BONE THERAPEUTICS
Public limited liability company
Rue Granbonpré 11, Building H,
1435 Mont-Saint-Guibert,
0882.015.654 (RLE Walloon Brabant)
(the "**Company"**)

SPECIAL REPORT OF THE BOARD OF DIRECTORS PREPARED IN ACCORDANCE WITH ARTICLES 7:180, 7:191 AND 7:193 OF THE CODE ON COMPANIES AND ASSOCIATIONS

1. INTRODUCTION

This special report has been prepared by the board of directors of the Company (the "**Board**") in accordance with articles 7:180, 7:191 and 7:193 of the Code on companies and associations (the "**CCA"**) and relates to the Board's proposal to issue, in the context of the Business Combination (as defined below), up to 23,172,152 registered subscription rights (the "**Subscription Rights**") in favour of the existing shareholders of the Company.

This amount of Subscription Rights being equal to the number of existing shares in the Company immediately prior to the Capital Increase (as defined below). Each Existing Shareholder will therefore receive one Subscription Right for each share of the Company that it holds immediately prior to the Capital Increase (as defined below).

Each Subscription Right allows for the subscription of one new ordinary share in the Company (the "**Transaction**").

In accordance with articles 7:180, 7:191 and 7:193 of the CCA, the purpose of this report (the "**Report**") is to set out (i) the object and detailed justification of the proposed issuance and the cancellation of the preferential right, (ii) the issuance price of the shares with regard to the Company's interest as a result of the conversion of the Subscription Rights, (iii) the identity of the beneficiaries of the cancellation of the preferential subscription rights and (iv) the financial consequences of the proposed transactions for the shareholders and the impact on the proprietary and corporate rights of the existing shareholders, in particular with respect to their participation in the profits and capital of the Company.

This Report should be read in conjunction with the report prepared in accordance with articles 7:180, paragraph 2, 7:191, paragraph 3 and 7:193, paragraph 3 of the CCA by the Company's statutory auditor, BDO Réviseurs d'Entreprises SRL, represented by Mr. Rodrigo Abels (the "**Auditor**"). The aforementioned report confirms that the financial and accounting information contained in this Board Report is accurate and sufficient to inform the shareholders.

2. ISSUANCE OF SUBSCRIPTION RIGHTS

2.1 Background to the Subscription Rights issuance

On 28 April 2022, the Board prepared a special report in accordance with articles 7:228 and 7:229 of the CCA in which it (i) noted that the net assets of the Company as at 31 December 2021 amounted to a negative EUR 5,438,772, i.e. less than EUR 61,500, in such a way that the Company was in the situation referred to in articles 7:228 and 7:229 of the CCA, (ii) estimated that the Company could continue to operate with confidence and that further remedial action did not appear to be necessary due to the recently secured financing, the measures taken to reduce cash consumption to allow for the completion of the phase IIB clinical study evaluating ALLOB, the ongoing negotiations regarding the establishment of a worldwide rights agreement for ALLOB with Pregene, the discussions in view of the contemplated Business Combination (as defined below) and the contemplated closing of the ABO Convertible Loan (as defined below) and (iii) proposed to the shareholders not to proceed with the dissolution of the Company. On 13 July 2022, the extraordinary general meeting of the Company's shareholders decided on this basis to continue the Company's activities.

On 11 May 2022, the Company entered into an agreement on a non-binding term sheet (the "**Non-Binding Term Sheet**") and entered into exclusive discussions for a period of three months with the shareholders of Medsenic, a *société par actions simplifiée* incorporated under the laws of France, having its registered office at 204, avenue de Colmar, 67100 Strasbourg, France, and registered with the Strasbourg Trade and Companies Registry under number 527 761 530 ("**Medsenic**") with a view to a potential reverse merger or similar business combination transaction (the "**Business Combination**"). Medsenic is a privately-held, clinical-stage biopharmaceutical company, founded in France, specialising in the development of optimised formulations of arsenic salts and their application in inflammatory diseases and other potential new indications.

In the context of the contemplated Business Combination, the Company has entered into a subscription agreement dated 9 August 2022 with the shareholders of Medsenic pursuant to which the shareholders of Medsenic undertake, subject to the fulfilment of various conditions precedent, to contribute to the capital of the Company 37,649 outstanding shares of Medsenic, representing fifty-one percent (51%) of the share capital of Medsenic (the "**Contribution in Kind**").

The Board therefore proposes to increase the capital of the Company and the share premium by an amount of EUR 40,800,867.30. The capital of the Company will be increased from EUR 5,352,173.99 to EUR 32,552,752.19 by the issue of 90,668,594 new shares (the "**New Shares**") in consideration for the Contribution in Kind (the "**Capital Increase**").

For further details regarding the Contribution in Kind and in particular the exchange ratio, we refer to the special report of the Board prepared in accordance with articles 7:179 § 1 and 7:197 of the CCA.

Furthermore, it is contemplated to issue a number of Subscription Rights equivalent to the number of shares of the Company immediately prior to the Capital Increase to the existing shareholders of the Company under the terms and conditions of the phase IIB subscription rights plan (the "**Subscription Rights Terms and Conditions**") allowing each of them to subscribe for one new share of the Company, subject to the condition precedent of statistically positive interim results of the ALLOB phase IIB (i.e. if the primary endpoint is met, which would be the case in the context of an interim analysis if the RUST score is higher than 1.46) (the "**Triggering Event**"). The capital of the Company will be increased through the issuance of the Subscription Rights, subject to the condition precedent and to the extent that Subscription Rights are exercised.

The issuance and allocation of the Subscription Rights to the existing shareholders of the Company will result in a dilution of the stake of the shareholders of Medsenic in the Company.

At the time of the Capital Increase, it is also contemplated to invite the extraordinary general meeting of the Company to approve the change of the name of the Company to "BioSenic" (the "**Name Change**").

The Board has therefore resolved to convene an extraordinary general meeting of the Company on 26 September 2022, or at any later date, for the purpose of approving, *inter alia*, the Capital Increase, the issuance of the Subscription Rights, the Name Change, the resignation and appointment of directors and the renewal of the authorised capital of the Company (the "**General Meeting**").

Following the Capital Increase, (i) the Company will hold 51% of the share capital of Medsenic and will remain a Belgian listed company and (ii) the shareholders of Medsenic will hold approximately 80% of the outstanding shares of the Company.

It is contemplated that the remaining share capital of Medsenic will be contributed to the Company on similar terms within a timeframe of 36 months.

2.2 Main Subscription Rights Terms and Conditions

The Subscription Rights will be issued in accordance with the principal terms set out below. The full Subscription Rights Terms and Conditions are set out in Annex 1 to this Report.

(a) Number

A maximum of 23,172,152 Subscription Rights will be issued by the Company.

(b) Subscription Price

The subscription price is equal to EUR 0 per Subscription Right.

(c) Form

Each Subscription Right will be in dematerialised form.

Each Subscription Right will allow the holder to subscribe to an ordinary share and will allow the holder to benefit from the same rights as holders of ordinary shares from the first day of the financial year in which they are issued. The new shares will be issued in dematerialised or registered form at the shareholder's option.

The shares will be listed on the regulated market of Euronext Brussels and the regulated market of Euronext Paris under the symbol BOTHE. The Company will use its best efforts to ensure that the shares issued upon exercise of the Subscription Rights are admitted to trading on the regulated market of Euronext Brussels and the regulated market of Euronext Paris.

(d) Expiry date

The Subscription Rights will expire on the first (1st) anniversary of the Triggering Event.

(e) Issuance Date

The Subscription Rights will be issued before the notary with the approval of the General Meeting.

(f) Exercise Price

The exercise price of each Subscription Right shall be equal to EUR 0.45.

(g) Exercise Period

The Subscription Rights may be exercised from the Triggering Event until the first (1st) anniversary of the Triggering Event.

(h) Specific provisions

Right to follow-up:

In the event of a public takeover bid for the Company, the holders of Subscription Rights will be entitled to exercise their Subscription Rights immediately prior to the launch of the public takeover bid.

Transfer provisions :

The Subscription Rights are transferable.

(i) Applicable law and competent courts

The Subscription Rights shall be governed by Belgian law. Any dispute relating thereto shall be subject to the exclusive jurisdiction of the French-speaking courts of Brussels, Belgium.

2.3 Justification of the Transaction

The Company is a biotechnology company specialised in the development of cell-based therapies to address unmet medical needs in orthopaedics and other diseases.

Following the announcement in August 2021 of the primary results of the phase III study evaluating its improved viscosupplement, JTA-004, in osteoarthritis of the knee, which failed to meet the primary endpoint and consequently the key secondary endpoints, the Company's share price was significantly affected.

In December 2021, the Company raised an additional EUR 3.3 million financing through a private placement of shares with existing and new institutional investors in order to advance its lead orthopaedic asset, ALLOB, into mid-stage clinical development. The funds were also intended to support the development of the new iMSC preclinical cell and gene therapy platform to address a broader range of underserved clinical indications outside orthopaedics.

As at 31 December 2021, the Company ended the year with a consolidated cash position of EUR 9.5 million.

In order to deliver the results of the phase IIb clinical study with ALLOB, the Company has implemented a series of measures aimed at reducing its cost base to enable completion of the study. The Company decided at the end of March 2022 to dedicate all of its R&D activities to support the clinical development of ALLOB and to suspend all activities related to the development of its iMSC preclinical cell and gene therapy platform and other non-ALLOB related activities.

In this context, it was until today very difficult for the Company to raise new funds on acceptable terms through the placement of new shares. The Company therefore proceeded with the private placement of the ABO Convertible Bonds (as defined below) announced on 31 May 2022 for a maximum amount of EUR 5 million, renewable under the same conditions at the sole discretion of the Company at any time during a period of eighteen (18) months after the date of signature of the subscription agreement for convertible bonds (the "**ABO Convertible Loan**"). As at the date of this Report, the Company has drawn EUR one (1) million from the ABO Convertible Loan.

Based on the revised cash forecast for 2022, taking into account an operating cash burn of EUR 8-10 million and a financing cash burn of approximately EUR 1.3 million, the Company expects to have sufficient cash to deliver on its revised strategic direction of achieving an efficacy outcome milestone with the ALLOB TF2 phase IIB clinical study by the first quarter of 2023, taking into account the relevant assumptions communicated to the market.

As the cash runway of the Company is expected into the first half of 2023, the Company requires additional funding to continue its operations in the longer term.

The Company has evaluated several options with a potential positive impact on its stock market valuation, asset diversification, newsflows and net working capital. The proposed Capital Increase is one of these options.

As indicated in the section 2.1 of this Report, following the Capital Increase, (i) the Company will hold 51% of the share capital of Medsenic and will remain a Belgian listed company and (ii) the shareholders of Medsenic will hold approximately 80% of the outstanding shares of the Company's capital.

The combined entity will be a fully integrated biopharmaceutical company with a diversified therapeutic portfolio targeting a broad range of inflammatory and orthopaedic indications. The Business Combination resulting from the Capital Increase will provide economic and financial benefits and synergies, particularly in the area of clinical development, as the Company and Medsenic will bring together a portfolio of several ongoing mid- to advanced-stage clinical trials in lupus, chronic graft-versus-host disease, tibial fractures and other indications. In addition to the Company's ongoing controlled phase IIB study in difficult fractures, Medsenic has recently completed a successful phase II study and plans to submit a pivotal phase III study in graft versus host disease in the near future.

Since the Medsenic shareholders will together hold a very significant stake in the Company's capital following the Capital Increase, it has been agreed that Subscription Rights of the Company will be issued and allocated automatically to all existing shareholders of the Company immediately after the Capital Increase, but not to the Medsenic shareholders.

As a result, following the exercise of the Subscription Rights, the equity of the Company will be strengthened to the extent that the exercise price will have to be paid to the Company.

The dilutive impact of this Rights Issue is detailed in the section 4.3 of this Report.

In addition, the Company plans to raise funds in the form of a private placement of new shares after the Capital Increase and by the end of 2022 to finance the combined activities of Medsenic and the Company.

For the reasons mentioned above, in view of the liquidity needs that the Company will be particularly confronted with in the coming months, the Board is of the opinion that the contemplated issuance of the Subscription Rights - which is part of a broader set of measures aiming at strengthening and stabilising the financial situation of the Company - is fully in the Company's interest.

3. CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

3.1 Justification for the cancellation of the preferential right of existing shareholders

The Board proposes in the interest of the Company to abolish the preferential subscription right on the occasion of the issuance of the Subscription Rights and the conditional and deferred capital increase, if any, resulting from the exercise of the Subscription Rights. In the context of the proposed Transaction, the Board resolves to cancel the preferential subscription rights of the existing shareholders in accordance with articles 7:191 and 7:193 of the CCA in order to allow the Company to offer the Subscription Rights to them.

The existing shareholders of the Company listed in Annex 2 have already expressed their interest in subscribing for Subscription Rights in the amounts indicated. The Board therefore sets out in this Report the details required by article 7:193 of the CCA.

With regard to the justification of the proposal to cancel the preferential subscription right, the Board refers to the section 2.3 of this Report.

In addition, although this issuance of Subscription Rights may result in dilution to existing shareholders in the future (i.e. upon exercise, if any, of the Subscription Rights), such dilution is expected to be compensated by the benefit to the Company, and therefore to its shareholders, of the additional cash provided to the Company.

In the light of the above, it is clear that a cancellation of the preferential right is in the interest of the Company.

3.2 Detailed assessment of the issuance price of the new shares issued upon exercise of the Subscription Rights

(i) Justification of the Exercise Price

The exercise price is justified as it is set at an amount equivalent to the issuance price per New Share that will be allocated to the Medsenic shareholders in the context of the Contribution in Kind. This is the value of a share following the valuation of the independent expert.

(ii) Justification with regard to the nature of the Subscription Rights

As the exercise price of the Subscription Rights is fixed at the time of subscription, the beneficiary runs the risk that the share price of the Company will fall below the exercise price of the Subscription Right when it becomes exercisable.

(iii) Justification with regard to the Company's financial situation

The Subscription Rights provide an opportunity to raise additional funds in the face of an impending critical period for the continuation of the combined activities of the Company and Medsenic in a difficult stock market environment.

Based on the revised cash flow forecast for 2022, operating cash consumption is estimated at EUR 8-10 million and financing cash consumption at around EUR 1.3 million.

The difficult market situation also makes it even more difficult for the Company to raise funds.

As explained in more detail in 2.2 and 2.3 above, the Subscription Rights offer various advantages to the Company.

Therefore, the Subscription Rights are part of the above-mentioned package of measures that will allow the financing of the combined activities of Medsenic and the Company.

(iv) Other relevant elements

Given the exercise price formula described above, it is likely that the final issuance price of the new shares to be issued will exceed the par value of the existing shares of the Company. In this case a portion of the issuance price, equivalent to the par value, will be recognised as capital and the balance will be recognised as share premium. The share premium shall serve as a guarantee with respect to third parties in the same manner as the Company's capital and shall be allocated to an unavailable account that may only be reduced or eliminated by a decision of the general meeting ruling under the quorum and majority conditions required for the reduction of capital, without prejudice to the Board's power to incorporate the said account into the capital as provided above.

All of the new shares to be issued shall be ordinary shares, without nominal value, having the same rights and benefits as, and shall in all respects (including with respect to dividends and other distributions) be *pari passu* with, the existing ordinary shares, and entitling the holder thereof to the same rights as holders of ordinary shares from the first day of the financial year in which they are issued.

The newly issued shares will be, at the option of the beneficiary of the Subscription Rights, dematerialised shares or registered shares, and the Company will apply for the admission of these shares to the regulated market of Euronext Brussels and the regulated market of Euronext Paris.

In view of (i) the identity of the pre-identified existing shareholders who have already expressed an interest in being automatically allocated Subscription Rights, (ii) the financial situation of the Company and (iii) the difficult market conditions, the Board believes that the subscription price of EUR 0 per Subscription Right and the exercise price are justified in the interest of the Company.

4. FINANCIAL CONSEQUENCES OF THE PROPOSED ISSUANCE FOR SHAREHOLDERS AND IMPACT ON THE POSITION OF SHAREHOLDERS, IN PARTICULAR WITH REGARD TO THEIR SHARE OF PROFITS AND EQUITY - PROPOSED DILUTION

The following paragraphs outline some of the financial consequences of the proposed Subscription Rights issue.

4.1 The current capital structure of the Company

At the date of this Report, the capital of the Company amounts to 5,352,173.99 EUR, represented by 23,172,152 shares, each representing 1/23,172,152th of the Company's capital. The amount of the capital is fully and unconditionally subscribed and fully paid up.

In addition, 225,554 subscription rights were issued and offered by the Company through plan A, plan 2020/05 and plan 2020/12. 28,000 subscription rights expired before 31 December 2021. Therefore, 197,554 subscription rights issued and offered by the Company through plan A, plan 2020/05 and plan 2020/12 are still outstanding (the "**Subscription Rights A and 2020**") as at the date of this Report.

In June 2021, the Company obtained a loan of up to EUR 16 million from the EIB (the "**EIB Finance Contract"**). Payment of the first tranche of this agreement by the EIB of EUR 8 million was made at the beginning of September 2021, following the approval by the Company's general meeting held at the end of August 2021 of the issue of the associated 800,000 subscription rights (the "**EIBa Subscription Rights**").

The Company also renegotiated the 800 convertible bonds issued on 7 May 2020 (for an amount of EUR 2 million) to Patronale Life SA ("**Patronale Life**"), into a loan subject to the same repayment conditions as the agreement with the EIB, coupled with the issuance of 200,000 additional subscription rights unconditionally subscribed by Patronale Life under the terms and conditions decided by the extraordinary general meeting of the Company (the "**Patronale Subscription Rights**" and together with the Subscription Rights A and 2020 and the EIBa Subscription Rights, the "**Existing Subscription Rights**").

If exercised, the Existing Subscription Rights may give rise to the issue of a total of 1,197,554 new shares.

The 800 convertible bonds issued on 7 May 2020 to Intégrale SA remain unchanged (the "**Intégrale Convertible Bonds**"). The Intégrale Convertible Bonds are unsecured and issued with a conversion price of EUR 7.00 per share.

On 30 May 2022, the Company entered into an agreement for the issue and irrevocable subscription of convertible bonds (the "**ABO Subscription Agreement**") with Global Tech Opportunities 15. Under the terms of the ABO Subscription Agreement, Global Tech Opportunities 15 has agreed to make available to the Company a convertible loan in an aggregate amount of up to EUR 5 million to be disbursed in full through the issuance of up to 100 convertible bonds (the "**ABO Convertible Bonds"**) at an issuance price of EUR 50,000 each (to be fully paid up in cash at the time of subscription). The ABO Convertible Bonds are non-interest bearing, unsecured and subordinated to the EIB Finance Contract. The subscription and effective discharge of the ABO Convertible Bonds will be staggered over a period of up to 18 months, with a first tranche of 10 ABO Convertible Bonds, followed by 9 further tranches of 10 ABO Convertible Bonds during this 18 month period.

The first tranche of 10 ABO Convertible Bonds was subscribed and issued on 9 June 2022. Following the conversion of one of these 10 ABO Convertible Bonds, 185,185 new shares were subscribed and issued at a conversion price of EUR 0.27 on 20 June 2022. Following the conversion of one of the remaining 9 ABO Convertible Bonds, 200,000 new shares were subscribed and issued at a conversion price of EUR 0.25 on 4 July 2022.

The second tranche of 10 ABO Convertible Bonds was subscribed and issued on 11 July 2022. Following the conversion of one of the remaining 18 ABO Convertible Bonds, 217,391 new shares were subscribed and issued at a conversion price of EUR 0.23 on 19 July 2022. Following the conversion of one of the remaining 17 ABO Convertible Bonds, 217,391 new shares were subscribed and issued at a conversion price of EUR 0.23 on 28 July 2022. Following the conversion of two of the remaining 16 ABO Convertible Bonds, 416,666 new shares were subscribed and issued at a conversion price of EUR 0.24 on 08 August 2022. Following the conversion of two of the remaining 14 ABO Convertible Bonds, 416,666 new shares were subscribed and issued at a conversion price of EUR 0.24 on 12 August 2022. Following the conversion of one of the remaining

12 ABO Convertible Bonds, 208,333 new shares were subscribed and issued at a conversion price of EUR 0.24 on 23 August 2022.

It is expected that conversions of the Convertible Bonds will be requested before the completion of the Capital Increase, thereby increasing the amount of the Company's capital and the number of outstanding shares.

The ABO Convertible Bonds and the Intégrale Convertible Bonds are hereinafter defined as the "**Existing Convertible Bonds**". The Existing Convertible Bonds may be converted into a total of 18,806,494 new shares.

4.2 Changes in capital as a result of the issuance of Subscription Rights and participation in profits

Each share in the Company represents an equal portion of the Company's capital and grants a voting right according to the portion of capital it represents. The issuance of new shares upon exercise of the Subscription Rights will result in the dilution of the shareholders and the voting rights attached to each share in the Company.

The dilution with respect to voting rights shall also apply, *mutatis mutandis*, to the participation of each share in the profit and liquidation proceeds and to the other rights attached to the shares of the Company.

In case of allocation, acceptance and exercise of all new 23,172,152 Subscription Rights to be issued and allocated automatically, the dilution of the shareholders would therefore be 16.9%. This dilution is calculated taking into account the Capital Increase.

Dilution linked to the allocation of Subscription Rights	Before the Capital Increase and the Transaction	After the Capital Increase and before the Transaction	After the Transaction
Number of shares	23,172,152	113,840,746	137,012,898
Number of shares related to the exercise of the Subscription Rights	N/A	N/A	23,172,152
% dilution	N/A	N/A	16.9%

The existing shareholders' share in the profit and capital of the Company will be diluted in the same proportion.

4.3 The impact on the shareholders' position with regard to their share of equity

The exercise price of the Subscription Rights is set at EUR 0.45.

The table below shows the impact of the proposed Transaction on the non-audited equity of the Company as at 30 June 2022, again assuming a maximum issue, allotment and exercise of the 23,172,152 Subscription Rights at the exercise price set above.

	Before the Capital Increase and the Transaction(1)	**After the Capital Increase and before the Transaction**	**After the Transaction**
Non-audited statutory equity as at 30.06.2022 in EUR	-9,535,480.21	31,265,387.09	41,692,855.49
Number of shares as at 30.06.2022(2)	21,495,705	112,164,299	135,336,451
Embedded value per share (rounded) in EUR as at 30.06.2022(2)	-0.44	0.28	0.31

Non-audited consolidated equity as at 30.06.2022 in EUR	-10,076,918.15	30,723,949.15	41,151,417.55
Number of shares as at 23.08.2022	23,172,152	113,840,746	137,012,898
Intrinsic value per share (rounded) as at 30.06.2022 in EUR	-0.43	0.27	0.30

Notes :

(1) Based on non-audited figures for the semester ended 30 June 2022. The simulation does not take into account changes in net assets since 30 June 2022 (other than the proposed Capital Increase). For more information on the Company's equity as at 30 June 2022, reference is made to the Company's interim financial statements, which will be available on the Company's website on 7 September 2022.

(2) The simulation does not take into account the Existing Subscription Rights and the Existing Convertible Bonds. The simulation is based on the actual subscription 90,668,594 New Shares to be issued.

The exercise price may be above or below the market price of the shares on the day of exercise. If the exercise price is below the stock market price of the shares on the day of exercise, existing shareholders will suffer immediate financial dilution because holders of Subscription Rights will subscribe for the new shares at a lower price than the existing shares.

4.4 Financial dilution as a function of market capitalisation

The change in market capitalisation resulting from the proposed Transaction is simulated below. The table below reflects the impact of the proposed Transaction on the market capitalisation and the resulting financial dilution at different price levels, assuming the exercise of all Subscription Rights at the exercise price set out above.

After the close of Euronext as at 23 August 2022, the market capitalisation of the Company was EUR 6,001,587, based on a closing price of EUR 0.259 per share. Assuming that, following the Transaction, the market capitalisation increases exclusively with the exercise of all Subscription Rights based on the exercise price set out above, then the new market capitalisation would be (rounded) EUR 0.35 per share. This would represent a (theoretical) financial dilution of -36.9% per share as illustrated below:

	Conversion price EUR 0.45
Before the Capital Increase and the Transaction	
Market capitalisation (in EUR) on 23 August 2022	6,001,587
Number of shares	23,172,152
Market capitalisation per share (in EUR)	0.259
Transaction	
Exercise	0.45
Number of new shares	23,172,152
After the Transaction	
Market capitalisation (in EUR)	16,429,056
Number of shares	46,344,304
Market capitalisation per share (in EUR)	0.35
Dilution	-36.87 %

4.5 Accounting treatment

The accounting treatment of the Subscription Rights by the Company under IFRS can be summarised as follows.

The total charges to be taken into account will be determined on the basis of the actual value of the Subscription Rights allocated and will be valued using the Black/Scholes model, taking into account the terms of allocation of the Subscription Rights.

At each balance sheet date, the Company will revise its estimates of the number of Subscription Rights that are expected to become exercisable. The Company includes the impact of revisions to any initial estimates in the profit and loss account, with a corresponding adjustment to equity over the remaining vesting period.

Proceeds from the exercise of Subscription Rights, reduced by any directly attributable transaction costs, are credited to the "capital" account (for the nominal value) and to the "share premium" account when the Subscription Rights are exercised.

5. CONCLUSION

Taking into account the above-mentioned reasons, the Board is of the opinion that the issuance of the Subscription Rights with cancellation of the preferential subscription rights of the existing shareholders in favour of the predefined beneficiaries listed in Annex 2 who are not members of the Company's staff within the meaning of article 1:27 of the CCA, is in the interest of the Company and approves such issuance.

In addition, the Board asked the Auditor to prepare a special report in accordance with articles 7:180, paragraph 2, 7:191, paragraph 3 and 7:193, paragraph 3 of the CCA.

This Report and the report of the Auditor will be filed at the registry of the Enterprise Court of Walloon Brabant, in accordance with articles 2:8 and 2:14,4° of the CCA.

(*signature page follows*)

Done in Mont-Saint-Guibert, on 25 August 2022.

On behalf of the Board,

Innoste SA, represented by its permanent representative Mr Jean Stéphenne Director	Finsys Management SRL, represented by its permanent representative Mr Jean-Luc Vandebroek Director

Annex 1: Subscription Rights Terms and Conditions
Annex 2: Identification of pre-defined beneficiaries