned annex and which is governed by the laws of another Member State of the EEA or a similar legal form in a country with which Belgium has concluded a double tax treaty; (iii) hold a share participation in the Belgian dividend distributing company, upon payment or attribution of the dividends, of less than 10% of the issuer's share capital but with an acquisition value of at least EUR 2,500,000; (iv) hold or will hold the shares which give rise to the dividends in full legal ownership during an uninterrupted period of at least one year; and (v) are subject to the corporate income tax or a tax regime similar to the corporate income tax without benefiting from a tax regime which deviates from the ordinary regime. The exemption from withholding tax is only applied to the extent that the Belgian withholding tax, which would be applicable absent the exemption, could not be credited nor reimbursed at the level of the qualifying, dividend receiving, company. The non-resident company must provide the issuer or its paying agent with an *ad hoc* tax certificate confirming, in addition to its full name, legal form, address and fiscal identification number (if applicable), its qualifying status and the fact that it meets the required conditions mentioned under (i) to (v) above, and indicating to which extent the withholding tax, which would be applicable absent the exemption, is in principle creditable or reimbursable on the basis of the law as applicable on 31 December of the year preceding the year during which the dividend is paid or attributed.

Under Belgian tax law, withholding tax is also not due on dividends paid to a non-resident pension fund which satisfies the following conditions: (i) to be a legal entity with fiscal residence outside of Belgium and without a Belgian establishment, (ii) whose corporate purpose consists solely in managing and investing funds collected in order to serve legal or complementary pension schemes, (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim, (iv) which is exempt from income tax in its country of residence, and (v) provided that it is not contractually obligated to remit or transfer the dividends received to any ultimate beneficiary of such dividends for whom it would manage the shares, nor obligated to pay a manufactured dividend with respect to the shares under a securities borrowing transaction. The exemption will only apply if the non-resident pension fund provides an *ad hoc* tax certificate confirming that it is the full legal owner or usufruct holder of the Company's shares and that the above conditions are satisfied.

A pension fund not holding the shares – which give rise to dividends – for an uninterrupted period of 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*). The withholding tax exemption will in such case be rejected, unless counterproof is provided by the OFP that the arrangement or series of arrangements are genuine.

If there is no exemption or reduced rate available under Belgian domestic law, the Belgian withholding tax can potentially be reduced for non-resident investors pursuant to the bilateral tax treaty concluded between Belgium and the state of residence of the investor. Belgium has concluded tax treaties with over 95 countries, reducing the dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of such countries, subject to conditions relating, amongst others, to the size of the shareholding and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable tax treaty rate.

Prospective investors should consult their own (tax) adviser as to whether they qualify for a reduction of, or exemption from, Belgian withholding tax upon payment or attribution of dividends, and as to the procedural requirements for obtaining such a reduction or exemption.

Dividends paid or attributed to Belgian non-resident individuals who do not use the shares (including the New Shares) in the exercise of a professional activity, may be exempt from Belgian non-resident individual income tax up to the amount of EUR 800 (amount applicable for income year 2022 – tax year 2023) per year. Consequently, if Belgian withholding tax has been levied on dividends paid or attributed to the shares, such Belgian non-resident individual may request in his or her Belgian non-resident income tax return that any Belgian withholding tax levied on dividends up to the amount of EUR 800 (amount applicable for income year 2022 – tax year 2023) per year be credited and, as the case may be, reimbursed. However, if no such Belgian income tax return has to be filed by the Belgian non-resident individual, any Belgian withholding tax levied on such an amount could in principle be reclaimed by filing a request thereto addressed to the tax authority. Such a request has to be made at the latest on December 31 of the calendar year following the calendar year in which the relevant dividend(s) have been received, together with an affidavit confirming the non-resident individual status and certain other formalities.

## **4.9.2 Capital gains and losses**

### **4.9.2.1 Resident individuals**

For resident individuals acquiring and holding the Company's shares (including the New Shares) as a private investment, capital gains realised upon the transfer of the shares are generally not subject to Belgian income tax and capital losses are, however, not tax deductible.

However, resident individuals may be subject to a 33% income tax (to be increased with local surcharges) if the capital gain on the shares is deemed to be speculative or realised outside the scope of the normal management of their private estate. Moreover, capital gains realised by Belgian resident individuals on the disposal of the Company's shares for consideration, outside the exercise of a professional activity, to a legal person that has its principal establishment, or place of management 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 their spouse or with certain relatives, a substantial shareholding in the Company (*i.e.*, a shareholding of more than 25% in the Company). Capital losses are, however, not tax deductible.

For resident individuals holding the Company's shares (including the New Shares) for professional purposes, capital gains realised upon transfer of shares shall be taxable at the normal progressive personal income tax rates (which are currently in the range of 25% to 50%, plus local surcharges), except for Company's shares held for more than five years, which are taxable at a separate rate of 10% (capital gains realised in the framework of the cessation of activities under certain circumstances) or at a separate rate of 16.5% (other circumstances), plus local surcharges. Capital losses on the Company's shares incurred by resident individuals holding the shares for professional purposes are in principle tax deductible.

Capital gains realised by resident individuals upon redemption of the Company's shares or upon liquidation of the Company will in principle be taxed as dividend income (see above).

### **4.9.2.2 Resident companies**

Belgian resident companies are not subject to Belgian corporate income tax on gains realised upon the disposal of Company's shares (including the New Shares) provided that all the Conditions for the application of the Dividend Received Deduction regime are met: (i) the Article 203 ITC “subject-to-tax” Condition is satisfied, (ii) the shares have been held in full legal ownership for an uninterrupted period of at least one year and (iii) it holds a participation of at least 10% in the capital of the company or at least EUR 2,500,000 of investment value in capital.

If one or more of the Conditions for the application of the Dividend Received Deduction regime are not met, the capital gains realised upon the disposal of shares in the Company will be taxable at the ordinary corporate income tax rate of 25% (since tax year 2021 in relation to a taxable period starting at the earliest on January 1, 2020). The ordinary corporate income tax rate can be further reduced to 20% on the first bracket of EUR 100,000 of yearly taxable profits for small companies and Medium Sized Enterprises if conditions are met (see above).

Capital gains realized by Belgian resident companies upon the redemption of Shares by the Company or upon the liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

However, the income received by Belgian resident companies upon a redemption of shares in accordance with the Belgian Company Code could be treated as a capital gain on shares (taxed in accordance with the rules described above) if certain conditions are fulfilled.

Capital losses on Company's shares incurred by resident companies (both non-SMEs and SMEs) are, as a general rule, not tax deductible.

If the Company's shares form part of the trading portfolio (*handelsportefeuille/portefeuille commercial*) of companies that 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 institutions (*jaarrekening van de kredietinstellingen, de beleggingsonderneming en de beheervennootschappen van instellingen van collectieve belegging/comptes annuels des établissements de crédit, des entreprises d'investissement et des sociétés de gestion d'organismes de placement collectif*), the capital gains realised upon the disposal of shares will be subject to corporate income tax, and capital losses will be tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realisation.

#### 4.9.2.3 Organisation for Financing Pensions

OFPs are, in principle, not subject to Belgian corporate income tax on the capital gains realised upon the disposal of the Company's shares, and capital losses are not tax deductible.

However, in general, capital gains realised by Belgian resident OFPs upon redemption of the shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

#### 4.9.2.4 Other resident legal entities

Capital gains realised upon transfer of the Company's shares (including the New Shares) by resident legal entities subject to the legal entities income tax are generally not subject to income tax, save in case of a sale of Company's shares which are directly or indirectly part of a stake representing more than 25% of the share capital in the Company which may, under certain conditions, give rise to a 16.5% tax (plus surcharges). Capital losses on the Company's shares incurred by Belgian resident legal entities are not tax deductible.

Capital gains realised by Belgian resident legal entities upon the redemption of the Company's shares or upon the liquidation of the Company will in principle be taxed as dividends (see above).

#### 4.9.2.5 Non-residents

##### *Non-resident individuals*

Capital gains realised on the Company's shares by a non-resident individual that has not acquired the shares in connection with a business conducted in Belgium through a fixed base in Belgium are in principle not subject to taxation, unless the capital gains are earned or received in Belgium and:

- deemed to be speculative or realised outside the scope of the normal management of the individual's private estate (as defined in articles 90, 1° and 9° of the BITC), in which case (i) capital gains taxable under article 90, 1° and article 228, §2, 9°, a) of the BITC will be subject to a final Belgian professional withholding tax of 30.28% (to the extent that article 248 of the BITC is applicable) and (ii) capital gains taxable under article 90, 9° and article 228, §2, 9°, h) of the BITC need to be declared in a Belgian non-resident income tax return and will be subject to tax at a rate of 35.31% (i.e. 33% plus local surcharges of 7%); or
- originate from the disposal of (part of) a substantial participation in the Company (being a participation representing more than 25% of the Company's share capital at any time during the last five years prior to the disposal – see Section 4.9.1.2 "Resident companies" above), in which case the capital gains will be subject to tax at a rate of 17.66% (i.e., 16.5% plus local surcharges of currently 7%) and will need to be declared in a Belgian non-resident income tax return.

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 realised by residents of those countries. Capital losses are generally not tax deductible.

Capital gains will be taxable at the ordinary progressive income tax rates and capital losses will be tax deductible, if those gains or losses are realised on Company's shares by a non-resident individual that holds the Company's shares in connection with a business conducted in Belgium through a fixed base in Belgium.

Capital gains realised by Belgian non-resident individuals upon the redemption of Company's shares or upon the liquidation of the Company will generally be taxable as a dividend (see above).

### *Non-resident companies*

Non-resident companies that have not acquired the Company's shares in connection with a business conducted in Belgium through a Belgian establishment are generally not subject to taxation in Belgium on capital gains on those shares.

Non-resident companies that hold the shares in connection with a business conducted in Belgium through a Belgian establishment will generally be taxable in the same way as resident companies (see Section 4.9.1.2 "Resident companies" above).

Capital gains realised by non-resident companies upon redemption of the shares or upon liquidation of the Company will in principle be taxed as dividend income (see above).

#### **4.9.3 Tax on stock exchange transactions**

Upon the issue of the New Shares (primary market), no tax on stock exchange transactions is due.

The purchase and sale or any other acquisition or transfer for consideration of existing Company's shares (secondary market transactions) in Belgium through a professional intermediary is subject to the tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) currently at a rate of 0.35%, capped at EUR 1,600 per taxable transaction. A separate tax is due from each party to the transaction, both collected by the professional intermediary.

Following the Law of December 25, 2016, the scope of application of the tax on the stock exchange transactions has been extended as of January 1, 2017 to secondary market transactions of which the order is, directly or indirectly, made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such a scenario, the tax on the stock exchange transactions is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In the latter 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 realized. 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 and for complying with reporting obligations and the obligations relating to the order statement 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.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account:

- professional intermediaries described in Articles 2, 9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services;
- insurance companies described in Article 2, §1 of the Belgian Act of 9 July 1975 on the supervision of insurance companies;
- pension institutions described in Article 2, 1° of the Belgian Act of 27 October 2006 on the supervision of pension institutions;
- collective investment undertakings;
- regulated real estate companies; and
- non-residents (provided that they deliver a certificate to the professional intermediary in Belgium confirming their non-resident status).

The EU Commission adopted on 14 February 2013 the Draft Directive on an Financial Transaction Tax ("FTT"). The Draft Directive currently 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). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive on an FTT is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

Investors should consult their own professional (tax) adviser as to the specific implications of this Tax on stock exchange transactions for their tax situation.



#### **4.9.4 (New) Tax on Securities Accounts**

The 'Law introducing an annual tax on security accounts' was published in the Belgian Official Gazette on 25 February 2021. The Tax on Securities Accounts ("TSA") entered into force on 26 February 2021 (with exception of the antiabuse provisions provided by the law and which entered into force on 30 October 2020).

The TSA is an annual subscription tax of 0.15% applicable to taxable financial instruments held in a securities account with an average value of minimum EUR 1,000,000 during the reference period. All financial instruments held in a securities account do fall into the scope of the TSA (including financial instruments such as the New Shares).

The TSA is levied on the securities account itself and not on the holder of the securities account. The TSA will be due only when the average value of the financial instruments held in the securities account amounts to more than EUR 1,000,000 during the reference period.

In principle, the reference period of 12 following months starts on 1 October and ends on 30 September of the following year (the reference period can be shorter in certain circumstances). To calculate the average value, 'snapshots' of the account will be taken every three months and the threshold will hence be assessed on the average value of the financial instruments in the securities account at four reference points within the reference period (i.e., on 31 December, 31 March, 30 June and 30 September). For the first reference period (2021), these 'snapshots' will take place on 31 March 2021, 30 June 2021 and 30 September 2021. The second reference period begins on 1 October 2021.

The TSA is applicable to securities accounts held both in Belgium and abroad by Belgian residents. The TSA is not limited to natural persons (subject to personal income tax) residing in Belgium, but also applies to companies (subject to corporate income tax) and to legal entities (subject to the tax for legal entities) that are established in Belgium. The TSA is also applicable to securities accounts held by non-Belgian residents (both natural persons and legal persons subject to non-resident income taxes) when the securities account is held in Belgium, subject to such relief as may be available under the applicable tax treaty provisions. Certain companies are exempted from the TSA for security accounts held exclusively for their own account. These are 'financial entities' such as banks, listed companies, asset managers, funds and insurers.

For securities accounts held at a Belgian intermediary (e.g. a Belgian Bank), this Belgian intermediary has to withhold the due TSA and must submit the TSA return. In all other circumstances, the account holder must submit the TSA return and pay the due TSA. Foreign intermediaries will have the possibility to have a responsible representative recognized in Belgium who can submit the TSA return and pay the TSA due. Non-compliance with the TSA obligations is sanctioned with a fine of 10% to 200% of the TSA due. Interest for late payment are due when the TSA is paid late.

Investors should consult their own professional (tax) adviser as to the specific implications of this TSA on their tax situation.

#### **4.9.5 Common reporting standard**

Following recent international developments, the exchange of information will be governed by the Common Reporting Standard ("CRS"). More than 90 jurisdictions have 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.

More than 50 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.

Under CRS, financial institutions resident in a CRS country will be 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 December 9, 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.

The mandatory automatic exchange of financial information by EU Member States as foreseen in DAC2 had to become effective on September 30, 2017 at the latest, except with regard to Austria. The mandatory automatic exchange of financial information had to become effective in Austria on September 30, 2018 (at latest).

The Belgian government has implemented said Directive 2014/107/EU, respectively the Common Reporting Standard, per the Law of December 16, 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

As a result of the Law of December 16, 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 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.

Investors who are in any doubt as to their position should consult their professional (tax) advisers.

## 4.10 Taxation in France

**Important Notice** - Prospective investors are warned that the tax legislation of the investor's jurisdiction or of Belgium (being the Issuer's country of incorporation) might have an impact on the income received from the New Shares. The following is a non-exhaustive summary of the principal French tax consequences for investors relating to the acquisition, the ownership and disposal of the New Shares. The Prospectus does not cover the tax aspects related to the acquisition, ownership, conversion or disposition of the Convertible Bonds. Prospective investors should consult their own (tax) advisers regarding the tax aspects related to the acquisition, ownership, conversion or disposition of the Convertible Bonds.

### 4.10.1 Dividends

4.10.1.1 Individuals who are fiscally domiciled in France, who hold the shares in their personal portfolio and who do not carry on a trading activity in conditions which are similar to those of a professional trading activity

#### *Income tax*

Dividends received by individuals who are fiscally domiciled in France are taken into account for the computation of their taxable income. They are subject to personal income tax and, subject to certain conditions, to the exceptional tax on high income (*contribution exceptionnelle sur les hauts revenus*). For taxpayers who are married or have entered into a civil partnership (*PACS*) and who are filing a joint tax return, the exceptional tax on high income applies at a rate of 3% on fiscal income (*revenu fiscal de référence*) of the fiscal household between EUR 500,000 and EUR 1,000,000 and at a rate of 4% on fiscal income above EUR 1,000,000. For other taxpayers who are single, widowed, separated or divorced, the tax applies at a rate of 3% on fiscal income between EUR 250,000 and EUR 500,000 and at a rate of 4% on fiscal income above EUR 500,000.

Furthermore, dividends are generally subject to the 12.8% withholding tax set out under article 117 *quater* of the French *Code général des impôts* (the "**French Tax Code**") if paid by a paying agent located in France. The 12.8% withholding tax is applicable to the gross amount of the dividend paid and is deductible from their personal income tax liability in respect of the year in which the payment has been made. If the 12.8% withholding tax exceeds the amount of personal income tax due by the taxpayer, it may be reimbursed.

Persons belonging to a fiscal household with a fiscal income (*revenu fiscal de référence*) below EUR 75,000, for taxpayers filing a joint return and below EUR 50,000 for other taxpayers during the penultimate year preceding the payment of the dividends, can elect not to be subject to the 12.8% withholding tax. Furthermore, dividends paid on shares of the Company held in a personal equity plan (*plan d'épargne en action*)<sup>1</sup> are exempt from the 12.8% withholding tax<sup>1</sup>.

When the paying agent is established outside France, the 12.8% withholding tax is only due by persons belonging to a fiscal household with a fiscal income above EUR 75,000, for taxpayers filing a joint return and above EUR 50,000 for other taxpayers during the penultimate year preceding the payment of the dividends. In this case, the dividend is reported and the 12.8% withholding tax is paid either by :

- the taxpayer himself; or
- the person who ensures the payment of the income when that person:

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<sup>1</sup> Although, since the Finance Act for 2019, early withdrawals from a PEA are subject to the 12.8% flat tax.

- is established in a Member State of the European Union or in another State party to the Agreement on the European Economic Area which has concluded an administrative assistance agreement with France to combat tax evasion and avoidance; and
- has been mandated by the taxpayer for this purpose.

Upon final taxation, dividends are subject to personal income tax (after deduction of the 12.8% withholding tax) at a flat rate of 12.8% or, upon irrevocable option covering all income within the scope of the 12.8% flat rate, at progressive rates (per bracket) personal income tax rates (from 0% up to 45% depending on the bracket). In case of option for the progressive rates, pursuant to article 158 of the French Tax Code, a rebate of 40% (*abattement de 40%*) is applicable (under certain conditions) to the gross amount of the distributions arising from a regular decision when the personal income tax liability is computed and certain costs and expenses may also be deducted. However, the social levies are still levied on the gross amount of the dividends. The *contribution sociale généralisée* (CSG) is deductible up to 6.8% from the taxable income.

Furthermore, in application of the tax treaty entered into between France and Belgium on 10 March 1964 (the "**Treaty**"<sup>2</sup>), a French shareholder is entitled to claim a tax credit for the Belgian withholding tax applicable to the dividends. This foreign tax credit may be offset against his/her personal income tax, to the extent that the foreign tax credit does not exceed the amount of French tax attributable to the dividend payments (*règle du butoir*) and that the Belgian withholding tax has been levied at the rate provided in the Treaty.

#### Social levies

The following social levies are applicable to the gross amount of the dividends:

- *contribution sociale généralisée* (CSG) at the rate of 9.2% (6.8% being deductible from the taxable income subject to personal income tax);
- *contribution au remboursement de la dette sociale* (CRDS) at the rate of 0.5% (not deductible from the taxable income subject to personal income tax); and
- *prélèvement de solidarité* at the rate of 7.5% (not deductible from the taxable income subject to personal income tax).

The aggregate rate of the social levies equals 17.2%.

#### 4.10.1.2 Legal entities subject to French corporation tax

##### *Shareholders not qualifying for the participation exemption (régime des sociétés mères et filiales)*

Dividends received by shareholders who do not qualify for the participation exemption are subject to corporation tax at a standard rate. For financial years beginning as from 1 January 2022, the standard rate of corporate income tax is set at 25% (article 219,I of the French Tax Code).

The CIT rate has been gradually declining since 2019 as follows :

Turnover (EUR)	Taxable income (EUR)	CIT rate (%)			
		Fiscal year open on :			
		2019	2020	2021	2022
Up to EUR 7,63M for financial years opened before January 1, 2021 and up to EUR 10M for financial years opened as of January 1, 2021	Up to EUR 38,120	15%	15%	15%	15%
	EUR 38,120 to €500,000	28%	28%	26.5%	25%

<sup>2</sup> A new tax treaty was signed between Belgium and France on 9 November 2021, which will replace the treaty of 10 March 1964 after it has been ratified. This new tax treaty should enter into force on 1 January 2023 at the earliest. Certain provisions of the Treaty relating to the rules described below may be amended. As such, prospective investors should consult their own (tax) advisers in respect of changes that may affect their specific situation.

	Over EUR 500,000	31%			
Between EUR 7,63M and EUR 250M for financial years opened before January 1, 2021 and between EUR 10M and EUR 250M for financial years opened as of January 1, 2021	Up to EUR 500,000	28%	28%	26.5%	25%
	Over EUR 500,000	31%			
From EUR 250M	Up to EUR 500,000	28%	28%	27.5%	25%
	Over EUR 500,000	33.1/3%	31%		

The standard rate has thus been gradually reduced to 25% for financial years beginning as from 1 January 2022 (regardless of taxable profits).

In addition, legal entities liable to corporate income tax may, under certain conditions and subject to certain exceptions, be also liable to a social contribution of 3.3% (article 235 *ter* ZC of the French Tax Code).

Small and medium sized enterprises (i.e. enterprises whose turnover is lower than EUR 7,630,000) may benefit, if the conditions specified under articles 219,I,b) and 235 *ter* ZC of the French Tax Code respectively, are met, from a 15% reduced rate of corporation tax on profits up to EUR 38,120 and from an exemption of the 3.3% social surtax.

By application of the Treaty, a French shareholder is entitled to claim a tax credit for the Belgian withholding tax applicable to the dividends. This foreign tax credit may be offset against the corporation tax due, to the extent that the foreign tax credit does not exceed the amount of French tax attributable to the dividend payments (*règle du butoir*) and that the Belgian withholding tax has been levied at the rate provided in the Treaty.

#### *Shareholders qualifying for the participation exemption*

Pursuant to articles 145 and 216 of the French Tax Code, legal entities may benefit from the participation exemption regime if the shares are *inter alia* (i) in registered form or deposited or recorded in an account held by an authorized intermediary; (ii) represent at least 5% of the subsidiary's share capital; or, if this threshold is not reached, 2.5% of the subsidiary's share capital and 5% of the subsidiary 's voting rights, provided that the parent is controlled by one or more non-profit organisations (mentioned in 1 *bis* of article 206 of the French Tax Code); (iii) and kept for a period of two years when the shares represent at least 5%. of the subsidiary's share capital; or five years when the shares represent 2.5% of the subsidiary 's share capital and 5% of the voting rights.

Under the participating exemption, dividends are exempt from corporation tax, except that 5% of the dividends received (including any foreign tax credit) must be added back to the shareholder's taxable income (*quote-part de frais et charges*).

#### **4.10.2 Capital gains and losses**

##### 4.10.2.1 Individuals who are fiscally domiciled in France, who hold the shares in their personal portfolio and who do not carry on a trading activity in conditions which are similar to those of a professional trading activity

Pursuant to the Treaty, any capital gains realised by a French resident individual shareholder upon the disposal of the shares of the Company will only be taxable in France.

In accordance with article 150-0A of the French Tax Code, capital gains on the disposal of shares are subject to personal income tax at a rate of 12.8% and to social levies at the aggregate rate of 17.2%, as mentioned under paragraph "Social levies", under "Individuals who are fiscally domiciled in France, who hold the shares in their personal portfolio

and who do not carry on a trading activity in conditions which are similar to those of a professional trading activity" (see Section 4.10.1 "Dividends").

According to article 150-0 D of the French Tax Code, capital losses incurred in a given year may be offset against capital gains of the same kind realised during that year and during the ten following years.

Individuals concerned can also opt for a capital gains tax based on the progressive scale of income tax. In this latter case, on the one hand, the taxable capital gains can be reduced by the rebates applicable according to the period of ownership (50% where the transferred securities were held for at least two years and less than eight years, and 65% if they were held for at least eight years, it being specified that subject to compliance with certain conditions, increased rebate rates are applicable to the sale of securities of SMEs "younger" than ten years : 50% where the securities were held for at least 1 year and less than 4 years, 65% where the securities were held at least 4 years and less than 8 years, and 85% where the securities were held for at least 8 years), provided that the transferred securities are acquired before 1 January 2018 and, on the other hand, the 6.8% CSG will be deductible in full or in part from the taxable income.

The capital gains on the disposal of shares may also be subject to the exceptional tax on high income (*contribution exceptionnelle sur les hauts revenus*), as mentioned under paragraph "Income tax", under "Individuals who are fiscally domiciled in France, who hold the shares in their personal portfolio and who do not carry on a trading activity in conditions which are similar to those of a professional trading activity" (see Section 4.10.1 "Dividends").

*Special rules applicable to a plan d'épargne en actions PEA (personal equity plan) and to a plan d'épargne en actions destiné au financement des petites et moyennes entreprises et des entreprises de taille intermédiaire PEA PME-ETI (personal plan for equity of small and medium sized companies)*

Under certain conditions set out under article 163 *quinquies* D of the French Tax Code, the shares<sup>3</sup> of the Company may be eligible to the PEA (personal equity plan) or PEA PME-ETI (personal plan for equity of small and medium sized companies<sup>4</sup>).

Holders of a PEA and PEA PME-ETI are, subject to certain conditions, entitled to an exemption from personal income tax on net income and net capital gains derived from investments held in the PEA and PEA PME-ETI provided that no withdrawal occurs during the five-year period following the opening of the PEA and PEA PME-ETI. Personal income tax applies to closing and withdrawals occurring before five years following the opening of the PEA and PEA PME-ETI. Regardless of the date of withdrawal, social levies are due at the rate of 17.2% upon withdrawal from the PEA and PEA PME-ETI for all PEAs opened since 1 January 2018 (for PEAs opened before this date, social security contributions are calculated at the historical rate according to the date of recognition of each fraction of the gain).

Capital losses incurred on shares held in a PEA and PEA PME-ETI may in principle only be offset against capital gains realised on other shares held in the plan.

#### 4.10.2.2 Legal entities subject to French corporation tax

Pursuant to the Treaty, any capital gains realised by a French resident corporate shareholder upon the disposal of the shares of the Company will only be taxable in France (provided that such capital gains are not attributable to a permanent establishment situated in Belgium of that shareholder).

##### *General regime*

Capital gains realised upon the disposal of the shares are subject to corporation tax, and to the social surtax at the rates mentioned under paragraph "Shareholders not qualifying for the participation exemption", under "Legal entities subject to French corporation tax" (see Section 4.10.1 "Dividends").

Capital losses are deductible from the taxable income.

##### *Special rules applicable to long-term capital gains and losses*

Pursuant to article 219, I-a *quinquies* of the French Tax Code, long-term capital gains realised upon the disposal of shares qualifying as non-portfolio shares (*titres de participation*) and which have been held for at least two years, are exempt from corporation tax, except that 12% of the gross capital gains must be added back to the shareholder's taxable income (*quote-part de frais et charges*).

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<sup>3</sup> May be held in a PEA shares issued by a company (i) having its registered office in France, another Member State of the European Union or another Member State of the European Economic Area having signed with France an information exchange agreement to combat fraud and tax evasion and (ii) subject to corporation tax under standard conditions or an equivalent tax.

<sup>4</sup> Small and medium sized companies are companies which have (i) less than 5,000 employees and (ii) an annual turnover not exceeding EUR 1.5 billion or a total balance sheet not exceeding EUR 2 billion. When the shares are admitted to trading on a regulated market or on a multilateral trading system, additional conditions have to be satisfied in order for their issuing companies to be considered as small and medium sized companies: the market capitalisation must be less than EUR 1 billion or must have been less than EUR 1 billion at the end of at least one of the four financial years preceding the financial year taken into account to assess the eligibility of the securities of the issuing company.

Long-term capital losses are not deductible for corporation tax purposes and may not be imputed against long-term capital gains for the purposes of computation of the *quote-part de frais et charges*.

Prospective investors should consult their own tax adviser as to the qualification of the shares of the Company as non-portfolio shares (*titres de participation*) and shares assimilated thereto for tax purposes.

#### **4.10.3 Stamp duties**

The subscription of the shares does not give rise to stamp duties or other transfer taxes in France. The sale of the shares is not subject to stamp duties or other transfer taxes in France provided that the transfer is not evidenced by a written deed or agreement executed in France, unless a purchase agreement is voluntarily registered before the French tax authorities (in which case the 0.1% rate would apply).

#### **4.10.4 Other situations**

Prospective investors who are subject to taxation regimes other than those described above should consult their own tax adviser in respect of their specific situation.

## **5 Admission to trading**

The Prospectus has been prepared for the purpose of the admission to trading of the New Shares on Euronext Brussels and Euronext Paris pursuant to and in accordance with Article 3, paragraph 3 of the Prospectus Regulation 2017/1129. No public offering of the New Shares will be made and no one has taken any action that would, or is intended to, permit an public offering in any country or jurisdiction where any such action for such purpose is required, including in Belgium and in France.

The New Shares will be traded as are the existing shares of the Company under international code number ISIN BE0974280126 and symbol "BOTHE" on Euronext Brussels and Euronext Paris.

## 6 Dilution

The financial consequences of the issuance of the New Shares for the existing shareholders immediately prior to such issuance are summarised below. The admission to trading of the New Shares does, as such, not cause any additional dilution nor has it had any other direct consequences for the shareholders of the Company.

### 6.1 Evolution of the share capital of the Company since the IPO

On 5 February 2015, the share capital was increased by a contribution in cash further to the completion of the initial public offering of the Company, in the amount of € 6,077,750 with issuance of 2,012,500 shares. The new shares were issued at a price of € 16 per share (of which 3.02 in share capital and 12.98 in issuance premium). The aggregate issuance premium amounted to € 26,122,250.00. Following the capital increase, the share capital of the Company amounted to € 16,544,052.63 and was represented by 5,470,740 shares.

On 5 February 2015, the share capital was increased by a contribution in cash further to the conversion of the convertible bonds, in the amount of € 3,252,657.78 with issuance of 1,077,039 shares. The new shares were issued at a price of € 9.61 per share (of which 3.02 in share capital and 6.59 issuance premium). The aggregate issuance premium amounted to € 7,097,342.22. Following the capital increase, the share capital of the Company amounted to € 19,796,710.41 and was represented by 6,547,779 shares.

On 10 February 2015, the share capital was increased by contribution in cash further to the exercise of the over-allotment subscription right, in the amount of € 911,662.50 with issuance of 301,875 shares. The new shares were issued at a price of € 16 per share (of which 3.02 in share capital and 12.98 in issuance premium). The aggregate issuance premium amounted to € 3,918,337.50. Following the capital increase, the share capital of the Company amounted to € 20,708,372.90, represented by 6,849,654 shares.

On 30 October 2017, the share capital was decreased by an incorporation of losses of an amount of € 6,045,571.41 without any reduction of shares.

On 7 March 2018, a total amount of € 19.45 million in committed capital has been subscribed.

On 9 March 2018, as a result of the exercise of bond warrants and the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 1,210,754 with issuance of 565,773 shares. The aggregate share premium for this transaction amounts to € 4,791,588.

On 11 April 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 94,873 with issuance of 44,333 shares. The aggregate share premium for this transaction amounts to € 297,617.

On 9 May 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 97,661 with issuance of 45,636 shares. The aggregate share premium for this transaction amounts to € 302,330.

On 6 June 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 271,682 with issuance of 126,954 shares. The aggregate share premium for this transaction amounts to € 813,304.

On 9 July 2018, the share capital was decreased by an incorporation of losses of an amount of € 4,830,335.13 without any reduction of shares.

On 11 July 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 152,353 with issuance of 100,896 shares. The aggregate share premium for this transaction amounts to € 887,625.

On 22 August 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 153,572 with issuance of 101,703 shares. The aggregate share premium for this transaction amounts to € 828,873.

On 12 September 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 125,771 with issuance of 83,292 shares. The aggregate share premium for this transaction amounts to € 606,706.



On 10 October 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 177,413 with issuance of 117,492 shares. The aggregate share premium for this transaction amounts to € 817,557.

On 14 November 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 317,588 with issuance of 210,323 shares. The aggregate share premium for this transaction amounts to € 1,187,377.

On 12 December 2018, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 97,380 with issuance of 64,490 shares. The aggregate share premium for this transaction amounts to € 280,120.

On 9 January 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 47,725 with issuance of 31,606 shares. The aggregate share premium for this transaction amounts to € 82,275.

On 13 February 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 202,388 with issuance of 134,032 shares. The aggregate share premium for this transaction amounts to € 347,599.

On 13 March 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 280,973 with issuance of 186,075 shares. The aggregate share premium for this transaction amounts to € 309,021.

On 17 April 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 48,352 with issuance of 32,021 shares. The aggregate share premium for this transaction amounts to € 64,140.

On 8 May 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 174,542 with issuance of 115,591 shares. The aggregate share premium for this transaction amounts to € 212,953.

On 19 June 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 214,571 with issuance of 142,100 shares. The aggregate share premium for this transaction amounts to € 297,918.63.

On 1 July 2019, the share capital was increased by contribution in cash in the amount of € 2,040,541.52 with issuance of 1,351,352 shares. The new shares were issued at a price of € 3.70 per share (of which € 1.51 in share capital and € 1.29 of share premium). The aggregate issuance premium amounted to € 2,959,458.48. Following the capital increase, the share capital of the Company amounted to € 15,540,605.03, represented by 10,303,323 shares.

On 10 July 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 74,778.22 with issuance of 49,522 shares. The aggregate share premium for this transaction amounts to € 112,714.93.

On 21 August 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 141,867.52 with issuance of 93,952 shares. The aggregate share premium for this transaction amounts to € 188,111.67.

On 11 September 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 50,132 with issuance of 33,200 shares. The aggregate share premium for this transaction amounts to € 67,361.39.

On 11 September 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 50,132 with issuance of 33,200 shares. The aggregate share premium for this transaction amounts to € 67,361.39.

On 14 November 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 212,440.39 with issuance of 140,689 shares. The aggregate share premium for this transaction amounts to € 227,544.30.

On 12 December 2019, (i) the share premiums assimilated for tax purposes to the Company's paid-up capital were reduced from €3,902,658.51 to €0.00 and (ii) the share capital was decreased by an incorporation of losses of an amount of € 10,592,225.97 without any reduction of shares. Following the capital reduction, the share capital of the Company amounted to 5,427,597.19, represented by 10,620,686 shares.

On 18 December 2019, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 26,116.08 with issuance of 51,208 shares. The aggregate share premium for this transaction amounts to € 136,378.31.

On 29 January 2020, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 80,699.85 with issuance of 158,235 shares. The aggregate share premium for this transaction amounts to € 451,774.60.

On 26 February 2020, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 61,311.18 with issuance of 120,218 shares. The aggregate share premium for this transaction amounts to € 393,671.85.

On 25 March 2020, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 79,532.64 with issuance of 156,064 shares. The aggregate share premium for this transaction amounts to € 320,397.19.

On 30 April 2020, as a result of the immediate conversion of the convertible bonds placed via a private placement announced on 29 April 2020, the share capital was increased by € 203,302.32 with issuance of 398,632 shares. The aggregate share premium for this transaction amounts to € 796,697.15.

On 7 May 2020, as a result of the conversion of the convertible bonds placed via a private placement on 7 March 2018, the share capital was increased by € 80,629.47 with issuance of 158,097 shares. The aggregate share premium for this transaction amounts to € 306,864.56.

On 21 August 2020, as a result of the conversion of the convertible bonds placed via a private placement announced on 29 April 2020, the share capital was increased by € 100,332.81 with issuance of 196,731 shares. The aggregate share premium for this transaction amounts to € 312,154.16.

On 8 October 2020, as a result of the conversion of 140 convertible bonds placed via a private placement announced on 29 April 2020, the share capital was increased by € 99,176.64 with issuance of 194,464 shares. The aggregate share premium for this transaction amounts to € 250,818.95.

On 8 October 2020, 15 convertible bonds were issued upon the exercise of bond warrants attached to convertible bonds placed via a private placement on 7 March 2018. As a result of the conversion of these 15 convertible bonds, the share capital was increased by € 7,625.52 with issuance of 14,952 shares. The aggregate share premium for this transaction amounts to € 29,872.90.

On 15 December 2020, the share capital was increased by contribution in cash in the amount of € 2,248,529.31 with issuance of 4,408,881 shares. The new shares were issued at a price of € 2.25 per share (of which € 0.51 in share capital and € 1.74 of share premium). The aggregate issuance premium amounted to € 7,671,470.69. Following the capital increase, the share capital of the Company amounted to € 8,414,913.01, represented by 16,478,168 shares.

On 26 February 2021, (i) the share premiums assimilated for tax purposes to the Company's paid-up capital were reduced from € 10,897,644.66 to €0.00 and (ii) the share capital was decreased by an incorporation of losses of an amount of € 4,602,355.34 without any reduction of shares. Following the capital reduction, the share capital of the Company amounted to € 3,812,557.67, represented by 16,478,168 shares.

On 7 December 2021, the share capital was increased by contribution in cash in the amount of € 1,111,440.96 with issuance of 4,832,352 shares. The new shares were issued at a price of € 0.68 per share (of which € 0.23 in share capital and € 0.45 of share premium). The aggregate issuance premium amounted to € 2,174,558.40. Following the capital increase, the share capital of the Company amounted to € 4,923,998.63, represented by 21,310,520 shares.

Date	Transaction	Number and class of shares issued	Issue price per share (€) including issuance premium	Capital increase (€)	Share capital after transaction (€)	Aggregate number of shares after capital increase
05/02/2015	Capital increase	2,012,500	16	6,077,750	16,544,052.63	5,470,740
05/02/2015	Capital increase	1,077,039	9.61	3,252,657.78	19,796,710.41	6,547,779
10/02/2015	Capital increase	301,875	16	911,662.50	20,708,372.90	6,849,654
30/10/2017	Incorporation of losses	None	Not applicable	6,045,571.41	14,662,801.49	6,849,654
09/03/2018	Capital increase / conversion convertible bonds	565,773	10.61	1,210,754.22	15,873,555.71	7,415,427
11/04/2018	Capital increase / conversion convertible bonds	44,333	8.85 (average issue price)	94,872.62	15,968,428.33	7,459,760
09/05/2018	Capital increase / conversion	45,636	8.76 (average issue price)	97,661.04	16,066,089.37	7,505,396

	convertible bonds					
06/06/2018	Capital increase / conversion convertible bonds	126,954	8.55 (average issue price)	271,681.56	16,337,770.93	7,632,350
09/07/2018	Incorporation of losses	None	Not applicable	4,830,335.13	11,507,435.80	7,632,350
11/07/2018	Capital increase / conversion convertible bonds	100,896	10.31 (average issue price)	152,352.96	11,659,788.76	7,733,246
22/08/2018	Capital increase / conversion convertible bonds	101,703	9.66 (average issue price)	153,571.53	11,813,360.29	7,834,949
12/09/2018	Capital increase / conversion convertible bonds	83,292	8.79 (average issue price)	152,770.92	11,939,131.21	7,918,241
10/10/2018	Capital increase / conversion convertible bonds	117,492	8.47 (average issue price)	177,412.92	12,116,544.13	8,035,733
14/11/2018	Capital increase / conversion convertible bonds	210,323	7.16 (average issue price)	317,588	12,434,131.86	8,246,056
12/12/2018	Capital increase / conversion convertible bonds	64,490	5.85 (average issue price)	97,379.90	12,531,511.76	8,310,546
09/01/2019	Capital increase / conversion convertible bonds	31,606	4.11 (average issue price)	47,725.06	12,579,236.82	8,342,152
13/02/2019	Capital increase / conversion convertible bonds	134,032	4.61 (average issue price)	202,388.32	12,781,625.14	8,476,184
13/03/2019	Capital increase / conversion convertible bonds	186,075	3.17 (average issue price)	280,973.25	13,062,598.39	8,662,259
17/04/2019	Capital increase / conversion convertible bonds	32,021	3.51 (average issue price)	48,352.71	13,110,950.10	8,694,280
08/05/2019	Capital increase / conversion convertible bonds	115,591	3.35 (average issue price)	174,542.41	13,285,492.51	8,809,871
19/06/2019	Capital increase / conversion convertible bonds	142,100	3.61 (average issue price)	512,489.63	13,500,063.51	8,951,971
01/07/2019	Capital increase	1,351,352	3.70 (average issue price)	5,000,000	15,540,605.03	10,303,323
10/07/2019	Capital increase / conversion convertible bonds	49,522	3.78 (average issue price)	187,493.15	15,615,383.25	10,352,845
21/08/2019	Capital increase / conversion convertible bonds	93,952	3.51 (average issue price)	329,979.19	15,757,250.77	10,446,797
11/09/2019	Capital increase / conversion	33,200	3.54 (average issue price)	117,493.39	15,807,382.77	10,479,997

	convertible bonds					
14/11/2019	Capital increase / conversion convertible bonds	140,689	3.13 (average issue price)	439,984.69	16,019,823.16	10,620,686
12/12/2019	Incorporation of losses	None	Not applicable	10,592,225.97	5,427,597.19	10,620,686
18/12/2019	Capital increase / conversion convertible bonds	51,208	3.17 (average issue price)	162,494.39	5,453,713.27	10,671,894
29/01/2020	Capital increase / conversion convertible bonds	158,235	3.37 (average issue price)	80,699.85	5,534,413.12	10,830,129
26/02/2020	Capital increase / conversion convertible bonds	120,218	3.78 (average issue price)	61,311.18	5,595,724.30	10,950,347
25/03/2020	Capital increase / conversion convertible bonds	156,064	2.56 (average issue price)	79,592.64	5,675,316.94	11,106,411
30/04/2020	Capital increase / conversion convertible bonds	398,632	2.51 (average issue price)	203,302.32	5,878,619.26	11,505,043
07/05/2020	Capital increase / conversion convertible bonds	158,097	2.45 (average issue price)	80,629.47	5,959,248.73	11,663,140
21/08/2020	Capital increase / conversion convertible bonds	196,731	2.10 (average issue price)	100,332.81	6,059,581.54	11,859,871
08/10/2020	Capital increase / conversion convertible bonds	194,464	1.80 (average issue price)	99,176.64	6,158,758.18	12,054,335
08/10/2020	Capital increase / conversion convertible bonds	14,952	2.51 (average issue price)	7,625.52	6,166,383.70	12,069,287
15/12/2020	Capital increase	4,408,881	2.25 (average issue price)	2,248,529.31	8,414,913.01	16,478,168
26/02/2021	Incorporation of losses	None	Not applicable	4,602,355.34	3,812,557.67	16,478,168
07/12/2021	Capital increase	4,832,352	0.68 (average issue price)	1,111,440.96	4,923,998.63	21,310,520

## 6.2 Financial consequences for the existing shareholders

The share capital of the Company amounts to € 4,923,998.63, represented by 21,310,520 shares, without nominal value, each representing 1/21,310,520th of the share capital.

As per 31 May 2022:

- There are 1,197,554 granted and outstanding subscription rights, i.e. subscription rights that have been granted and that have not yet become null and void for any reason (the "**Outstanding Subscription Rights**"). In accordance with the conditions of the subscription rights plans under which they were issued, upon exercise, the Outstanding Subscription Rights entitle the subscription right holders to one new share in the Company per exercised subscription right, being a total of 1,197,554 new shares in the Company in case all 1,197,554 Outstanding Subscription Rights are exercised;
- There are 800 outstanding convertible bonds issued following the private placement announced on 7 May 2020. Using the predetermined conversion price of € 7.00, the 800 convertible bonds can be converted into 285,714 new shares in the Company in case all 800 convertible bonds are converted.

The conversion price of the Convertible Bonds can fluctuate as it is based on the lowest 1-day volume-weighted average price (the "1-day VWAP") at which the shares are tradable on the Euronext Brussels and Euronext Paris markets during a period of 10 consecutive trading days immediately preceding the date of the conversion notice for the relevant Convertible Bond(s) with the application of a discount of 5%. Based on a theoretical conversion price of, respectively, €0.3, €0.4 and €0.5, the effective subscription and conversion of all 100 Convertible Bonds would lead to the following dilution:

	<b>Before the operation</b>	<b>After the operation – Conversion price of €0,3</b>	<b>After the operation – Conversion price of €0,4</b>	<b>After the operation – Conversion price of €0,5</b>
<b>Capital</b>	4,923,998.63	8,757,331.81	7,798,998.63	7,223,998.63
<b>Number of shares to be issued</b>		16,666,666	12,500,000	10,000,000
<b>Number of shares</b>	21,310,520	37,977,186	33,810,520	31,310,520
<b>Dilution</b> (without taking into account the Outstanding Subscription Rights and the outstanding convertible bonds)		43.9%	37.0%	31.9%
<b>Number of shares following exercise of Outstanding Subscription Rights and conversion of the outstanding convertible bonds</b>	22,793,788	39,460,454	35,293,788	32,793,788
<b>Dilution</b> (taking into account the Outstanding Subscription Rights and the outstanding convertible bonds)		42.2%	35.4%	30.5%

Note: The above-mentioned theoretical conversion prices are shown for illustration purposes only and the actual conversion price of the Convertible Bonds may be lower or higher than such theoretical amounts.

For further information about the potential dilution upon conversion of the Convertible Bonds, reference is made to the Board of Directors report available on the Company's [website](#).

The dilution relating to the share in the Company's profits also applies, *mutatis mutandis*, to the voting and other rights attached to the shares of the Company, as well as to the share in the liquidation proceeds, if any, and the preferential subscription rights.

## 7 Additional information

### 7.1 Statutory auditor

Deloitte Réviseurs d'Entreprises SRL, a limited liability company organised and existing under the laws of Belgium, with registered office at Gateway building, Luchthaven Nationaal 1, boîte J, 1930 Zaventem, Belgium, represented by Mr Pieter-Jan Van Durme (member of the Belgian *Institut des Réviseurs d'Entreprises*) is appointed statutory auditor of the Company, for a term of three years ending immediately following the adjournment of the annual general shareholders' meeting of the Company to be held on 8 June 2022, resolving upon the financial statements for the fiscal year ended on 31 December 2021.

The remuneration of the statutory auditor for the performance of its three year mandate for the audit of the financial statements of the Company amounts to € 28,100 (excluding VAT and expenses and subject to a yearly indexation based on the consumer price index).

In connection with the issue of the Convertible Bonds, the statutory auditor has, on 3 June 2022, issued a report pursuant to and in accordance with Articles 7:180, 7:191 and 7:193 of the Belgian Code on Companies and Associations. The conclusions of this report are as follows (free translation from French):

*“In our opinion, the financial and accounting information contained in the special report of the board of directors of 31 May 2022 is fair (fidèles) and sufficient to inform the board of directors acting in the context of the authorised capital, and ultimately the shareholders, in all material respects about the proposed issue of convertible bonds and cancellation of the preferential subscription rights of the existing shareholders in the context of the issue of convertible bonds.”*

This report is available for consultation on the Company's website.

On 8 June 2022, the annual shareholders' meeting of the Company will decide on the appointment of BDO Bedrijfsrevisoren – Réviseurs d'entreprises BV/SRL, a company under Belgian law in the form of a private limited liability company, having its registered office at Elsinore Building Corporate Village, Da Vincilaan 9/E6, 1930 Zaventem, Belgium and registered with the Register of Legal Entities of Brussels (Dutch-speaking) under enterprise number 0431.088.289, represented by its permanent representative Mr. Rodrigo Abels, as statutory auditor of the Company with immediate effect and for a term ending immediately after the annual shareholders' meeting of the Company to be held in 2025 which will decide on the annual accounts for the financial year ending on 31 December 2024.

### 7.2 Update of the Registration Document

The information incorporated by reference herein forms an integral part of this Securities Note, save that any statement contained in a document which is incorporated by reference herein, shall be modified or superseded for the purpose of this Securities Note to the extent that a statement contained in this Securities Note modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Securities Note.

Copies of documents incorporated by reference (including the Annual Report 2021) may be obtained without charge from the registered offices of the Company and the website of the Company (<http://www.bonetherapeutics.com/en/financial-reports>).

#### **This section replaces Section 3.1 “Information Incorporated by Reference” of the Registration Document:**

This Registration Document shall be read and construed in conjunction with the following documents:

- (i) the annual report and audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2020 (in English and French), together with the related audit report thereon; and
- (ii) the annual report and audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2021 (in English and French), together with the related audit report thereon.

Copies of documents incorporated by reference in this Registration Document may be obtained (without charge) from the registered offices of the Company and the website of the Company (<http://www.bonetherapeutics.com/en/financial-reports>). The Company confirms that it has obtained the approval

from its auditors to incorporate the audited consolidated financial statements and the auditors' reports thereon for the financial year ended 31 December 2020 and the financial year ended 31 December 2021 in this Registration Document.

The tables below include references to the relevant pages of the audited consolidated financial statements of the Company for the financial year ended 31 December 2020 and the financial year ended 31 December 2021, as set out in the annual reports of the Company (in English and French). Information contained in the documents incorporated by reference other than information listed in the tables below is either not relevant for the investor or covered elsewhere in the prospectus.

**Audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2020, as set out in the annual report (in English and French).**

Consolidated statement of financial position	p. 80
Consolidated statement of comprehensive income	p. 81
Consolidated statement of cash flows	p. 82
Consolidated statement of changes in equity	p. 83
Notes to the consolidated financial statements	p. 84-123
Auditor's report	p. 73-79

**Audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2021, as set out in the annual report (in English and French).**

Consolidated statement of financial position	p. 79
Consolidated statement of comprehensive income	p. 80
Consolidated statement of cash flows	p. 81
Consolidated statement of changes in equity	p. 82
Notes to the consolidated financial statements	p. 83-122
Auditor's report	p. 72-78

**This section replaces Section 3.2 “Securities issued by the Company” of the Registration Document:**

At the date of this Securities Note, the Company's capital amounts to € 4,923,998.63, represented by 21,310,520 shares, without nominal value. The total of exercisable warrants is 197,554 warrants for the Executive committee members, consultants and Board members, 800,000 warrants for EIB and 200,000 warrants for Patronale Life, which give right to subscribe to an equal number of shares. This represents a total of 1,197,554 warrants.

There are 800 outstanding convertible bonds issued following the private placement announced on 7 May 2020. Using the predetermined conversion price of € 7.00, the 800 convertible bonds can be converted into 285,714 new shares in the Company in case all 800 convertible bonds are converted.

**This section replaces Section 3.5 “Significant change in the financials of Bone Therapeutics since 31 December 2020” of the Registration Document:**

On 1 July 2021, the Company announced that it has signed a loan agreement of up to €16 million with the European Investment Bank (EIB).

One of the purposes of the EIB financing was to support and prepare Bone Therapeutics' lead asset, the enhanced viscosupplement JTA-004 for future regulatory approval and commercialization. JTA-004 was being evaluated in a registrational phase III clinical trial for the treatment of osteoarthritic pain in the knee. This is the most prevalent knee condition affecting an estimated 250 million patients world-wide. In August 2021, the Company announced the topline results from the multicenter, randomized, doubleblind, placebo- and active-controlled Phase III study. The study was conducted in 7 European countries and Hong Kong and included a total of 743 patients. Despite JTA-004's favorable safety profile, the study did not achieve its main objectives as no statistically significant difference in pain reduction could be observed between any of the treatment, placebo and comparator groups, with all treatment arms showing

similar efficacy. A statistically significant difference in favor of JTA-004 and the active comparator versus placebo was seen in a post-hoc analysis in a subset of patients with higher pain scores at entry. In March 2022, the Company announced it was redefining its strategic priorities to concentrate specifically on the development of its most advanced clinical asset, ALLOB. As a result, the Company will focus its R&D activities to support the clinical development of ALLOB and all activities related to the development of the pre-clinical iMSCg platform as well as all other non ALLOB related activities, including the further development of JTA-004, will be stopped.

The EIB financing is used to accelerate the clinical development of ALLOB, Bone Therapeutics' scalable allogeneic cell therapy platform. ALLOB is currently being tested in a phase IIb study in patients with difficult-to-heal tibial fractures. Patient recruitment of this study is currently anticipated to be completed in H1 2022 and the planned top line results are expected in H2 2022.

The EIB loan financing must be disbursed in two tranches of €8 million each, subject to conditions precedent. The first tranche of €8 million was received on 6 September 2021 (upon approval of the issuance of associated warrants by the extraordinary shareholders' meeting of the Company held on 23 August 2021). The second €8 million tranche will be released when specific clinical and commercial milestones have been achieved.

The loan facility is in the form of a senior loan, repayable to the EIB in a single payment five years following the disbursement of each of the two tranches. The loan carries a fixed interest of 2% per year paid annually and a 3% capitalized interest.

The loan financing is further supplemented by an agreement to issue warrants to the EIB: 800,000 warrants were issued to the EIB with the disbursement of the first tranche and 500,000 warrants will be issued to the EIB with the disbursement of the second tranche. Each warrant gives the holder the right to subscribe to one ordinary share of Bone Therapeutics at the subscription price of €0.01 and with an exercise price which will be equal to the minimum of the 30 day volume-weighted average price and the last closing price of Bone Therapeutics' shares at the date of the pricing. The warrants have a maturity of 10 years and become exercisable from the repayment date of the relevant tranche, subject to certain customary exceptions. The warrant agreement further includes an anti-dilution provision which could apply in case of change in Bone Therapeutics' share capital, including capital increases if they exceed €15 million in aggregate starting from the disbursement of the first tranche.

From 28 September 2021 till the date of this Registration Document, 4,832,352 new shares have been issued, increasing the total outstanding shares from 16,478,168 to 21,310,520 shares. These 4,832,352 new shares were issued on 7 December 2021 in the framework of a private placement of shares announced on 3 December 2021.

### **This section replaces Section 3.6 “Current cash situation” of the Registration Document:**

Cash and cash equivalents include following components:

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Cash at bank and in hand	9,476	14,493
Short-term bank deposits	34	155
<b>Total</b>	<b>9,510</b>	<b>14,648</b>

The cash position at the end of December 2021 amounted to €9,51 million compared to €14.65 million at the end of December 2020. The cash and cash equivalents have been impacted by the fact that the Company has collected a proceed of €11.29 million from convertible bonds, subordinated loans and equity instruments (before €0.278 million transaction costs). In counterparts, the Company has used €16,15 million in operation, investing, and financing activities.

The short-term bank deposits have an original maturity date not exceeding 3 months.

There is no expected credit loss on 31 December 2021.

Based on the 2022 revised projected cash forecast considering an operating cash burn of €8 million to €10 million and a projected financing cash burn of around €1.6 million, the Company anticipates having sufficient cash to carry out its revised strategic focus, namely achieving an efficacy outcome milestone with ALLOB TF2 Phase IIb clinical study by early 2023 taking into account the following relevant assumptions:

- A collection of a milestone payment from the licensees Link Health-Pregene of € 0,93 million.
- An assumed continued support from the Walloon Region from which the Company expects to receive non-dilutive funds still in 2022 of about €0,32 million and a negotiation of a revised RCA repayment schedule for 2022 (the latter not included yet in the cash flow projection)
- The issuance of a convertible bond program amounting to €5 million, with a long stop date of 18 months after execution of the Subscription Agreement on 30 May 2022, of which the first five tranches amounting



in the aggregate to €2.5 million can be issued without liquidity conditions and assuming compliance with the permitted indebtedness as imposed by certain lenders of the Company. The binding term sheet was signed on 11 April 2022 and the subscription agreement was entered into on 30 May 2022. The first tranche of 10 convertible bonds will be subscribed for and issued immediately on or about 9 June 2022.

- No further delays together with an acceleration of the patient recruitment in the Phase IIb ALLOB clinical study in high-risk tibial fractures. Temporary slowdown in recruitment rates announced to the market on January 19, 2022 was caused by fewer accidents and reduced availability of health care facilities in 2021 due to the COVID-19 pandemic. CRO costs and related milestone payments are projected in line with ICON proposal and realistic BT timing.
- Considering further downsizing of the Company, allowing the Company to execute its redefined and focused strategic priorities concentrating on the development of its most advanced clinical asset, the allogeneic cell therapy platform, ALLOB and abandon all other activities. In this context disciplined cost and cash management with further restructuring of any excess capacity is assumed. The board and the current CEO are working on a replacement plan re. CEO/CFO. The related cost is included in the cash projections set out in the annual report for the financial year ended 31 December 2021. Until proper replacement is in place, the current CEO remains in function.

The assumptions made above comprise various risks and uncertainties, mainly but not limited to the timing of collection of certain funds, the uncertainty about the ALLOB top line results, including but not limited to the uncertainty of the clinical trial development process for ALLOB and the uncertainty related to the equity. Based on cash flow forecasts for the next twelve months including significant expenses and cash outflows for the ongoing clinical trials and the issuance of the Convertible Bond in the amount of € 5 million, the cash runway of the company is expected into Q1 2023. Hence the Company will continue to require additional financing to continue its operations in the longer term. The Company also continues to evaluate other options with a potential positive impact on the going concern which are however currently not included in the 2022 revised projected cash forecast.

- Completion of business deal with a Chinese partner:

Discussions are still ongoing with a Chinese partner for the global rights for ALLOB, Bone Therapeutics' allogeneic osteoblastic cell therapy product. If the licensing deal is concluded, the partner would be responsible for all future costs of development of ALLOB, including the ongoing ALLOB TF2 Phase IIb trial and costs related to development, process development (scale up) and manufacturing of the product. The negotiations for the global rights agreement are taking longer than expected. The envisaged completion of a final binding agreement has been delayed and is now foreseen to be potentially completed in the second quarter 2022 after approval by the Board of directors. Milestone payment from the licensees Link Health-Pregene of €0,930 million is a condition precedent to this new potential global rights deal.

- Interim analysis ALLOB clinical study

Management is currently assessing the possibility to anticipate the assessment of the efficacy of ALLOB through an interim analysis of the clinical results at about 66 patients with 3 months followup. Although no formal decision has been taken by the Board yet, this would give the opportunity to define at an early stage the value proposition of ALLOB and hence optimizing the ongoing study costs while at the same time providing an opportunity to initiate strategic discussions with potential partners based on positive clinical results.

- Potential M&A options

The Company announced on 12 May 2022 that it had entered into a non-binding term sheet and exclusive discussions for a period of 3 months with the shareholders of Medsenic, a privately held, clinical stage biopharmaceutical company incorporated in France and specialized in the development of optimized formulations of arsenic salts and their application in inflammatory conditions and other potential new indications. The objective of the discussions is to explore the benefits of a potential reverse merger or a similar transaction whereby all shareholders of Medsenic would individually contribute 51% of the total outstanding share capital of Medsenic into the capital of the Company in exchange for a certain number of shares issued by the Company (the "**Business Combination**"). The objective of the parties is that, as a result of the Business Combination, the Company would remain a Belgian listed company and own 51% of the share capital of Medsenic. The Company and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent.

Based on the completion of the current CB financing operation as mentioned above and the announced sole focus on the completion of the ALLOB TF2 study with related downsizing of the Company, the Board is of the opinion that it is appropriate to prepare the 2021 financial statements of the Company under the assumption of going concern, considering a projected operational cash burn of €8 to 10 million for 2022 and a cash runway till Q1 2023. The latter should allow the achievement of an efficacy outcome milestone in the ALLOB TF2 study. In the event that the Chinese deal is not concluded in the meantime, positive topline results should lead to strategic discussions with partners who

already expressed their interest to top line results when available. The assumptions, risks and uncertainties mentioned above, however, indicate the existence of material uncertainties which may cast significant doubt about the Company’s ability to continue as a going concern. The Board of Directors however, remain confident about the strategic focus taken and have decided, after due consideration, that the application of the valuation rules in the assumption of a “going concern” is justified. The latter is reinforced by the nature of the ongoing discussions potentially further strengthening the going concern beyond the results of the Phase IIb ALLOB clinical study as the Company’s ability to continue operations also depends on its ability to raise additional capital and to refinance existing debt in order to fund operations and assure the solvency of the Company.

**This section replaces Section 4.1 “Important recent events in the development of the Company’s business” of the Registration Document:**

Year		Key Milestones		
Year	Corporate	ALLOB	JTA	
2022	<ul style="list-style-type: none"> <li>Restructuring of management team : departure of Miguel Forte (CEO), Tony Ting (CSO), Stefanos Theoharis (CBO) and Lieve Creten (interim CFO); search for new CEO and CFO</li> <li>Dissolution of Scientific Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D activities will only support the clinical development of ALLOB</li> </ul>	<ul style="list-style-type: none"> <li>Decision to halt JTA-004-related activities.</li> </ul>	
2021	<ul style="list-style-type: none"> <li>Appointment of key experts to the Scientific Advisory Board</li> <li>Appointment of Lieve Creten, as interim Chief Financial Officer (CFO) succeeding Jean-Luc Vandebroek</li> <li>Bone Therapeutics and Rigenereand sign partnership for cell therapy process development</li> <li>Appointment of Anthony Ting, PhD as Chief Scientific Officer</li> <li>Appointment of Anne Leselbaum, MD as Chief Medical Officer</li> <li>Bone Therapeutics secures up to €16M loan financing from the EIB to accelerate clinical and commercial development of innovative orthopaedic treatments</li> <li>Bone Therapeutics agrees final settlement with the FSMA regarding clinical studies communication issues in 2016 and 2017</li> </ul>	<ul style="list-style-type: none"> <li>Signature of non-binding term sheet for the global rights for ALLOB with Link Health</li> <li>Treatment of the first patient in ALLOB Phase IIb tibial fracture study</li> <li>Bone Therapeutics publishes results of ALLOB Phase I/IIa study for the treatment of delayed-union fractures in Stem Cell Research &amp; Therapy</li> </ul>	<ul style="list-style-type: none"> <li>Strong clinical progress in JTA-004 Phase III study thanks to high patient compliance and retention</li> </ul>	

**This section replaces Section 4.2 “Investments” of the Registration Document:**

In October 2020, the Company signed a manufacturing collaboration with Catalent, Inc. to streamline the production of ALLOB. Under the terms of the share purchase agreement, Catalent acquired Bone Therapeutics' cell therapy manufacturing subsidiary, Skeletal Cell Therapy Support SA (SCTS), for gross proceeds of €12 million. The equity purchase price, net of SCTS's debt (€3 million), cash adjustments, and taking into account the restructuring of some Bone Therapeutics' existing liabilities (€3 million), generated net proceeds of approximately €6 million.

From this date, the Company is not anymore, the owner of the building constructed by SCTS SA.

In Q1 2022, Bone Therapeutics has officially relocated its corporate offices to the Louvain-la-Neuve Science Park in Mont-Saint-Guibert (Louvain-la-Neuve), Belgium.

**This section replaces Section 4.3 “Activities of the Company” of the Registration Document:**

Bone Therapeutics is a leading Belgium-based biotech company focused on the development of innovative products to address high unmet needs in orthopedics. Currently Bone Therapeutics is concentrating specifically on the development of its most advanced clinical asset, the allogeneic cell therapy platform, ALLOB, targeting markets with large unmet medical needs and limited innovation.

Bone Therapeutics' core technology is based on its cutting-edge allogeneic cell and gene therapy platform with differentiated bone marrow sourced Mesenchymal Stromal Cells (MSCs) which can be stored at the point of use in the hospital. Its leading investigational medicinal product, ALLOB, represents a unique, proprietary approach to bone regeneration, which turns undifferentiated stromal cells from healthy donors into bone-forming cells. These cells are produced via the Bone Therapeutics' scalable manufacturing process. ALLOB is currently being evaluated in a randomized, double-blind, placebo-controlled Phase IIb study in patients with high-risk tibial fractures, using its optimized production process. ALLOB continues to be evaluated for other orthopedic indications including spinal fusion.

Bone Therapeutics has built a strong IP protected by 12 patent family worldwide covering methods, products and applications.

**This section replaces Section 4.6 “Current clinical pipeline and outlook” of the Registration Document:**

Section 4.6 has been updated through the annual report for the financial year ended 31 December 2021 (the "**Annual Report 2021**"): please find the update in Title 2.2 (*Business overview*), Section "Product portfolio and clinical pipeline" of the Annual Report (p. 9 – 13) which is included herein by reference.

**Future Pipeline Development**

The Company continues to advance development of its cell therapy platform with a view to creating innovative products based on professional MSCs for orthopaedic applications and beyond, at the cutting-edge of innovation in cell therapies, including inflammatory disease and other disease areas of high unmet medical need. As such, novel enabling technologies are currently being evaluated, including technologies for genetic engineering and the use of induced pluripotent stem cells (iPSCs) and partnerships with companies with expertise and intellectual property rights in these areas are being sought.

**Outlook**

In the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, Bone Therapeutics' clinical team, in partnership with its clinical research organization, is continuing to institute measures to mitigate the impact of the pandemic and will closely monitor the recruitment progress. As a result of the initial mitigation actions, Bone Therapeutics continues to expect to report topline results as scheduled by the first quarter of 2023. However, a delay

cannot be excluded. Should the pandemic continue to have impact on patient availability, Bone Therapeutics may have to re-evaluate this timeline and, in that eventuality, will communicate again to the market.

The negotiations for ALLOB, with one of Bone Therapeutics' current Chinese partners, for the global rights agreement are still ongoing but are taking longer than originally anticipated. The potential completion of a final binding agreement has been delayed into Q2 2022.

In the context of the exclusive reverse merger discussions with Medsenic, the terms and conditions of the subscription rights still need to be agreed by the parties. Moreover, the final valuation of both companies and exchange ratio shall be further discussed between Medsenic and Bone Therapeutics and confirmed by its auditor, on the basis of mutually accepted external valuations. Bone Therapeutics and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent.

Following the restructuring of the management team announced on 12 April 2022, the Company has initiated the search for a new CEO and CFO.

Disciplined cost and cash management will remain a key priority. The operating cash burn for the full year 2022 is expected to be in the range of €8-10million, assuming normal operations as the effect of the ongoing COVID-19 epidemic cannot be excluded. The situation will be actively and closely monitored. The Company anticipates having sufficient cash to carry out its business objectives into Q1 2023, assuming amongst other full issuance of the new convertible bond facility. We refer to the going concern statement for all key assumptions taken.

**This section replaces Section 5.3 “Deviations from the Corporate Governance Code” of the Registration Document:**

Section 5.3 has been updated through the Annual Report: please find the update in Section 4.2 "Compliance with the Corporate Governance Code" of the Annual Report 2021 (p. 28 – 30) which is included herein by reference.

**This section replaces Section 5.4.3 “Activity report” of the Registration Document:**

In 2021, the Board of Directors met 11 times discuss and decide on specific matters such as financial operations, business strategy development, clinical trials progress, R&D developments as well as other operational elements. Below is the detail of the attendance:

BOARD OF DIRECTORS	Number of attendances <sup>5</sup>
Innoste SA, represented by M. Jean Stéphane	11/11
mC4Tx SRL, represented by M. Miguel Forte	11/11
Claudia D’Augusta	11/11
Castanea Management SARL, represented by M. Damian Marron	11/11
ClearSteer Consulting LLC, represented by Mrs Gloria Matthews	10/11
M. Jean-Paul Prieels	11/11
Finsys Management SPRL, represented by M. Jean-Luc Vandebroek	11/11

Out of the activity report included above, it is clear that the Board as a Company organ has been very active with a strong participation and contribution of all its members during the course of 2021.

It was decided that when board seats become available in the years to come, special efforts will be done to attract new board members of the other gender in accordance with Article 3:6 § 2, 6° of the Belgian Companies Code (and with the law of 28 July 2011) to assure that by 01/01/2021 (for newly listed companies, the legal quota is applicable as from their sixth year on the stock market) the appropriate quorum will be reached. This quota applies to the board as a whole, comprising both executive and non-executive directors. The Company’s board currently counts 7 board members of which 2 women. As one third of the board must be female and the minimum is rounded to the closest unit, Bone Therapeutics is currently compliant with the gender diversity requirement.

<sup>5</sup> Number of attendances compared to the maximum number of attendances considering time of appointment and conflicts of interest. All Directors who were not present, were excused.

The Board is responsible for a periodic assessment of its own effectiveness with a view to ensuring continuous improvement in the governance of the Company. The contribution of each director is evaluated periodically in order to, taking into account changing circumstances, be able to adapt the composition of the Board. In order to facilitate such evaluation, the directors give their full assistance to the Nomination and Remuneration Committee and any other persons, whether internal or external to the Company, entrusted with the evaluation of the Directors.

Furthermore, the Board will assess the operation of the Committees at least every two to three years. For this assessment, the results of the individual evaluation of the Directors are taken into consideration. The Chairman of the Board and the performance of his role within the Board are also carefully evaluated. The Nomination and Remuneration Committee should, where appropriate and if necessary, in consultation with external experts, submit a report commenting on the strengths and weaknesses to the Board and make proposals to appoint new Directors or to not re-elect Directors. A director not having attended half the number of meetings of the Board will not be considered for re-election at the occasion of the renewal of his mandate.

In addition, the Non-Executive Directors should regularly (preferably once a year) assess their interaction with the Executive Directors and the Executive Committee. At different occasions, the board together with the executive directors took the opportunity to reflect on how to streamline the interactions between both the non-executive directors and the executive directors including the implementation of a reporting on key performance indicators.

**This section replaces Section 5.5.2.2 “Composition” of the Registration Document:**

Section 5.5.2.2 has been updated through the Annual Report: please find the update in Section 4.4.2.3 "Composition" of the Annual Report 2021 (p. 39 – 41) which is included herein by reference.

In March 2022, Bone Therapeutics announced it was redefining its strategic priorities to concentrate specifically on the development of its most advanced clinical asset, ALLOB. As a result, Bone Therapeutics will focus its R&D activities to support the clinical development of ALLOB and all activities related to the development of the pre-clinical iMSCg platform as well as all other non ALLOB related activities, were stopped. In this context, some members of Bone Therapeutics' management team will depart Bone Therapeutics in the following months in alignment with the refocus in activity. This includes Miguel Forte (CEO), Tony Ting (CSO), Stefanos Theoharis (CBO) and Lieve Creten (CFO). During the transition, CEO, Miguel Forte, will remain in function. The Scientific Advisory Board was also dissolved.

**This section replaces Section 5.8.2 "Remuneration policy" of the Registration Document:**

Section 5.8.2 has been updated through the Annual Report: please find the update in Section 4.7.2 "Remuneration report" of the Annual Report 2021 (p. 48 – 58) which is included herein by reference.

**This section replaces section 6.4 "Related Party Transactions" of the Registration Document:**

Section 6.4 has been updated through the Annual Report: please find the update in Section 5.4 "Related Party Transactions" of the Annual Report 2021 (p. 59 – 60) which is included herein by reference.

**This section replaces section 7.1 "Shareholders" of the Registration Document:**

Section 7.1 has been updated through the Annual Report: please find the update in Section 6.7 "Shareholders" of the Annual Report 2021 (p. 69 - 70) which is included herein by reference.

**This section replaces Section 7.3.1 “Warrant plans issued” of the Registration Document:**

The Company currently has 3 subscription rights plans outstanding:

On 24 February 2014, the extraordinary general shareholders' meeting of the Company created and approved a plan which consisted in the issue of 113,760 subscription rights for employees, consultants and Directors (plan A). At the date of the Document, 87,998 subscription rights have been granted and accepted. The ordinary shareholders' meeting of 10 June 2020 took note of the number of Plan A subscription rights still available for granting, i.e. 25,761 subscription rights and decided to cancel the said residual subscription rights.

On 28 May 2020, the Board of Directors of the Company created and approved a plan which consisted in the issue of 69,978 subscription rights for employees, management members and Directors (plan 2020/05).

On 23 December 2020, the Board of Directors of the Company created and approved a plan which consisted in the issue of 99,832 subscription rights for employees, management members and Directors (plan 2020/12).

On 31 December 2021, the following subscription rights are outstanding in accordance with the above-mentioned plans:

Plan	Total
CEO	109,724
CFO	43,500
CBO	5,000
Consultant	5,000
Board members	29,330
Former CMO	5,000
<b>Total</b>	<b>197,554</b>

On 23 August 2021, the extraordinary shareholders' meeting the Company issued warrants to the EIB and to Patronale Life.

Plan	Total
European Investment Bank	800,000
Patronale Life NV	200,000
<b>Total</b>	<b>1,000,000</b>

### 7.3 Overview of press releases

This section contains an overview of press releases issued by the Company since 28 September 2021, the date on which the Registration Document was approved by the FSMA. For a more detailed review of the contents of the press releases that are incorporated by reference only, reference is made to the Company's website (<http://www.bonetherapeutics.com/en/press-releases>), where these press releases are publicly available.

List of press releases issued by the Company since 28 September 2021:

- Press release of 1 June 2022: Bone Therapeutics Provides First Quarter 2022 Business Update
- Press release of 31 May 2022: Bone Therapeutics signs definitive subscription agreement for a maximum of EUR 5M convertible bonds facility with ABO
- Press release of 12 May 2022: Bone Therapeutics enters into exclusive reverse merger discussions with Medsenic
- Press release of 29 April 2022: Bone Therapeutics announces 2021 full year results
- Press release of 12 April 2022: Bone Therapeutics Secures EUR 5 Million Financing
- Press release of 29 March 2022: Bone Therapeutics to strategically focus on lead cell therapy product ALLOB
- Press release of 23 March 2022: Transparency notification received from Nyenburgh Holding NV
- Press release of 19 January 2022: Bone Therapeutics provides fourth quarter 2021 business update and 2022 outlook
- Press release of 23 December 2021: Bone Therapeutics: Transparency notification received from S.R.I.W. SA and Sofipôle SA
- Presse release of 10 December 2021: Transparency notification received from Nyenburgh Holding NV
- Press release of 9 December 2021: Bone Therapeutics: Information on the total number of voting rights and shares
- Press release of 8 December 2021: Bone Therapeutics announces closing of private placement
- Press release of 3 December 2021: Bone Therapeutics Successfully Raises EUR 3.3 Million in Private Placement

- Press release of 29 November 2021: Bone Therapeutics and Link Health sign a non-binding term sheet for the global rights of ALLOB
- Press release of 26 October 2021: Bone Therapeutics Provides Third Quarter 2021 Business Update
- Press release of 12 October 2021: Bone Therapeutics appoints Scientific Advisory Board for iMSC cell and gene therapy platform development
- Press release of 28 September 2021: Bone Therapeutics signs research partnership with Implant Therapeutics to access induced Pluripotent Stem Cells (iPSC)

The following press releases shall be incorporated in, and form part of, the Prospectus, save that any statement contained in a document which is incorporated by reference shall be modified or superseded for the purpose of the Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The following press releases – extracts of which are set out below – are incorporated by reference only:

### **7.3.1 26 October 2021 press release : Bone Therapeutics Provides Third Quarter 2021 Business Update**

On 26 October 2021, Bone Therapeutics announced its business update for the third quarter, ended 30 September 2021.

#### **Copy of the press release:**

#### **Operational highlights**

- On January 12, 2021, Bone Therapeutics initiated the treatment of patients in the Phase IIb study of its allogeneic cell therapy product, ALLOB, in patients with difficult tibial fractures. Bone Therapeutics anticipated finalizing patient recruitment in H1 2022 subject to evolution of the COVID-19 pandemic and the associated containment measures. Early recruitment rates were very promising, but the recruitment rates slowed down in recent month due to short term pandemic-related factors, such as reduced site activities due to staff availability, and number of available patients due to less accidents. The recruitment rate continues to be slower than anticipated primarily due to the pandemic impact on patient availability. Several measures (including site expansion, training, information, best practices sharing and close monitoring of progress) are being implemented in collaboration with the involved clinical research organization to improve and facilitate recruitment. The release of topline data by the end of 2022 is still currently expected. However, a delay of up to a quarter cannot be excluded.
- On August 30, 2021, Bone Therapeutics announced topline results from the Phase III knee osteoarthritis study with its enhanced viscosupplement JTA-004, its legacy non-MSc product. JTA-004 had a favorable safety profile. However, the study did not meet the primary and key secondary endpoints. No statistically significant difference in pain reduction could be observed between the treatment, placebo and comparator groups, with all treatment arms showing similar efficacy. In collaboration with existing and potential partners, Bone Therapeutics is currently evaluating the options for the future of JTA-004 development, including potential divestment or halting.
- On September 28, 2021, Bone Therapeutics signed a research evaluation agreement with Implant Therapeutics, the developer of hypoimmunogenic and safe harbor engineered iPSC derived cells. The agreement enables Bone Therapeutics to access, evaluate and materially transfer Implant Therapeutics' Induced Pluripotent Stem Cell (iPSC) derived, genetically engineered MSCs, including lines, media, differentiation protocols and expertise. The iPSCs will be used to develop Bone Therapeutics' new next generation induced pluripotent stem cell-derived mesenchymal stromal cell (iMSC) platform.

#### **Corporate Highlights**

- In July 2021, Bone Therapeutics appointed Dr. Anne Leselbaum as Chief Medical Officer. Dr. Leselbaum brings three decades of experience in strategic international clinical development, clinical operations and medical affairs. As CMO, she has taken responsibility for the leadership of all clinical development and medical affairs strategies and activities across the entire Bone Therapeutics' pipeline and oversees regulatory interactions.
- In September 2021, Bone Therapeutics appointed Lieve Creten, as interim Chief Financial Officer (CFO), succeeding Jean-Luc Vandebroek. Lieve's extensive financial experience gained as Managing Partner at Deloitte Financial Advisory Belgium will ensure the continued optimal financial control, oversight and compliance during Bone Therapeutics strategic refocus on the iMSC platform, which includes its product ALLOB.

- In October 2021, Bone Therapeutics appointed key experts to its Scientific Advisory Board (SAB). The members of the SAB consist of world-recognized scientists and clinicians in the cell and gene therapy field. The SAB has been comprised to provide additional expert guidance on the development of Bone Therapeutics' novel, next generation induced pluripotent stem cell-derived mesenchymal stromal cell (iMSC) platform.

## Financial highlights

- In July 2021, Bone Therapeutics secured a loan financing of up to EUR 16.0 million with the European Investment Bank (EIB). The EIB loan financing is being disbursed in two tranches of EUR 8.0 million each, subject to conditions precedent. The payment from the EIB for the first tranche of EUR 8.0 million was received early September 2021, following the approval of the issuance of 800,000 associated warrants to the EIB at Bone Therapeutics' General Meetings at the end of August 2021.
- Bone Therapeutics also renegotiated 800 convertible bonds issued on May 7, 2020 (for an amount of EUR 2 million) to Patronale Life into a loan subject to the same repayment terms as the agreement with the EIB, with the issuance of 200,000 additional warrants unconditionally subscribed by Patronale Life under the terms and conditions decided by Bone Therapeutics' Extraordinary General Meeting.
- In July 2021, Bone Therapeutics agreed a final settlement with the Belgian Financial Services and Markets Authority (FSMA) regarding clinical studies communication issues in 2016 and 2017 for a settlement amount of EUR 500,000.
- Net cash and cash equivalents at the end of September 2021 amounted to EUR 9.3 million <sup>(1)</sup>.
- Disciplined cost and cash management will remain a key priority. The net cash burn for the full year 2021 is expected to be in the range of EUR 16-18 million, assuming normal operation as the effect of the ongoing COVID-19 pandemic cannot be excluded. Due to the accelerated development of the iMSC platform, Bone Therapeutics anticipates having sufficient cash to carry out its business objectives till the end of Q1 2022.

## Outlook for the remainder of 2021

- Bone Therapeutics will continue to expand its allogeneic differentiated MSC based cell therapy platform, beyond ALLOB, into other therapeutic indications. Bone Therapeutics is also intensifying its efforts to expand its preclinical and clinical pipeline to additional indications by enhancing and "professionalizing" the therapeutic capacity of its cell and gene therapy platform. This activity includes the development of a next generation of genetically engineered mesenchymal stromal cells (MSC) and the use of highly scalable and versatile cell sources such as induced pluripotent stem cells (iPSC).
- For the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, Bone Therapeutics' clinical team, in partnership with its clinical research organization, is continuing to institute corrective measures to mitigate the impact of the pandemic and will closely monitor the recruitment progress. Given the initial mitigation actions, Bone Therapeutics continues to expect to report topline results as scheduled by the end of 2022. However, a delay of up to a quarter cannot be excluded. Should the pandemic continue to have impact on patient availability, Bone Therapeutics may have to re-evaluate this timeline and, in that eventuality, will communicate again to the market.
- Bone Therapeutics will continue its discussions with the US FDA (Food and Drug Administration) in preparation for the next steps in the clinical development of ALLOB in the US.
- Bone Therapeutics will continue to hold discussions with potential partners to explore business opportunities for ALLOB while it is being evaluated in a double-blind, placebo-controlled, proof-of-concept Phase IIb study.
- As alternatives to on-going discussions including Hybrigenics, Bone Therapeutics is in the process of mandating a third party organization to explore partnership and M&A opportunities.
- LinkHealth and Pregene, Bone Therapeutics' partners in Asia continue to drive the development of ALLOB towards the submission of Investigational New Drug Application (IND) with the Chinese National Medical Products Administration (NMPA). Following a positive pre-IND meeting with the NMPA, a successful IND application would result in a new milestone payment to Bone Therapeutics.

<sup>(1)</sup> Unaudited number



### **7.3.2 Press release of 3 December 2021: Bone Therapeutics Successfully Raises EUR 3.3 Million in Private Placement**

On 3 December 2021, Bone Therapeutics announced it raised EUR 3.3 million in gross proceeds through an equity private placement of 4,832,352 new shares at an issue price of EUR 0.68 per share with existing and new institutional investors.

#### **Copy of the press release:**

The gross proceeds will be used to advance Bone Therapeutics' lead orthopedic asset, ALLOB, through mid-stage clinical development. The funds will also support the acceleration of the development of the new iMSC cell and gene therapy platform to address a broader array of underserved clinical indications outside orthopedics.

*“This financing provides the support needed for Bone Therapeutics to accelerate the development of its novel, next generation iMSC platform. This platform will be used by Bone Therapeutics to develop cell and gene therapy products that have strong anti-inflammatory and immunomodulatory properties for the treatment of acute life-threatening unmet medical diseases. Bone Therapeutics has signed a number of agreements for the development of this platform, as well as appointed a world class scientific advisory board specifically for the development of this platform,” said Miguel Forte, MD, PhD, Chief Executive Officer of Bone Therapeutics. “The financing will also provide the support necessary for Bone Therapeutics to continue the mid-clinical progress of our lead asset ALLOB as we complete the final licensing agreement to transfer global rights to Link Health. This agreement will reduce Bone Therapeutics future costs and enable us to concentrate fully on the development of the iMSC platform.”*

In addition, Bone Therapeutics expects to complete the final licensing agreement for the global rights of ALLOB with Link Health Pharma Co., Ltd by the end of 2021. This agreement would include R&D cost reimbursement from Link Health to Bone Therapeutics and commercial milestone payments of up to EUR 60 million in total and tiered royalties on net sales of up to 25% from Link Health to Bone Therapeutics. This licensing agreement would substantially reduce the development costs of Bone Therapeutics in the coming years.

Taking into account the proceeds of this private placement and the completion of the licensing agreement with Link Health, Bone Therapeutics anticipates having a runway into Q4 2022, enhancing further development of its lead asset, ALLOB, and its next generation iMSC platform. In line with its financing strategy, Bone Therapeutics continues to explore funding options to further strengthen its balance sheet and cash position.

The payment and delivery of the new shares are expected to take place on or about 7 December 2021. An application will be made to admit the new shares to trading on the regulated markets of Euronext Brussels and Euronext Paris at the same time. The new shares to be issued will have the same rights and benefits as, and rank pari passu in all respects with, the existing and outstanding shares of Bone Therapeutics at the moment of their issuance. A copy of the report prepared by the board of directors of Bone Therapeutics in accordance with the Belgian Companies and Associations Code further describing, among others, the capital increase, the consequences thereof and the justification of the issue price is made available in the Investors' section (Regulated Information – Share and Bond Issues) on Bone Therapeutics' website.

Champeil S.A. acted as placement agent in Europe. In relation to the Private Placement, Bone Therapeutics has agreed with the placement agent a 90-days standstill period on future share issuances, waivable by the placement agent and subject to customary exceptions.

### **7.3.3 Press release of 8 December 2021: Bone Therapeutics announces closing of private placement**

On 8 December 2021, Bone Therapeutics announced the closing of the private placement announced on 3 December 2021, with existing and new institutional investors having purchased 4,832,352 new shares at an issue price of EUR 0.68 per share resulting in gross proceeds of approximately EUR 3.3 million.

#### **Copy of the press release:**

The gross proceeds will be used to advance Bone Therapeutics' lead orthopedic asset, ALLOB, through mid-stage clinical development. The funds will also support the acceleration of the development of the new iMSC cell and gene therapy platform to address a broader array of underserved clinical indications outside orthopedics.

In addition, Bone Therapeutics expects to complete the final licensing agreement for the global rights of ALLOB with Link Health Pharma Co., Ltd by the end of 2021. This agreement would include R&D cost reimbursement from Link

Health to Bone Therapeutics and commercial milestone payments of up to EUR 60 million in total and tiered royalties on net sales of up to 25% from Link Health to Bone Therapeutics. This licensing agreement would substantially reduce the development costs of Bone Therapeutics in the coming years.

With the total gross proceeds raised through the private placement, Bone Therapeutics anticipates having sufficient cash to carry out its strategic objectives into Q3 2022. Upon the completion of the global licensing agreement with Link Health, Bone Therapeutics expects to have sufficient funding to cover its working capital requirements for 2022. In addition, Bone Therapeutics continues to evaluate all financing and strategic options to further enhance the development of its lead asset, ALLOB, and its next generation iMSC platform.

Via this private placement, Bone Therapeutics has placed 4,832,352 new shares bringing the total number of shares (post-transaction) to 21,310,520. The new shares have the same rights and benefits as, and rank pari passu in all respects with, the existing and outstanding shares of Bone Therapeutics and were admitted to trading on the regulated markets of Euronext Brussels and Euronext Paris on 7 December 2021.

Champeil S.A. acted as placement agent in Europe. In relation to the private placement, Bone Therapeutics has agreed with the placement agent a 90-days standstill period on future share issuances, waivable by the placement agent and subject to customary exceptions.

#### **7.3.4 *Press release of 19 January 2022: Bone Therapeutics provides fourth quarter 2021 business update and 2022 outlook***

On 19 January 2022, Bone Therapeutics announced its business update for the fourth quarter, ended 31 December 2021 as well as a business outlook for 2022.

#### **Copy of the press release:**

#### **Operational highlights**

- Bone Therapeutics' allogeneic bone cell therapy product, ALLOB is currently being evaluated in a randomized, double-blind, placebo-controlled Phase IIb study in patients with high-risk tibial fractures. Bone Therapeutics anticipates finalizing patient recruitment of this study in 2022. This finalization is subject, as across the industry, to evolution of the ongoing COVID-19 pandemic and the associated containment measures. Although early recruitment rates were very promising, the recruitment rates have temporarily slowed in recent months due to pandemic-related factors, such as reduced site activities due to staff availability and the number of available patients due to less occurrence of accidents. Bone Therapeutics has already implemented several mitigating measures in collaboration with the involved clinical research organization to improve and facilitate recruitment. These measures include site expansion, training, information, best practices sharing and close monitoring of progress. As a result of these measures Bone Therapeutics continues to currently expect the release of topline data by Q1 2023.
- In November 2021, Bone Therapeutics signed a non-binding term sheet for the global rights for ALLOB, Bone Therapeutics' allogeneic osteoblastic cell therapy product, with one of its current Chinese partners, Link Health Pharma Co., Ltd (Link Health). If the licensing deal is concluded, the partner would be responsible for all future costs of development of ALLOB, including the ongoing ALLOB TF2 Phase IIb trial and costs related to development, process development (scale up) and manufacturing of the product. In this non-binding agreement, no upfront or development milestones are expected but Bone Therapeutics would receive commercial milestone payments of up to €60 million in total and tiered royalties on net sales of up to 25%. The negotiations for the global rights agreement are still ongoing but take longer than expected. The envisaged completion of a final binding agreement has been delayed and is now contemplated over the course of Q1 2022.

#### **Corporate highlights**

- In October 2021, Bone Therapeutics appointed key experts to its Scientific Advisory Board (SAB). The members of the SAB consist of world-recognized scientists and clinicians in the cell and gene therapy field. The additional members of the SAB have been added to provide additional expert guidance on the development of Bone Therapeutics' novel, next generation induced pluripotent stem cell-derived mesenchymal stromal cell (iMSCg) platform.
- Bone Therapeutics has relocated its corporate offices to the Louvain-la-Neuve Science Park in Mont-Saint-Guibert (Louvain-la-Neuve), Belgium. Louvain-la-Neuve is home to the Catholic University of Louvain

(UCLouvain), one of Belgium's premier academic research institutes. Bone Therapeutics will be part of a vibrant biotech ecosystem with a high concentration of cell therapeutic companies.

### **Financial highlights <sup>(1)</sup>**

- In December 2021, Bone Therapeutics raised additional €3.3 million funding through a private placement with current and new institutional investors to advance its lead orthopedic asset, ALLOB, through mid-stage clinical development. The funds will also support the development of the new iMSCg cell and gene therapy platform to address a broader array of underserved clinical indications outside orthopedics.
- Disciplined cost and cash management will remain a key priority. Net cash burn for the full year 2021 is anticipated to be €16-18 million <sup>(1)</sup>. The net cash position totaled €9.5 million <sup>(1)</sup> for the year ended December 31, 2021. Taking into consideration the €3.3M in gross proceeds from the private placement in the fourth quarter of 2021 and anticipated milestone payments, Bone Therapeutics expects to have sufficient cash to carry out its business objectives into Q3 2022. This assumes normal operation, as there may be further effects of the ongoing COVID-19 pandemic.

### **Outlook for 2022**

- Bone Therapeutics will continue to explore options to develop its allogeneic differentiated MSC based cell therapy platform, beyond ALLOB, into other therapeutic indications. If financing so allows, Bone Therapeutics is also aiming to expand its preclinical and clinical pipeline to additional indications by enhancing and “professionalizing” the therapeutic capacity of its cell and gene therapy platform. This activity includes the development of a next generation of genetically engineered mesenchymal stromal cells (MSCs) and the use of highly scalable and versatile cell sources such as induced pluripotent stem cells (iPSC).
- For the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, Bone Therapeutics' clinical team, in partnership with its clinical research organization, is continuing to institute measures to mitigate the impact of the pandemic and will closely monitor the recruitment progress. As a result of the initial mitigation actions, Bone Therapeutics continues to expect to report topline results as scheduled by the first quarter of 2023. However, a delay cannot be excluded. Should the pandemic continue to have impact on patient availability, Bone Therapeutics may have to re-evaluate this timeline and, in that eventuality, will communicate again to the market.
- Bone Therapeutics will continue to prepare its discussions with the US FDA (Food and Drug Administration) in anticipation of the next steps in the clinical development of ALLOB in the US.
- Bone Therapeutics is in the process of considering mandating a third party organization to explore partnership, M&A opportunities and alternative sources of funding for the iMSCg platform.
- Link Health and Pregene, Bone Therapeutics' partners in Asia, continue to drive the development of ALLOB towards the approval of the Investigational New Drug Application (IND) with the Chinese National Medical Products Administration (NMPA).
- Bone Therapeutics continues to hold ALLOB business discussions with partners and aims to complete and to fully execute an agreement for the global rights for ALLOB over the course of Q1 2022.

### **Financial Calendar 2022**

- 27 April – Full Year Results & Annual Report 2021
- 25 May – Q1 2022 Business and Financial Highlights
- 8 June – Annual General Meeting 2022
- 7 September – Half Year Results 2022
- 25 October – Q3 2022 Business and Financial Highlights

The financial calendar is communicated on an indicative basis and may be subject to change.

<sup>(1)</sup> Unaudited number

### **7.3.5 Press release of 29 March 2022: Bone Therapeutics to strategically focus on lead cell therapy product ALLOB**

On 29 March 2022, Bone Therapeutics announced it is redefining its strategic priorities to concentrate specifically on the development of its most advanced clinical asset, the allogeneic cell therapy platform, ALLOB.

#### **Copy of the press release:**

ALLOB is currently being evaluated in a randomized, double-blind, placebo-controlled Phase IIb study in patients with high-risk tibial fractures. Based on the positive results of the previous clinical studies of ALLOB undertaken by Bone Therapeutics and the extensive preclinical data set, Bone Therapeutics firmly believes that ALLOB has the highest potential of near-term value creation. Topline results of the Phase IIb trial are still anticipated in Q1 2023. However, a delay cannot be excluded.

In order to deliver the results from the Phase IIb clinical study, Bone Therapeutics has implemented a number of actions to reduce its cost base to enable completion of its Phase IIb study. As a result, Bone Therapeutics will focus its R&D activities to support the clinical development of ALLOB and all activities related to the development of the pre-clinical iMSCg platform as well as all other non ALLOB related activities, will be stopped.

In this context, some members of Bone Therapeutics' management team will transition to depart Bone Therapeutics in the coming months in alignment with the focus in activity. This includes Miguel Forte (CEO), Tony Ting (CSO), Stefanos Theoharis (CBO) and Lieve Creten (CFO). The CEO, Miguel Forte, will remain in function for the transition. In addition, all non-executive members of the Board of Directors have decided to suspend their compensation for the first quarter of 2022 and until further notice.

The ongoing completion of ALLOB Phase IIb study will be supervised by Anne Leselbaum, MD (Chief Medical Officer) and Anne-Sophie Lebrun, PhD (Chief Operation Officer).

The negotiations for ALLOB, with one of the current Bone Therapeutics Chinese partners, for the global rights agreement are still ongoing but are taking longer than anticipated. The potential completion of a final binding agreement has been delayed beyond the end of Q1 2022.

Subsequent to some preliminary contacts, the board of directors of Bone Therapeutics is currently examining various opportunities to combine certain activities within Bone Therapeutics, taking into account the interests of its shareholders and other stakeholders. Further announcements will be made in due course, if and when circumstances so allow or require.

### **7.3.6 Press release of 12 April 2022: Bone Therapeutics Secures EUR 5 Million Financing**

On 12 April 2022, Bone Therapeutics announced that it has signed a binding term sheet for a EUR 5 million convertible bonds (CBs) facility arranged by ABO Securities. The proceeds of the financing will be used to advance the clinical development of Bone Therapeutics' lead asset, the allogeneic bone cell therapy, ALLOB.

#### **Copy of the press release:**

ABO Securities, on behalf of the CB investor, commits to subscribe to up to EUR 5 million in CBs. The CBs will be issued and subscribed in seven tranches. A first tranche with an aggregate principal amount of EUR 1.5 million will be issued on the Closing Date, followed by a tranche of up to EUR 1 million after 40 trading days from Closing. The issue and subscription of the remaining five tranches with a principal amount of EUR 500,000 each can be demanded at Bone Therapeutics' sole discretion over an eighteen-month period, subject to customary conditions to be met.

The CBs, denominated EUR 50,000 each, will be in the form of unsecured, subordinated, registered loan. The CBs will not bear any coupon and have a maturity date of five years after issuance. The CBs are convertible into ordinary shares of Bone Therapeutics. The conversion price will be equal to 95% of the lowest 1-day VWAP observed during a period of ten consecutive trading days immediately preceding the date of CB holder's request of conversion.

Subject to the fulfillment of condition precedents, Bone Therapeutics and ABO Securities aim to agree on and execute the final subscription agreement for the CBs and to issue the first tranche of CBs by the beginning of May 2022.

The negotiations for ALLOB, with one of the current Bone Therapeutics Chinese partners, for the global rights agreement are still ongoing and the board of directors of Bone Therapeutics is also continuing to examine opportunities

to combine certain activities within Bone Therapeutics, taking into account the interests of its shareholders and other stakeholders. Further announcements will be made in due course, if and when circumstances so allow or require.

### **7.3.7 Press release of 29 April 2022: Bone Therapeutics announces 2021 full year results**

On 29 April 2022, Bone Therapeutics announced its business update and full year financial results for the year ending 31 December 2021, prepared in accordance with IFRS as adopted by the European Union.

#### **Copy of the press release:**

*“Incomplete fracture healing remains a seriously unmet medical need affecting hundreds of thousands of patients worldwide. Despite the pandemic and subsequent seriously geopolitical and economic global events, Bone Therapeutics still remains on target for delivery of topline results for its Phase IIb study of its allogeneic cell therapy product, ALLOB, in patients with difficult tibial fractures,” said Miguel Forte, MD, PhD, CEO of Bone Therapeutics. “We believe ALLOB could provide difficult tibial fracture patients a convenient treatment option with a potentially superior outcome. Having successfully completed two clinical studies showing promising safety profile and efficacy signals in more than 60 patients, we firmly believe that ALLOB has the highest potential of near-term value creation and is focused on completing the current Phase IIb study. In addition, Bone Therapeutics has made a serious contribution for the future into the use of Induced Pluripotent Stem Cell (iPSC) derived, genetically engineered MSCs. Bone Therapeutics is continuing its efforts to establish value adding business collaborations and to strengthen its financial position.”*

#### **Clinical and operational highlights (including post-period events)**

In January 2021, Bone Therapeutics initiated the treatment of patients in the Phase IIb study of its allogeneic cell therapy product, ALLOB, in patients with difficult tibial fractures. Bone Therapeutics anticipates finalizing patient recruitment of this study in 2022. This recruitment finalization is subject, as across the industry, to evolution of the ongoing COVID-19 pandemic and the associated containment measures. Although early recruitment rates were very promising, the recruitment rates have temporarily slowed in subsequent months due to pandemic-related factors, such as reduced site activities due to staff availability and the number of available patients due to less occurrence of accidents. Bone Therapeutics has implemented several mitigating measures in collaboration with the involved clinical research organization to improve and facilitate recruitment. These measures include site expansion, training, information, best practices sharing and close monitoring of progress. As a result of these measures and the improving recruitment rate, Bone Therapeutics continues to currently expect the release of topline data by Q1 2023.

In January 2021, Bone Therapeutics signed an initial agreement for a process development partnership with the mesenchymal stromal cell (MSC) specialist, Rigenerand. This collaboration focused on further developing and enhancing Bone Therapeutics’ bone-forming platform.

In June 2021, Bone Therapeutics published the positive results of its Phase I/IIa clinical trial with ALLOB in patients with delayed union fractures. The results were published in Stem Cell Research & Therapy, the international peer-reviewed journal focusing on translational research in stem cell therapies. ALLOB was generally well-tolerated and that all patients met the primary endpoint.

In August 2021, Bone Therapeutics announced topline results from the Phase III knee osteoarthritis study with its enhanced viscosupplement JTA-004, its legacy non-MSC product. JTA-004 had a favorable safety profile. However, the study did not meet the primary and key secondary endpoints. No statistically significant difference in pain reduction could be observed between the treatment, placebo and comparator groups, with all treatment arms showing similar efficacy.

In September 2021, Bone Therapeutics signed a research evaluation agreement with Implant Therapeutics, the developer of hypoimmunogenic and safe harbor engineered iPSC derived cells. The agreement enables Bone Therapeutics to access, evaluate and materially transfer Implant Therapeutics’ Induced Pluripotent Stem Cell (iPSC) derived, genetically engineered MSCs, including lines, media, differentiation protocols and expertise.

In November 2021, Bone Therapeutics signed a non-binding term sheet for the global rights for ALLOB, Bone Therapeutics’ allogeneic osteoblastic cell therapy product, with one of its current Chinese partners, Link Health Pharma Co., Ltd (Link Health). The negotiations for the global rights agreement are still ongoing but take longer than

expected. The envisaged completion of a final binding agreement has been delayed and is now contemplated over the course of Q2 2022.

### **Corporate highlights (including post-period events)**

In March, 2021, Bone Therapeutics appointed the stem cell therapy industry veteran, Anthony Ting, PhD, as Chief Scientific Officer. Dr. Ting is responsible for Bone Therapeutics' research activities.

In July 2021, Bone Therapeutics appointed Dr. Anne Leselbaum as Chief Medical Officer. Dr. Leselbaum brings three decades of experience in strategic international clinical development, clinical operations and medical affairs. As CMO, she takes responsibility for the leadership of all clinical development and medical affairs strategies and activities across the entire Bone Therapeutics' pipeline and will oversee the regulatory interactions.

In September 2021, Bone Therapeutics appointed Lieve Creten, as interim Chief Financial Officer (CFO), succeeding Jean-Luc Vandebroek. Lieve's extensive financial experience ensures the continued optimal financial control, oversight and compliance.

In October 2021, Bone Therapeutics appointed key experts to its Scientific Advisory Board (SAB). The members of the SAB consist of world-recognized scientists and clinicians in the cell and gene therapy field.

In March 2022, Bone Therapeutics announced it was redefining its strategic priorities to concentrate specifically on the development of its most advanced clinical asset, ALLOB. As a result, Bone Therapeutics will focus its R&D activities to support the clinical development of ALLOB and all activities related to the development of the pre-clinical iMSCg platform as well as all other non ALLOB related activities, were stopped. In this context, some members of Bone Therapeutics' management team will depart Bone Therapeutics in the following months in alignment with the refocus in activity. This includes Miguel Forte (CEO), Tony Ting (CSO), Stefanos Theoharis (CBO) and Lieve Creten (CFO). During the transition, CEO, Miguel Forte, will remain in function. The Scientific Advisory Board was also dissolved.

### **Financial highlights (including post-period events)**

In July 2021, Bone Therapeutics secured a loan agreement of up to €16.0 million with the European Investment Bank (EIB). The EIB loan financing will be disbursed in two tranches of €8.0 million each, subject to conditions precedent. Following the approval of the issuance of associated warrants by Bone Therapeutics' General Meetings at the end of August 2021, Bone Therapeutics received a payment from the EIB for the first tranche of €8.0 million and the EIB was granted 800,000 warrants approved by the Extraordinary General Meeting.

In August 2021, Bone Therapeutics also renegotiated 800 convertible bonds issued on May 7, 2020 (for an amount of €2 million) to Patronale Life into a loan subject to the same repayment terms as the agreement with the EIB, with the issuance of 200,000 additional warrants approved by the Extraordinary General Meeting.

In December 2021, Bone Therapeutics raised additional €3.3 million funding through a private placement with current and new institutional investors to advance its lead orthopedic asset, ALLOB, through mid-stage clinical development.

The total revenues and operating income for 2021 amounted to €2.7 million compared to €3.7 million in 2020. As a result of the reduced clinical activities following the completion of the Phase III JTA-004 study, and the slower pace of patient enrollment for the ALLOB TF2 Phase IIb study due to the COVID-19 pandemic, operating loss for the period decreased to €12.0 million from €15.0 million for the full year 2020. Consequently, cash used for operating activities amounted to €12.8 million for the full year 2021. Year-end cash position amount to €9.5 million compared to €14.7 million year-end 2020.

In April 2022, Bone Therapeutics signed a binding term sheet for a €5 million convertible bonds (CBs) facility arranged by ABO Securities. The proceeds of the financing will be used to advance the clinical development of Bone Therapeutics' lead asset, the allogeneic bone cell therapy, ALLOB. ABO Securities, on behalf of the CB investor, commits to subscribe to up to €5 million in CBs. Subject to the fulfillment of condition precedents, Bone Therapeutics and ABO Securities aim to agree on and execute the final subscription agreement for the CBs and to issue the first tranche of CBs by the beginning of May 2022.

### **Outlook for the remainder of 2022**

In the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, Bone Therapeutics' clinical team, in partnership with its clinical research organization, is continuing to institute measures to mitigate the impact of the

pandemic and will closely monitor the recruitment progress. As a result of the initial mitigation actions and the improving recruitment rate due to the gradual lifting of COVID-19 related measures in Europe, Bone Therapeutics expects to report topline results as scheduled by the first quarter of 2023. However, a delay cannot be excluded. Should the pandemic continue to have impact on patient availability, Bone Therapeutics may have to re-evaluate this timeline and, in that eventuality, will communicate again to the market.

The negotiations for ALLOB, with one of Bone Therapeutics' current Chinese partners, for the global rights agreement are still ongoing but are taking longer than originally anticipated. The potential completion of a final binding agreement has been delayed into Q2 2022.

Subsequent to some preliminary contacts, the board of directors of Bone Therapeutics is currently examining various opportunities to combine certain activities within Bone Therapeutics, taking into account the interests of its shareholders and other stakeholders. Further announcements will be made in due course, if and when circumstances so allow or require.

Following the restructuring of the management team announced on 12 April 2022, Bone Therapeutics has initiated the search for a new CEO and CFO.

Disciplined cost and cash management will remain a key priority. The operating cash burn for the full year 2022 is expected to be in the range of €8-10 million, assuming normal operations as the effect of the ongoing COVID-19 epidemic cannot be excluded. The situation will be actively and closely monitored. The company anticipates having sufficient cash to carry out its business objectives into Q1 2023, assuming, amongst other, full issuance of the new convertible bond facility. Bone Therapeutics refers to the going concern statement in the Annual Report 2021 for all key assumptions taken.

### **7.3.8 *Press release of 12 May 2022: Bone Therapeutics enters into exclusive reverse merger discussions with Medsenic***

On 9 May 2022, Bone Therapeutics announced that it has entered into a non-binding term sheet and exclusive discussions for a period of three months with the shareholders of Medsenic, a privately held, clinical stage biopharmaceutical company incorporated in France and specialized in the development of optimized formulations of arsenic salts and their application in inflammatory conditions and other potential new indications.

#### **Copy of the press release:**

The objective of the discussions is to explore the benefits of a potential reverse merger or a similar transaction whereby all shareholders of Medsenic would individually contribute fifty-one percent (51%) of the total outstanding share capital of Medsenic into the capital of Bone Therapeutics in exchange for a certain number of shares issued by Bone Therapeutics (the "Business Combination"). The objective of the parties is that, as a result of the Business Combination, Bone Therapeutics would remain a Belgian listed company and own fifty-one percent (51%) of the share capital of Medsenic.

Based on the current information available and subject to due diligence, the parties expect that immediately after closing of the Business Combination, approximately 80% of the total outstanding share capital of Bone Therapeutics shall be held by the shareholders of Medsenic. Parties however agreed that subscription rights of Bone Therapeutics shall be offered to all its existing shareholders but not to the Medsenic shareholders. The terms and conditions of such subscription rights still need to be agreed by the Parties. The final valuation of both companies and exchange ratio shall be further discussed between Medsenic and Bone Therapeutics and confirmed by its auditor, on the basis of mutually accepted external valuations.

If this Business Combination were to materialize, which is not certain at the moment, the combined company would create a fully integrated biopharmaceutical company with a diverse therapeutic portfolio targeting a broad array of inflammatory and orthopedic indications. The Business Combination would offer economic and financial benefits and synergies especially in clinical development as both companies shall together have several mid to advanced stage clinical trials ongoing in lupus, chronic graft-versus-host disease, tibial fractures and other indications. In addition to the Bone Therapeutics ongoing controlled phase IIIb study in difficult fractures, Medsenic just completed a successful phase II study and plans to soon submit for a phase III pivotal study in Graft versus Host Disease.

Bone Therapeutics and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent. Further announcements on the final structure and terms of the Business Combination will be made in due course, if and when

the final documentation regarding the potential Business Combination is approved or if circumstances so allow or require.

This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Bone Therapeutics.

### **7.3.9 Press release of 31 May 2022: Bone Therapeutics signs definitive subscription agreement for a maximum of EUR 5M convertible bonds facility with ABO**

On 31 May 2022, Bone Therapeutics announced that it has signed the definitive subscription agreement for a maximum EUR 5 million convertible bonds (CBs) facility arranged by ABO Securities, through its affiliated entity Global Tech Opportunities 15. The proceeds of the financing will contribute to continuing to advance the clinical development of Bone Therapeutics' lead asset, its allogeneic bone cell therapy, ALLOB.

#### **Copy of the press release:**

ABO Securities has committed to subscribe to up to EUR 5 million in CBs. The CBs will be issued and subscribed in ten tranches. A first tranche of 10 CBs with an aggregate principal amount of EUR 0.5 million will be subscribed by ABO before notary by the end of this week or early next week. The issue and subscription of the remaining nine tranches with a principal amount of EUR 500,000 each can be requested at Bone Therapeutics' sole discretion over an eighteen-month period beginning on the signing date of the subscription agreement, subject to customary conditions to be met. More precisely, Bone Therapeutics shall be entitled to require the investor to subscribe to a new tranche without the investor's prior written consent, following a period whose duration shall be of (i) five (5) trading days following the closing date of the first tranche and following the closing date of the second tranche and of (ii) thirty (30) trading days following the closing date of each tranche from the third tranche onwards, subject to customary conditions to be met.

The CBs, denominated EUR 50,000 each, will be in the form of unsecured, subordinated, registered bonds. The CBs will not bear any coupon and have a maturity date of five years after issuance. The CBs are convertible into ordinary shares of Bone Therapeutics. The conversion price will be equal to 95% of the lowest 1-day VWAP of the ordinary shares of Bone Therapeutics observed during a period of ten consecutive trading days expiring on the trading day immediately preceding the date of CB holder's request of conversion.

The negotiations for ALLOB, with one of the current Bone Therapeutics Chinese partners, for the global rights agreement are still ongoing. In parallel, the board of directors of Bone Therapeutics continues to examine opportunities to combine certain activities within Bone Therapeutics, taking into account the interests of its shareholders and other stakeholders. The exclusive reverse merger discussions with Medsenic are progressing well. Further announcements will be made in due course, if and when circumstances allow or require.

### **7.3.10 Press release of 1 June 2022: Bone Therapeutics Provides First Quarter 2022 Business Update**

On 1 June 2022, Bone Therapeutics announced its business update for the first quarter, ended 31 March 2022.

#### **Copy of the press release:**

*"Bone Therapeutics is now concentrating fully on the development of our allogeneic cell therapy product, ALLOB. We remain on target for delivery of topline results for the Phase IIb study ALLOB, in patients with difficult tibial fractures. We firmly believe that ALLOB has the highest potential of near-term value creation and are focused on completing the current Phase IIb study. This is based on Bone Therapeutics successfully completing two clinical studies showing promising safety profile and efficacy signals in more than 60 patients," said Miguel Forte, MD, PhD, CEO of Bone Therapeutics. "In addition, Bone Therapeutics has now signed a non-binding term sheet to explore an exclusive reverse merger with Medsenic."*

#### **Key highlights**

- Bone Therapeutics continues to advance the patient recruitment of the Phase IIb study with its allogeneic cell therapy product, ALLOB, in patients with high-risk tibial fractures. This randomized, double-blind, placebo-controlled study assesses and compares against placebo, in association with standard of care stabilization surgery, the potential for ALLOB to accelerate fracture healing after 3-months follow-up and prevent late-stage complications.



- In March 2022, Bone Therapeutics realigned its strategic priorities to fully concentrate on the clinical development of its most advanced asset, ALLOB.
- In April 2022, Bone Therapeutics signed a binding term sheet for a EUR 5 million convertible bonds (CBs) facility arranged by ABO Securities. The proceeds of the financing will be used to advance the clinical development of Bone Therapeutics' lead asset, ALLOB. At the end of May 2022, Bone Therapeutics signed the definitive subscription agreement for a maximum EUR 5 million CBs facility with ABO Securities. The CBs will be issued and subscribed in ten tranches. A first tranche of 10 CBs with an aggregate principal amount of EUR 0.5 million will be subscribed to in early June 2022.
- In May 2022, Bone Therapeutics has entered into a non-binding term sheet and exclusive discussions for a period of three months with the shareholders of Medsenic, a privately held, clinical stage biopharmaceutical company incorporated in France and specialized in the development of optimized formulations of arsenic salts and their application in inflammatory conditions and other potential new indications.

### Financial highlights

- Net cash at the end of March 2022 amounted to €6.0 million <sup>(1)</sup>.
- Disciplined cost and cash management will remain a key priority. The net cash burn for the full year 2022 is expected to be in the range of €8-10 million, assuming normal operation as the effect of the ongoing COVID-19 epidemic still cannot be entirely excluded. The situation continues to be actively and closely monitored. The company anticipates having sufficient cash to carry out its business objectives into Q1 2023, assuming, amongst other, full issuance of the new convertible bond facility.

### Outlook for the remainder of 2022

- In the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, Bone Therapeutics expects to report topline results as scheduled by the first quarter of 2023. However, a delay still cannot be excluded. Should the pandemic continue to have impact on patient availability, Bone Therapeutics may have to re-evaluate this timeline and, in that eventuality, will communicate again to the market.
- The negotiations for ALLOB, with one of Bone Therapeutics' current Chinese partners, for the global rights agreement are still ongoing but are taking longer than originally anticipated. The potential completion of a final binding agreement is anticipated in Q2 2022.
- Bone Therapeutics and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent.

<sup>(1)</sup> Unaudited number

## 7.4 Financial information

This Securities Note shall also be read and construed in conjunction with the following documents:

- (i) the annual report and audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2020 (in English and French), together with the related audit report thereon; and
- (ii) the annual report and audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2021 (in English and French), together with the related audit report thereon.

Copies of documents incorporated by reference may be obtained (without charge) from the registered offices of the Company and the website of the Company (<http://www.bonetherapeutics.com/en/financial-reports>). The Company confirms that it has obtained the approval from its auditors to incorporate the audited consolidated financial statements and the auditors' reports thereon for the financial year ended 31 December 2020 and the financial year ended 31 December 2021 in the prospectus.

The tables below include references to the relevant pages of the audited consolidated financial statements of the Company for the financial years ended 31 December 2020 and 31 December 2021, as set out in the annual reports of the Company (in English and French). Information contained in the documents incorporated by reference other than information listed in the tables below is either not relevant for the investor or covered elsewhere in the Prospectus.

**Audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2020, as set out in the annual report (in English and French).**

Consolidated statement of financial position	p. 80
Consolidated statement of comprehensive income	p. 81
Consolidated statement of cash flows	p. 82
Consolidated statement of changes in equity	p. 83
Notes to the consolidated financial statements	p. 84-123
Auditor's report	p. 73-79

**Audited consolidated financial statements of the Company prepared in accordance with IFRS for the financial year ended 31 December 2021, as set out in the annual report (in English and French).**

Consolidated statement of financial position	p. 79
Consolidated statement of comprehensive income	p. 80
Consolidated statement of cash flows	p. 81
Consolidated statement of changes in equity	p. 82
Notes to the consolidated financial statements	p. 83-122
Auditor's report	p. 72-78

## 8 Definitions

<b>AMF</b>	means the French Financial Markets Authority ( <i>Autorité des Marchés Financiers</i> )
<b>Article 203 BITC Taxation Conditions</b>	has the meaning as set out in Section 4.9.1.2
<b>Articles of Association</b>	means the articles of association of the Company
<b>Belgian Code on Companies and Associations</b>	<i>Code des sociétés et des associations / Wetboek van vennootschappen en verenigingen</i> enacted by the Belgian Act of 23 March 2019 regarding the implementation of the Belgian code on companies and associations, as applicable to the Company as of 24 June 2019 following the publication in the Belgian State Gazette of the approval by the extraordinary shareholders' meeting dd. 12 June 2019 to opt-in under the Belgian Code on Companies and Associations.
<b>Belgian Companies Code</b>	<i>Code des sociétés / Wetboek van vennootschappen</i> , enacted by Belgian Act of 7 May 1999 regarding the Belgian companies code (as amended from time to time), which as of 24 June 2019 no longer applies to the Company.
<b>Belgian Investor</b>	has the meaning as set out in Section 4.9.3
<b>BITC</b>	means the Belgian Income Tax Code
<b>Board of Directors</b>	means the board of directors of the Company
<b>Bone Therapeutics or the Company</b>	means Bone Therapeutics SA, a limited liability company incorporated under the laws of Belgium, with registered office at Rue Granbonpré 11, Building H, 1435 Mont-Saint-Guibert, Belgium and registered with the legal entities register (Brabant wallon) under number 0882.015.654
<b>Convertible Bonds</b>	means the maximum of 100 non-interest bearing, unsecured and subordinated convertible bonds with a total commitment of EUR 5 million to be issued by the Company to the Investor in accordance with the Subscription Agreement
<b>Conditions for the application of the Dividend Received Deduction Regime</b>	has the meaning as set out in Section 4.9.1.2
<b>CRS</b>	means the Common Reporting Standard
<b>DAC2</b>	means the Directive 2014/107/EU on administrative cooperation in direct taxation adopted on December 9, 2014
<b>Dividend Received Deduction</b>	has the meaning as set out in Section 4.9.1.2
<b>Euronext Brussels</b>	means the regulated market operated by Euronext Brussels SA/NV
<b>Euronext Paris</b>	means the regulated market operated by Euronext Paris SA
<b>Executive Committee</b>	means the team consisting of the CEO, CFO, CMO, CSTO and CRO
<b>French Tax Code</b>	has the meaning as set out in Section 4.10
<b>FSMA</b>	means the Financial Services and Markets Authority in Belgium ( <i>Autorité des services et marchés financiers</i> )

<b>FTT</b>	means a common financial transaction tax
<b>GAAP</b>	means the (Belgian) Generally Accepted Accounting Principles
<b>IFRS</b>	means the International Financial Reporting Standards
<b>MCAA</b>	means the multilateral competent authority agreement signed on 29 October 2014 by 51 jurisdictions
<b>MTF</b>	means a multilateral trading facility
<b>New Shares</b>	means up to 21,739,130 new shares of the Company to be issued upon conversion of the Convertible Bonds (at an assumed conversion price of no lower than €0.23) and to be traded on Euronext Brussels and Euronext Paris
<b>Nomination &amp; Remuneration Committee</b>	means the nomination and remuneration committee of the Company installed by the Board of Directors.
<b>OFPs</b>	means the organisation for financing of pensions
<b>Prospectus</b>	has the meaning as set out in Section 2.1.1
<b>Prospectus Delegated Regulation 2019/980</b>	means the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004
<b>Prospectus Act</b>	means the Belgian Act of 11 July 2018 on the public offering of securities to trading on a regulated market ( <i>loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés</i> )
<b>Prospectus Regulation 2017/1129</b>	means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>Registration Document</b>	means the Company's registration document
<b>Relevant Member State</b>	has the meaning as set out in Section 2.1.2
<b>Securities Note</b>	means the current note prepared by Bone Therapeutics SA in relation to the admission to trading of up to 21,739,130 New Shares to be issued upon conversion of the Convertible Bonds on Euronext Brussels and Euronext Paris
<b>Stock Exchange Tax Representative</b>	has the meaning as set out in Section 4.9.3
<b>Subscription Agreement</b>	means the subscription agreement for the Convertible Bonds as executed between the Company and Global Tech Opportunities 15 on 30 May 2022
<b>Summary</b>	means the Company's summary in relation to the admission to trading of up to 21,739,130 New Shares to be issued upon conversion of the Convertible Bonds on Euronext Brussels and Euronext Paris, as approved by the FSMA on 7 June 2022 and as subsequently notified to the AMF

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<b>Takeover Decree</b>	means and the Belgian Royal Decree of 27 April 2007 on public takeover bids
<b>Takeover Directive</b>	means the Directive 2004/25/EC of the European Parliament and the Council dated 21 April 2004 on takeover bids
<b>Takeover Law</b>	means the Belgian Law of 1 April 2007 on public takeover bids

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