

## Informations supplémentaires sur l'évaluation

Ce document est à consulter conjointement avec le rapport spécial **Bone Therapeutics - Rapport spécial CA (articles 7\_179 § 1er et 7\_197 CSA), 4. Description de l'apport en nature et évaluation motivée de celui-ci**. L'objectif de ce document est d'apporter des informations supplémentaires quant à l'évaluation des actions de Medsenic réalisée par l'Expert Indépendant.

### Méthode d'évaluation

Valuation approach	<p>The <b>discounted cash flows approach, weighted for probabilities, has been favoured</b> as a most refined valuation approach</p> <ul style="list-style-type: none"><li>❑ Widely accepted valuation method by brokers and valuation specialists for biotech companies</li><li>❑ Projections of the management can be taken into account</li><li>❑ Enables to factor in specificities of the companies (risk, development costs, business model, profitability, probability of success...)</li><li>❑ Enables a consistent valuation approach for Bone Therapeutics and Medsenic for comparability purposes</li></ul> <p><b>Discounting the cash flows using a WACC</b> leads to an enterprise value, the estimated equity value is derived by subtracting the net financial debt</p>
Forecasted scenarios and valuation upsides	<p>Considering the uncertainty on key assumptions, <b>different forecasted scenarios</b> have been used when applying the discounted cash flows approach</p> <ul style="list-style-type: none"><li>❑ <b>Bone Therapeutics</b><ol style="list-style-type: none"><li>1. Management projections based on an <b>"in-house" development and commercialization</b> of its ALLOB DU indication</li><li>2. Management forecasts in an <b>out-licensing scenario</b> based on the contemplated deal terms with Pregene (see appendix)</li></ol></li><li>❑ <b>Medsenic</b><ol style="list-style-type: none"><li>1. Management forecasts based on an out-licensing strategy</li><li>2. Management forecasts reviewed for an <b>increased pricing (+50% and +100%)</b> of the oral formulation of Medsenic as the management of Medsenic expects the pricing of the new formulation to be significantly higher than its current assumptions</li></ol></li></ul> <p>Certain <b>upsides</b> have been valued separately</p> <ul style="list-style-type: none"><li>❑ The upside for Bone Therapeutics if it were to pursue or monetize its <b>Spinal Fusion</b> indication</li><li>❑ The upside for Medsenic of a <b>full commercialization right in North America</b> at no additional cost (vs 55% share in net profit as per current Phebra agreement), this upside is included in the management projections</li></ul>
Other valuation benchmarks	<p>Considering <b>Bone Therapeutics is a listed company, its market capitalisation has been used as an additional valuation benchmark</b></p> <p><b>Transactions in the market and listed peers have been studied</b>, in the absence of strict comparability with both Medsenic and Bone Therapeutics and robust outcomes, <b>those benchmarks have not been used for valuation purposes</b></p>

### Hypothèses

General considerations	<ul style="list-style-type: none"><li>❑ The projections prepared by the management of Bone Therapeutics and Medsenic have been used as a basis of assumptions</li><li>❑ In addition to the management forecasts, the following elements have been assumed<ul style="list-style-type: none"><li>▪ Taxes: Assuming 5% tax rate in Belgium and 10% tax rate<sup>1</sup> in France, taxes are only applied as of the moment the tax losses carried forward are fully utilised</li><li>▪ No capital increase event prior to the contemplated transaction</li><li>▪ No synergies and no terminal value are taken into account</li></ul></li></ul>
Risk assessment	<ul style="list-style-type: none"><li>❑ Probabilities of success have been assumed based on ranges of different sources (see next page)</li><li>❑ The WACC has been assumed to range between 10% and 15%, in line with discount rates used by valuation experts for similar companies with an out-licensing strategy and after taking into account probabilities of success. For the <b>"in-house" case of Bone Therapeutics</b>, a discount rate of 27.5-32.5% has been applied considering the additional (commercial) risk embedded in the projections</li></ul>

## Valorisation de Medsenic (1/2)

Valuation based on management business plan adjusted for 55% profits of North America

Product	Peak Sales (€m)	Clinical status <sup>(1)</sup>	Exp. launch	NPV (€m)	Prob. - Low	rNPV (€m)	Prob. - Mid	rNPV (€m)	Prob. - High	rNPV (€m)
<b>Licensing</b>										
cGvHD	111	Phase III	2025	16.5	55%	9.1	65%	10.7	75%	12.4
SSc	38	Phase II	2029-30	1.7	25%	0.4	35%	0.6	45%	0.7
SLE	491	Phase II	2029-30	39.0	25%	9.8	35%	13.7	45%	17.6
Septic shock	146	Phase II	2030-31	36.5	15%	5.5	25%	9.1	35%	12.8
<b>Enterprise Value</b>						<b>24.7</b>		<b>34.1</b>		<b>43.5</b>
Net financial debt						(1.7)		(1.7)		(1.7)
<b>Equity Value</b>						<b>23.0</b>		<b>32.4</b>		<b>41.8</b>

<b>Net financial debt (€m)</b>	<b>1.7</b>
+ Financial debt (31/12/2021)	2.5
- Cash & cash equivalents (31/12/2021)	(0.8)

### Comments

- The management forecasts have been built on a pricing scenario of their former formulation. The management of Medsenic expects a significant increase in prices for the oral formulation that is currently being assessed. Scenarios with a 50%, 100%, and +200% price increase have been reflected to factor in the impact of such a change in key assumptions

### Equity value in €m (current management sales prices)

		Probability		
		Low Range	Mid Range	High Range
WACC	10.0%	31.1	43.3	55.4
	12.5%	23.0	32.4	41.8
	15.0%	16.9	24.2	31.5

### Equity value in €m

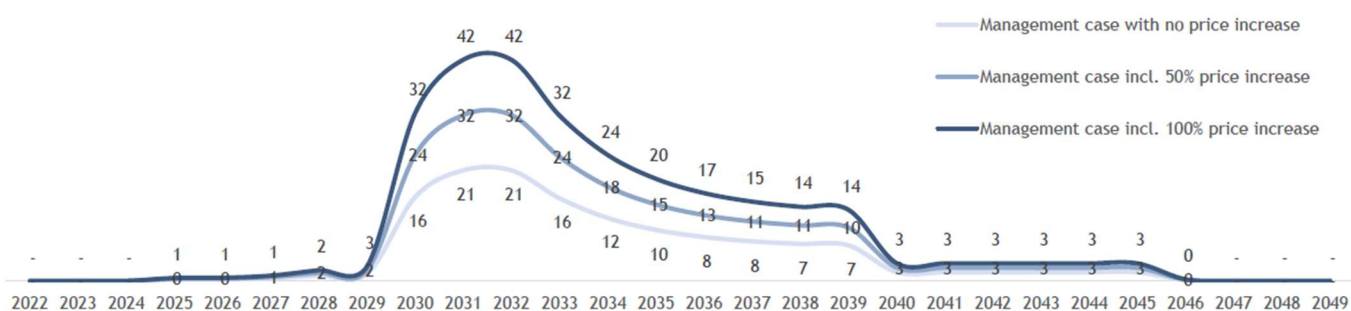
		Management sales prices			
		No price increase	Price +50%	Price +100%	Price +200%
WACC	10.0%	43.3	65.2	87.2	131.1
	12.5%	32.4	49.3	66.3	100.2
	15.0%	24.2	37.5	50.7	77.2

Notes: (1) As per readiness communicated by Medsenic. With regards to cGvHD, Phase III is accepted by the FDA in the Pre-IND meeting (IND application not yet submitted).

## Valorisation de Medsenic (2/2)

The management forecasts assume to capture 100% of profit in North America (vs 55% as per current Phebra agreement) hence leading to an additional c. €14-€27m equity value depending on the price scenario

Net profit differential between 100% net profit share in North America vs 55% net profit share (see details in appendix)



Equity value upside no price increase

€13.5m

Equity value upside 50% price increase

€20.2m

Equity value upside 100% price increase

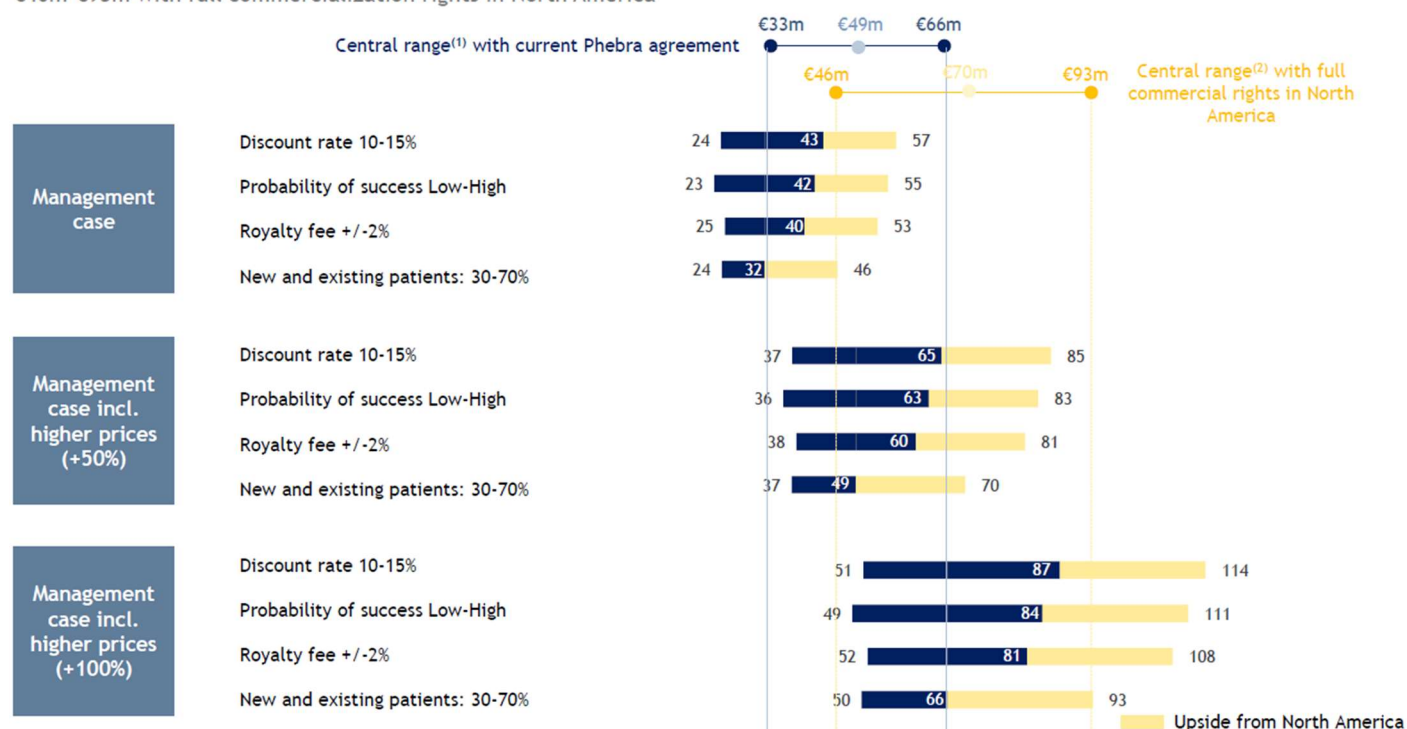
€27.0m

### Comments

- Medsenic management forecast foresee full commercialization rights in North America with no additional costs to the existing Phebra deal

## Valorisation de Medsenic - Résumé

Based on different price scenarios, the valuation of Medsenic ranges between €33m-€66m with the current Phebra agreement and €46m-€93m with full commercialization rights in North America



Notes: (1) Central range based on DCF valuation with 12.5% WACC and mid-probability excluding upside for 100% profit in North America, for Management Case (min= €46m - €13m) and 100% price increase scenario (max= €93m - €27m); (2) Central range based on DCF valuation with 12.5% WACC and mid-probability including upside for 100% profit in North America, for Management Case (min) and 100% price increase scenario (max)

## Transactions récentes (1/2)

Date	Bidder	Target	Country	Upfront Payment (€m)	Earnout (€m)
Jun-22	Galapagos NV	AboundBio	US	13	0
Jun-22	Galapagos NV	CellPoint	NL	125	100
Jun-22	CureVac N.V.	Frame Cancer Therapeutics	NL	16	16
Mar-22	Eagle Pharmaceuticals	Acacia Pharma	UK	89	0
Mar-22	AbbVie Inc.	Syndesi Therapeutics	BE	116	779
Dec-21	Adeona Pharmaceuticals Inc	VCH Biosciences SL	ES	76	70
Dec-21	Rayner Intraocular Lenses Limited	Omeros Corp (OMIDRIA)	US	103	164
Nov-21	Vifor Pharma AG	Inositec AG	CH	19	86
Nov-21	Vifor Pharma AG	Sanifit Therapeutics SA	ES	205	170
Jun-21	uniQure N.V.	Cortieve Therapeutics SAS	FR	46	204
May-21	Athenex, Inc.	Kuur Therapeutics, Inc.	US	58	96
Apr-21	Sanofi SA	Tidal Therapeutics	US	134	261
Feb-21	Catalent, Inc.	Delphi Genetics S.A.	BE	45	0
Feb-21	Wacker Chemie AG	Genopis, Inc.	US	32	68
Jan-21	RELIEF THERAPEUTICS Holding SA	AdVita Lifescience GmbH	DE	25	20
Dec-20	Novozymes A/S	Microbiome Labs	US	210	105
Dec-20	Novartis AG	Cadent Therapeutics, Inc.	US	172	458
Dec-20	Ergomed Plc	MS Clinical Services, LLC	US	15	6
Dec-20	Gilead Sciences, Inc.	MYR GmbH	DE	1,150	300
Nov-20	Telix Pharmaceuticals Limited	TheraPharm GmbH	DE	10	10
Nov-20	Selvita S.A.	Fidelta Ltd.	CR	31	0
Oct-20	Catalent, Inc.	Skeletal Cell Therapy Support SA	BE	12	0
Oct-20	Novartis AG	Vedere Bio, Inc.	US	128	111

## Transactions récentes (2/2)

Date	Bidder	Target	Country	Upfront Payment (€m)	Earnout (€m)
Oct-20	Retrophin, Inc.	Orphan Technologies Limited	CH	76	361
Jul-20	Croda International Plc	Avanti Polar Lipids, Inc.	US	164	66
Jun-20	Novozymes A/S	PrecisionBiotics Group Limited	IR	81	0
Jun-20	UCB SA	Engage Therapeutics, Inc.	US	110	128
Apr-20	Astellas Pharma Inc.	Ilanna Therapeutics Limited	UK	14	65
Apr-20	Pfizer Inc.	BioNTech SE	DE	170	517
Feb-20	Catalent, Inc.	MaSTherCell S.A.	BE	285	0
Sep-19	H.I.G. Capital, LLC	BioVectra Inc.	CA	158	68
Aug-19	Jazz Pharmaceuticals, Inc.	Cavion, Inc.	US	47	232
Jul-19	Boehringer Ingelheim Intern. GmbH	Amal Therapeutics SA	CH	225	100
May-19	Evotec SE	Just Biotherapeutics, Inc.	US	54	27
May-19	H. Lundbeck A/S	Abide Therapeutics, Inc.	US	223	134
Apr-19	Abatis Bioceuticals Corp.	Pro Natura BV	NL	7	9
Jan-19	Showa Denko Materials Co., Ltd.	apceth Biopharma GmbH	DE	75	0
Sep-18	Barings LLC	Midatech Pharma US Inc.	US	11	5
Jun-18	Bio-Techne Corporation	Exosome Diagnostics, Inc.	US	214	278
Jun-18	Recipharm AB	Sanofi SA (CMO business in Holmes Chapel)	UK	51	10
Apr-18	GHO Capital Partners LLP	Alcaliber SA	ES	208	0
Apr-18	UCB SA	Element Genomics, Inc.	US	24	0
Apr-18	Fagron NV	Humco Holding Group, Inc .	US	39	18
Jan-18	Baxter International, Inc.	Mallinckrodt Plc (PREVELEAK® Surgical Sealant product business)	US	123	26
Nov-17	Royal DSM N.V.	Amyris Brasil Ltda	BR	49	32
Sep-17	Ergomed Plc	PSR Group B.V.	NL	3	3
Aug-17	Saol Therapeutics Inc	Aptevio Therapeutics Inc. (Hyperimmune Products)	US	56	6
Jul-17	Emergent BioSolutions Inc	Sanofi SA (ACAM2000 Smallpox Vaccine business)	FR	82	23