

BONE THERAPEUTICS SA
PUBLIC LIMITED LIABILITY COMPANY
RUE GRANBONPRÉ 11, BUILDING H, 1435 MONT-SAINT-GUIBERT,
0882.015.654 (RLE BRABANT WALLON)
(the “Company” or "Bone Therapeutics")

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

With respect to the renewal of the authorised capital

The Board of Directors proposes to the Extraordinary General Meeting of the Company, which will be held on 8 June 2022, or at any other date (the "**EGM**"), to renew the authorisations granted to the Board of Directors to increase the share capital of the Company in accordance with Article 7:198 of the Belgian Code on companies and associations ("**BCCA**"), as described in Article 7 of the Articles of Association. The Board of Directors has prepared this special report pursuant to Article 7:199 BCCA.

1. Description of the current authorisation to increase the capital by resolution of the Board of Directors

Article 7 of Bone Therapeutics' Articles of Association authorises the Board of Directors to increase the share capital in one or several times, by issuing a number of shares or financial instruments giving right to a number of shares such as, but not limited to, convertible bonds or warrants, up to a maximum amount equal to its share capital.

Capital increases decided pursuant to this authorisation can be effected either by way of contribution in cash, or, within the limits defined by law, by way of contribution in kind, with or without the creation of new shares, preferential or not, with or without a right to vote, and with or without subscription right. These capital increases can be effected with or without issue premium.

This authorisation was granted by the shareholders on 9 July 2018 for 5 years. The Board of Directors wishes to profit from the meeting of the EGM of 8 June 2022 in order to submit the proposal to renew the authorised capital for a new period of 5 years ending on 8 June 2027.

Pursuant to Article 7 of the Articles of Association, this authorisation can be used for:

- capital increases or the issue of convertible bonds or subscription rights where the pre-emptive right of shareholders is restricted or cancelled (article 7:200, 1° of the BCCA);
- capital increases or the issue of convertible bonds where the pre-emptive right of shareholders is restricted or cancelled in favour of one or more specific persons other

than members of staff of the company or its subsidiaries (article 7:200, 2° of the BCCA);

- capital increases by way of the incorporation of reserves (article 7:200, 3° of the BCCA).

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

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

Article 7 of Bone Therapeutics' Articles of Association empowers the Board to use the aforementioned authorisations if it has been formally notified by the Financial Services and Markets Authority ("FSMA") that it is the target of a public take-over bid, by way of contributions in cash restricting or cancelling the preferential right of shareholders (in favour of one or more specific persons, other than employees of the company or its subsidiaries, included) or by way of contributions in kind, with an issue of shares, subscription rights or convertible bonds, with due regard for the relevant statutory provisions. This last authorization was granted by the shareholders for three years and has expired on 9 July 2021.

2. **Proposal to renew the authorisations granted to the Board of Directors to increase the share capital**

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

This will require an amendment to:

- Article 7, first and second paragraph, of the Articles of Association so as to authorise the Board of Directors to increase the share capital of BONE THERAPEUTICS, in one or several times, by issuing a number of shares or financial instruments giving right to a number of shares such as, but not limited to, convertible bonds or warrants, up to a maximum amount equal to BONE THERAPEUTICS's share capital on 8 June 2022, i.e. EUR 4,923,998.63, for a period of 5 years from the date of publication in the Annexes in the Belgian State Gazette of this amendment to the Articles of Association by the EGM;
- Article 7, last paragraph, of the Articles of Association so as to empower the Board of Directors to proceed, in accordance with Article 7:202 BCCA, with a capital increase in any and all form, including but not limited to a capital increase accompanied by the

restriction or cancellation of the preferential subscription right, even after receipt by the company of a notification by the Financial Services and Markets Authority ("FSMA") of a takeover bid for the company's shares, for a period of 3 years from the date of the EGM.

3. Circumstances in which and purposes for which the authorised capital can be used

The technique of the authorised capital offers the Board of Directors a degree of flexibility and allows swift execution, which could be necessary to ensure an optimal management of BONE THERAPEUTICS in certain circumstances, the relatively complex, expansive and time-consuming procedure of convening an extraordinary shareholders' meeting for a capital increase in a listed company could be irreconcilable with certain fluctuations on the capital markets or certain opportunities presented to BONE THERAPEUTICS. For example, such situation could occur in case BONE THERAPEUTICS would wish to entirely or partially finance strategic alliances, takeovers or acquisitions of companies and/or assets by issuing new shares. Convocation of an extraordinary shareholders' meeting could in such circumstances, for example, lead to a delay in the execution of the concerned transaction.

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

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

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

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

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

Mont-Saint-Guibert, 9 May 2022.

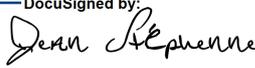
On behalf of the Board of Directors,

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mC4Tx SRL, permanently
represented by Mr Miguel Forte

Director

DocuSigned by:

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INNOSTE SA, permanently
represented by Mr Jean
Stéphenne

Director