BioSenic

2022

FINANCIAL REPORT

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1. GENERAL INFORMATION

1.1 Language of this Annual Report

BioSenic SA ("**BioSenic**" or the "**Company**") publishes its Annual Report in French in accordance with the Belgian Code on Companies and Associations. The Company has also prepared an English version of this Annual Report and is responsible for the consistency between the French and English version of this Annual Report. In case of difference in interpretation, the French version shall prevail.

1.2 Statutory Auditor

The Company's statutory auditor is BDO Bedrijfsrevisoren – Réviseurs d'entreprises BV/SRL, a company having the form of a private limited liability company organised and existing under the laws of Belgium, with registered office at Elsinore Building - Corporate Village, Da Vincilaan 9/E6, 1930 Zaventem, Belgium, represented by Mr Rodrigo Abels, member of the Belgian *Institut des Réviseurs d'Entreprises/Instituut voor Bedrijfsrevisoren*, for a term of three years ending immediately following the adjournment of the annual general shareholders' meeting of BioSenic to be held in 2025, resolving upon the financial statements for the fiscal year ended on 31 December 2024.

1.3 Forward-looking Statements

Certain statements in this Annual Report are not historical facts and are forward-looking statements. Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditure, research and development, financing needs, plans or intentions relating to partnership or acquisitions, competitive strengths and weaknesses, business strategy and the trends which the Company anticipates in the industries and the political, economic, financial, social and legal environment in which it operates and other information that is not historical information.

Words such as "believe", "anticipate", "estimate", "expect", "intend", "predict", "project", "could", "may", "will", "plan" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, amongst other things, those listed in the Section "Risk Factors".

1.4 Market and Industry Information

Information relating to markets and other industry data pertaining to the BioSenic's business included in this Annual Report has been obtained from internal surveys, scientific publications, section association studies and government statistics. Where information has been sourced from third parties, this information has been accurately reproduced. As far as BioSenic is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The market, economic and industry data have primarily been derived and extrapolated from reports, datasets and articles provided by third parties such as GlobalData, IQVIA, BiotechFinances, Les Echos and The Lancet.

The third-party sources BioSenic has used generally state that the information they contain has been obtained from sources believed to be reliable. Some of these third-party sources also state, however, that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As BioSenic does not have access to the facts and assumptions underlying such market data, or statistical information and economic indicators contained in these third party sources, BioSenic is unable to verify such information. Hence, while the information has been accurately reproduced, and as far

as BioSenic is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading, and BioSenic believes it to be reliable, BioSenic cannot guarantee its accuracy or completeness. The inclusion of this third party industry, market and other information should not be considered as the opinion of such third parties as to the value of the BioSenic shares or the advisability of investing in the shares of BioSenic.

In addition, certain information in this Annual Report is not based on published data obtained from independent third parties or extrapolations therefrom, but rather is based upon BioSenic's best estimates, which are in turn based upon information obtained from trade and business organizations and associations, consultants and other contacts within the industries in which BioSenic operates, information published by BioSenic's competitors and BioSenic's own experience and knowledge of conditions and trends in the markets in which it operates.

BioSenic cannot assure that any of the assumptions it has made while compiling this data from third party sources are accurate or correctly reflect BioSenic's position in the industry and none of BioSenic's internal estimates have been verified by any independent sources. BioSenic does not make any representation or warranty as to the accuracy or completeness of this information. BioSenic has not independently verified this information and, while BioSenic believes it to be reliable, BioSenic cannot guarantee its accuracy.

1.5 Other Available Information

The Company has filed its deed of incorporation and must file its restated articles of association and all other deeds and resolutions that are to be published in the Belgian Official Gazette (*Moniteur Belge*) with the clerk's office of the the enterprise court of the Walloon Brabant (Belgium), where such documents are available to the public. The Company is registered with the register of legal entities of Walloon Brabant (Belgium) under company number 0882.015.654. A copy of the most recent restated articles of association, the reports of the Board of Directors and the minutes of the shareholders' meeting, as well as other documents, valuations and statements prepared by any expert at BioSenic's request any part of which is included or referred to in the Annual Report, are also available on BioSenic's website (https://biosenic.com/investors) or can be provided upon request to BioSenic SA, Investor Relations, rue Granbonpré 11, Building H, 1435 Mont-Saint-Guibert, Belgium (Tel: +32 71 12 10 00, Fax: +32 71 12 10 01 and e-mail: investorrelations@biosenic.com).

The Company prepares annual audited and consolidated financial statements. All financial statements, together with the reports of the Board of Directors and the statutory auditor are filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a company with shares listed and admitted to trading on Euronext Brussels and Paris, the Company publishes an annual financial report (including its financial statements and the reports of the Board of Directors and the statutory auditor) and an annual announcement prior to the publication of the annual financial report, as well as a half-yearly financial report on the first six months of its financial year. Copies of these documents will be made available on the Company's website (https://biosenic.com/investors) and STORI, the Belgian central storage platform which is operated by the FSMA and can be accessed via its website (www.fsma.be).

The Company must also disclose price-sensitive information and certain other information relating to the public. In accordance with 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 (*Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis à la négociation sur un marché réglementé*), such information and documentation will be made available through the Company's website (https://biosenic.com/investors), press releases and the communication channels of Euronext Brussels.

1.6 Availability of the Annual Report

The Annual Report is available in English and in French. The Annual Report will be made available, free of charge, for the public upon request to:

BioSenic SA
To the attention of Investor Relations
Rue Granbonpré 11 - Building H (bte 24)
1435 Mont-St-Guibert
Belgium
Tel: +32 493 09 73 66
E-mail: investorrelations@biosenic.com

An electronic version of the Annual Report is also available on the Company's website (https://biosenic.com/investors). The posting of this Annual Report on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the shares to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Company or on another website does not form part of the Annual Report.

2. ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BIOSENIC SA FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

2.1. Letter to shareholders

2022 was a transformative year, with the creation of BioSenic from the merger between Bone Therapeutics and Medsenic. This has resulted in a multi-platform and multi-target biotechnology company. Specializing in severe autoimmune/inflammatory diseases, as well as cellular repair for orthopedics, and using two therapeutic platforms enables a spreading of risk for investors and stakeholders. It also increases the chances of clinical development successes, as well as cross-pollination of know-how and expertise within both teams. The merger was completed in October 2022, with Bone Therapeutics acquiring the majority participation in Medsenic. Whilst the world was reemerging into a post-pandemic world, BioSenic quickly moved ahead on multiple fronts.

For its lead API arsenic trioxide (ATO) platform targeting autoimmune and inflammatory diseases, BioSenic has been preparing the start of its confirmatory Phase III study in cGvHD (Chronic Graft vs Host Disease), prior to Market Access procedures with regulatory agencies in US and Europe. Phase IIb studies in Systemic Lupus Erythematosus (SLE) and Systemic Sclerosis (SSc) are set to start next year, in 2024. In March 2023, the forthcoming clinical trial was further supported by additional research providing more information on the mechanism of action of ATO, and an original ATO formula to maximize efficacy in fighting autoimmunity and reducing side effects.

For its ongoing Phase IIb clinical trial with its allogeneic bone cell therapy product ALLOB, BioSenic used a combination of advances in radiological assessments, new scientific insights in fracture healing and updated statistical analysis to reduce the number of patients needed for the trial and achieve an earlier readout of relevant results. The decisive statistical analysis results on the primary endpoint for the trial is expected in Q2 2023. BioSenic also reacquired full rights to ALLOB globally, following the termination of the Chinese license agreement with Pregene in February 2021. BioSenic continues to conduct preliminary discussions with Pregene, Link Health and other potential partners to move forward with the development and commercialization of ALLOB in other geographies, including the US.

On the final clinical development front, BioSenic also re-evaluated the results of its Phase III trial of its enhanced viscosupplement JTA-004 targeting knee osteoarthritis (OA), originally released in August 2021. Following a subsequent identification of patient subsets, BioSenic used a specialist statistical analysis company to apply the results to a numerous subtype with most severe symptoms, and identified a positive action to comparators on this group. This has opened fresh clinical development and partnership options for JTA-004 as a third clinical opportunity for BioSenic.

BioSenic has also been extending and developing its team, most importantly appointing Dr. Carole Nicco as Chief Scientific Officer, and Lieven Huysse's appointment as permanent Chief Medical Officer (CMO) to start in April 2023, following Michel Wurm, MD, as interim Chief Medical Officer (CMO) in December 2022.

With its updated board and senior management, BioSenic is well set to establish value adding business collaborations and to further strengthen our financial position. This will enable us to drive our therapies through clinical development and deliver therapeutic options to patients suffering from a range of conditions with few therapeutic options.

Sincerely,

Prof. François Rieger, Chairman of the Board of Directors and CEO

Véronique Pomi-Schneiter, Director and Deputy CEO

2.2. Business overview

The BioSenic Group at a glance

The BioSenic Group is a biotech company with operations in Belgium and in France focused on, on the one hand, the development of innovative products to address high unmet medical needs in orthopaedics and the wider field of immunopathology and cell tissue repair through its most advance clinical asset, the allogeneic cell therapy platform ALLOB, and, on the other hand, the development of new treatments for autoimmune diseases using arsenic trioxide (As(2)O(3)).

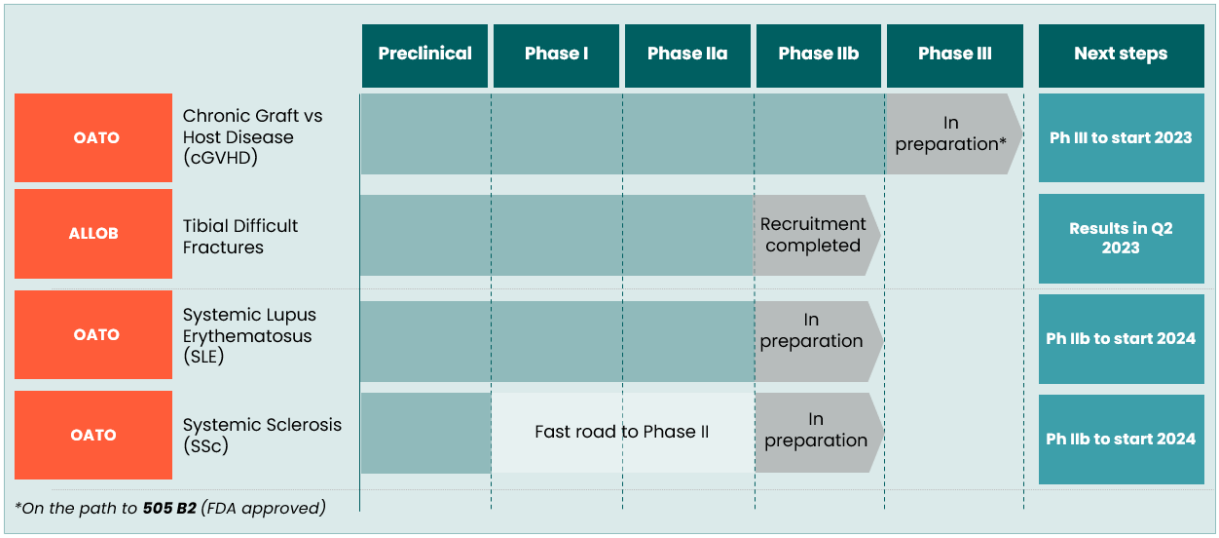
In the field of orthopaedics, BioSenic's core technology is based on its cutting-edge allogeneic cell and gene therapy platform with differentiated bone marrow sourced Mesenchymal Stromal Cells (MSCs) which can be stored at the point of use in the hospital. Its leading investigational medicinal product, ALLOB, represents a unique, proprietary approach to bone regeneration, which turns undifferentiated stromal cells from healthy donors into bone-forming cells *in situ* after a single local injection after complex injury. These cells are produced via BioSenic's 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 has been initially evaluated for other orthopaedic indications including spinal fusion and the first (encouraging but not definitively convincing) results are checked, reproduced and published. BioSenic has acquired extensive knowledge of bone physiology and pathophysiology and collaborates closely with prestigious academic and medical institutions. BioSenic has built a strong IP protected by worldwide rights for a series of patents and technologies related to its products, their production methods and their applications.

Through its subsidiary Medsenic, the BioSenic Group also focuses on clinical trials in two selected autoimmune diseases and Medsenic continues to gather scientific and medical data to enable the future launching of a new Phase II clinical trial on Systemic sclerosis on the basis of the latest research data and scientific findings for this indication. The two successful clinical trials were Phase II trials, which provided encouraging results for both safety of use and efficacy in moderate to severe SLE, first, and chronic GvHD second. These trials were allowed by the regulatory body in France (the *Agence Nationale de Sécurité du Médical et des produits de santé*) in multiple clinical sites, specialized in each given disease.

Medsenic did not need to invest in lengthy preclinical and clinical (Phase I) studies since the arsenic trioxide used as the investigational drug was an intravenous formulation already used in cancer treatment (acute promyelocytic leukaemia (APL)) and was accepted by FDA and EMA not only for research purposes but also for human use in this particular oncologic indication, with good pharmacovigilance since its market authorizations in the year 2002. BioSenic Group foresees that the clinical data this has created during the last two decades will be acceptable for its trial submissions of new indications in the field of autoimmunity and inflammatory diseases and of new formulations of ATO, including OATO (with proven bioavalability and bioequivalence with IV formulation). However, any formulation of arsenic trioxide involving a combination of matter with another element (such as with copper for Arscicop), will in principle require a Phase I clinical trial to establish the safety and bioavalability and bioequivalence.

Medsenic devoted its efforts to preclinical studies on cells *in vitro* and animal models of diseases of the immune system, targets of its clinical development, with the particular objective to understand its mode of action, in order to better define the dosage necessary for positive therapeutic action and the best route of administration given the sites of the lesions of each disease considered. Over ten years, the clinical development has been accompanied by the successive completion of animal studies on SLE (with three different animal models, including studies developed with the University of Louvain. Profs Houssiau and Lauwerys; internal Medicine), Crohn's disease, Multiple sclerosis with a recognized Experimental Allergic Encephalomyelitis, chronic GvHD, an animal model quasi identical to the human disease, and a model for Systemic Sclerosis (Fra 2 mice In Hospital Cochin; Prof Y. Allanore, manuscript in preparation). All these studies provide encouraging results regarding the treatment of these autoimmune diseases by arsenic trioxide and justify Medsenic's efforts to set up the conditions for using oral arsenic trioxide for patients' and clinicians' benefit (easier administration and decrease of reversible adverse effects).

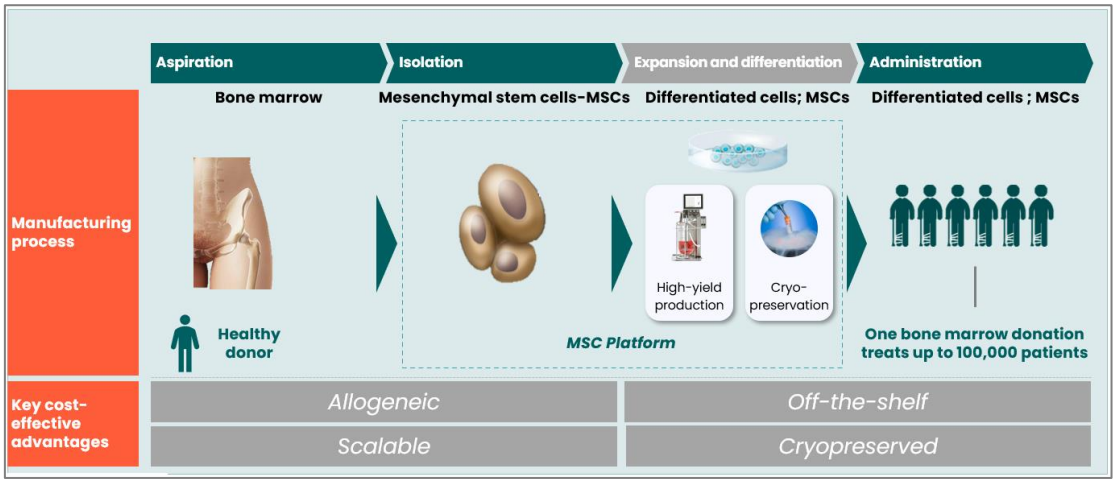
Product portfolio and clinical pipeline



ALLOB: allogeneic cell product

ALLOB is Company's off-the-shelf, allogeneic cell therapy platform consisting of human allogeneic bone-forming cells derived from ex-vivo cultured bone marrow mesenchymal stromal cells (MSC) from healthy adult donors, offering numerous advantages in product quality, injectable quantity, production, logistics and cost as compared to an autologous approach.

To address critical factors for the development and commercialization of its cell therapy products, BioSenic has established a proprietary, optimized production process that improves consistency, scalability, cost effectiveness and ease of use of ALLOB or its possible innovative derivatives, whenever they will be deemed necessary in the course of BioSenic's business development. This optimized production process increased the production yield, generating 100,000 of doses of ALLOB per bone marrow donation. Additionally, the final ALLOB product will be cryopreserved, enabling easy shipment and the capability to be stored in a frozen form at the hospital level. The process will therefore substantially reduce overall production costs, simplify supply chain logistics, improve patient accessibility, and facilitate global commercialization.



The above scheme shows the manufacturing process of BioSenic's allogeneic cell therapy platform (ALLOB) starting with bone marrow harvesting from healthy donors to obtain the mesenchymal stem cells that are

expanded and differentiated into bone-forming cells and implanted at the bone defect site. The finished product is delivered in an off-the-shelf cryopreserved formulation.

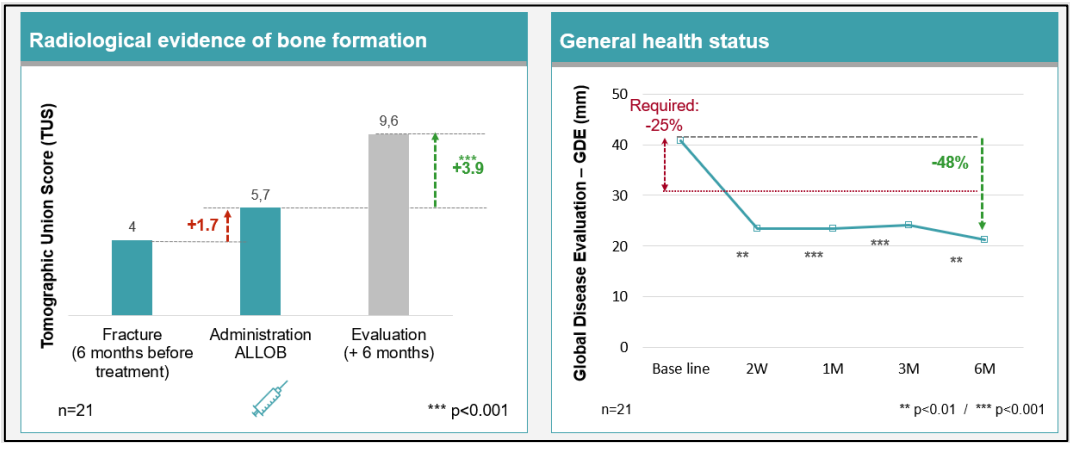
Currently, ALLOB targets one indication: difficult tibial fractures and could be further developed for lumbar spinal fusion.

a) ALLOB - Difficult fractures

Although most fractures heal normally, some fractures may not heal within the usual time frame and is known as delayed bone healing within 4 to 6 months and absence of bone healing within 9 to 12 months in the most severe cases. Several factors can increase the risks of delayed healing complications like, for example, smoking, violent shocks (for example, due to a road accident) or even the type of fracture (an open fracture). The location of the fracture is also an important factor: among the bones of the arms and legs, the tibia is known for being the most at risk for complications. Tibial fractures with several risk factors could lead to complications such as delayed union and greatly reduce the quality of life. To date, there is no treatment for fractures considered at risk of delayed complications. The current practice on diagnosis of complications is to wait at least 6-12 months before considering alternative interventions to promote fracture healing.

Constituted of bone cells produced from the bone marrow of healthy adult donors, ALLOB cells, have shown to be capable of forming bone and repairing fractures after injection in preclinical studies. When directly injected into a fracture, ALLOB cells should therefore promote the healing of the fracture by re-establishing a healthy environment, stimulating bone healing, reducing healing time, reducing repair complications, and thus to lead to improvement of the quality of life for the patient.

ALLOB has shown preliminary evidence of effectiveness in the treatment of delayed bone healing fractures in a Phase I/IIa study involving 21 patients. The study demonstrated efficacy in bone formation and improvement of general health status, when injected three months after the fracture. At six months post administration, 100% of the patients met the primary endpoint, defined as an increase of at least two points on the radiological Tomographic Union Score (TUS) or an improvement of at least 25% of the clinical Global Disease Evaluation (GDE) score vs. baseline. Radiological evaluation of fracture healing showed an improvement of 3.9 points on average on the TUS scale, nearly twice the required minimum of 2.0 points. This minimum two-point increase was achieved by 16 out of 21 patients (76%). The Global Disease Evaluation (GDE) score to assess the general health condition of the patient, improved 48% on average. The minimum 25% improvement was achieved by 16 out of 21 patients (76%). The Global Disease Evaluation (GDE) score to assess the general health condition of the patient, improved 48% on average. The minimum 25% improvement was achieved by 16 out of 21 patients (76%).



ALLOB is currently being evaluated in a Phase IIb study in patients with difficult-to-heal tibial fracture. The Phase IIb study is a randomized, double-blind, placebo-controlled study. In this study, the potential of ALLOB to accelerate fracture healing and prevent late-stage complications in patients with difficult fractures in the

shinbone (tibia), is being tested and compared to placebo, on top of standard of care after a follow-up period of 6 months. ALLOB is applied – at variance to the first study – by a single percutaneous injection 24-96 hours post reduction surgery in patients with fresh tibial fractures, thought to be at risk for delayed or non-union. The study has been approved in 7 European countries (Belgium, Czech Republic, France, Germany, Hungary, Poland and Spain). Following the CTA approval by regulatory authorities in Europe, the Company has initiated patient recruitment in January 2021.

In February 2023, BioSenic announced an optimization of the study and patient recruitment completion. BioSenic has utilized scientific advances and market knowledge in feature healing and scientific advances in radiology to initiate positive modifications to its trial. As a result, the study has advanced from seeking pure basic clinical assessments to involving more quantitative data. This will allow for a superior significance analysis. This advance in the trial results assessment has been achieved through advances in radiographic procedures enabling increased clarity in statistical interpretation. As a result, BioSenic has decided, based on consultation with its external biostatistical advisors, that clinical investigators may complete the recruitment of patients. The cohort of treated patients, amounting to 57 patients, is found to be sufficient for a sufficient level of significance.

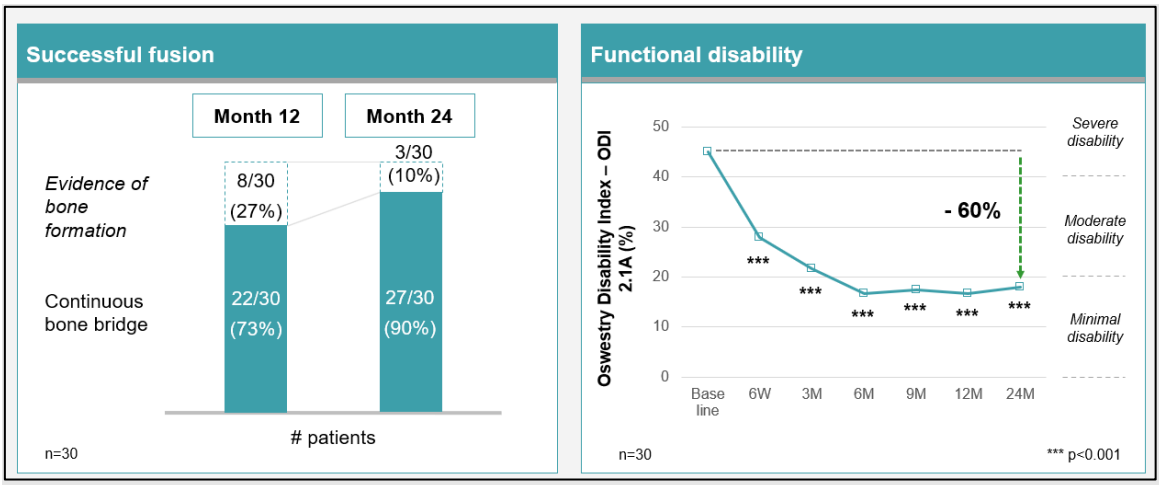
b) ALLOB – Lumbar spinal fusion

Due to ageing populations and sedentary lifestyles, the number of people suffering from degenerative spine disorders continues to increase. Today, spinal fusion procedures are performed to relieve pain and improve patient daily functioning in a broad spectrum of degenerative spine disorders. Spinal fusion consists of bridging two or more vertebrae with the use of a cage and graft material, traditionally autologous bone graft or demineralized bone matrix – placed into the intervertebral space – for fusing an unstable portion of the spine and immobilizing a painful intervertebral motion segment.

Over 1,000,000 spinal fusion procedures are performed annually in the US and EU, of which half at lumbar level and the market is growing at a rate of 5% per year. Although spinal fusion surgery is routine, non-fusion, slow progression to fusion and failure to eliminate pain are still frequent with up to 35% of patients not being satisfied with their surgery.

A multi-center, open-label proof-of-concept Phase IIa study was designed to evaluate the safety and efficacy of ALLOB administered in addition to the standard of care procedure in which an interbody cage with bioceramic granules is implanted into the spine to achieve fusion of the lumbar vertebrae. The main endpoints of the 24-month follow-up analysis included safety and radiological assessments to evaluate vertebrae fusion (continuous bone bridges) and clinical assessments to evaluate improvement in patients' functional disability as well as reduction in back and leg pain. The study evaluated 30 patients treated with ALLOB, 29 patients attended the 24-month visit.

In the Phase IIa study, ALLOB Lumbar Spinal Fusion showed promising 24-month results in bone formation and disability reduction. The 24-month data showed a high percentage of successful lumbar vertebrae fusion of 90%. Patients also continued to experience important clinical improvements in function and pain, from as early as six months after treatment, up to the 24-month follow-up period.

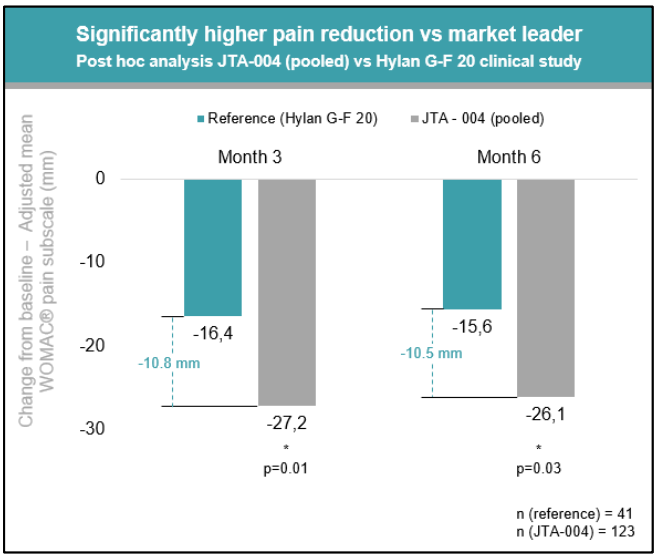


JTA-004: off-the-shelf protein solution

JTA-004 is a next generation of intra-articular injectable for the treatment of osteoarthritic pain in the knee. Consisting of a unique patented mix of plasma proteins, hyaluronic acid (a natural component of knee synovial fluid), and a fast-acting analgesic, JTA-004 intends to provide added lubrication and protection to the cartilage of the arthritic joint and to alleviate osteoarthritic pain.

Osteoarthritis (OA), also known as degenerative joint disease, is the most common chronic joint condition in which the protective cartilage in the joints progressively break down resulting in joint pain, swelling, stiffness and limited range of motion. The knee is one of the joints that are mostly affected by osteoarthritis, with an estimated 250 million cases worldwide. The prevalence of knee osteoarthritis (KOA) is expected to increase in the coming years due to increasingly aging and obese population. Currently, there is no cure for KOA and treatments focus on relieving and controlling pain and symptoms, while preventing disease progression, minimizing disability, and improving quality of life. Most drugs prescribed to KOA patients are topical or oral analgesics and anti-inflammatory drugs. Ultimately, severe KOA led to highly invasive surgical interventions such as total knee replacement.

In a completed Phase IIb study involving 164 patients, JTA-004 showed an improved pain relief at 3 and 6 months compared to Hylan G-F 20, the global market leader in osteoarthritis treatment.



IIn August 2021, Bone Therapeutics announced the primary results of its Phase III study evaluating the potential of a single intra-articular injection of JTA-004 for the reduction of osteoarthritis pain in the knee for up to 12 months, compared to placebo or Hylan G-F 20, the current market-leading osteoarthritis treatment.

The Phase III study was a randomized, double-blind, controlled trial conducted at 22 centers in six European countries and in the Hong Kong SAR. Over 700 patients were treated. JTA-004 had an excellent safety profile. However, the study did not meet its primary or secondary endpoints. No statistically significant difference in pain reduction between the treatment, placebo or comparative groups could be observed, with all treatment arms showing similar efficacy.

In March 2023, BioSenic announced that it has used the statistical analysis capabilities of Artialis to study the results of the Phase III JTA-004 trial in the subset of patients with the most painful and inflammatory form of knee osteoarthritis (OA). This allowed BioSenic to distinguish a group of patients, representing about one third of the total patients, who show a pain-relieving effect of JTA-004 not only superior to placebo but also to the active comparator. By identifying three subtypes of OA, amongst which a subtype of OA patients with more severe symptoms and inflammation, this new post-hoc analysis changes the therapeutic profile of the molecule and potentially allows for the possibility of stratifying patients for a new, optimized Phase III clinical study. BioSenic, which does not intend to allocate R&D resources to support the clinical development of JTA-004 and will continue to focus its R&D activities on the development of its autoimmune (ATO) and cell therapy (ALLOB) platforms, is seeking to collaborate with existing and potential partners to explore options for the future development of JTA-004 based on this new post-hoc analysis.

Arsenic trioxide (ATO)

ATO is currently classified as an antineoplastic agent (ATC code L01XX27: Anti immunomodulating agents – other antineoplastic agents). The classification as chemotherapy results from its first established properties as an anti-cancer agent. In the case of a successful outcome of the envisaged clinical trials of the BioSenic Group based on ATO, it can be expected that ATO will also become classified as anti-inflammatory or immunomodulatory agent.

ATO in Oncology

Arsenic derivatives have been identified as compounds with therapeutic potential for over 2000 years in Greek and Chinese medicine. Orally administered arsenic, in the form of Fowler's Solution was first discovered to have leuco-reductive properties and used in the treatment of leukaemia in 1878. Since then, ATO (Trisenox®) has been investigated and used in the treatment of various types of leukaemia including chronic myeloid leukaemia (CML) and acute promyelocytic leukaemia (APL).

ATO in autoimmune and inflammatory indications

Pre-clinical studies

Although ATO can potentially be widely used in many auto-immune diseases that benefit from its dual mechanism of action (induction of apoptosis in activated, pathogenic cells and regulatory action on pro-inflammatory cytokine levels), Medsenic focus on Chronic Graft versus Host Disease (cGvHD), moderate to severe Systemic Lupus erythematosus (SLE) and Systemic Sclerosis (SSc) is based on preclinical studies which provided good preliminary data for the ensuing clinical studies in human patients.

The role of ATO has also been explored in murine models of autoimmune and inflammatory diseases (Bobe et al., 2006)[1].

Intraperitoneal administration of ATO was able to achieve quasi total regression of antibody and cell mediated manifestations in MRL lymphoproliferative strain (MRL/*lpr*) mice. ATO was also shown to eliminate, through activation of caspases, activated autoreactive T lymphocytes responsible for lymphoproliferation and skin, lung and kidney lesions, leading to significant prolonged survival rates. ATO markedly reduced anti-DNA autoantibodies, rheumatoid factor, Interleukin 18 (IL-18), interferon gamma (IFN-γ), nitric oxide metabolite, Tumor necrosis factor alpha (TNF-α), Fas ligand, and Interleukin – 10 (IL-10) levels. Furthermore, ATO restored cellular reduced glutathione levels, thereby limiting the toxic effect of nitric oxide overproduced in

[1] Bobé P, Bonardelle D, Benihoud K, Opolon P, Chelbi-Alix MK. Arsenic trioxide: A promising novel therapeutic agent for lymphoproliferative and autoimmune syndromes in MRL/lpr mice. Blood. 2006 Dec 15;108(13):3967–75.

MPR/*lpr* mice. Overall, ATO protected young mice from developing the syndrome and induced almost total disease disappearance in older affected mice (Bobe et al., 2006).

In a Trinitrobenzene sulfonic acid (TNBS) induced colitis model of inflammatory bowel disease, ATO used either in a preventive or curative mode markedly reduced the induced colitis, leading to prolonged mice survival. In addition, intraperitoneal ATO was able to inhibit NF-κB expression and DNA-binding in colon extracts, leading to decreased cytokine gene expression (i.e., TNFα, IL-1β, IL-12, IL-17, IL-18 and IL-23). Furthermore, ATO reduced nitric oxide synthase and highly enhanced procaspase-3 and activated caspase-3, leading to neutrophil elimination by probably inducing apoptosis (Singer et al., 2011)[2].

In a murine model of scleroderma (hypochlorite induced), (Kavian et al., 2012)[3], intraperitoneal ATO inhibited the production of autoantibodies and was associated with a clinical benefit, as shown by the reduced skin and lung fibrosis. These beneficial effects were mediated through reactive oxygen species (ROS) generation that selectively killed activated pathogenic fibroblast containing low levels of glutathione.

In the direct murine model of sclerodermatous cGvHD (Kavian et al., 2012), the ATO effect was reportedly mediated through the depletion of glutathione and the overproduction of Hhat killed activated CD4 T cells, in particular Th17 cells, and plasmacytoid dendritic cells, two key cell types in cGvHD pathophysiology initiation.

The above studies show arsenic trioxide is an active medication for a series of autoimmune disorders and may be used in clinical trials since it gives positive data at the preclinical level to substantiate promising expectations for clinical studies at the proof of concept or observatory levels (Phase II type studies).

Clinical studies

Medsenic is first developing the use of arsenic trioxide (ATO) for the treatment of Chronic Graft versus Host Disease (cGvHD), moderate to severe Systemic Lupus erythematosus (SLE) and Systemic Sclerosis (SSc). The initial clinical work of Medsenic with ATO was based on the development of an IV formulation, ArsciMed. Given the challenges with the IV administration for both patients and hospitals, Medsenic is now focussing on the use of a patented oral formulation of ATO. The bioequivalence of oral ATO with IV ATO has been shown by Medsenic in a bioavailability study APML5.

a) cGvHD

Graft versus Host Disease is one of the most common and clinically significant complications affecting long-term survivors of allogeneic hematopoietic stem cell transplantation. GvHD is divided into two main categories: acute and chronic. GvHD is primarily mediated by the transplanted immune system that can lead to severe multiorgan damage, and represents one of the major limitations of allogeneic hematopoietic cell transplantation, with substantial morbidity and mortality. It is estimated that 30% to 70% of patients surviving more than 100 days will develop chronic GvHD (cGvHD)[4]. GvHD is the cause of death in up to one third of all long-term survivors after transplantation for leukaemia. Furthermore, cGvHD is consistently associated with decreased quality of life, impaired functional status, ongoing need for immunosuppressive medications and infectious complications. The cGvHD condition is a challenge clinically because it is a systemic disease, affecting several organs and functions and corticosteroids remain the primary therapy available at present.

Medsenic already completed two Phase II clinical trials with ATO in relation to cGvHD. The first clinical trial (Study GMED16-001) investigated the overall response rate to treatment with ATO in combination with prednisone with or without cyclosporine. As this trial was conducted with an IV formulation of ATO developed by Medsenic and given that the envisaged Phase III trial will be using an oral formulation of ATO rather than IV ATO, a bioavailability study (Study APML5) was also carried out, which successfully confirmed the

[2] Singer M, Trugnan G and Chelbi-Alix M.K. Arsenic trioxide reduces 2,4,6-trinitrobenzene sulfonic acid-induced murine colitis via nuclear factor- κB down-regulation and caspase-3 activation, in *Innate Immunity*, 2011 Aug;17(4):365-74. doi: 10.1177/1753425910371668. Epub 2010 Aug 6. Abstract.

[3] Kavian N, Marut W, Servettaz A, et al. Reactive oxygen species-mediated killing of activated fibroblasts by arsenic trioxide ameliorates fibrosis in a murine model of systemic sclerosis. Arthritis Rheum. 2012 Oct;64(10):3430–3440. Abstract.

[4] Cooke et al., The Biology of Chronic Graft-versus-Host Disease: A Task Force Report from the National Institutes of Health Consensus Development Project on Criteria for Clinical Trials in Chronic Graft-versus-Host Disease, Biol Blood Marrow Transplant 23 (2017) 211–234.

bioequivalence of the two formulations. The clinical protocol of phase II is now easily extrapolated to a planned Phase III clinical trial for a confirmatory treatment of cGvHD and essentially involves a limited course of daily administration of arsenic trioxide in an oral form, executed over a limited period of time, i.e. three to four weeks, with a possible additional course of equivalent time of administration (that is possibly two cycles of treatment) in the case of a positive, long term result, justified by the mode of action of arsenic trioxide, which has been found to change the pathological immune system, giving some type of immune tolerance to the treated organism and thus return to homeostasis and normal functioning.

b) SLE

Systemic lupus erythematosus (SLE) is the most common type of lupus. SLE is an autoimmune disease in which the immune system attacks its own tissues, causing widespread inflammation and tissue damage in the affected organs. It can affect the joints, skin, brain, lungs, kidneys, and blood vessels. The seriousness of SLE can range from mild to life-threatening. SLE can limit a person's physical, mental, and social functioning. These limitations experienced by people with SLE can impact their quality of life, especially if they experience fatigue. Fatigue is the most common symptom negatively affecting the quality of life of people with SLE. Based on available data on incidence, it is estimated that each year 16,000 to 17,000 persons are newly diagnosed with lupus in the United States, of which approximately 70% suffer from SLE. An estimated number of 1.5 million Americans, and at least 5 million people worldwide have a form of lupus[5]. There is currently no cure for lupus, in spite of many clinical trials, some reaching some positive results in delaying the disease or decreasing symptoms.

The same scheme of treatment as for cGvHD will be applied to SLE patients. A Phase IIa clinical trial for SLE conducted by Medsenic on a limited cohort of SLE patients has previously established proof of concept of safety for the patient and efficacy on the course of the autoimmune disease, published in 2021.[6]

c) SSc

Systemic sclerosis (SSc) is an autoimmune rheumatic disease characterized by excessive production and accumulation of collagen, called fibrosis, in the skin and internal organs and by injuries to small arteries. SSc is often categorized as "limited" or "diffuse" referring to the degree of skin involvement. The limited form affects areas below, but not above, the elbows and knees with or without involvement of the face. The diffuse form also affects the skin above the elbows and knees and can also spread to the torso. Visceral organs, including the kidneys, heart, lungs, and gastrointestinal tract can also be affected by the fibrotic process. Prognosis is determined by the form of the disease and the extent of visceral involvement. Patients with limited systemic sclerosis have a better prognosis than those with the diffuse form. Death is most often caused by lung, heart, and kidney involvement. Overall 10-year survival is 90% for limited systemic sclerosis and is 70% for diffuse systemic sclerosis.[7] Predictors of early mortality include male sex, late onset, diffuse disease, pulmonary arterial hypertension, and renal crisis. There is currently no cure for SSc.

Also for systemic sclerosis patients BioSenic Group intends to apply the same scheme of treatment as described in paragraph a. above, with the limitation that only preclinical data are available on two different models of SSc in the mouse. These preclinical data are positive and highly encouraging to proceed towards human clinical trials.

Given that the safety of ATO has been well established in the framework of human cancer patients studies and recognized by the FDA and EMA, this will allow the BioSenic Group to enter into clinical trials for SSc at the level of Phase II. The protocol for the Phase II trial is largely finalized, before an IND meeting can be submitted and the trial can start.

d) Septic shock and other indications

[5] Best estimates of the Lupus Foundation of America, https://www.lupus.org/resources/lupus-facts-and-statistics.
[6] Mohamed Hamidou, Antoine Néel, Joel Poupon, Zahir Amoura, Mikael Ebbo, Jean Sibilia, Jean-Francois Viallard, Benjamin Gaborit, Christelle Volteau, Jean Benoit Hardouin, Eric Hachulla and François Rieger, Safety and efficacy of low-dose intravenous arsenic trioxide in systemic lupus erythematosus: an open-label phase IIa trial (Lupsenic), Arthritis Res Ther. 2021, Mar 3, 23(&):70. Doi: 10.1186/s13075-021-02454-6. Abstract.
[7] BioSenic's estimation.

Preclinical data validating the positive action of ATO on animal models show that septic shock is potentially also amenable to treatment with ATO. The same could apply for other diseases such as Crohn's disease, rheumatoid arthritis, multiple sclerosis and COVID 19 (Long COVID). However, given the current phase of development of the BioSenic Group and the funding available, the Group is currently concentrating on cGvHD, SLE and SSc. Although direct preclinical work for septic shock (on the bacteria most commonly found in sepsis in humans) still needs to be carried out by the BioSenic Group in complex and potentially dangerous experiments in a high safety L4 laboratory, the consequences of a septic shock are however known, with specific cytokines released in excessive quantities. These cytokines are indeed established targets of arsenic in the recent preclinical experiments of BioSenic Group. Sepsis is thus the most likely next candidate for the further expansion of the clinical pipeline of BioSenic Group (funding permitting).

2.3. Operational and Corporate and Financial Highlights of 2022

Dear Shareholders,

We are pleased to present you our annual report including the consolidated financial statements for the accounting year that ended 31 December 2022 prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Clinical and Operational highlights 2022

In March 2022, BioSenic redefined its strategic priorities to concentrate specifically on the development of its most advanced clinical asset, ALLOB. BioSenic implemented a number of actions to reduce its cost base to enable completion of its Phase IIb study. As a result, BioSenic focused 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, had been stopped.

In July 2022, BioSenic announced an optimized statistical analysis and the implementation of an interim analysis for the ongoing Phase IIb clinical trial with its allogeneic bone cell therapy product, ALLOB. The amendment enabled a reduction of approximately 20% of the required patient numbers from 178 patients to 132 evaluable patients while maintaining the same statistical power. In addition, BioSenic would also introduce an interim analysis based on the assessment of radiological data from approximately 66 evaluable patients at 3 months post-administration. The interim analysis would provide an opportunity to document the efficacy of ALLOB and to achieve a relevant clinical milestone at an earlier time point.

In October 2022, BioSenic regained worldwide rights to its allogeneic, off-the-shelf, bone cell therapy platform ALLOB further to the unilateral termination notice received from Shenzhen Pregene Biopharma Co., Ltd. ("Pregene"). Pregene's termination was, according to Pregene written communication, "*necessitated by [alleged] regulatory reasons that due to the [purported] introduction of new laws and regulations, projects involving foreign human cell and related clinical trials will be, prohibited [in the future] in mainland China*". Regaining all development manufacture and commercialization rights of ALLOB from Pregene entitled BioSenic to negotiate rights for ALLOB with, LinkHealth, and other partners.

In November 2022, BioSenic provided an update on its systemic autoimmune disease platform. The autoimmune disease platform had completed a successful phase IIb trial targeting cGVHD (chronic Graft vs Host Disease), with a demonstrated efficacy of more than 75%. The phase III study of the autoimmune disease platform in cGvHD has been designed to reach the market as quickly as possible through the framework of an expedite 505b2 FDA regulatory pathway. In addition to cGVHD, BioSenic announced the preparation a randomized placebo-controlled phase IIb study with ATO in Systemic Lupus Erythematosus. Furthermore, promising preclinical data gathered by Medsenic provided clinical data to support a phase II clinical trial with ATO targeting systemic sclerosis.

Corporate highlights 2022

In March 2022, BioSenic redefined its strategic priorities to concentrate specifically on the development of its most advanced clinical asset, ALLOB. In that context, several members of BioSenics' management team transitioned to depart BioSenic in alignment with the focus in activity. This included Miguel Forte (CEO), Tony Ting (CSO), Stefanos Theoharis (CBO) and Lieve Creten (CFO).

In May 2022, BioSenic 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. ABO Securities has committed to subscribe to up to EUR 5 million in CBs. The CBs would be issued and subscribed in ten tranches. BioSenic is 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.

In August 2022, BioSenic signed a binding contribution agreement with Medsenic, a privately held, clinical stage biopharmaceutical company incorporated in France, to combine the operations of both companies by means of a share for share exchange. The acquisition would result in the business combination of Bone Therapeutics and Medsenic to create BioSenic, a speciality biopharma company.

In October 2022, BioSenic announced the closing of its acquisition of a majority participation in Medsenic. Medsenic' shareholders contributed fifty-one percent (51%) of the total outstanding share capital of Medsenic, valued at EUR 40,800,207, at a subscription price per share of EUR 0.45, which valued BioSenic at EUR 10 million. In exchange for the in-kind contribution of 51% of Medsenic' shares, 90,668,594 shares were issued by BioSenic to Medsenic shareholders. Pr. Francois Rieger, chairman and CEO of Medsenic, was appointed as chairman and CEO of BioSenic SA. Other board members appointed were Ms Véronique Pomi-Schneiter, deputy CEO of Biosenic, formerly in charge of Medsenic operations, Mr Jean-François Rax, representing Cap Innovest, Ms Revital Rattenbach, independent director and Mr Terry Sadler, independent director. The Executive leadership team consisted of François Rieger (CEO), Véronique Pomi-Schneiter (deputy CEO), and Anne Leselbaum (CMO). Furthermore, 24,463,421 ALLOB subscription rights were granted to all existing shareholders. These subscription rights allow holders to subscribe for a new share of the company if the ALLOB Phase IIB results are positive at a subscription price per share of EUR 0.45. The existing shareholders of Medsenic agreed to contribute in kind the totality of the remaining Medsenic shares held by within the next 24 - 36 months from the completion of the combination.

In December 2022, BioSenic appointed Michel Wurm, M.D. as Chief Medical Officer ad interim to succeed Anne Leselbaum. Michel was selected as interim CMO primarily for his previous achievements for Medsenic and his considerable knowledge of clinical development, specifically in phase II and III. Michel was responsible for the development of both of BioSenic's cell therapy and autoimmune disease platforms.

2.4. Financial Review of the Year Ending 31 December 2022

2.4.1. Analysis of the Consolidated Statement of Comprehensive Income

The following table includes information relating to the Company's audited statement of comprehensive income for the years ended 31 December 2022 and 31 December 2021.

(in thousands of euros)	For the year ended 31 December	
	2022	2021
Revenue	0	0
Other Operating income	266	312
Total revenues and operating income	**266**	**312**
Research and development expenses	(1,030)	(619)
General and administrative expenses	(1,554)	(570)
Operating profit/(loss)	**(2,318)**	**(877)**
Financial income	7	0
Interest income	3	0
Financial expenses	(741)	(107)
Exchange gains/(losses)	1	0
Result Profit/(loss) before taxes	**(3,049)**	**(984)**
Income taxes	0	0
Result Profit/(loss) for the period	**(3,049)**	**(984)**
Thereof attributable to:		
Owners of the Company	(2,041)	(984)
Non-controlling interests	(1,008)	0
Other comprehensive income		
Remeasurements of post-employment benefit obligations	(4)	(5)
TOTAL COMPREHENSIVE INCOME/(LOSS) OF THE PERIOD	**(3,053)**	**(989)**
Thereof attributable to:		
Owners of the Company	(2,043)	(989)
Non-controlling interests	(1,010)	0
Basic and diluted loss per share (in euros)	**(0.02)**	**(14.89)**

Following the reverse merger on 24 October 2022, the consolidated statement of comprehensive income includes 12 months of Medsenic and 2 months and 8 days of BioSenic.

The total revenues and operating income for 2022 amounted to €0.27 million compared to €0.31 million in 2021 or a decrease of €0.05 million. On 28 December 2022, a settlement agreement was entered into between BioSenic and Pregene, which provides for the payment of the settlement and termination amount of €1.0 million (excluded taxes) within 30 business days after the receipt of the invoice from BioSenic. In the other hand, BioSenic cancelled the invoice of the second milestone (invoiced in 2021) to Link Health & Pregene following the submission by Pregene of the IND application to the Chinese National Medical Products Administration (NMPA) as per the underlying License Agreement executed on 5 October 2020.

The reduction in other operating income for 2022 is mainly driven by the reduction of the income related to tax credit (and in relation with the decrease of the R&D activities) for a total amount of €0.28 million in 2022 compared to €0.31 million. The other operating revenues also include grant income related to recoverable cash advances, grants income related to patents and grands income related to the exemption on withholding taxes.

Research and development expenses in 2022 were at €1.03 million compared to €0.62 million in 2021. Research and development costs are related to 6 ongoing research programs in progress or suspended on 31/12/2022 and 31/12/2021. Pending the obtaining of regulatory marketing authorizations, all costs are expensed as incurred in accordance with IAS 38. Research and development costs are related to 6 ongoing research programs: (i) ALLOB Phase IIb ongoing clinical trial; (ii) cGvHD Phase II (statistical exploitation of

clinical results); (iii) preclinical study of Lupus nephritis and establishment of the Phase II/III Lupus protocol; (iv) FRA2 model of systemic sclerosis, (v) galenics and formulation testing of arsenic combined with Cu chloride and (vi) study of transgenic triplet mice from the University of Louvain, animal model of SLE (Systemic Lupus Erythematosus).

General and administrative expenses for the full year 2022 amounted to €1.55 million compared to €0.57 million over the same period last year. The increase is mainly resulting from the expenses incurred for the preparation of the reverse merger and the Prospectus.

The operating loss in 2022 was at €3.05 million versus an operating loss of €0.98 million in the prior year.

In 2021, the Company presented a net financial loss of €0.74 million compared to a net financial loss of €0.11 million in the year before. Financial expenses are mainly impacted by the valuation of the bonds conversion of shares done by ABO for €0.45 million and by the recognition of the interests on convertible loan from the insurance companies and the non-convertible loans with EIB and the insurance companies (€0.18 million).

The reported net loss in 2022 amounted to €3.05 million or €0.02 loss per share compared to €0.99 million or €14.89 loss per share in the prior year.

2.4.2. Analysis of the Consolidated Statement of Financial Position

The table below shows the audited consolidated balance sheet on 31 December 2022 and 2021.

Consolidated Assets IFRS per: (in thousands of euros)	31/12/22	31/12/21
Non-current assets	**24,698**	**38**
Goodwill	1,802	0
Intangible assets	17,293	0
Property, plant and equipment	1,419	13
Investments in associates	12	0
Other non-current assets	136	0
R&D Tax Credits	4,036	0
Financial assets	0	25
Current assets	**4,626**	**1,124**
Trade and other receivables	2,490	361
Other current assets	290	4
Financial assets	0	0
Cash and cash equivalents	1,846	759
TOTAL ASSETS	**29,324**	**1,162**

Total assets at the end of December 2022 amounted to €29,32 million compared to €1.16 million at the end of December 2021, mainly impacted by the non-current assets.

The non-current assets are mainly composed by the intangible assets. The intangible assets consist as of 31 December 2022 of the license agreement provided by PHEBRA in February 2022, of the valuation of the asset "ALLOB" and of purchased software and intangible assets acquired in the reverse acquisition. As BioSenic has decided to primarily focus on the development of its ALLOB tibia fractures indication, the allogeneic cell therapy product derived from stem cells of healthy donors was recognised as the one of the identifiable intangible assets. The value of ALLOB is estimated at €14.29 million using an Income Approach (a discounted cash flow model weighted for the probabilities of success). The licence agreement has an undefined life and is not subject to amortization in accordance with IAS 38, but there is an important obligation. Medsenic has a limited time to start cGvHD Phase 3, which is before May 2023.

The non-current assets are also composed of a long term R&D tax credits totaling €4.04 million which represents a tax credit on investment in R&D reimbursable in the foreseeable future (spread over the next seven years), of the recognition of a goodwill for the amount of €1.80 million, which mainly represent the expected synergies with Medsenic, and the potential of new projects and development related to the

healthcare industry and by the Property, plant and equipment, which are mainly composed of the offices and labs in Mont-Saint-Guibert.

Current assets amount to €4.43 million, mainly driven by the cash position of €1.85 million and by the Trade and other receivables for €2.49 million.

The total of the trade and other receivables for an amount of €2.49 million are described as follows:

- €1.04 million of trade receivables mainly composed of the settlement and termination amount of €1.0 million (excluded taxes) agreed between BioSenic and Pregene
- €0.95 million of outstanding amounts from the tax credit
- €0.25 million of outstanding amounts from the Walloon Region regarding the grants of recoverable cash advances and patents
- €0.25 million of outstanding amounts from the administration for the VAT.

Consolidated Equity & Liabilities IFRS per: *(in thousands of euros)*	**31/12/22**	**31/12/21**
Share capital	4,774	664
Share premium	4,517	3,969
Accumulated losses	(5,723)	(7,219)
Other reserves	(42)	(83)
Equity attributable to owners of the parent	**3,526**	**(2,670)**
Non-controlling interests	(402)	-
Total Equity	**3,124**	**(2,670)**
Non-current liabilities	**15,847**	**2,338**
Interest bearing borrowings	15,779	2,273
Other non-current liabilities	68	65
Current liabilities	**10,353**	**1,494**
Interest bearing borrowings	8,013	1,252
Trade and other payables	2,236	208
Other current liabilities	104	34
Total liabilities	**26,200**	**3,832**
TOTAL EQUITY AND LIABILITIES	**29,324**	**1,162**

Equity decreased from a negative equity of €2.67 million at the end of December 2021 to a positive equity of €3.13 million at the end of December 2022 due to business combination following the reverse merger of October 2022 between Medsenic and BioSenic.

The equity is impacted by the issuance of shares from the conversion of bonds for €5.25 million, the consideration paid for the reverse acquisition of €3.60 million and offset by the loss of the period for €3.05 million.

Liabilities amounted to €26.20 million in 2022 compared to €3.38 million at the end of December 2021, representing an increase of €22.82 million. The liabilities are mainly impacted by the interest-bearing borrowings totaling an amount of €15.78 million in non- current liabilities and €8.01 million in current liabilities.

Non-current Liabilities are mainly driven by the non-convertible loan with the European Investment bank (concluded in June 2021) for a total amount of €8 million and for the Patronale non-convertible loan of €2.00 million. Non-current liabilities are also composed of liabilities linked to recoverable cash advances for €2.79

million, of bank debt for €1.11 million of long term rental obligations for the offices and labs in Mont-Saint Guibert for €1.00 million and of an amount of €0.75 million in relation to interest free advances.

Current financial liabilities are mainly driven by non-convertible loans with Patronale and Monument for €3.55 million, by convertible bonds with Monument and ABO for €2.96 million, by bank debts for €0.25 million, by liabilities linked to recoverable cash advances for €0.81 million and by other debts for €0.46 million.

Trade and other payables increased from €0.21 million at the end of December 2021 compared to €2.24 million at the end of December 2022.

2.4.3. Analysis of the Consolidated Cash Flow Statement

The following table sets forth the Company's consolidated cash flow statement for the years ended 31 December 2022 and 2021. This table is presented in further detail under the Section "Consolidated statement of cash flows" of the consolidated financial statements for the period ended 31 December 2022.

Consolidated Statements of Cash Flows (in thousands of euros)	For the 12-months period ended 31 December	
	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/(loss)	(2,318)	(877)
Adjustments non-cash	59	21
Movements in working capital	219	(177)
Cash received from grants/licenses	130	(34)
Net cash used in operating activities	**(1,910)**	**(1,067)**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of business combination	1,956	0
Other	(4)	0
Net cash generated from investing activities	**1,952**	**0**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from government loans	26	0
Proceeds from borrowings	0	500
Proceeds from convertible borrowings	1,000	891
Repayment of loans and interests paid	(459)	(221)
Net Proceeds from equity instruments/convertible bonds	478	0
Net cash generated from financing activities	**1,045**	**1,170**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,087**	**103**
CASH AND CASH EQUIVALENTS at beginning of the period	**759**	**656**
CASH AND CASH EQUIVALENTS at end of the period	**1,846**	**759**

Cash used for operating activities amounted to €1.91 million for the full year 2022 compared to €1.07 million for the full year 2021.

Total operating loss for the period amounted to a loss of €2.32 million compared to a loss of €0.88 million over the same period in 2021. The increase of the net loss in 2022 is mainly explained by the business combination between BioSenic and Medsenic.

Actual cash received in 2022 for the grants amounted to €0.13 million.

Cash flow from investing activities in 2022 was positively impacted by the acquisition of BioSenic through the reverse merger. The total of €1.96 million corresponds to the cash position at the acquisition date.

Cash flow from financing activities amounted to €1.05 million for 2022 compared with €1.17 million in 2021.

Financial cash inflows during 2022 are as follows:

- net cash in from the conversion of convertible bonds for a total net amount of €0.48 million.
- net cash in of €1.00 million from BioSenic to Medsenic through a convertible bond program. The bons issue has for due date 31 December 2023.
- recoverable cash advances provided to the Company by the Walloon Region (R&D project financing) for an amount of €0.03 million in 2022.

Financial cash outflows during 2022 are mainly composed of reimbursements of loans and interests for an amount of €0.46 million in 2022 compared to €0.22 million in the prior year.

2.5. Headcount Evolution

As of 31 December 2022, BioSenic employs 7 people and Medsenic employs 5 people. The table below shows the evolution of employment since 2020 and does not take into account the temporary workers, consultants and the members of management. In 2020, 2021 and 2022, neither BioSenic nor Medsenic employed any temporary employees. 17 FTEs of BioSenic moved to Catalent Gosselies SA as part of the sale of SCTS in 2020.

As of 31 December	2022		2021		2020	
	BioSenic	Medsenic	BioSenic	Medsenic	BioSenic	Medsenic
R&D	6	3	15	3	25	3
Administration	1	2	5	1	5	1
Total	7	5	20	4	30	4
Total of BioSenic and Medsenic	**12**		**24**		**34**	

16% of employees have obtained a doctorate and 30% a master's degree. Scientific specialization domains include cellular and molecular biology, pharmaceutical sciences, veterinary medicine, physiology and life sciences.

With regard to Medsenic, 50% have obtained a doctoral degree, 50% have a master or equivalent degree.

2.6. Risks

Reference is made to Section 4.5.2 "Risks Analysis".

2.7. Going Concern

The consolidated balance sheet on 31 December 2022 shows a positive equity in the amount of €3.13 million and a cash position of € 1.84 million. The Company is still in a development phase conducting a clinical trial to achieve regulatory approval and pre-clinical development which implies various risks and uncertainties. Based on the 2023 revised projected cash forecast considering an operating cash burn of €8million to €10 million and a projected financing cash burn of around €1.7 million, the Company anticipates having sufficient cash to carry out its main short term strategic objective, namely achieving an efficacy outcome milestone with ALLOB TF2 Phase IIb clinical study by Q2 2023, considering the following relevant assumptions:

- The issuance of convertible bonds amounting to €5 million as of May 2022 with a long stop date of 18 months of which the first 6 tranches amounting to €3.0 million have been drawn at the date of

the Report. An amount of €2.0 million can still be issued with specific conditions and assuming compliance with the permitted indebtedness as imposed by certain lenders of the company. The Company also has the possibility to extend this contract for an issuance of an extra €5 million in the future.

- A renegotiation of the terms of the ongoing loans that will otherwise fall due in June 2023.
- A reinforced strict policy of cost management.
- A negotiation of a revised repayment schedule for turnover-independent reimbursements to be made under the recoverable cash advances (RCA) previously received by BioSenic.

The assumptions made above comprise various risks and uncertainties, including the risk that BioSenic Group would not satisfy the conditions under the Convertible Bonds program to draw down the additional tranches and the risk that BioSenic Group would not be able to renegotiate the terms of the ongoing loans that will otherwise fall due in June 2023. Based on cash flow forecasts for the next twelve months including significant expenses and cash outflows for the ongoing clinical trial and the issuance of the Convertible Bond in the amount of € 2.0 million, the cash runway of the company is currently expected into June 2023.

As the cash runway of the BioSenic Group is currently expected into June 2023 (provided that the above-mentioned assumptions can be satisfied), BioSenic Group will continue to require additional financing to continue its operations in the longer turn. BioSenic Group therefore continues to evaluate other options with a potential positive impact on Going Concern, including as follows:

- *Fundraising.* The Company is in active discussions with multiple stakeholders (including key historical shareholders) in order to finance its activities.
- *The extension of the existing convertible bond program*. If all Convertible Bonds have been subscribed for prior to the end of the 18 months commitment period (started on 30 May 2022) and if BioSenic is not in breach of the subscription agreement in any material respect, BioSenic has the option to renew the €5 million program.
- *Potential partnership to develop and commercialize of ALLOB.* In October 2022, BioSenic regained worldwide rights to develop, manufacture and commercialised ALLOB following the termination by Shenzhen Pregene Biopharma Co., Ltd ("Pregene") of the exclusive license agreement entered into between BioSenic, Pregene and Link Health Pharma Co., Ltd ("LinkHealth") in October 2020. Although regulatory changes in China have halted establishment of ALLOB in the Chinese market, BioSenic has started preliminary discussions with Pregene, LinkHealth and other potential partners to reach an agreement for the development and commercialization of ALLOB in other geographies, including in the U.S.
- *Potential partnership to develop and commercialize of JTA.* In March 2023, BioSenic has obtained new statistical analysis results from the JTA-004 Phase III clinical trial data. This new post-hoc analysis changes the therapeutic profile of the molecule and potentially allows for the possibility of stratifying patients for a new, optimized Phase III clinical study. BioSenic, which does not intend to allocate R&D resources to support the clinical development of JTA-004, is seeking to collaborate with existing and potential partners to explore options for the future development of JTA-004 based on this new post-hoc analysis.

In case part or/all the above options were to materialize, the cash runway of the company would be expected at least into Q1 2024.

However, all of the above circumstances and events are however subject to material uncertainties, which may cast significant doubt about the Company's ability to continue as a going concern.

Nevertheless, based on the completion of the current CB financing operation and the renegotiation the terms of the ongoing loans, the Board is of the opinion that it is appropriate to prepare the 2022 financial statements of the Company under the assumption of going concern, considering a total projected cash burn of €10 to €12 million for 2023 and a cash runway into June 2023.

The Board of Directors 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.

2.8. Events Occurred after the End of the Financial Year

The annual consolidated financial statements on 31 December 2022 were authorized for issue by the Board of Directors of the Company on 26 April 2023. Accordingly, events after the reporting period are those events that occurred between 1 January 2023 and 26 April 2023.

On 18 January 2023, BioSenic appointed Dr Carole Nicco as Chief Scientific Officer. Carole oversees the development of pipeline across BioSenic's cell therapy and autoimmune disease platform and is responsible for R&D programs.

On 27 January 2023, BioSenic appointed Yves Sagot as Independent Director. Yves Sagot replaced Terry Sadler as an Independent Director and Member of the Board at BioSenic. Yves was selected for his experience and achievements for Relief Therapeutics SA and a number of specific aspects that mirror recent BioSenic developments.

On 21 February 2023, BioSenic announced it received EUR 1 million (minus 6% taxes) from Pregene in accordance with the terminated license agreement. BioSenic regained worldwide rights to its allogeneic, off-the-shelf, bone cell therapy platform ALLOB further to the unilateral termination notice received from Shenzhen Pregene Biopharma Co., Ltd. ("Pregene") in October 2022. BioSenic has started preliminary discussions with Pregene, Link Health and other potential partners to move forward with the development and commercialization of ALLOB in other geographies, including the US.

On 23 February 2023, BioSenic announced an optimization its ongoing Phase IIb clinical trial with its allogeneic bone cell therapy product, ALLOB and completion of patient recruitment. As a result, BioSenic has decided, based on consultation with its external biostatistical advisors, that clinical investigators may complete the recruitment of patients. The cohort of treated patients, amounting to 57 patients, is found to be sufficient for a sufficient level of significance. BioSenic's new statistical analysis plan leads to a more objective scoring for judging the result of its innovative cell repair treatment. A RUST score difference higher than 1.26 will be considered statistically relevant. A quantitative evaluation of the progress of the healing status of each patient will be given on a scale of a RUST score between 4 (no union) and 12 (complete healing), through a careful radiographic evaluation by two independent specialists. Further to the decision to end recruitment and proceed towards a full set of meaningful results, the ALLOB subscription rights shall become exercisable based on the results at month three after patient treatment, if the difference in the mean RUST scores between the placebo's arm patient population and the treated ALLOB population is found higher than 1.26 in the new statistical analysis on the effectively recruited 57 patients. The BioSenic Board adopted the view that the new exercise criteria does not reduce the global advantages granted to the ALLOB subscription rights holders.

On 16 March 2023, BioSenic announced that it has used the statistical analysis capabilities of Artialis to study the results of the Phase III JTA-004 trial in the subset of patients with the most painful and inflammatory form of knee osteoarthritis (OA). This allows BioSenic to distinguish a group of patients, representing about one third of the total patients, who show a pain-relieving effect of JTA-004 not only superior to placebo but also to the active comparator. By identifying three subtypes of OA, amongst which a subtype of OA patients with more severe symptoms and inflammation, this new post-hoc analysis changes the therapeutic profile of the molecule and potentially allows for the possibility of stratifying patients for a new, optimized Phase III clinical study. BioSenic, which does not intend to allocate R&D resources to support the clinical development of JTA-004 and will continue to focus its R&D activities on the development of its autoimmune (ATO) and cell therapy (ALLOB) platforms, is seeking to collaborate with existing and potential partners to explore options for the future development of JTA-004 based on this new post-hoc analysis.

On 30 March 2023, BioSenic published new data providing additional details about the mechanism of action of its lead API arsenic trioxide (ATO) to prevent autoimmune diseases has now been published in a peer-reviewed paper (*Frontiers in Immunology*). This new data shows that combination of ATO with copper salts can allow BioSenic to work towards reducing the dosage of ATO in future trials overall and maintain efficacy. This new formulation data has been completed following pre-clinical activities and does not constitute data validated through clinical trial.

On 3 April 2023, BioSenic appointed Lieven Huysse, MD, as Chief Medical Officer. Lieven Huysse succeeds Michel Wurm's, MD, who was appointed as CMO ad interim to drive forward the development of BioSenic's platforms. Lieven will be responsible for continued progression of both BioSenic late-stage assets (ALLOB MSC platform and autoimmune ATO platform).

On 18 April 2023, BioSenic received a key European patent from EPO, for further therapeutic development in cancer, infectious and immune disease. The patent covers the therapeutic use of a new composite formulation of anti-inflammatory compounds with unique advantages. This new formulation lowers the dosage of arsenic trioxide by combining it with copper salts to maintain therapeutic efficacy, with the potential of administration through multiple routes, including intravenous, oral and other novel routes of administration.

2.9. Outlook for the Remainder of 2023

In the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, BioSenic expects to report topline results by the second quarter of 2023.

In October 2022, BioSenic regained worldwide rights to develop, manufacture and commercialised ALLOB following the termination by Shenzhen Pregene Biopharma Co., Ltd ("Pregene") of the exclusive license agreement entered into between BioSenic, Pregene and Link Health Pharma Co., Ltd ("LinkHealth") in October 2020. Although regulatory changes in China have halted establishment of ALLOB in the Chinese market, BioSenic has started preliminary discussions with Pregene, LinkHealth and other potential partners to reach an agreement for the development and commercialization of ALLOB in other geographies, including in the U.S.

In March 2023, BioSenic has obtained new statistical analysis results from the JTA-004 Phase III clinical trial data. This new post-hoc analysis changes the therapeutic profile of the molecule and potentially allows for the possibility of stratifying patients for a new, optimized Phase III clinical study. BioSenic, which does not intend to allocate R&D resources to support the clinical development of JTA-004, is seeking to collaborate with existing and potential partners to explore options for the future development of JTA-004 based on this new post-hoc analysis.

The Medsenic Phase II clinical study with arsenic trioxide in the first-line treatment of cGvHD is complete and provided positive results. A Phase III study with oral arsenic trioxide in the first-line treatment of cGvHD, for which Medsenic received positive pre-IND response from the FDA, is currently anticipated to start in 2023. A phase IIa clinical trial for systemic lupus erythematosus ("SLE") had previously established safety for the patient and efficacy on the course of the autoimmune disease. Positive preclinical work gives good grounds for a Phase II clinical trial on systemic sclerosis ("SSc"). Phase IIb clinical trials for SLE and SSc are in the planning stage with the protocols for both studies being ready.

BioSenic Group, however, expects to use the existing cash and the proceeds of anticipated future fundraisings (via shares or (convertible) bonds) in priority for continuing the Phase IIb clinical trial for ALLOB and for progressing the Phase III clinical trial in cGvHD. As a result, it will only be possible to start the SLE and SSc Phase IIb clinical trials in if the BioSenic Group succeeds in concluding a strong partnership with a biopharmaceutical company or if it manages to successfully out-license some of its technology. The start of SLE and SSc Phase II clinical trials is therefore not envisioned before 2024.

Following the restructuring of the management team and the appointment of Mr François Rieger as CEO and

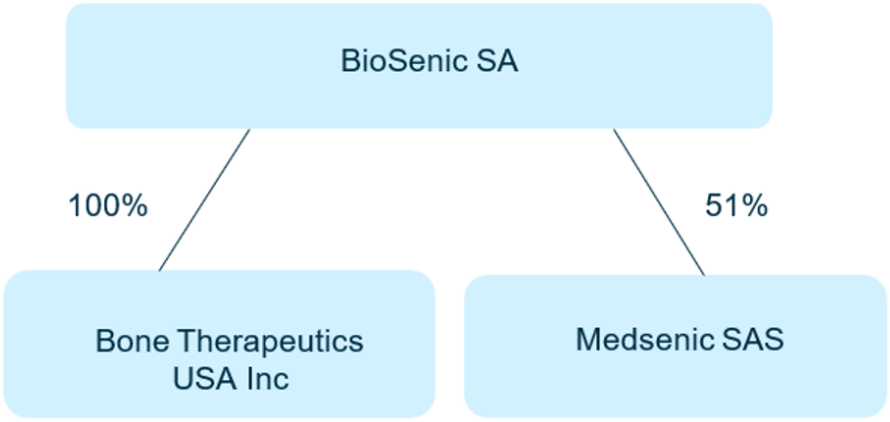
executive director, Ms Véronique Pomi-Schneiter as Deputy-CEO and executive director, Alexia Rieger as CIRO, Carole Nicco as CSO and Lieven Huysse as CMO, BioSenic is in the process of completing the management team with a new CFO.

The Company plans to raise funds in the form of a private placement of new shares in Q2 2023 in order to finance its activities. In addition, the Company continues to evaluate other funding options, such as the extension of the existing convertible bond program.

Disciplined cost and cash management will remain a key priority. The operating cash burn for the full year 2023 is in the range of €8-10 million and a financing cash burn of approximately EUR 1.7 million. The situation will be actively and closely monitored. BioSenic anticipates having sufficient cash to carry out its business objectives until June 2023, assuming amongst other full issuance of the Convertible Bonds and the renegotiation of the terms of the ongoing loans that will otherwise fall due in June 2023.

3. ORGANIZATIONAL STRUCTURE

At the date of this Annual Report, the Company has the following affiliates:



France

- Medsenic, a simplified joint-stock company (*société par actions simplifiée*), with registered office at no. 204 Avenue de Colmar, 67100 Strasbourg, France and registered with the commercial register of Strasbourg under number 527 761 530. Medsenic was incorporated on 21 October 2010 for a duration of 99 years, unless dissolved earlier or unless the duration is extended.

United States of America

- Bone Therapeutics USA, an incorporation company with registered office at 10 Milk Street, Suite 1055, 02108 MA Boston and with identification number 001166538. Bone Therapeutics USA Inc. was incorporated on 26 March 2015.

BioSenic's voting power held in Medsenic SAS and in Bone Therapeutics USA Inc is identical to the proportion of ownership interest held.

4. CORPORATE GOVERNANCE

4.1. General

This Section summarizes the rules and principles on the basis of which the corporate governance of the Company has been organized pursuant to Belgian Code of Companies and Associations, and the Company's corporate governance charter (the "**Corporate Governance Charter**") adopted by the Board of Directors on 25 August 2020 in accordance with the new Belgian Corporate Governance Code 2020 (the "**Corporate Governance Code**" or "**CGC**") by the Royal Decree of 12 May 2019 designating the corporate governance code to be complied with by listed companies published on 17 May 2019 in the Belgian Official Gazette (*Moniteur belge*). The Corporate Governance Charter is available on the Company's website (https://biosenic.com/investors). A copy of the Corporate Governance Charter can be obtained free of charge at the registered office of the Company.

The text of the Corporate Governance Code is available on the website of the Corporate Governance Committee at https://www.corporategovernancecommittee.be/en/over-de-code-2020/2020-belgian-code-corporate-governance.

4.2. Compliance with the Corporate Governance Code

The Board of Directors intends to comply with the provisions of the Corporate Governance Code but believes that the size and the current state of development of the Company justifies certain deviations. These deviations are further detailed hereinafter.

The Corporate Governance Charter includes the following main chapters:

- *Definitions;*
- *Structure and organisation;*
- *Shareholders;*
- *Transactions between the Company and its Board Members or the Members of the Management Team;*
- *Transactions involving Shares of the Company;*
- *Application of the CGC; and*
- *Miscellaneous.*

The Appendices to the Corporate Governance Charter include the following:

- *Terms of Reference of the Board;*
- *Policy for Transactions and other Contractual Relationships between the Company and its Board Members or Members of the Management Team;*
- *Rules for the Prevention of Market Abuse;*
- *Terms of Reference of the Audit Committee;*
- *Terms of Reference of the Nomination and Remuneration Committee; and*
- *Terms of Reference of the Management Team.*

The Board of Directors of BioSenic complies with the Corporate Governance Code. However, BioSenic deviates from the following principles:

- *Remuneration of Non-Executive Directors in BioSenic's shares (principle 7.6):* given the legal constraints under Belgian law to purchase own shares in order to grant these to relevant beneficiaries, the Non-Executive Directors of BioSenic do not receive a portion of their remuneration in BioSenic's shares.

- *No grant of stock options to Non-Executive Directors (principle 7.6):* given the technical impossibility for BioSenic to purchase its own shares and grant such existing shares of BioSenic to Non-Executive Directors, those Directors can receive warrants (subscription rights) to subscribe for new shares under the template 2020 Warrants Plan. This plan provides that the warrants shall vest and be exercisable at any time and without restriction unless BioSenic decides that these warrants may not be exercised before the end of the third calendar year following the calendar year during which the warrants were offered and indicates this in the offer thereof. Those grants can attract profiles with high potential, incentivize the beneficiaries in the development of BioSenic, and play a role as retention tool of the teams.

- *Minimum threshold of shares to be held by the executives (principle 7.9):* at the date hereof, BioSenic has not fixed any minimum threshold for the detention of shares by the Executive Directors. However, warrants on BioSenic's shares were granted to the ex-CEO and ex-CFO on 28 May 2020. These warrants shall vest and be exercisable at any time and without restriction unless BioSenic decides that these warrants may not be exercised before the end of the third calendar year following the calendar year during which the warrants were offered and indicates this in the offer thereof (which was not done for the warrants granted on 28 May 2020).

- *Appointment of a company secretary (principle 3.19):* At the date hereof, no company secretary has been appointed by the Board. Since the IPO (6 February 2015), the Board of Directors has assigned the law firms Allen & Overy (Belgium) LLP (until March 2019) and Osborne Clarke SCRL / CVBA (since March 2019) to provide services in this respect, including the drafting of minutes of Board meetings. Given the limited size of BioSenic, the Board of Directors is of the opinion that there is no need to appoint a full time Company secretary.

- *The audit committee, the remuneration committee and the nomination committee should be composed of at least three board members (principle 4.3):* At the date hereof, the Audit Committee and the Nomination and Remuneration Committee of BioSenic are only composed of 2 members. The Board of Directors is of the opinion that the current members of these two committees have the necessary independence, skills, knowledge, experience and capacity to execute their duties effectively.

- *Promotion of diversity (principle 4.23):* BioSenic has not adopted a diversity policy yet. However, BioSenic ensures that it meets the minimum gender diversity requirement at the level of the Board of Directors of BioSenic.

  Article 7:86 of the Belgian Code on Companies and Associations imposes that at least one third of the board members are of a different gender than the other board members. The minimum is rounded to the closest unit and if the director is a legal person, his or her gender shall be determined by that of its permanent representative. The Board of Directors of BioSenic complies with Belgian laws on gender as it is currently composed of 7 Directors, out of which two are of a different gender.

  In addition, except for the Audit Committee, one third of the members of the Executive Committee are of a different gender and half of the members of the Remuneration and Nomination Committee are of a different gender.

  As regards the employees not included above, BioSenic records 86% female employees and 14% male employees.

In accordance with the Corporate Governance Code, the Board of Directors will review the Corporate Governance Charter from time to time and adopt such amendments thereto as it deems necessary and

appropriate. The Corporate Governance Charter and BioSenic's articles of association are available at BioSenic's website and at its registered office and can be obtained free of charge.

4.3. Board of Directors

4.3.1. Composition of the Board of Directors

The Board of Directors is the main decision-making body of the Company and has full power to perform all acts that are necessary or useful to accomplish the Company's corporate purpose, save for those acts for which only the shareholders' meeting of the Company has the required powers in accordance with applicable laws or the Company's articles of association. The responsibility for the management of the Company is entrusted to the Board of Directors as a collegial body.

The Board of Directors pursues the long-term success of the Company by providing entrepreneurial leadership, while assessing and managing the risks of the Company.

The Board of Directors is composed of at least three members as set out in the articles of association and the Corporate Governance Charter.

At least half of the members of the Board of Directors are Non-Executive Directors, and at least three members of the Board of Directors are Independent Directors, within the meaning of *inter alia* Article 7:87 §1 of the Belgian Code on Companies and Associations.

The members of the Board of Directors are appointed by the shareholders' meeting of the Company for a renewable term of maximum four years. If a director mandate becomes vacant, the remaining members of the Board of Directors will have the right to temporarily appoint a new director to fill the vacancy. The shareholders' meeting can revoke the mandate of any director at any time.

In principle the Board of Directors meets at least four times a year and whenever a meeting is deemed necessary or advisable for its proper functioning. A meeting of the Board of Directors is validly constituted if there is a quorum, which requires that at least half of the members of the Board of Directors or present or represented during the board meeting. In any event, the Board of Directors can only validly deliberate if at least two Directors are present in person.

The table below provides an overview of the mandates held in 2022 and the current mandates at the date of the Annual Report:

Name	Position	Start or renewal of mandate	End of mandate	Nature of mandate	Professional address
mC4Tx SRL, with as permanent representative Miguel Forte	Managing Director	2020	2022	Executive	Rue du Moulin 12, 1330 Rixensart, Belgium
Claudia D'Augusta	Director	2018	2022	Independent	Calle Estrelas 5, 28224 Pozuelo De Alarcon, Madrid, Spain
Castanea Management SARL with as permanent representative Damian Marron	Director	2020	2022	Independent	401 Chemin du Val Martin, 06560 Valbonne, France
ClearSteer Consulting LLC with as permanent representative Gloria Matthews	Director	2020	2022	Independent	880 Roswell Rd, Suite 430, Roswell, GA, United States
Jean-Paul Prieels	Director	2017	2022	Independent	Chemin du Gros Tienne 61, 1380 Lasne, Belgium

Name	Position	Start or renewal of mandate	End of mandate	Nature of mandate	Professional address
Terence Sadler	Director	2022	2022	Independent	Burge end Farmehouse - Burge end Barns - Pirton Hitchin 5 - SGS5 3QN - England
François Rieger	Chairman	2022	2026	Executive	27, rue des Délices, 1203 Geneva, Switzerland
Véronique Pomi-Schneiter	Executive Director	2022	2026	Executive	26, route de la Robardière, 44120 Vertou, France
Finsys Management SRL, represented by Jean-Luc Vandebroek	Director	2022	2026	Non-Executive	Rue Charles Plisnier 25, 1420 Braine l'Alleud, Belgium
Capital Grand Est, represented by Jean-François Rax	Director	2022	2026	Non-Executive	Avenue de l'Europe 16, Immeuble Sxb1, 67300 Schiltigheim, France
Innoste SA, represented by Jean Stéphenne	Director	2018	2025	Independent	Avenue Alexandre 8, 1330 Rixensart, Belgium
Revital Rattenbach	Director	2022	2026	Independent	Rue des Ecouffes 1, 75004 Paris, France
Yves Sagot	Director	2023	2026	Independent	Chemin de la Combe, 73100 Tresserve, France

A brief overview of the relevant experience of the current members of the Board of Directors is set out below:

- **Mr. François Rieger** holds a PhD in Neurobiology, which he completed in 1973 at the Ecole Normale Supérieure de Paris, rue d'Ulm. His work allowed him to purify and characterize the structure of acetylcholinesterase, the main current target of Alzheimer's disease treatments. He then went on to study the cholinergic synapse and neuromuscular pathologies related to deficient functioning of nerve impulse transmission. He was appointed Visiting Assistant Professor of Neuropathology at Harvard University from 1975 to 1978, and upon his return to France, he developed a research team in a joint INSERM/CNRS unit at the Pitié-Salpêtrière Hospital on the role of ion channels in the function and morphogenesis of mammalian nerve and muscle. A stay from 1985 to 1988, at the Rockfeller University in New-York, in the laboratory of Professor Gerald Edelman, Nobel Prize, as Senior Associate Researcher, allowed him to extend his field of investigation to the field of Cellular Adhesion Proteins and to demonstrate the implication of N-CAM and cytotactin/tenascin in synaptic morphogenesis and innervation-reinnervation phenomena. In 1990, he established in his laboratory a new line of research on the primary factors of Multiple Sclerosis, an autoimmune demyelinating disease in humans, which led his laboratory to characterize a gliotoxic protein factor in MS patients and, later, in 1998, to discover in humans a fossil retrovirus still active through its envelope protein, and involved in the triggering of the autoimmune cascade in the disease. In 2007, F. Rieger created in Geneva a Binational Scientific Interest Group on the Broader Theme of Aging and Longevity, with the participation of several Franco-Swiss scientific leaders, intended to take into account both the molecular and societal aspects of this largely unexplored field. F. Rieger is Director of Research at the CNRS and author or co-author of more than 175 international publications in the field of Life Sciences and Neurosciences. F. Rieger is currently leading an Innovative Project concerning the therapeutics of Autoimmune Diseases and a co-Founder of the biotech Medsenic. He has led two successful Phase II clinical trials on Systemic Lupus erythematosus and Graft-versus Host Disease, opening a solid path towards the use of several formulations of active arsenic for the treatment of chronic, autoimmune diseases.

- **Ms. Véronique Pomi-Schneiter** has 30 years of experience in operational leadership, human resource management, resource utilisation and organisational development in highly decentralised organisations. Graduated of the IFG Lorraine Business School, she has been a consultant, manager and director of companies in the consulting and human resources sector. In 2010, Véronique decided to found Medsenic with Prof François Rieger, to bring her expertise in business development and fundraising. Her experience includes streamlining operations, developing, and implementing organisational solutions and applying global HR expertise to influence the achievement of strategic objectives.

- **Mr. Jean-Luc Vandebroek (permanent representative of Finsys Management SRL)** is a seasoned finance executive with extensive international finance experience at major public and privately-owned companies. Jean-Luc has built a successful career spanning 15 years at the Belgian-US retailer, Delhaize Group (now Ahold Delhaize). During this period, he held various senior financial positions with increasing responsibility, including roles as Corporate Director Finance Europe and US and Vice President Finance BeLux. He later became Group Chief Financial Officer at Fluxys, a listed, pan-European gas infrastructure group, where he was responsible for the financing of large infrastructure investments using diverse forms of funding on capital markets. Prior to joining BioSenic, Jean-Luc served as Director and Chief Financial Officer of Moteo Two Wheels and Bihr Europe, the motorcycle division of Alcopa Group, a Belgian family holding with an annual revenue of around € 1.7 billion. Until 2021 Jean-Luc was active within BioSenic as CFO. Today he is Chief Financial Officer at Hyloris Pharmaceuticals.

- **Mr. Jean Stéphenne (permanent representative of Innoste SA)** is a highly experienced life sciences executive, who has served in senior leadership roles at a large number of biotechnology and pharmaceutical companies, most recently as Chairman of BioSenic. Together with the Board of BioSenic, he oversaw the clinical development and European marketing authorization of its most advanced allogeneic cell therapy product for the treatment of complex perianal fistulas in Crohn's disease. Jean Stéphenne was also previously a Member of the Corporate Executive Team of GlaxoSmithKline (GSK) and Chief Executive of GSK Biologicals (now GSK Vaccines). During his 40-year tenure, he grew a company of 50 people into a fully integrated worldwide leader in vaccine development, with 12,000 employees. Jean Stéphenne currently serves on the Board of various life sciences companies including OncoDNA, CureVac, Vaxxilon and Bepharbel. Previous board positions include Besix Group, BNP Paribas Fortis, GBL and IBA. For his contribution to the Belgian economy and global public health, he has received diverse business recognitions and was honored with various titles by the Belgian and British governments.

- **Mr. Jean-François Rax** graduated as a Biochemistry and Biotechnology engineer from INSA Lyon and joined Capital Grand Est in 2014, an independent regional private equity firm approved by the AMF with more than €180M of assets under management and which has been supporting more than 60 SMEs and start-ups in the French Grand Est Region since 2012. With 12 years of experience in venture capital & seed financing and before that 4 years in consulting and technology transfer (Inserm Transfert Initiative, Alcimed, Inra Transfert, Inserm Transfert), Jean-François is now a member of the Executive Board / Director of Investments at Capital Grand Est.

- **Ms. Revital Rattenbach** is a seasoned entrepreneur in biotech with 15+ years of experience, Revital Rattenbach is the founding CEO of 4P pharma, a clinical stage biotech specialized in drug regeneration for treating severe diseases including osteoarthritis and acute and chronic pulmonary complications of viral infections (for more information, see https://4p-pharma.com/). Under her CEOship, 4P Pharma assembled a unique circular drug development platform which delivered 2 programs in clinical stage while nurturing a furnished preclinical pipeline. She signed multiple academic and pharma collaborations worldwide and closed series of fundraising since 4P incorporation 8 years ago. Prior to her role at 4P, Revital was the founding CEO of PharmaSeed Europe (2013-2014) a research organization specialized in early development where she supervised all BD activities, finance and operations. Prior to PharmaSeed, Revital started her entrepreneurship

path by co-founding Astem, a spin-off of Sorbonne University to activate endogenous adult stem cells. She holds a PhD in Biology from University of Paris VI and an MBA from Sorbonne University.

- **Mr. Yves Sagot** co-founded Relief Therapeutics in 2013 to develop a clinical asset acquired from Merck Serono. In 2016, Relief Therapeutics went public on the Swiss stock exchange (SIX) after a reverse merger with THERAMetrics. Whilst maintaining his activities as Chief Scientific Officer at Relief Therapeutics, Yves Sagot created MBS Sagot Consulting in 2018 to provide to the life science market senior expertise covering research and early clinical development. Subsequently, after leaving Relief Therapeutics, he is a private investor in biotechnology via MBS Invest & Consult Sàrl. He is also one of the ambassadors of the Léon Bérard Cancer Center, an internationally recognized research center in Lyon, France. He has authored 25 papers that have been published in international peer-reviewed journals, holds three granted patents and received the Serono CEO Award in 2001 and the Merck Serono Reward and Recognition Award in 2008. Yves received a Certificate of Advanced Studies in Management of Medtech, Biotech & Pharma Ventures from the Management of Technology EPFL in Lausanne, Switzerland., holds a Ph.D in Neurobiology and a Masters in Pharmacology and Fundamental Toxicology from the Université Paul Sabatier (UPS), Toulouse, France.

At the date of this Annual Report, none of the Directors and the members of the Executive Committee have at any time within at least the past five years:

- had any conviction in relation to fraudulent offences; or
- been adjudged bankrupt or entered into an agreement with creditors to pay all or part of its debts; or
- been a director, member of the administrative, management or supervisory bodies and/or senior manager of any company at any time of, or within 12 months preceding, any bankruptcy, receivership, liquidation or administration; or
- had his assets be the subject of any receivership or has been a partner of a partnership at the time of, or within 12 months preceding, any assets thereof being the subject of a receivership; or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority or by designated professional bodies; or
- ever been disqualified by a court from acting as a director member of the administrative, management or supervisory bodies and/or senior manager of a company or from acting in the management or conduct of the affairs of any company.

4.3.2. Activity Report

In 2022, the Board of Directors met 16 times discuss and decide on specific matters. Below is the detail of the attendance:

	Number of attendances[8]
mC4Tx SRL, represented by Miguel Forte	10/10
Claudia D'Augusta	14/14
Castanea Management SARL, represented by Damian Marron	13/14
ClearSteer Consulting LLC, represented by Gloria Matthews	11/14
Jean-Paul Prieels	14/14
Innoste SA, represented by Jean Stéphenne	15/16
Finsys Management SRL, represented by Jean-Luc Vandebroek	15/16
François Rieger	2/2
Véronique Pomi-Schneiter	2/2
Capital Grand Est, represented by Jean-François Rax	2/2
Revital Rattenbach	2/2
Terence Sadler	2/2

4.3.3. Performance Evaluation of the Board

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 2022.

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 Code on Companies and Associations (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, BioSenic is currently compliant with the gender diversity requirement.

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.

[8] 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.

4.3.4. Committees within the Board of Directors

4.3.4.1. General

The Board of Directors has established a nomination and remuneration committee (the "**Nomination and Remuneration Committee**") and an Audit Committee (the "**Audit Committee**"). These committees (the "**Committees**") have a mere advisory role.

The Board of Directors has determined the terms of reference of each Committee with respect to its respective organization, procedures, policies and activities.

4.3.4.2. Audit Committee

4.3.4.2.1. Role

The Audit Committee supports the Board of Directors in fulfilling its monitoring responsibilities in respect of control in the broadest sense.

4.3.4.2.2. Duties

The Audit Committee is the main contact point of the external auditor. Without prejudice to the legal duties of the Board of Directors, the Audit Committee is entrusted with the development of a long-term audit program encompassing all of the Company's activities, and is in particular entrusted with:

- monitoring the financial reporting process;
- monitoring the effectiveness of the Company's internal control and risk management systems;
- monitoring the internal audit and its effectiveness, including advising the Board of Directors on its annual assessment of the need for an internal auditor;
- monitoring the statutory audit of the annual and consolidated accounts, including any follow up on any questions and recommendations made by the external auditor;
- reviewing and monitoring the independence of the external auditor, in particular regarding the provision of additional services the Company may require; and
- monitoring the compliance with the legislation and regulations that apply to the Company.

The final responsibility for reviewing and approving the Company's interim and annual financial statements, as presented to the shareholders, remains with the Board of Directors.

4.3.4.2.3. Composition

The Corporate Governance Charter of the Company states that the Audit Committee is composed out two members, all its members being Non-Executive Directors. At least one of the members of the Audit Committee is an independent Director, who has accounting and auditing expertise. This expertise in accounting and auditing implies a degree of higher studies in economics or finance or relevant professional experience in those matters.

The Audit Committee is chaired by one of its members, who may not be the chairman of the Board of Directors.

The duration of the mandate of a member of the Audit Committee will not exceed the duration of his/her mandate as director of the Company.

The composition of the Audit Committee is currently as follows:

Name	Position	Professional address
Finsys Management SRL, represented by Jean-Luc Vandebroek	Chairman - Non-executive Director	Rue Charles Plisnier 25, 1420 Braine-l'Alleud, Belgium
Revital Rattenbach	Member - Independent Director	Rue des Ecouffes 1, 75004 Paris

Currently the Audit Committee is counting two members. Jean-Luc Vandebroek (as permanent representative of Finsys Management SRL) and Revital Rattenbach qualify both in respect of having the necessary competences and qualifications in respect of accounting and audit matters as well as both members having an extensive experience in the management of biotech companies.

4.3.4.2.4. Operation

The Audit Committee will meet at least four times a year and whenever a meeting is deemed necessary or advisable for its proper functioning. Decisions are taken by a majority vote. The Chairman of the Board of Directors has a permanent invitation to attend the meetings of the Audit Committee. The Audit Committee may also invite other persons to attend its meetings.

The Audit Committee meets with the external auditor and the internal auditor (if any) at least twice a year, to discuss matters relating to its terms of reference, issues falling within the powers of the Audit Committee and any issues arising from the audit process and, in particular, any material weaknesses in the internal audit.

During 2022, the Audit Committee met 3 times, discussing various topics such as financial reporting, accounting policies, regulatory compliance or risk management.

4.3.4.3. Nomination and Remuneration Committee

4.3.4.3.1. Role

The Nomination and Remuneration Committee makes recommendations to the Board of Directors with respect to the appointment of Directors, the Executive Directors and other members of the Executive Committee. In addition, the Nomination and Remuneration Committee makes recommendations to the Board of Directors on the Company's remuneration policy, on any remuneration whatsoever granted to the Directors and members of the Executive Committee and on any agreements or provisions relating to the early termination of employment or collaboration with the Directors and members of the Executive Committee.

4.3.4.3.2. Duties

The Nomination and Remuneration Committee must ensure in general that the appointment and re-election process of the members of the Board of Directors, the Executive Directors and the members of the Executive Committee is organized objectively and professionally and, in particular and notwithstanding the legal powers of the Board of Directors, has the following duties:

- draft (re)appointment procedures for members of the Board of Directors and the members of the Executive Committee;
- nominate candidates for any vacant directorships, for approval by the Board of Directors;
- prepare proposals for reappointments;

- periodically assess the size and composition of the Board of Directors and, if applicable, making recommendations with regard to any changes;
- analyze aspects relating to the succession of Directors;
- advise on proposals (including, of the management or of the shareholders) for the appointment and removal of directors and of members of the Executive Committee;
- advise the Board of Directors on proposals made by the Executive Directors for the appointment and removal of Executive Directors and of members of the Executive Committee;
- prepare and assess proposals to the Board of Directors on the remuneration policy for members of the Board of Directors, and, where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders;
- prepare and assess proposals for the Board of Directors on the remuneration policy for the members of the Executive Committee, and, where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders, at least with regard to the:
    - main contractual terms, including the main characteristics of the pension schemes and termination arrangements;
    - key elements of the remuneration, including the:
        - relative importance of each component of the remuneration package;
        - performance criteria applicable to the variable elements (determination of milestones and their evaluation period); and
        - fringe benefits.
- prepare and assess proposals to the Board of Directors regarding the individual remuneration of members of the Board of Directors and the Executive Committee, including, depending on the situation, on variable remuneration and long-term incentives, whether or not stock-related, in the form of stock options or other financial instruments, and, where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders;
- make proposals to the Board of Directors regarding arrangements on early termination and, where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders;
- submit to the Board of Directors (a) a remuneration report which describes, amongst other things, the internal procedure for the development of a remuneration policy and the determination of the remuneration level for Non-Executive Directors and members of the Executive Committee and (b) a declaration regarding the remuneration policy applied with respect to the members of the Executive Committee, including a description of any material changes thereto since the previous financial year;
- advise the Board of Directors on agreements relating to the appointment of the Executive Directors and other members of the Executive Committee; and
- verify that the variable criteria for setting remuneration for an executive director or a member of the Executive Committee are expressly stated in the agreement, and that the payment of this variable remuneration only takes place if such criteria are met during the relevant period.

When performing its duties relating to the composition of the Board of Directors, the Nomination and Remuneration Committee takes into account the criteria for the composition of the Board of Directors, as stated in the terms of reference of the Board of Directors.

4.3.4.3.3. Composition

The Nomination and Remuneration Committee is composed of at least two Directors. All members of the Nomination and Remuneration Committee are Non-Executive Directors, with a majority being independent Directors. The majority of the members has the necessary expertise with regard to remuneration policies, *i.e.* has a degree in higher education and has at least three years' experience in personnel management matters or matters related to the remuneration of Directors and managers of companies. The Board of Directors considers that all members of the Nomination and Remuneration Committee have sufficient experience in personnel management and matters related to remuneration.

The Nomination and Remuneration Committee is chaired by the chairman of the Board of Directors or by another non-executive member of the Nomination and Remuneration Committee. The chairman of the Board of Directors has a permanent invitation to attend the meetings of the Nomination and Remuneration Committee, except for meetings at which his own appointment, removal or remuneration is discussed. The chairman of the Board of Directors does not chair the Nomination and Remuneration Committee when dealing with the designation of his or her successor.

The duration of the term of a member of the Nomination and Remuneration Committee will not exceed the duration of his mandate as director of the Company.

The following Directors are currently members of the Nomination and Remuneration Committee:

Name	Position	Professional address
François Rieger	Chairman - Executive Director	27, rue des Délices, 1203 Geneva, Switzerland
Innoste SA, represented by Jean Stéphenne	Member - Independent Director	Avenue Alexandre 8, 1330 Rixensart, Belgium
Revital Rattenbach	Member - Independent Director	Rue des Ecouffes 1, 75004 Paris, France

4.3.4.3.4. Operation

The Nomination and Remuneration Committee meets at least twice a year, and whenever a meeting is deemed necessary and advisable for its proper functioning. Decisions are taken by a majority vote. The chairman of the Board of Directors has a permanent invitation to attend the meetings of the Nomination and Remuneration Committee, except for meetings at which his own appointment, removal or remuneration is discussed. The Nomination and Remuneration Committee may invite other persons to attend its meetings (it being understood that a member of the Board of Directors may not attend the meeting of the Nomination and Remuneration Committee which handles his remuneration).

During 2022, the Nomination and Remuneration Committee met 1 time with particular emphasis on:

- the performance evaluation 2021 of the Executive Directors ;
- the definition of the objectives 2022 of the Executive Directors;
- the discussion over remuneration report and remuneration policy

No variable remuneration was granted for the year 2022 to any member of the Board of Directors or Executive Committee.

4.4. Executive Committee

4.4.1. General

The Board of Directors has established an Executive Committee (the "**Executive Committee**"), which advises the Board of Directors, and which therefore does not constitute a management committee (*comité de direction*) under article 7:104 of the Belgian Code on Companies and Associations. The terms of reference of the Executive Committee have been determined by the Board of Directors.

4.4.2. Executive Committee

4.4.2.1. Role

The Executive Committee assists the Executive Directors in the management of the Company. The Executive Committee reports to and is accountable to the Board of Directors for the discharge of its responsibilities.

4.4.2.2. Duties

The Executive Committee has the following tasks:

- proposing, developing, implementing and monitoring the Company's strategy, taking into account the values of the Company, its risk profile and key policies;
- supervising compliance with the legislation and regulations that apply to the Company;
- develop, manage and assess internal control systems to allow identification, assessment, management and monitoring of financial and other risks;
- organizing, coordinating and monitoring all functions of the Company;
- prepare complete, timely, reliable and accurate financial statements of the Company in accordance with the accounting standards and policies of the Company, and prepare the Company's required disclosure of the financial statements and other material financial and non-financial information;
- supporting the Executive Directors in the day-to-day management of the Company and with the performance of their other duties;
- investigate, draw up and develop policies proposals and strategic or structural projects to be presented to the Board of Directors for approval, report to the Board on their implementation, and provide information that is necessary to the Board to enable it to carry out its duties;
- develop, manage and assess internal control systems to allow identification, assessment, management and monitoring of financial and other risks.

The Executive Committee reports to and is accountable to the Board for the discharge of its responsibilities.

4.4.2.3. Composition

The Executive Directors (CEO and Deputy CEO) together with the CSO, the Chief Investor Relation Officer and the CMO are members of the Executive Committee. The Executive Committee is chaired by the CEO of BioSenic and in his absence by the Deputy CEO. The members of the Executive Committee are appointed and may be dismissed by the Board of Directors at any time. The Board of Directors appoints them on the basis of the

recommendations of the Nomination and Remuneration Committee, which also assists the Board of Directors on the remuneration policy for the members of the Executive Committee, as well as their individual remunerations.

The remuneration, duration and the conditions of the resignation of the members of the Executive Committee are governed by the agreements entered into between the Company and each member of the Executive Committee in respect of their function within the Company.

The current members of the Executive Committee are listed in the table below:

Name	Title
François Rieger	Chief Executive Officer and Executive Director
Véronique Pomi-Schneiter	Deputy Chief Executive Officer and Executive Director
Carole Nicco	Chief Scientific Officer
Alexia Rieger	Chief Investor Relation Officer
Lieven Huysse	Chief Medical Officer

A brief overview of the relevant experience of the Executive Committee members in place is set out below.

- **Mr. François Rieger** (79), **(CEO)** holds a PhD in Neurobiology, which he completed in 1973 at the *Ecole Normale Supérieure de Paris, rue d'Ulm*. His work allowed him to purify and characterize the structure of acetylcholinesterase, the main current target of Alzheimer's disease treatments. He then went on to study the cholinergic synapse and neuromuscular pathologies related to deficient functioning of nerve impulse transmission. He was appointed Visiting Assistant Professor of Neuropathology at Harvard University from 1975 to 1978, and upon his return to France, he developed a research team in a joint INSERM/CNRS unit at the Pitié-Salpêtrière Hospital on the role of ion channels in the function and morphogenesis of mammalian nerve and muscle. A stay from 1985 to 1988, at the Rockfeller University in New-York, in the laboratory of Professor Gerald Edelman, Nobel Prize, as Senior Associate Researcher, allowed him to extend his field of investigation to the field of Cellular Adhesion Proteins and to demonstrate the implication of N-CAM and cytotactin/tenascin in synaptic morphogenesis and innervation-reinnervation phenomena. In 1990, he established in his laboratory a new line of research on the primary factors of Multiple Sclerosis, an autoimmune demyelinating disease in humans, which led his laboratory to characterize a gliotoxic protein factor in MS patients and, later, in 1998, to discover in humans a fossil retrovirus still active through its envelope protein, and involved in the triggering of the autoimmune cascade in the disease. In 2007, F. Rieger created in Geneva a Binational Scientific Interest Group on the Broader Theme of Aging and Longevity, with the participation of several Franco-Swiss scientific leaders, intended to take into account both the molecular and societal aspects of this largely unexplored field. F. Rieger is Director of Research at the CNRS and author or co-author of more than 175 international publications in the field of Life Sciences and Neurosciences. F. Rieger is currently leading an Innovative Project concerning the therapeutics of Autoimmune Diseases and a co-Founder of the biotech Medsenic. He has led two successful Phase II clinical trials on Systemic Lupus erythematosus and Graft-versus Host Disease, opening a solid path towards the use of several formulations of active arsenic for the treatment of chronic, autoimmune diseases.

- **Ms. Véronique Pomi-Schneiter** (58), **(Deputy CEO)** has 30 years of experience in operational leadership, human resource management, resource utilisation and organisational development in highly decentralised organisations. Graduated of the IFG Lorraine Business School, she has been a consultant, manager and director of companies in the consulting and human resources sector. In

2010, Véronique decided to found Medsenic with Prof François Rieger, to bring her expertise in business development and fundraising. Her experience includes streamlining operations, developing, and implementing organisational solutions and applying global HR expertise to influence the achievement of strategic objectives.

- **Dr Carole Nicco** (50), **(CSO)** obtained a Ph.D. in human physiology and physiopathology from Denis Diderot University of Paris in 2000. After two years working for the startup Protexel, she obtained a full-time position as a research engineer at Paris Cité University. From 2005 to 2023 she was one of the PI's and the lab manager of the research team now called "Pathogeny and innovative treatments for chronic fibro-inflammatory diseases'' at Cochin Institute, a biomedical research center affiliated with INSERM (Unit 1016), CNRS (UMR 8104) and the Paris Cité University. She was head of the conventional pré-clinical facility of the Cochin Institute for 10 years. Dr. Nicco brings research experience in cancer biology, inflammation, immunity, new target identification, and drug discovery. she has directed dozens of preclinical studies for pathologies ranging from cancer to endometriosis, as well as in autoimmune diseases (systemic lupus erythematous, systemic sclerosis, chronic graft versus host disease) or pathologies implicating the immune system, including wound healing, uveitis, sepsis, hepatitis, and endometriosis. Additionally, she has led numerous therapeutic projects from initial inception to preclinical development in cancer, gynecologic and autoimmune diseases for academic projects but also in collaboration with Vertex, Boiron, IPRAD, GYNOV and Medsenic. She has more than 110 articles published in international referenced journals. Dr. Nicco was vice-president of the international non-profit International Society of Antioxidants in Nutrition and Health for 2 years and becomes president of Redox Medicine Society in 2023. Since 2016, she has been a member of the scientific committees and advisory board of four international congresses: Paris Redox, Targeting Mitochondria, Targeting Microbiota, Skin challenges.

- **Ms. Alexia Rieger** (27), **(Chief Investor Relation Officer)** Alexia Rieger graduated from the Ecole Hotelière of Lausanne and pursued her studies in the field of the finance by getting a Master degree in Financial Markets and Investments at Skema Business School. She cumulated professional experiences in different financial fields such as in portfolio management for Architas (AXA subsidiary) and in an M&A boutique focused on helping startups to raise funds (VC: Seed to Serie B), based in Geneva. More recently, Alexia joined Medsenic SAS as Business and Financial Officer. She works on the strategy and the finances of BioSenic to develop the entity in the future, in addition to working, since the beginning, on the reverse merger between BioSenic and Medsenic. Alexia is the daughter of Executive Director and CEO François Rieger.

- **Lieven Huysse** (54), **(CMO)**. Lieven Huysse obtained his medical degree from the University in Gent, graduating in 1995. After an internship of 2.5 years, part of a training plan in orthopaedic surgery, he switched to the healthcare industry. Lieven gained sound experience both in the medical device (17 years- endovascular catheters, trauma products, hip, knee, spine) and in the pharma industry (8 years, psychiatry, cardiovascular, allergy/immunology, diabetes). In 2003 he finished an executive MBA at the Swiss Business school. Lieven has held different positions in senior leadership in both national and mainly international positions, including eleven years working abroad (Switzerland, Spain and the Netherlands). His expertise includes managing multi-center international clinical studies, including pre-market approval studies for submission to the U.S. Food and Drug Administration, working with reimbursement authorities and Key Opinion Leader management. He previously served as CMO for Anaconda Biomed S.L., senior director of medical affairs at Intrinsic Therapeutics, Inc., director of clinical and regulatory affairs at Wright Medical EMEA (now Microport®), medical director for Menarini Group, global brand medical manager for Switzerland-based UCB Farchim, manager clinical Affairs EMEA at Stryker Corp. and Medical Advisor EMEA at Janssen. Lieven is a Belgian national with mother tongue Dutch and is also fluent in English, French and German**.**

4.4.3. Operation

The Executive Committee meets regularly whenever it is required for its proper functioning.

The CEO and the Deputy CEO have been appointed as Executive Directors of BioSenic and can be removed by the Board of Directors of BioSenic. The CEO and the Deputy CEO are entrusted by the Board of Directors with the day-to-day management of BioSenic.

4.5. Internal Control and Risk Management Systems

4.5.1. Internal Mechanism

The role of the Executive Directors & Executive Committee is to develop and maintain adequate control system to assure:

- the realization of company objectives;
- the reliability of financial information;
- the adherence to applicable laws and regulations;
- monitor the internal and external impact of the risks identified by its Committees, and the management of the risks identified.

The Audit Committee has guiding, supervisory and monitoring role with respect to the Executive Directors & Executive Committee, as regards the development, maintenance and execution of internal controls and:

- assists the Board of Directors in respect of control issues in general;
- acts as the interface between the Board of Directors and the external auditors of the Company.

No internal audit role has been assigned at this point in time as the size of the business does not justify a permanent role in this respect—typical internal audit activities will be outsourced from time to time whereby the Audit Committee will determine frequency of these audits and select topics to be addressed.

4.5.2. Risk Analysis

Risk Factors Related to the Company

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

Risk factors related to BioSenic Group's financial position and capital requirement

- BioSenic and its subsidiary Medsenic are clinical-stage biotechnology companies and have not yet commercialized any of their products. They have therefore incurred net losses since their inception and expect to continue to incur net losses in the foreseeable future. As a result, BioSenic Group might never achieve sustained profitability.
- As BioSenic Group does not have cash flow generating commercial activities, it is largely dependent on external funding which may not be available on acceptable terms when needed, if at all.

Risk factors related to BioSenic Group's business activities and industry

- The absence of similar cell therapy products on the market generates a number of unknown factors which may have an adverse effect on the business, the results, the financial situation and the development of BioSenic Group.

- BioSenic Group's business environment is characterized by rapid technological change and complexity which could limit or eliminate the market opportunity for its product candidates.

- The spread of COVID-19 and the resulting government-imposed containment measures have impacted the global economy and BioSenic's business activities and financial condition, resulting in potential delays in its clinical trial activities.

Risk factors related to clinical development

- Biosenic Group's research programmes and product candidates, ALLOB cells and its therapies for cGvHD, SLE and SSc based on arsenic trioxide, must undergo rigorous pre-clinical tests and regulatory reviews before, during and after each phase of the clinical trials, of which the start, timing of completion, number and results are uncertain and could substantially delay or prevent the products from reaching the market. As most autoimmune diseases are rare diseases, a smaller patient population is available which needs to be recruited over multiple clinical sites. Moreover, many factors other than patient population size affect patient enrolment and could lead to a slower than expected patient recruitment rate. If BioSenic Group experiences significant delays or is unable to obtain marketing authorization, this would prevent the product candidates from reaching the market and could have adverse effects on BioSenic Group's activities, costs and valuation, as well as on the shareholders' investment.

- Results of preclinical studies and early-stage clinical trials of BioSenic Group's product candidates may not be directly predictive of the results of later-stage clinical trials.

- BioSenic Group's product candidates may have serious adverse, undesirable or unacceptable side effects which may delay or prevent marketing approval. The risk also exists that the side effects appear after the commercialisation and would require to take a product off the market or limit its sales.

- Failure to successfully identify, develop and commercialize competitive additional products or product candidates could impair BioSenic Group's ability to grow in the immediate and longer term.

Risk factors related to post-authorization risks

- Failure to obtain marketing authorization, additional post-authorization studies, restricted use, withdrawal or limited market acceptance of BioSenic's products among third party payers, doctors, patients and the medical community in general would affect BioSenic's ability to generate revenues from such products or become profitable.

- The price setting, the availability and level of adequate reimbursement by third parties, such as insurance companies, governmental and other healthcare payers is uncertain and may impede BioSenic Group's ability to generate sufficient operating margins to offset operating expenses.

- BioSenic Group has no experience in sales, marketing and distribution, which may have an adverse effect on its ability to successfully manage its sales, marketing and distribution when its products come on the market.

Risk factors related to legal and regulatory risks

- Nearly all aspects of BioSenic Group's activities are subject to substantial regulation and if BioSenic Group does not comply with one or more of the standards of the Competent Authorities, it could experience significant delays in development or commercialization, additional costs, refusals, suspension, withdrawals of approvals.

- If any product liability claims are successfully brought against BioSenic Group or its collaborators, BioSenic Group may incur substantial liabilities and may be required to limit the commercialization of its product candidates.

- Failure to comply with Good Manufacturing Practices and other manufacturing regulations may impede BioSenic Group's ability to develop and commercialize its product and scale-up of manufacturing.

Risk factors linked to intellectual property

- BioSenic Group's patents and other intellectual property rights portfolio may not adequately protect its research programmes and other product candidates, or BioSenic Group may not be able to protect and/or enforce its intellectual property rights in all key countries or territories, which may impede BioSenic Group's ability to compete effectively.

- Should BioSenic Group be unable to obtain new license rights on reasonable terms, or if it would lose any of its licenses or otherwise experiences disruptions to its business relationship with its licensors, BioSenic Group might be unable to develop, manufacture or sell its products.

- If BioSenic Group is not able to prevent disclosure of its trade secrets, know-how, or other proprietary information, the value of its technology and product candidates could be significantly diminished.

- BioSenic Group may infringe on the patents or intellectual property rights of others and may face patent litigation, which may be costly and time consuming and could result in BioSenic Group having to pay substantial damages or limit BioSenic Group's ability to commercialize its product candidates.

Risk factors linked to the BioSenic Group's dependence on third parties and on key personnel

- Manufacturing of BioSenic Group's products requires chemicals, human or derived raw materials to be obtained from third parties and may be more costly than expected.

- BioSenic Group relies, and expects to continue to rely, on third parties, including independent clinical investigators, and CROs, and CDMOs to conduct its preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, BioSenic Group may not be able to obtain regulatory approval for or commercialize its product candidates and its business could be substantially harmed.

- BioSenic Group is subject to competition for its skilled personnel and challenges in identifying and retaining key personnel could impair BioSenic Group's ability to conduct and grow its operations effectively.

- BioSenic Group has obtained significant grants and subsidies. The terms of certain of these agreements may significantly hamper the Group in its flexibility to choose a convenient location for its activities.

- BioSenic Group might not find suitable industrial partners to pursue the development, the commercialisation or the distribution of its products candidates.

Risks relating to the contribution of 51% of the shares of Medsenic to BioSenic

- BioSenic Group inability to successfully integrate Medsenic or any other companies acquired in the future and to retain its current and prospective employees, could have a material adverse effect on its business.

- The contribution of the remaining 49% of the shares of Medsenic will result in additional dilution for existing shareholders of BioSenic.

- The Contribution will result in a material amount of goodwill to be included in the total assets of BioSenic and in case of bankruptcy, shareholders may not be able to recover their investment in whole or in part, given that BioSenic's goodwill and intangible assets represent a material part of its assets and that BioSenic has a significant debt.

Key Risk Factors Related to the shares

- The market price of the shares may fluctuate widely in response to various factors.
- Future issuances of shares or warrants may affect the market price of the shares and could dilute the interests of existing shareholders.
- Holders of the shares outside Belgium and France may not be able to exercise pre-emption rights.
- The market price of the shares could be negatively impacted by sales of substantial numbers of shares in the public markets.
- The Company does not intend to pay dividends for the foreseeable future.

4.5.3. Financial Risk Management

4.5.3.1. Liquidity Risk Management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's main sources of cash inflows at current are obtained through capital increases, subsidies, government loans, convertible bonds and where appropriate loans from commercial banks to finance long-term requirements (investment in infrastructure). A key objective of the Board together with the Executive Directors is to ensure that the Company remains adequately financed to meet its immediate and medium-term needs.

If necessary and appropriate, the Company assures itself of short-term borrowing facilities to cover short-term cash requirements.

4.5.3.2. Interest Rate Risk Management

BioSenic and Medsenic have long term investments loans granted by third parties (including the European Investment Bank and investors in (convertible) bonds issued by BioSenic) and by regional investment bodies (for the fixed part, but also including the turnover independent reimbursements (30%) related to RCA's concluded as of 2009). The Group at current does not undertake any hedging.

All the negotiated interest rates are fixed, and no loans are exposed to variable rates.

4.5.3.3. Credit Risk

The Company believes that its credit risk, relating to receivables, is limited because currently almost all its receivables are with public institutions. Cash and cash equivalent and short-term deposits are invested with highly reputable banks and financial institutions.

The maximum credit risk, to which the Group is theoretically exposed as at the balance sheet date, is the carrying amount of the financial assets. At the end of the reporting period no financial assets were past due, consequently no financial assets were subject to impairment.

4.5.3.4. Foreign Exchange Risk

The Company is currently not exposed to any significant foreign currency risk.

However, should the Company enter into long-term collaboration agreements with third parties for which revenues would be expressed in a foreign currency, the Company might in such case consider entering into a hedging arrangement to cover such currency exposure (in case the related expenditure is planned in local currency). The Company will also monitor exposure in this respect following the establishment of its US subsidiary. At current, there is no significant exposure in USD.

4.5.4. Controls, Supervision and Correctives Actions

Within the Board of Directors, an annual strategy meeting is organized:

- the management presents strategic plans for the different aspects of the business;
- the Board of Directors reviews these plans and selects between strategic options when necessary;
- the Board reviews on a regular basis the validity of the strategic options chosen and redirect where necessary.

The Executive Directors develop a long-term financial plan (at least 3 years looking forward) incorporating the strategy decided upon — this plan is updated on a regular basis to keep it in line with the strategy plans.

The Executive Directors develop an annual budget which is approved by the Board of Directors and which is closely monitored during the year. Deviations are reported to the Board of Directors and corrective action is taken when necessary.

BioSenic has implemented an ERP system in support of its financial and logistics management. This system will be evaluated at regular intervals in how far it meets the needs of the organization. Where and when necessary, the system will be further upgraded to address new needs or to strengthen controls.

In general supervision and monitoring of the operations of BioSenic is done on a permanent/daily basis at all levels within BioSenic. As general policy deviations are reported at all times to the supervisory level.

4.6. Market Abuse Regulations

In its Corporate Governance Charter, the Company established several rules to prevent illegal use of inside information by Directors, shareholders, management members and employees, or the appearance of such use.

These prohibitive provisions and the monitoring of compliance with them are primarily intended to protect the market. Insider dealing attacks the very essence of the market. If insiders are given the opportunity to make profits on the basis of inside information (or even if the mere impression thereof is created), investors will turn their back on the market. A decreased interest may affect the liquidity of listed shares and prevents optimal company financing.

An insider can be given access to inside information within the scope of the normal performance of his duties. The insider has the strict obligation to treat this information confidentially and is not allowed to trade financial instruments of the Company to which this inside information relates.

The Company keeps a list of all persons (employees or persons otherwise working for the Company) having (had) access, on a regular or occasional basis, to inside information. The Company will regularly update this list and transmit it to the FSMA whenever the FSMA requests the Company to do so.

With a view to preventing market abuse (insider dealing and market manipulation), the Board of Directors has established a dealing code. The dealing code describes the declaration and conduct obligations of Directors, executives and staff members of the Company with respect to transactions in shares and other financial instruments of the Company. The dealing code sets limits on carrying out transactions in shares and other financial instruments of the Company and allows dealing by the above-mentioned persons only during certain windows

4.7. Remuneration Report

BioSenic complies with the law of 28 April 2020 implementing the EU Directive 2017/828 as regards the encouragement of long-term shareholder engagement.

4.7.1. Procedure

The Nomination and Remuneration Committee (or Remco), set up by the Board of Directors, is responsible for outlining a remuneration policy for the Executive and Non-Executive Directors.

4.7.1.1. Directors

Board members are remunerated based on a benchmarking exercise done on a regular basis by the Remco with other peer companies to ensure that this remuneration is fair, reasonable and competitive and is sufficient to attract, retain and motivate the Directors of the Company. In this respect the Remco and the Board shared the view that all board members independent and non-independent should be compensated equally with a fixed compensation. For the chairman and the chairs of the committees the board proposed a supplementary compensation.

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. As a result, no remuneration has been paid to the Non-Executive Directors until completion of the contribution of the 51% of the shares of Medsenic to BioSenic on 24 October 2022.

Without prejudice to the powers granted by law to the shareholders' meeting, the Board of Directors may set and revise at regular intervals the rules and the level of compensation for its Directors.

4.7.1.2. Executive Directors and the Executive Committee

The remuneration of the Executive Directors and the remuneration of the members of the Executive Committee are determined by the Board of Directors on recommendations made by the Nomination and Remuneration Committee, further to recommendations made by the Executive Directors (except where their own remuneration is concerned). The Company strives to offer a competitive remuneration within the sector.

4.7.2. Remuneration report

4.7.2.1. Director’s Remuneration

The remuneration of the Directors is determined by the shareholders’ meeting upon proposal of the Board of Directors on the basis of the recommendations made by the Nomination and Remuneration Committee. The following remuneration policy approved on 24 October 2022 is in place for the Non-Executive Directors’ remuneration. There has not been a deviation from the remuneration policy since its approval.

The Non-Executive Directors received a fixed remuneration in consideration for their membership of the Board of Directors and their membership of the Committees.

The Nomination and Remuneration Committee recommends the level of remuneration for Non-Executive Directors, subject to approval by the Board of Directors and, subsequently, by the shareholders' meeting. The Nomination and Remuneration Committee benchmarks Directors' compensation against peer companies to ensure that it is competitive. Remuneration is linked to the time committed to the Board of Directors and its various committees.

Following the contribution of 51% of the shares of Medsenic to BioSenic, the extraordinary shareholders' meeting of BioSenic held on 24 October 2022 decided to fix the remuneration of the Non-Executive Directors as follows:

- a fixed annual fee for the Non-Executive Directors of € 20,000 ; and
- an additional annual remuneration for membership of each committee of the Board of Directors of € 5,000 for committee members and €10,000 for the chairman of a committee.

The extraordinary shareholders' meeting of BioSenic held on 24 October 2022 also approved the proposal of the Nomination and Remuneration Committee of BioSenic to grant each year:

- 20,000 warrants to each Non-Executive Director of the Company;
- 5,000 warrants to each Committee or sub-Committee Chairman;
- as well as 5,000 additional warrants to any Director in charge of a special mandate within the Board of Directors.

At the date of this Annual Report, such warrants have not yet been granted.

The extraordinary shareholders' meeting of BioSenic held on 24 October 2022 further decided to fix the remuneration of the executive directors as follows:

- a fixed annual remuneration of € 40,000 for Mr. François Rieger; and
- a fixed annual remuneration of € 30,000 for Ms. Véronique Pomi-Schneiter.

No remuneration for Executive Directors was granted between 01 January 2022 and 24 October 2022 in their quality as Executive Directors.

The extraordinary shareholders' meeting of BioSenic held on 24 October 2022 also approved the proposal of the Nomination and Remuneration Committee of BioSenic to grant each year: 20,000 warrants to each executive director. At the date of this Annual Report, such warrants have not yet been granted.

The total remuneration for the Non-Executive Directors for 2022 amounts to €23,437.

No remuneration for Non-Executive Directors was granted between 01 January 2022 and 24 October 2022.

The table below provides an overview of the remuneration per Non-Executive Directors for the year 2022.

Name, Position	Fixed Remuneration (€)			Variable Remuneration (€)		Extra-ordinary items (€)	Pension expense (€)	Total remu-neration (€)	Fixed	Variable
	Base compensation	Attendance fees	Other benefits	One-year variable	Multi-year variable					
Innoste S.A., with as permanent representative Jean Stéphenne	4,687	/	/	/	/	/	/	4,687	100%	0%
Finsys Management SRL, represented by Jean-Luc Vandebroek	5,625	/	/	/	/	/	/	5,625	100%	0%
Claudia D'Augusta	0	/	/	/	/	/	/	0	/	/
Castanea Management SARL with as permanent representative Damian Marron	0	/	/	/	/	/	/	0	/	/
Jean-Paul Prieels	0	/	/	/	/	/	/	0	/	/
ClearSteer Consulting LLC with permanent representative Gloria Matthews	0	/	/	/	/	/	/	0	/	/
Capital Grand Est, represented by Jean-François Rax	3,750	/	/	/	/	/	/	3,750	100%	0%
Revital Rattenbach	5.625	/	/	/	/	/	/	5.625	100%	0%
Terence Sadler	3,750	/	/	/	/	/	/	3,750	100%	0%
Total	**23,437**	**/**	**/**	**/**	**/**	**/**	**/**	**23,437**	**100%**	**0%**

All Directors will be entitled to a reimbursement of out-of-pocket expenses (such as, without limitation, travel, meals and lodging expenses) actually incurred as a result of participation in meetings of the Board of Directors.

There are no loans outstanding from the Company to the members of the Board of Directors. There are no employment or service agreements that provide for notice periods or indemnities between the Company and Non-Executive Directors.

Also, any agreement entered between the Company and a Non-Executive Director, which would provide for a variable remuneration, must be submitted for approval to the next annual shareholders' meeting.

The table below provides an overview of significant positions of shares held directly or indirectly on 31 December 2022 by the Non-Executive Members of the Board of Directors. The overview must be read together with the notes referred to below.

Non-Executive Directors	Shares	
	Number	%*
Innoste S.A., with as permanent representative Jean Stéphenne	109,538	0.087%
Finsys Management SRL, with as permanent representative Jean-Luc Vandebroek	2,880	0.002%

** calculated as the percentage of all outstanding shares and warrants totaling to 125,206,411 (of which 124,008,857 are shares and 1,197,554 are warrants) at the date of the Annual Report.*

The table below provides an overview of the main condition of the warrant plans as well as information related to the financial year 2022 regarding Non-Executive Members of the Board of Directors. The characteristics of the plan can be found in Section 6.4.

	Main condition of the warrant plans					Information related to the financial year 2022		
Name Position[9]	Plan ID	Grant date	Vesting Date	Retention period	Exercise period	A) Number of options vested; B) Value at exercise price (€)	A) Number of options exercised ; B) Date of exercise	Number of options expired
Jean Stéphenne, Chairman	Plan A	28-02-19	1/3 at 28-02-2020 2/3 at 28-02-2021 3/3 at 28-02-2022	-	28-02-2019 - 28/02/2029	A) 10,000 B) 4.11	-	-
Jean Stéphenne, Chairman	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 14,332 B) 2.55	-	-
Claudia D'Augusta, Director	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 3,000 B) 2.55	-	-
Jean-Paul Prieels, Director	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 3,000[10] B) 2,74-	-	-
Damian Marron, Director	Plan A	28-02-19	1/3 at 28-02-2020 2/3 at 28-02-2021 3/3 at 28-02-2022	-	28-02-2019 - 28/02/2029	A) 1,000 B) 4.11	-	-
Damian Marron, Director	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 2,000 B) 2.55	-	-
Gloria Matthews, Director	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 2,000 B) 2.55	-	-

4.7.2.2. Remuneration of the CEO and the Other Executive Directors and the Executive Committee

4.7.2.2.1. Remuneration Policy

The remuneration package applicable in 2022 for the Executive Directors and the members of the Executive Committee is in line with the remuneration levels in comparable companies for these functions.

Due to a challenging economic environment, no variable remuneration was granted for the year 2022 to the Executive Directors and the members of the Executive Committee. However, as soon as BioSenic's financial

[9] Please note that the warrants have been offered to the Company of the representative named in the table, which is the case for Jean Stéphenne, Damian Marron and Gloria Matthews.
[10] Jean-Paul Prieels refused the warrants in February 2021.

situation again allows this, it is intended to again introduce a variable remuneration for the Executive Directors and the members of the Executive Committee.

The key components of this policy can be summarized as follows:

- The Company wants to offer a market competitive compensation to allow the recruitment, retention and motivation of expert and qualified professionals and considering the scope of their responsibilities.

- The remuneration will be structured to allow linking an appropriate part of the remuneration to individual performance and the performance of the Company and to align the interest of the individual as much as possible with the interest of the Company and its shareholders.

- For this purpose, key performance indicators (corporate and individual) are agreed upon in advance. These indicators can be operational or financial in nature (progress in clinical and preclinical programs, financial management of key financial parameters, realization of collaborations or concluding new grants, investor relation activities, compliance matters and regulatory approvals and successful completion of audits). The valuation period is aligned with the fiscal year. The weights of each performance factors applied in 2022 can be found in the table below.

Performance factor	Weight
Financial (cash position end of year, budget management, funding strategy development)	35%
Business development & Commercialization strategy development (commercial deal, scientific partnership)	30%
Clinical trials progress (recruitment timelines, sites initiations and activations)	25%
Regulatory Strategy development	10%

- The variable remuneration will be partly in cash and partly in shares, warrants or other instruments allowing acquiring shares through schemes to be approved by the annual shareholder meeting.

- The variable remuneration will only be paid when the key performance indicators agreed upon in advance are effectively met. The remuneration committee will evaluate the realization of the performance criteria and will make a proposal in respect of the variable remuneration to the Board of Directors.

- The maximum variable remuneration is set at [50% * base salary] for the CEO. For the other Executive Directors eligible for variable remuneration, the maximum variable remuneration is set between [25% and 30% * base salary] depending on the positions.

- The Company's articles of association explicitly allow to deviate from what has been defined under Article 7:91 of the Belgian Code on Companies and Associations. Article 7:91 stipulates that: "Unless otherwise provided for in the articles of association or expressly approved by the general meeting, at least one quarter of the variable remuneration of an Executive Director in a listed company must be based on predetermined and objectively measurable performance criteria over a period of at least two years, and another quarter must be based on predetermined and objectively measurable criteria over a period of at least three years".

- In accordance with Article 7:92 of the Belgian Code on Companies and Associations, which applies to agreements with leaders entered into or extended after 3 May 2010, any such agreement which includes a provision providing for a severance package exceeding 12 months' remuneration, or, on motivated advice of the Nomination and Remuneration Committee, exceeding 18 months, must be submitted for prior approval to the next annual shareholders' meeting. Any proposal to grant a higher severance package must be communicated to the works council (or to other designated bodies or persons representing the employees, if this council does not exist; i.e., the employee representatives in the committee for the prevention and protection in the workplace or, in the absence of this committee, to the trade union delegation) at least thirty days prior to the publication of the convening notice of the next annual general shareholders meeting, which may then give its advice to the annual general shareholders meeting, at the latest on the day of publication of the convening notice of the annual general shareholders' meeting. This advice is published on the website of the Company.

- In accordance with Article 7:149 of the Belgian Code on Companies and Associations, which applies to agreements with leaders entered into or extended after 3 May 2010, any such agreement which includes a provision providing for a severance package exceeding 12 months' remuneration, or, on motivated advice of the Nomination and Remuneration Committee, exceeding 18 months, must be submitted for prior approval to the next annual shareholders' meeting. Any proposal to grant a higher severance package must be communicated to the works council (or to other designated bodies or persons representing the employees, if this council does not exist; i.e., the employee representatives in the committee for the prevention and protection in the workplace or, in the absence of this committee, to the trade union delegation) at least thirty days prior to the publication of the convening notice of the next annual general shareholders meeting, which may then give its advice to the annual general shareholders meeting, at the latest on the day of publication of the convening notice of the annual general shareholders' meeting. This advice is published on the website of the Company.

- In accordance with Article 7:90 of the Belgian Code on Companies and Associations, the criteria for granting variable remuneration to leaders must, as of 1 January 2011, be included in the contractual or other provisions governing the relevant legal relationship. The variable remuneration can only be paid out if the milestones for the reference period have been met. If the aforementioned obligations are not complied with, the variable remuneration may not be taken into account for calculating the severance pay.

- The Company currently does not foresee in a specific pension plan neither for the CEO nor for the other members of the Executive Committee.

This remuneration report includes the amount of the remuneration of, and any other benefits granted to, BioSenic's CEO in 2022, on a broken-down basis.

	Fixed Remuneration (€)			Variable Remuneration (€)						
Name, Position	Base compensation	Administrator compensation	Other benefits	One-year variable	Multi-year variable	Extra-ordinary items (€)	Pension expense (€)	Total remu-neration (€)	Fixed	Variable
mC4Tx SRL, represented by Miguel Forte, CEO until 24 October 2022	261,697	/	6,484	/	/	/	/	268,181	100%	0%
François Rieger, CEO since 24	25,090	9,375	4,089	/	/	/	/	38,553	100%	0%

October 2022										

Other benefits include transportation repayments and phone bills repayments.

The one-year variable is a bonus based on key performance indicators stated above. The maximum variable remuneration is set at [50% * base salary] for the CEO.

However, due to a challenging economic environment, no variable remuneration was granted for the year 2022.

In accordance with the employment contract entered between Medsenic and Mr. François Rieger, a gross fixed annual remuneration of €115,000 is paid by Medsenic to Mr. François Rieger.

In accordance with Article 3:6 of the Belgian Code on Companies and Associations, this remuneration report also includes the amount of the remuneration of, and any other benefits granted to, the Company's other Members of the Executive Committee, on a broken-down basis.

The Executive Committee (excluding the CEO) in place during 2022 was as follows:

- Lieve Creten B.V, represented by Lieve Creten, CFO ad interim, until 30 April 2022;
- Venture Advances Therapies Limited, represented by Stefanos Theoharis, CBO, until 31 August 2022;
- Antony Ting, CSO, until 31 May 2022;
- Anne-Sophie Lebrun, COO, until 30 September 2022;
- Anne Leselbaum, CMO, until 30 November 2022;
- Véronique Pomi-Schneiter, Deputy Chief Executive Officer and Executive Director, from 24 October 2022;
- Michel Wurm, Chief Medical Officer ad interim, from 1 December 2022;
- Alexia Rieger, Chief Investor Relation Officer, from 24 October 2022. Alexia Rieger is the daughter of Executive Director and CEO François Rieger.

The contracts with all members of the Executive Committee can be terminated at any time, subject to certain pre-agreed notice periods not exceeding 12 months, which may, at the discretion of BioSenic, be replaced by a corresponding compensatory payment.

Please find the amount of remuneration for 2022 on a broken-down basis for Members of the Executive Committee other than the CEO:

	Fixed Remuneration (€)			Variable Remuneration (€)		Extra-ordinary items (€)	Pension expense (€)	Total remuneration (€)		
Name, Position	Base compensation	Administrator compensation	Other benefits	One-year variable	Multi-year variable				Fixed	Variable
Other Members of the Executive Committee	646,750	5,625	40,754	/	/	/	/	693,131	100%	0%

Other benefits include transportation repayments and phone bills repayments.

The one-year variable is a bonus based on key performance indicators stated above. The maximum variable remuneration is set between [25% and 30% * base salary] depending on the positions.

However, due to a challenging economic environment, no variable remuneration was granted for the year 2022.

The table below provides an overview of the main conditions of the warrant plans as well as information related to the financial year 2022 regarding members of the Executive Committee:

	Main condition of the warrant plans					Information related to the financial year 2022		
Name Position	Plan ID	Grant date	Vesting Date	Retention period	Exercise period	A) Number of options vested; B) Value at exercise price (€)	A) Number of options exercised; B) Date of exercise	Number of options expired
Miguel Forte, CEO	Plan 2020	29-05-20	29-05-20	-	30/05/2023 - 29/05/2027	A) 51,724 B) 2.74	-	-
Miguel Forte, CEO	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 58,000 B) 2.55	-	-
Jean-Luc Vandebroek, CFO	Plan A	28-02-19	1/3 at 28-02-2020 2/3 at 28-02-2021 3/3 at 28-02-2022	-	28-02-2019 - 28/02/2029	A) 24,000 B) 4.11	-	-
Jean-Luc Vandebroek, CFO	Plan 2020	29-05-20	29-05-21	-	30/05/2023 - 29/05/2027	A) 12,000 B) 2.74	-	-
Jean-Luc Vandebroek, CFO	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 7,500 B) 2.55	-	-
Olivier Godeaux, CMO	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 5,000 B) 2.55	-	-
Stefanos Theoharis, CBO	Plan 2020	23-12-20	23-12-20	-	24/12/2023 - 23/12/2027	A) 5,000 B) 2.55	-	-

The table below provides an overview of significant positions of shares held directly or indirectly on 31 December 2022 by the Members of the Executive Committee. The overview must be read together with the notes referred to below.

Executive Committee Member	Shares	
	Number	%*
François Rieger	26,589,361	21.236%
Véronique Pomi-Schneiter	13,306,121	10.627%

** calculated as the percentage of all outstanding shares and warrants (125,206,411 which is 124,008,857 shares and 1,197,554 warrants) at the date of the Document*

Currently, no member of the Executive Committee (composed of François Rieger, Véronique Pomi-Schneiter, Carole Nicco, Alexia Rieger and Lieven Huysse) has been granted any warrants. The extraordinary shareholders' meeting of BioSenic held on 24 October 2022 did however approve to grant each year 20,000 warrants of BioSenic to each executive director (i.e., François Rieger and Véronique Pomi-Schneiter), but such warrants have not yet been granted.

On the date of the Annual Report, François Rieger holds 26,589,361 shares in BioSenic and Véronique Pomi-Schneiter holds 13,306,121 shares in BioSenic. None of the other members of the Executive Committee holds directly or indirectly any shares in BioSenic.

4.7.2.3. Severance Provisions and Payments

- François Rieger

François Rieger has an employment contract with the affiliate Medsenic. In the event of termination of the employment contract, the legal provisions of the French law apply.

- Véronique Pomi-Schneiter

Véronique Pomi-Schneiter has an employment contract with the affiliate Medsenic. In the event of termination of the employment contract, the legal provisions of the French law apply.

- Carole Nicco

Carole Nicco has an employment contract with the affiliate Medsenic. In the event of termination of the employment contract, the legal provisions of the French law apply.

- Alexia Rieger

Alexia Rieger has an employment contract with the affiliate Medsenic. In the event of termination of the employment contract, the legal provisions of the French law apply.

- Lieven Huysse

Lieven Huysse has an employment contract with the Company. In the event of termination of the employment contract, the legal provisions of Belgian law apply.

No severance pay has been paid throughout 2022 for any of the leadership team members.

4.7.2.4. Evolution of remuneration and performance of the Company

The table below includes the evolution of the Remuneration of Non-Executive Directors, Remuneration of CEO, Remuneration of Core Leadership Team ("CLT"), Company performance and the average remuneration per FTE employee for last 5 years:

	2018	2019	2020	2021	2022
Remuneration of Non-Executive Directors					
Total annual remuneration (€)	227,500	172,500	150,000	150,000	23,437
Year-on-year difference	2%	-24%	-13%	0%	-84%
Number of Non-Executive Directors under review	12	7	5	5	9
Remuneration of CEO					
Total annual remuneration (€)	355,000	328,000	432,000	339,127	306,735
Year-on-year difference	26%	-8%	32%	-21%	-10%
Remuneration of CLT					
Total annual remuneration (€)	963,000	1,056,000	1,060,000	1,359,679	687,506
Year-on-year difference	-8%	10%	0,4%	28%	-49%
Number of CLT Members under review	6	7	6	8	8
Company performance (thousands of euros)					
Net profit/(loss) for the period	(14.1)	(10.3)	(11.9)	(12.9)	(3.05)
Cash position at the end of year	8,1	8,6	14,6	9,5	1,8
Average remuneration per FTE employee					
Average employee cost per FTE	72,151	75,493	84,879	98,491	110,941
Year-on-year difference	5%	5%	12%	16%	13%

4.7.2.5. Total Remuneration of CEO versus Lowest Remuneration Employee

The Table below shows a comparison of the 2022 total remuneration of the CEO (in €), to the 2022 remuneration of the lowest paid full time BioSenic SA employee (in €). The remuneration includes fixed and variable remuneration as well as employee benefits, excluding employer social security charges.

2022	
Ratio of Total Remuneration of CEO versus Lowest Remunerated Employee	1:8

4.7.2.6. Claw Back Provisions

There are no provisions allowing the Company to reclaim any variable remuneration paid to the CEO or the other members of the Executive Committee.

5. RELATED PARTY TRANSACTIONS

5.1. General

Each member of the Executive Committee and each Director needs to focus to arrange his or her personal business to avoid direct and indirect conflicts of interest with the Company. The Company's corporate governance charter contains specific procedures when potential conflicts could appear.

5.2. Conflicts of Interest of Directors

There is a conflict of interest when the director has a direct or indirect financial interest adverse to that of BioSenic. In accordance with Article 7:96 of the Belgian Code on Companies and Associations, a director of a limited company which "has, directly or indirectly, an interest of an economic nature in a decision or an operation under the Board of Directors" is held to follow a particular procedure. In accordance with BioSenic's Corporate Governance Charter, if members of the Board, or of the Executive Committee or their permanent representatives are confronted with possible conflicting interests arising from a decision or transaction of BioSenic, they must inform the Chairman of the Board thereof as soon as possible. Conflicting interests include conflicting proprietary interests, functional or political interests or interests involving family members (up to the second degree).

If Article 7:96 of the Belgian Code on Companies and Associations is applicable, the Board member involved must abstain from participating in the deliberations and in the voting regarding the agenda items affected by such conflict of interest.

Below is an overview of the meetings of the Board of Directors in which the conflict-of-interest procedure has been applied.

Excerpt from the minutes of the meeting of the Board of Directors held on 28 March 2022:

"Prior to discussing the items on the agenda, the Board acknowledged that, in accordance with Article 7:96 of the Code on Companies and Associations, mC4Tx SRL, represented by Mr Miguel Forte, director of the Company, declares having a direct conflict of interest with decisions that fall within the of powers of the Board of Directors, for all items that will be discussed as they are directly related to his position as CEO of the Company and the potential termination of its service contract.

In accordance with Article 7:96 of the Code on Companies and Associations, the auditor of the Company, Deloitte Réviseurs d'Entreprises SRL, represented by Pieter-Jan Van Durme, shall receive a copy of the Board minutes and the extract of these minutes relating to the conflict of interests will be added in the annual report of the directors in relation to the financial year ending 31 December 2022 of the Company.

This board member […] did not take part in the deliberation or resolutions in respect of which he has a conflict of interest.

The other directors of the Company, present as aforementioned, each declare not to have any direct or indirect financial interest conflicting with the decisions to be made.

[…]

Miguel Forte introduced the discussion and then left the meeting.

[…]

The board further discussed the suggested termination of some consultants and decided, subject to several third parties' approvals (including EIB), to terminate the service contracts of Tony Ting (CSO), Stefanos

Theoharis (CBO), Lieve Creten (CFO), Valérie Chapelle (Head of HR) and Miguel Forte (CEO) based on the terms of the termination and settlement agreements communicated to the Board ahead of the meeting. The management team will transition to their departures from Bone Therapeutics over the coming months in alignment with the focus in activity.

[…]

The Board reviewed the draft termination and settlement agreements and approved the terms of these agreements. The Board granted a mandate to Innoste SA, represented by Jean Stéphenne to finalise and sign these agreements on behalf of the Company."

Excerpt from the minutes of the meeting of the Board of Directors held on 24 October 2022:

"Prior to discussing the items on the agenda, the Board acknowledged that, in accordance with Article 7:96 of the Code on Companies and Associations, Mr François Rieger and Ms Véronique Pomi-Schneiter, each an executive and non-independent director of the Company, declare having a direct conflict of interest with decisions that fall within the powers of the Board of Directors for items 3 and 4 of the agenda respectively, as they are related to their respective appointments as CEO and deputy CEO of the Company.

It is nevertheless noted that their respective remuneration as CEO and deputy CEO of the Company has been approved by the extraordinary shareholders' meeting held today 24 October 2022 and that their remuneration will consequently not be decided upon during the present Board meeting.

In accordance with Article 7:96 of the Code on Companies and Associations, the auditor of the Company, BDO Bedrijfsrevisoren – Réviseurs d'Entreprises SRL, represented by Rodrigo Abels, shall receive a copy of the Board minutes and the extract of these minutes relating to the conflict of interests will be added in the annual report of the directors in relation to the financial year ending 31 December 2022 of the Company.

Consequently, Mr François Rieger was not present during the deliberation and resolutions on point 3 of the agenda and Ms Véronique Pomi-Schneiter was not present during the deliberation and resolutions on point 4 of the agenda.

The other directors of the Company, present or represented as aforementioned, each declare not to have any direct or indirect financial interest conflicting with the decisions to be taken.

[…]

The Board resolved to:

- *terminate the mandate of Innoste SA, represented by Mr Jean Stéphenne, as Chairman of the Board, with immediate effect. The Board thanked Innoste SA, represented by Mr Jean Stéphenne, for the services rendered to the Company as Chairman of the Board*
- *appoint with immediate effect Mr François Rieger as Chief Executive Officer of the Company (the "**New CEO**"), for an unlimited duration;*
- *in relation thereto, grant powers to the New CEO to represent the Company towards third parties and in law in the context of daily management, with immediate effect;*
- *appoint with immediate effect Mr François Rieger as new chairman of the Board, for an unlimited duration.*

The Board resolved to appoint with immediate effect Ms Véronique Pomi-Schneiter, as Deputy Chief Executive Officer of the Company, for an unlimited duration."

5.3. Existing Conflicts of Interest of Members of the Board of Directors and of the Executive Committee and Related Party Transactions

Mr François Rieger (CEO and Executive Director) and Ms Véronique Pomi-Schneiter (Deputy Chief Executive Officer and Executive Director) are both party to a shareholders agreement with BioSenic dated 24 October 2022 in relation to the shares they hold in Medsenic. Mr François Rieger currently holds 22.60% of the shares in Medsenic and Ms Véronique Pomi-Schneiter currently holds 11.31% of the shares in Medsenic. Under that shareholders' agreement they have both committed to contribute their remaining shares in Medsenic to BioSenic in exchange for newly issued shares, based on a price per share of BioSenic equal to the price as used for the envisaged future equity raise. However, if Medsenic obtains extended development and commercialisation rights from Phebra (including for the US, UK and Japan) under economically favourable terms for Medsenic, the valuation of any shares not yet contributed to BioSenic will need to be revaluated which could potentially lead to a conflict of interests.

Each of Mr François Rieger and Ms Véronique Pomi-Schneiter also agreed to a lock-up of the shares in BioSenic that they acquired in exchange for contributing the relevant part of their Medsenic shares on 24 October 2022. Such lock-up does not apply to any transfers approved by the Board of Directors of BioSenic.

In addition, a potential conflict might arise in the future for any Executive Directors to whom a variable remuneration would be granted (if any) or in relation to any other compensation-related matters.

On the basis of information provided by the relevant members of the Board of Directors and of the Executive Committee of BioSenic, except as disclosed above, there are, on the date of this Annual Report, no potential conflicts of interest between any duties of the members of, respectively, the Board of Directors and members of the Executive Committee, on the one hand, and their private interest and/or other duties, on the other hand.

5.4. Related Party Transactions

5.4.1. Transactions with Members of the Board of Directors and Members of the Executive Committee

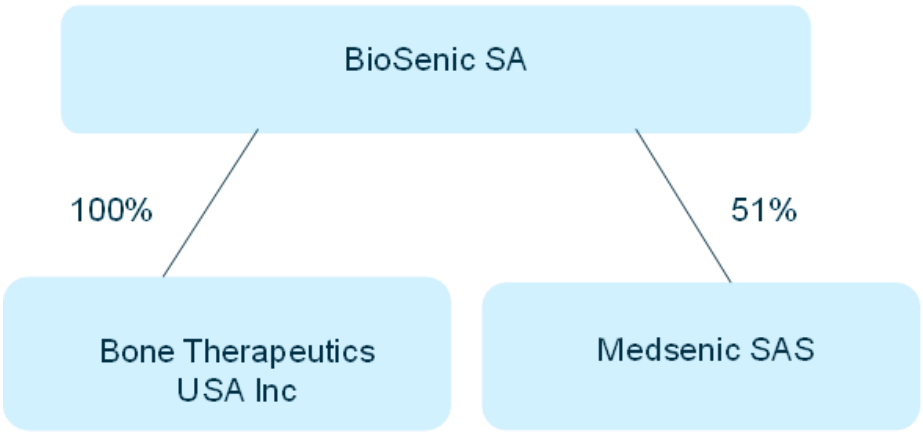
To date, no related party transaction involving the Company's Directors, or the members of the Executive Committee, except Sections 5.2, 5.3 and item below, has been disclosed to the Company.

On an individual basis, a remuneration of €48,827 was paid to Finsys Management SRL, represented by Jean-Luc Vandebroek, for his role of Finance Consultant for the Company.

5.4.2. Transactions with affiliates

Article 7:97 of the Belgian Code on Companies and Associations provides for a special procedure that applies to intra-group or related party transactions with affiliates. The procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions, and transactions or decisions with a value of less than 1% of the consolidated net assets of the Company.

At the date of this Annual Report, BioSenic has the following affiliates:



5.4.2.1. Transactions with Bone Therapeutics USA Inc.

In course of 2022, expenses related to all activities executed through Bone Therapeutics USA Inc. have been re-invoiced to the Company on 31 December 2022.

5.4.2.2. Transactions with Medsenic

BioSenic has granted Medsenic a convertible loan of maximum € 2 million, which can be converted into Medsenic's share capital at a valuation equivalent to the one retained in the framework of the Contribution of the 37,649 shares of Medsenic to the capital of BioSenic, less a risk premium of 20%. The issuance will provide for a maximum drawdown of 4 tranches of convertible bonds of € 500,000, each bearing interest at the rate of 6% per annum, that can and must be made available by BioSenic over 4 months: September, October, November and December 2022. In the event that Medsenic's financing needs are lower than expected, the third and/or fourth tranche of convertible bonds may not be issued or subscribed. At the date of this Annual Report, two tranches have been made available. The maturity date of each loan tranche made available is 31 December 2023.

5.4.3. Transactions with the shareholders of Medsenic

BioSenic entered into two agreements relating to Medsenic.

a. Subscription agreement between a large majority of the shareholders of Medsenic, as subscribers, and BioSenic

Upon the terms and subject to the conditions set forth in this subscription agreement, the subscribers transferred to BioSenic 37,649 shares in Medsenic, representing 51% of the fully diluted share capital of Medsenic (the "**Contribution**") on 24 October 2022 (the "**Completion Date**"). In exchange to the Contribution, the subscribers received 90,668,594 new ordinary shares of BioSenic on the Completion Date.

Under the subscription agreement, the shareholders of Medsenic also agreed not to sell the 90,668,594 new shares in BioSenic that they received in consideration for the Contribution for a period of nine months as of the Completion Date (i.e., until 24 July 2023). However, on 28 February 2023, 2% of the New Shares held by each of Véronique Pomi-Schneiter and François Rieger were released from the lock up and are no longer locked shares. The lock-up undertaking does not apply to:

- any transfer of locked shares by a locked shareholder to one or more of its affiliated companies;
- any transfer pursuant to a public takeover bid or squeeze out on the shares of BioSenic; and
- any transfer which is approved by the Board of Directors of BioSenic deciding on a discretionary basis.

b. Shareholders' agreement relating to Medsenic between BioSenic, as majority shareholder, and Medsenic's minority shareholders

Pursuant to a shareholders' agreement dated 24 October 2022 between BioSenic and the shareholders of Medsenic holding the remaining 49% of the shares of Medsenic (the "**Minority Shareholders**"), the Minority Shareholders agree to contribute all of their remaining Medsenic shares into BioSenic in two instalments, each time for half of their remaining shareholding. These additional contributions shall take place at the same time as the first two equity raises of BioSenic (except for capital increases relating to the exercise of warrants and conversions of convertible bonds, but including the capital increase carried out pursuant to the ALLOB warrants, if the conditions for execution are met) to be carried out within approximately 7 to 15 months from Completion Date in order to finance the continuation of BioSenic's activities. These additional contributions are not contemplated before such timeframe, and therefore also not together with any placement of new securities that is envisaged by BioSenic in Q2 2023. In the event that the conditions for the exercise of the ALLOB warrants (and the capital increase resulting from such exercise) are not met, the contribution of the remaining half of the shares will be postponed to the next capital increase of BioSenic which shall take place in 24 months from the Completion Date.

Except in case of material adverse change in BioSenic's assets, liabilities or clinical trials, these contributions will be made on the basis of Medsenic's valuation as used for the Contribution and by using the same price per share of BioSenic as used for the simultaneous equity raise (which shall not be lower than the valuation of BioSenic used for the Contribution). However, if Medsenic obtains extended development and commercialization rights from Phebra (including for the US, UK and Japan) under economically favorable terms for Medsenic, the valuation of any shares not yet contributed to BioSenic will be revaluated by an independent expert.

If BioSenic has not completed a capital increase within 2 years from completion of the Contribution, the contribution of their remaining Medsenic shares will be made in one instalment based on the same valuations as used for the Contribution. BioSenic also benefits from a call option right over the remaining 49% of Medsenic's shares to enforce such contributions. BioSenic may exercise the call option, at its sole discretion, for all (and not part) of the shares until the 24 October 2025.

6. SHARES AND SHAREHOLDERS

6.1. History of Capital—Capital Increase and Issuance of Shares

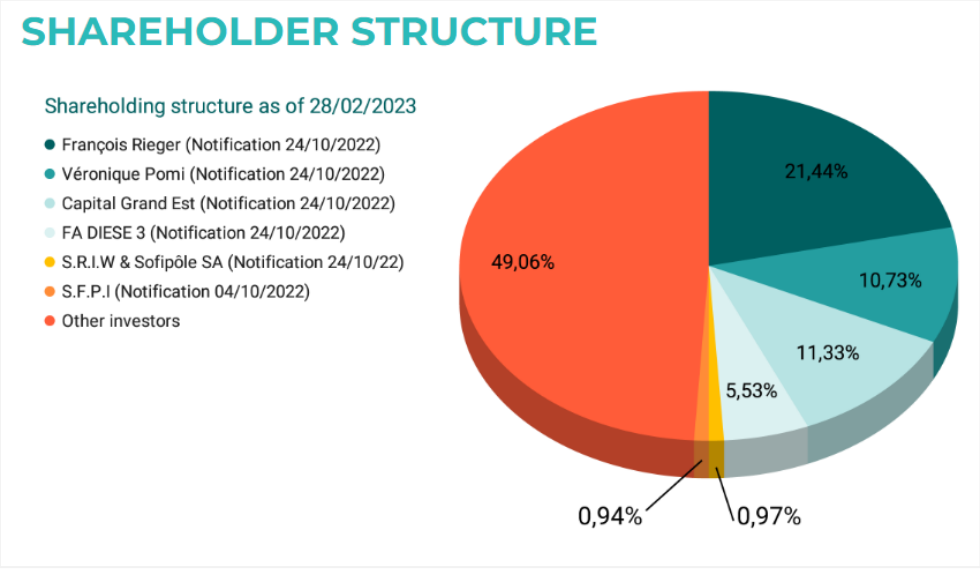
6.1.1. Securities Issued by the Company

As per 31 December 2022, there are 121,897,746 shares representing a total share capital of BioSenic of € 33,600,668.71. There are only ordinary shares without nominal value, and there are no special rights attached to any of the ordinary shares, nor special shareholder rights for any of the shareholders of BioSenic. Each shareholder of BioSenic is entitled to one vote per share. The share capital is entirely and unconditionally subscribed and fully paid up.

On 24 October 2022, the capital of BioSenic was increased from €5,600,090.51 to €32,800,668.71 through the issuance of 90,668,594 new shares in consideration for the contribution in kind of 37,649 outstanding shares in Medsenic SAS.

As per 31 December 2022, the total of exercisable warrants is 197,554 warrants for the former 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.

The graph below provides an overview of the shareholders that have notified BioSenic of their ownership of shares of BioSenic. This overview is based on the most recent transparency declaration submitted to BioSenic. All transparency notifications are available under the 'Investors' section of the Company's website: https://www.biosenic.com/investors.



BioSenic has a relatively widely held shareholder base, and no single shareholder controls BioSenic. To the best knowledge of BioSenic, there are no arrangements in place which may, at a subsequent date, result in a change in control of BioSenic.

6.1.2. History of Capital since IPO - Capital increase and issuance of shares

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 11 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.

From April 2018 to 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 €464,215 with issuance of 216,923 shares. The aggregate share premium for this transaction amounts to €1,413,251.

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.

From July 2018 to 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 €1,024,076 with issuance of 678,196 shares. The aggregate share premium for this transaction amounts to €4,608,258.
From January 2019 to 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 €968,552 with issuance of 641,425 shares. The aggregate share premium for this transaction amounts to € 1,313,907.

Via the Private Placement on 27 June 2019, the Company has raised € 5.0 million and placed 1,351,352 new shares with current and new institutional investors in Belgium. The share capital was increased by €2,040,542. The aggregate share premium for this transaction amounts to €2,959,458. Following the capital increase, the share capital of the Company amounted to €15,540,605 and was represented by 10,303,323 shares.

From July 2019 till 12 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 €479,218 with issuance of 317,363 shares and amounts to €16,019,823.16 and is represented by 10,620,686 shares. The aggregate share premium for this transaction amounts to €595,732.

On 12 December 2019, the Company decided to reduce its share capital by the incorporation of the losses. After the operation the share capital amounts to €5,427,597.19.

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 €79,592.64 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 the convertible bonds placed via a private placement announced on 29 April 2020, the share capital was increased by € 106,802.16 with issuance of 209,416 shares. The aggregate share premium for this transaction amounts to € 280,691.85.

Via the Private Placement on 15 December 2020, the Company has raised € 9.92 million and placed 4,408,881 new shares with current and new institutional investors. The share capital was increased by €2,248,529. The aggregate share premium for this transaction amounts to €7,671,471. Following the capital increase, the share capital of the Company amounted to €8,414,913 and was represented by 16,478,168 shares.

On 26 February 2021, the share capital was decreased by an incorporation of losses totaling €4,602,355 without any reduction of shares.

Via the Private Placement on 3 December 2021, the Company has raised € 3.3 million and placed 4,832,352 new shares with current and new institutional investors. The share capital was increased by € 1,111,441 The aggregate share premium for this transaction amounts to € 2,174,558. Following the capital increase, the share capital of the Company amounted to € 4,923,998.63 and was represented by 21,310,520 shares.

On 30 May 2022, BioSenic signed a subscription agreement for a maximum € 5 million convertible bonds facility arranged by ABO Securities, through its affiliated entity Global Tech Opportunities 15. The proceeds of the financing will be used to advance the clinical development of BioSenic's asset, the allogeneic bone cell therapy, ALLOB. ABO Securities, on behalf of the convertible bonds investor, commits to subscribe to up to € 5 million in convertible bonds. The convertible bonds will be issued and subscribed in ten tranches. A first tranche of 10 convertible bonds with an aggregate principal amount of € 0.5 million was issued on 9 June 2022. The second and third tranche of 20 convertible bonds in the aggregate were issued on 2 September 2022, while the fourth tranche was subscribed on 23 September 2022. A fifth tranche was subscribed on 8 December 2022. A sixth tranche was subscribed on 3 February 2023. The issue and subscription of the remaining 3 tranches with a principal amount of € 500,000 each can be requested at BioSenic's sole discretion over an eighteen-month period beginning on the signing date of the subscription agreement, subject to customary conditions to be met.

Date	Transaction	Number and class of shares issued	Issue price per share (€) including issuance premium	Capital increase/decrease (€)	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	9.51	3,252,658	19,796,710.41	6,547,779
10/02/2015	Capital increase	301,875	16	911,663	20,708,372.90	6,849,654
30/10/2017	Incorporation of losses	None	Not applicable	-6,045,571	14,662,801.49	6,849,654
09/03/2018	Capital increase/conversion convertible bonds	565,773	10.61	1,210,754	15,873,555.71	7,415,427
04/2018 – 06/2018	Capital increase/conversion convertible bonds	216,923	8.66 (average issue price)	464,215	16,337,770.93	7,632,350
09/07/2018	Incorporation of losses	None	Not applicable	-4,830,335	11,507,435.80	7,632,350
07/2018— 12/2018	Capital increase/conversion convertible bonds	678,196	8.30 (average issue price)	1,024,076	12,531,511.76	8,310,546
01/2019 – 06/2019	Capital increase/conversion convertible bonds	641,425	3.56 (average issue price)	968,552	13,500,063.51	8,951,971
01/07/2019	Capital increase	1,351,352	3.70	2,040,542	15,540,605.03	10,303,323
10/07/2019	Capital increase/conversion convertible bonds	49,522	3.79 (average issue price)	74,778	15,615,383.25	10,352,845
21/08/2019	Capital increase/conversion convertible bonds	93,952	3.51 (average issue price)	141,868	15,757,250.77	10,446,797
11/09/2019	Capital increase/conversion convertible bonds	33,200	3.54 (average issue price)	50,132	15,807,382.77	10,479,997
14/11/2019	Capital increase/conversion convertible bonds	140,689	3.13 (average issue price)	212,440	16,019,823.16	10,620,686
12/12/2019	Incorporation of losses	None	Not applicable	-10,592,226	5,427,597.19	10,620,686
18/12/2019	Capital increase/conversion convertible bonds	51,208	3.17 (average issue price)	26,116	5,453,713,27	10,671,894
29/01/2020	Capital increase/conversion convertible bonds	158,235	3.37 (average issue price)	80,700	5,534,413.12	10,830,129
26/02/2020	Capital increase/conversion convertible bonds	120,218	3.78 (average issue price)	61,311	5,595,724.30	10,950,347
25/03/2020	Capital increase/conversion convertible bonds	156,064	2.79 (average issue price)	79,593	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

Date	Transaction	Number and class of shares issued	Issue price per share (€) including issuance premium	Capital increase/decrease (€)	Share capital after transaction (€)	Aggregate number of shares after capital increase
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	209,416	1.85 (average issue price)	106,802.16	6,166,383.70	12,069,287
15/12/2020	Capital increase	4,408,881	2.25	2,248,529	8,414,913.01	16,478,168
26/02/2021	Incorporation of losses	None	Not applicable	4,602,355	3,812,557,67	16,478,168
02/12/2021	Capital increase	4,832,352	0.68	1,111,441	4,923,998.63	21,310,520
20/06/2022	Capital increase / conversion convertible bonds	185,185	0.27	42,592.55	4,966,591.18	21,495,705
04/07/2022	Capital increase / conversion convertible bonds	200,000	0.25	46,000.00	5,012,591.18	21.695.705
19/07/2022	Capital increase / conversion convertible bonds	217,391	0.23	49,999.93	5,062,591.11	21,913,096
28/07/2022	Capital increase / conversion convertible bonds	217,391	0.23	49,999.93	5,112,591.04	22,130,487
08/08/2022	Capital increase / conversion convertible bonds	416,666	0.24	95,833.18	5,208,424.22	22,547,153
12/08/2022	Capital increase / conversion convertible bonds	416,666	0.24	95,833.18	5,304,257.40	22,963,819
23/08/2022	Capital increase / conversion convertible bonds	208,333	0.24	47,916.59	5,352,173.99	23,172,152
31/08/2022	Capital increase / conversion convertible bonds	208,333	0.24	47,916.59	5,400,090.58	23,380,485
12/09/2022	Capital increase / conversion convertible bonds	217,391	0.23	49,999.93	5,450,090.51	23,597,876
22/09/2022	Capital increase / conversion convertible bonds	238,095	0.21	50,000.00	5,500,090.51	23,835,971
04/10/2022	Capital increase / conversion convertible bonds	294,117	0.17	50,000.00	5,550,090.51	24,130,088
14/10/2022	Capital increase / conversion convertible bonds	333,333	0.15	50,000.00	5,600,090.51	24,463,421
24/10/2022	Contribution in kind	90,668,594	0.45	27,200,578.20	32,800,668.71	115,132,015

Date	Transaction	Number and class of shares issued	Issue price per share (€) including issuance premium	Capital increase/decrease (€)	Share capital after transaction (€)	Aggregate number of shares after capital increase
28/10/2022	Capital increase / conversion convertible bonds	833,333	0.12	100,000.00	32,900,668.71	115,965,348
28/10/2022	Capital increase / conversion convertible bonds	1,666,666	0.12	200,000.00	33,100,668.71	117,632,014
08/11/2022	Capital increase / conversion convertible bonds	769,230	0.13	100,000.00	33,200,668.71	118,401,244
17/11/2022	Capital increase / conversion convertible bonds	2,727,272	0.11	300,000.00	33,500,668.71	121,128,516
06/12/2022	Capital increase / conversion convertible bonds	769,230	0.13	100,000.00	33,600,668.71	121,897,746
16/01/2023	Capital increase / conversion convertible bonds	1,111,111	0.13	100,000.00	33,700,668.71	123,008,857
26/01/2023	Capital increase / conversion convertible bonds	1,000,000	0.10	100,000.00	33,800,668.71	124,008,857

6.2. Authorized Capital

6.2.1. Description of the Authorized Capital

Pursuant to the decisions of the extraordinary shareholders' meetings of the Company respectively held on 13 July 2022 and on 24 October 2022 and in accordance with article 7 of the Company's articles of association, the Board has received certain powers within the framework of the authorized capital.

The extraordinary shareholders' meeting of the Company held in 13 July 2022 decided, in accordance with Articles 7:199 and 7:202 of the Belgian Code on Companies and Associations, to renew, for a period of five years, the authorization of the Board to increase the Company's share capital by a maximum aggregate amount of € 5,012,591.18 under the same conditions as those currently provided for in article 7 of the articles of association of the Company, including in the event that the Company receives a communication from the Financial Services and Markets Authority ("*Autorité des services et marchés financiers*" - FSMA) indicating that it has been informed of a takeover bid concerning the Company.

Then, on 24 October 2022, the extraordinary shareholders' meeting decided, in accordance with Articles 7:199 and 7:202 of the Belgian Code on Companies and Associations to renew, for a period of five years, the authorization of the Board to increase the Company's share capital by a maximum aggregate amount of € 32,800,668.71 under the same conditions as those currently provided for in article 7 of the articles of association of the Company, including in the event that the Company receives a communication from the Financial Services and Markets Authority ("*Autorité des services et marchés financiers*" - FSMA) indicating that it has been informed of a takeover bid concerning the Company.

The Board is authorized to increase the share capital within the framework of the authorized capital, on one or more occasions in the following cases:

(a) capital increases or issues of convertible bonds or subscription rights where the preferential subscription rights of shareholders are limited or cancelled (Article 7:200, 1° of the Belgian Code on Companies and Associations);

(b) capital increases or issues of convertible bonds where the preferential subscription rights of shareholders are limited or waived in favour of one or more specified persons, other than employees of the Company or its subsidiaries (Article 7:200, 2° of the Belgian Code on Companies and Associations);

(c) capital increases carried out by incorporation of reserves (Article 7:200, 3° of the Belgian Code on Companies and Associations).

The Board may, in the interests of the Company and in compliance with and within the limits of the conditions provided for in the Belgian Code on Companies and Associations, limit or cancel the preferential subscription right, even in favour of one or more specified persons, other than the employees of the Company or its subsidiaries.

The capital increases decided pursuant to this authorization may be carried out by contributions in cash or, within the limits of legal conditions, in kind, with or without the creation of new shares, preferential or not, with or without voting rights, with or without subscription rights. These capital increases may be carried out with or without share premium. The issue premiums, if any, will be allocated to the "Issue Premiums" account which, like the share capital, will constitute the guarantee of third parties and may only be disposed of in accordance with the legal provisions in force for the amendment of the articles of association, except in the case of the incorporation of these premiums into the capital account.

6.2.2. Available Amount within the Authorized Capital

Since the renewal of the authorized capital by the extraordinary shareholders' meeting on 24 October 2022, the Board has not made use of its powers as described above.

Consequently, 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 € 32,800,668.71 (excluding any issue premiums).

6.3. Changes in Capital

6.3.1. Changes to the Share Capital by the Shareholders of the Company

At any given time, the shareholders' meeting can resolve to increase or decrease the share capital of the Company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association.

6.3.2. Capital Increases by the Board of Directors of the Company

Subject to the same quorum and majority requirements that apply to an amendment of the articles of association, the shareholders' meeting can authorize the Board of Directors, within certain limits, to increase the Company's share capital without any further approval of the shareholders. This authorization needs to be limited in time (*i.e.* it can only be granted for a renewable period of maximum five years) and in scope (*i.e.* the authorized share capital may not exceed the amount of the share capital at the time of the authorization).

On 24 October 2022, the extraordinary shareholders' meeting of the Company granted authorization to the Board of Directors to increase the Company's share capital, in one or several times, with a maximum amount of € 32,800,668.71 (excluding issuance premiums, if any).

If the Company's share capital is increased within the limits of the authorized share capital, the Board of Directors is authorized 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 authorized 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 authorized to issue convertible bonds, bonds cum warrants or warrants within the limits of the authorized share capital and with or without preferential subscription rights for the existing shareholders.

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

This authorization 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 ; 25 October 2022)*, and can be renewed.

As indicated in Section 6.1.2, a first tranche of 10 convertible bonds with an aggregate principal amount of € 0.5 million was issued to Global Tech Opportunities 15 on 9 June 2022. The second and third tranche of 20 convertible bonds in the aggregate were issued on 2 September 2022, while the fourth tranche was subscribed on 23 September 2022. A fifth tranche was subscribed on 8 December 2022. As of 31 December 2022, 50 CBs had been subscribed by / issued to Global Tech Opportunities 15, out of which the 10 CBs of the first tranche, the 10 CBs of the second tranche and the 10 CBs of the third tranche had been converted. The capital increases resulting from the conversions of these convertible bonds were made in the framework of the authorized capital under the previous authorization granted by the extraordinary shareholders' meeting of the Company held on 9 July 2018. For a detailed overview of the conversion capital increases, please refer to Section 6.1.2.

6.4. Acquisition of own securities

Neither the Company or any of its subsidiaries, have acquired any of the Company's shares. The Company has not issued profit-sharing certificates or any other certificates.

6.5. Warrant Plans

6.5.1. Warrant Plans Issued

BioSenic currently has 3 warrant plans outstanding for its employees, members of the Board of Directors, Executive Committee members and consultants:

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

On 28 May 2020, the Board of Directors of BioSenic created and approved a plan which consisted in the issue of 69,978 warrants for employees, management members and Directors (plan 2020/05). All warrants have been granted and accepted.

On 23 December 2020, the Board of Directors of BioSenic created and approved a plan which consisted in the issue of 99,832 warrants for employees, management members and Directors (plan 2020/12). All warrants have been granted and accepted except for Jean-Paul Prieels that refused 2,000 warrants.

On the date of this Annual Report, the following warrants are outstanding in accordance with the above-mentioned plans:

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

On 23 August 2021, the extraordinary shareholders' meeting of BioSenic issued warrants to the European Investment Bank (the "**EIB Warrants**") and to Patronale Life (the "**Patronale Life Warrants**"). On the date of this Annual Report, the following warrants are outstanding:

Plan	Total
European Investment Bank	800,000
Patronale Life NV	200,000
Total	**1,000,000**

On 24 October 2022, the extraordinary shareholders' meeting of BioSenic issued and allotted 24.463.421 new "ALLOB" warrants to each of the existing shareholders of BioSenic (excluding for the avoidance of doubt the shareholders of Medsenic SAS which simultaneously contributed 51% of their shares into BioSenic's capital). Each warrant allows the holder to subscribe for one new share of BioSenic at an exercise price of € 0.45, subject to the condition precedent of successful ALLOB Phase IIB results at month three after patient treatment (statistically positive interim results of the ALLOB phase IIB showing that the primary endpoint is met, which in the context of the statistical analysis, would be if the RUST score is higher than 1.26.

On 23 February 2023, BioSenic announced an optimization its ongoing Phase IIb clinical trial with its allogeneic bone cell therapy product, ALLOB and completion of patient recruitment. As a result, BioSenic has decided, based on consultation with its external biostatistical advisors, that clinical investigators may complete the recruitment of patients. The cohort of treated patients, amounting to 57 patients, is found to be sufficient for a sufficient level of significance. Further to the decision to end recruitment and proceed towards a full set of meaningful results, the ALLOB subscription rights shall become exercisable based on the results at month three after patient treatment, if the difference in the mean RUST scores between the placebo's arm patient population and the treated ALLOB population is found higher than 1.26 in the new statistical analysis on the effectively recruited 57 patients. The BioSenic Board adopted the view that the new exercise criteria does not reduce the global advantages granted to the ALLOB subscription rights holders.

6.5.2. Summary of the Outstanding Warrant Plans

The relevant terms and conditions of BioSenic's existing **warrant plan A** are set out below:

- **Vesting**: 1/3 on the first anniversary of the grant of the warrants, 1/3 on the second anniversary of the grant and 1/3 on the third anniversary of the grant, under the conditions that the beneficiary is

working for BioSenic. Warrants will vest immediately in case of a change of control, an initial public offering or a public takeover bid.

- **Exercise period**: when vested, the warrants are exercisable at any time outside the closed period (as determined in BioSenic's Dealing Code), but not later than 10 years following the creation of these warrants.

- **Exercise price**: the exercise price will be determined by the Board of Directors of BioSenic, in accordance with the rules applicable to listed companies:

    - at the closing price of the share of the day preceding the day of the offer; or

    - the 30-day average price of the share of the 30 calendar days preceding the date of the offer.

- **Term**: ten years. All warrants that have not been exercised within the ten-year period as of their creation (i.e., prior to 24 February 2024) become null and void.

The relevant terms and conditions of BioSenic's existing **warrant plans of May and December 2020** are set out below:

- **Vesting:** The warrants will become vested to the grantee upon acceptance by the grantee (without any further conditions), i.e. upon receipt by BioSenic of the duly completed acceptance form within the time limit.

- **Exercise period:** the warrants shall not become exercisable before the first day of the fourth calendar year following the Offer and after the last day of the tenth year following the date of issuance (the "**Exercise Period**").

- **Exercise price**: the exercise price will be determined by the Board of Directors of BioSenic, in accordance with the rules applicable to listed companies.

    - at the closing price of the share of the day preceding the day of the offer; or

    - the 30-day average price of the share of the 30 calendar days preceding the date of the offer.

- **Term**: seven years. All warrants that have not been exercised within the seven-year period as of their creation become null and void.

No new warrant plan has been issued in 2022.

The relevant terms and conditions of BioSenic's existing "**ALLOB" warrants plan** are set out below:

- **Vesting:** The ALLOB warrants may be exercised upon successful ALLOB Phase IIB results at month three after patient treatment (statistically positive results (primary endpoint is met, which, in the context of the statistical analysis, would be if the RUST score is higher than 1.26, upon the decision of the ad-hoc independent committee, validating the SAP conclusions drawn by an independent CRO) (the "**Triggering Event**"). BioSenic expects to announce the ALLOB interim Phase IIB results during the first half of 2023.

- **Exercise period:** The ALLOB warrants may be exercised from the Triggering Event until the first anniversary of the Triggering Event.

- **Exercise price**: The exercise price of each ALLOB warrant shall be equal to € 0.45.

- **Term**: The ALLOB warrants will expire on the first anniversary of the Triggering Event.

The relevant terms and conditions of BioSenic's existing **warrant plan for the EIB Warrants** are set out below:

- **Subscription Price**: The subscription price is equal to € 0.01 per EIB Warrant (and offset by an arrangement fee of the same amount paid by BioSenic to the EIB).
- **Maturity Date**: The EIB Warrants have a defined life of five (5) years. However, BioSenic undertakes to issue identical warrants with a life of five (5) years after the Expiry Date.
- **Exercise price**: The exercise price of each EIB Warrant will be equal to the lower of (i) the average of the closing prices of BioSenic's shares during the thirty (30) days preceding the notarisation of the unconditional subscription of the EIB Warrants and (ii) the closing price of the BioSenic share on the day preceding the notarisation of the unconditional subscription of the EIB Warrants.
- **Exercise Period**: The EIB Warrants may be exercised from the earlier of (i) the occurrence of a Voluntary or Mandatory Early Redemption Event and (ii) six months prior to the maturity of a Tranche, until maturity.
- **Other**: In cases where the Beneficiary has the right to transfer the EIB Warrants, BioSenic, its agent or its shareholders (in that order), has a right of first refusal to redeem the EIB Warrants on the same terms and conditions.

The relevant terms and conditions of BioSenic's existing **warrant plan for the Patronale Life Warrants** are set out below:

- **Subscription Price**: The subscription price is equal to €0.01 per Patronale Life Warrant.
- **Maturity Date**: The Patronale Life Warrants have a defined life of five (5) years.
- **Exercise price**: The exercise price of each Patronale Life Warrant will be equal to the lower of (i) the average of the closing prices of BioSenic's shares during the thirty (30) days preceding the notarisation of the unconditional subscription of the Patronale Life Warrants and (ii) the closing price of the BioSenic share on the day preceding the notarisation of the unconditional subscription of the Patronale Life Warrants.
- **Exercise Period**: The Patronale Life Warrants may be exercised from the earlier of (i) the occurrence of a Voluntary or Mandatory Early Redemption Event and (ii) six months prior to the maturity of a Tranche, until maturity.
- **Other**: In cases where the Beneficiary has the right to transfer the Patronale Life Warrants, BioSenic, its agent or its shareholders (in that order), has a right of first refusal to redeem the Patronale Life Warrants on the same terms and conditions.

6.6. Elements which by their Nature would have Consequences in Case of a Public Take-over Bid on the Company

According to Article 34 of the Royal decree of 14 November 2007, the Company hereby discloses the following items, elements which by their nature would have consequences in case of a public take-over bid on the Company:

- On 31 December 2022, the share capital of the Company amounted to €33,600,668.71 and is fully paid up. It is represented by 121,897,746 shares, each representing a fractional value of 1/121,897,746th of the share capital. The Company's shares do not have a nominal value.

- Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.

- There are no agreements between shareholders which are known by the Company and may result in restrictions on the transfer of securities and/or the exercise of voting rights.

- There are no holders of any shares with special voting rights.

- There is no external control over the employee incentive plans; warrants are granted directly to the beneficiary.

- Each shareholder of BioSenic is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.

- The rules governing the appointment and replacement of board members and amendment to articles of association are set out in the Company's articles of association and in the Company's corporate governance charter.

- The powers of the board of directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The board of directors was not granted the authorization to purchase its own shares "to avoid imminent and serious danger to the Company" (*i.e.*, to defend against public takeover bids). The Company's articles of association do not provide for any other specific protective mechanisms against public takeover bids.

- The existing warrant plans contain take-over protection provisions pursuant to which, in the event of a public takeover bid provide that either (i) the warrantholders shall have the right to exercise their warrants, irrespective of exercise periods/limitations provided by the relevant plan or (ii) the Company has the right or the obligation, at the request of the warrantholder, to buy-back the warrants at a certain price.

- The Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

    - convention for a subordinated loan of 2 May 2016 between Novallia S.A. (the Lender) and the Company (the Borrower);

    - conventions for non-dilutive subordinated bonds of 25 June 2019 between Integrale S.A (the Lender) and the Company (the Borrower);

    - conventions for non-dilutive subordinated bonds of 25 June 2019 between Patronale S.A (the Lender) and the Company (the Borrower);

    - conventions for non-dilutive subordinated bonds of 6 May 2020 between Integrale S.A (the Lender) and the Company (the Borrower);

    - conventions for non-dilutive subordinated bonds of 6 May 2020 between Patronale S.A (the Lender) and the Company (the Borrower);

- conventions for non-dilutive subordinated bonds of 6 May 2020 between Patronale S.A (the Lender) and the Company (the Borrower) have been modified into non-convertible bonds with accompanying warrants in September 2021;

- On 1 July 2021, the Company signed a loan agreement of up to €16 million with the European Investment Bank (EIB) of which the first tranche of €8 million has been received.

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.

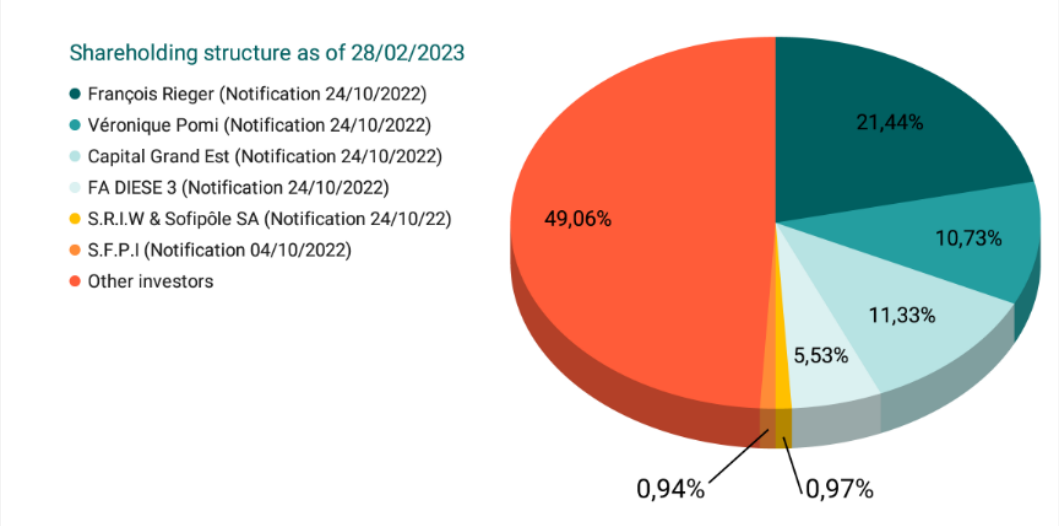
6.7. Transparency

The articles of the association of the Company do not impose any additional notification obligations other than the notification obligations required in accordance with Belgian law. The voting rights of the major shareholders of the Company differ in no way from the rights of other shareholders of the Company.

6.8. Shareholders

At 31 December 2022, there are 121,897,746 shares representing a total share capital of BioSenic of € 33,600,668.71. There are only ordinary shares without nominal value, and there are no special rights attached to any of the ordinary shares, nor special shareholder rights for any of the shareholders of BioSenic. Each shareholder of BioSenic is entitled to one vote per share. The share capital is entirely and unconditionally subscribed and fully paid up. The total number of attributed warrants is 1,197,554.

The graph below provides an overview of the shareholders that have notified BioSenic of their ownership of shares of BioSenic. This overview is based on the most recent transparency declaration submitted to BioSenic. All transparency notifications are available under the 'Investors' section of the Company's website: https://www.biosenic.com/investors.



BioSenic has a relatively widely held shareholder base, and no single shareholder controls BioSenic. To the best knowledge of BioSenic, there are no arrangements in place which may, at a subsequent date, result in a change in control of BioSenic.

6.9. Dividends and Dividend Policy

6.9.1. Entitlement to Dividends

Dividends can only be distributed if, following the declaration and payment of the dividends, the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory financial statements prepared in accordance with Belgian GAAP (*i.e.*, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities), decreased with the non-amortized activated costs of incorporation and extension and the non-amortized activated 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, pursuant to the Belgian Code on Companies and Associations and the articles of association, the Company must allocate at least 5% of its annual net profits under its statutory non-consolidated accounts to a legal reserve until the reserve equals 10% of the Company's share capital.

In accordance with Belgian law, the right to collect dividends declared on ordinary shares expires five years after the date the Board of Directors has declared the dividend payable, whereupon the Company is no longer under an obligation to pay such dividends.

6.9.2. Dividend Policy

The Company has never declared or paid any dividends on its shares.

The Company's dividend policy will be determined by, and may change from time to time by determination of, the Company's Board of Directors. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the Board of Directors. The calculation of amounts available to be distributed as dividends or otherwise distributed to shareholders must be made on the basis of the Belgian statutory financial statements, taking into account the limits set out in the Belgian Code on Companies and Associations.

Belgian law and the Company's articles of association do not require the Company to declare dividends. The Board of Directors expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future.

7. CONSOLIDATED FINANCIAL STATEMENTS

7.1. Responsibility Statement

The Board of Directors, represented by all its members, declares that, to the best of its knowledge, the consolidated financial statements for the twelve-month period ended 31 December 2022, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company and the undertakings included in the consolidation as a whole, and that the management report includes a fair review of the important events that have occurred during the twelve months of the financial year and of the major transactions with the related parties, and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties that the Company can face.

On behalf of the Board of Directors,

François Rieger
François Rieger (Apr 26, 2023 23:03 GMT+2)

Prof. François Rieger,
Chairman of the Board of Directors and CEO

Véronique Pomi-Schneiter
Director and Deputy CEO

7.2. Statutory Auditor's Report on the Consolidated Financial Statements for the Year ended 31 December 2022

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B-1310 La Hulpe

BIOSENIC SA

Statutory auditor's report
to the general meeting
for the year ended 31 December 2022
(Consolidated financial statements)

Free translation

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF BIOSENIC SA FOR THE YEAR ENDED 31 DECEMBER 2022 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the statutory audit of the consolidated financial statements of Biosenic SA ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report of the consolidated financial statements and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 8 June 2022, following the proposal formulated by the administrative body issued upon recommendation of the Audit Committee. Our statutory auditor's mandate expires on the date of the General Meeting deliberating on the financial statements closed on 31 December 2024. We have performed the statutory audit of the consolidated financial statements of the Group for the first year.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of 29.324(000) EUR and for which the consolidated statement of profit or loss shows a loss for the year of 3.049(000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2022, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium.
Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report.
We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties relating to going concern

Without prejudice to our opinion expressed above, we draw attention to disclosure note 8.3.1 in the consolidated financial statements, which describes the uncertainties related to the use of the going concern assumption. The events and conditions disclosed in note 8.3.1, indicate that material uncertainties exist that may cast doubt on the Group's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in section "Material uncertainties relating to going concern", we have determined following key audit matter to be communicated in our report.

Business combination

Description of the Matter

We refer to note 8.1. describing the reverse acquisition of Medsenic. On 24th October 2022, The Group acquired 51% of shares in Medsenic for a total consideration of 3.598(000) EUR based on the exchange of 90.668.594 new shares issued by Biosenic and additional subscription rights.

The acquisition was accounted for as business combination following IFRS - *Business combinations* - and included a number of significant and complex judgements in the determination of the fair value of the underlying assets and liabilities. The valuation of certain of the assets involves the use of estimates regarding future cash flows.

Following the purchase price allocation for the business combination, 1.803(000) EUR was recognized as goodwill.
The main estimate was the fair value determination of identifiable intangible assets for 14.291(000) EUR in the form of in-process development of ALLOB and valuated using an income approach.

Business combination is a key audit matter in the audit due to the high level of management judgment required in determining the fair value of the assets acquired and liabilities assumed and the overall significance of the amounts involved.

Procedures performed

We audited the purchase price allocation for the above described business combination. Our procedures can be summarized as follows:

- We assessed management's methodology for calculating the fair value of intangible assets by auditing the key underlying assumptions, such as:
  - EBITDA forecasts used in the valuation process;
  - Discount rates, analyzed with the help of our valuation specialists;
  - Assumed useful lives of the recognized intangible assets;
- We obtained corroborative evidences for the explanations provided by management (e.g. comparing key assumptions to market data, underlying

accounting records, Group's forecast supporting the acquisitions).

- We verified whether IFRS 3 guidance was properly applied and followed up on the accounting subsequent to the business combination during the reporting period, for the assets acquired and liabilities assumed.
- Additionally, we reviewed the appropriateness and adequacy of disclosures of this business combination to the consolidated financial statements.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

The administrative body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the administrative body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the administrative body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, a statutory audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body. Our responsibilities regarding the continuity assumption applied by the administrative body are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the Audit Committee with a statement that we respected the relevant ethical requirements relating to independence, and we communicate with them about all relationships and other issues which may influence our independence, and, if applicable, about the related measures to guarantee our independence.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the contents of the director's report on the consolidated

financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mission and in accordance with the Belgian standard (version revised 2020) which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the director's report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, as well as to report on these elements.

Aspects relating to the director's report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the director's report, this director's report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the director's report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- Section 2 of the annual report - Annual report of the Board of Directors on the consolidated financial statements of Biosenic SA;
- Section 4.7 of the annual report - Remuneration report;
- Section 6.3 of the annual report - Change of capital;
- Section 6.5 of the annual report - Warrant plan;

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit as referred to in article 3:65 of the Code of companies and associations were duly itemised and valued in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the draft standard of the Institute of Réviseurs d'Entreprises dated November 25, 2021 concerning the standard on auditing the conformity of financial statements with the European Single Electronic Format (hereinafter "ESEF"), we are required to verify whether the ESEF format complies with the regulatory technical standards established by Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The administrative body is responsible for preparing, in accordance with ESEF requirements, the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "digital consolidated financial statements") included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate supporting information to conclude that the format and mark-up language of the digital consolidated financial statements comply in all material aspects with the ESEF requirements under the Delegated Regulation.

The final version of annual financial report and the digital consolidated financial statements have not yet been delivered to us on the date of this report.

If, when auditing the digital consolidated financial statements, we conclude that there is a material misstatement, we will be required to report the matter to the administrative body and ask it to make the necessary changes. Failing that, we will be required to amend this report to the effect that the format and the mark-up of information in the official version of the digital consolidated financial statements included in the annual financial report of BIOSENIC SA comply in all material aspects with the ESEF requirements under the Delegated Regulation.

Other statements

This report is in compliance with the contents of our additional report to the Audit Committee as referred to in article 11 of regulation (EU) No 537/2014.

La Hulpe, 26 April 2023

Rodrigo Abels (Signature)

Digitally signed by Rodrigo Abels (Signature)
DN: cn=Rodrigo Abels (Signature), c=BE

BDO Réviseurs d'Entreprises SRL
Statutory auditor
Represented by Rodrigo Abels*
Auditor
*Acting for a company

7.3. Consolidated Financial Statements as of 31 December 2022 and 2021 under IFRS

7.3.1. Consolidated Statement of Financial Position

Consolidated Assets IFRS per: (in thousands of euros)	Note	31/12/22	31/12/21
Non-current assets		**24,698**	**38**
Goodwill	8.5	1,802	0
Intangible assets	8.6.1	17,293	-
Property, plant and equipment	8.6.2	1,419	13
Investments in associates	8.6.3	12	0
Other non-current assets	8.6.6	136	0
R&D Tax Credits	8.6.4	4,036	0
Financial assets		0	25
Current assets		**4,626**	**1,124**
Trade and other receivables	8.6.5	2,490	361
Other current assets	8.6.7	290	4
Financial assets		0	0
Cash and cash equivalents	8.6.8	1,846	759
TOTAL ASSETS		**29,324**	**1,162**

Consolidated Equity & Liabilities IFRS per: *(in thousands of euros)*	Note	31/12/22	31/12/21
Share capital		4,774	664
Share premium		4,516	3,969
Accumulated losses		(5,723)	(7,219)
Other reserves		(42)	(83)
Equity attributable to owners of the parent		**3,526**	**(2,670)**
Non-controlling interests		(402)	-
Total Equity	**8.6.9**	**3,124**	**(2,670)**
Non-current liabilities		**15,847**	**2,338**
Interest bearing borrowings	8.6.10	15,779	2,273
Other non-current liabilities		68	65
Deferred tax liabilities		0	0
Current liabilities		**10,353**	**1,494**
Interest bearing borrowings	8.6.10	8,013	1,252
Trade and other payables	8.6.11	2,236	208
Other current liabilities	8.6.12	104	34
Total liabilities		**26,200**	**3,382**
TOTAL EQUITY AND LIABILITIES		**29,324**	**1,162**

The accompanying notes are an integral part of these consolidated financial statements

7.3.2. Consolidated Statement of Comprehensive Income

(in thousands of euros)	Note	For the year ended 31 December	
		2022	2021
Revenue	8.7.1	0	0
Other Operating income	8.7.2	266	312
Total revenues and operating income		**266**	**312**
Research and development expenses	8.7.3	(1,030)	(619)
General and administrative expenses	8.7.4	(1,554)	(570)
Operating profit/(loss)		**(2,318)**	**(877)**
Financial income	8.7.6	7	0
Interest income	8.7.6	3	0
Financial expenses	8.7.6	(741)	(107)
Exchange gains/(losses)	8.7.6	1	0
Result Profit/(loss) before taxes		**(3,049)**	**(984)**
Income taxes		0	0
Result Profit/(loss) for the period		**(3,049)**	**(984)**
Thereof attributable to:			
Owners of the Company		(2,041)	(984)
Non-controlling interests		(1,008)	0
Other comprehensive income			
Remeasurements of post-employment benefit obligations		(4)	(5)
TOTAL COMPREHENSIVE INCOME/(LOSS) OF THE PERIOD		**(3,053)**	**(989)**
Thereof attributable to:			
Owners of the Company		(2,043)	(989)
Non-controlling interests		(1,010)	0
Basic and diluted loss per share (in euros)	**8.7.7**	**(0.02)**	**(14.89)**

The accompanying notes are an integral part of these consolidated financial statements

7.3.3. Consolidated Statement of Cash Flow

Consolidated Statements of Cash Flows (in thousands of euros)	For the 12-months period ended 31 December 2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/(loss)	(2,318)	(877)
Adjustments non-cash		
Depreciation, Amortisation and Impairments	60	13
Grants income related to recoverable cash advances	20	0
Grants income related to patents	(17)	0
Grants income related to tax credit	(36)	0
Other	32	8
Movements in working capital:		
Trade and other receivables (excluding public grants)	44	10
Trade and other Payables	175	(187)
Cash used in operating activities	**(2,040)**	**(1,033)**
Cash received from grants related to recoverable cash advances	61	0
Cash received from grants related to tax credit	69	(34)
Income taxes paid	0	0
Net cash used in operating activities	**(1,910)**	**(1,067)**
CASH FLOW FROM INVESTING ACTIVITIES		
Interests received	1	0
Acquisition of subsidiary	1,956	
Purchases of property, plant and equipment	(5)	0
Purchases of intangible assets	0	0
Net cash generated from investing activities	**1,952**	**0**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	0	500
Repayment of borrowings	(180)	(56)
Proceeds from government loans	26	0
Repayment of government loans	(81)	0
Proceeds from convertible borrowings	1,000	891
Repayments of lease liabilities	(4)	(7)
Repayments of interest free advances	(150)	(125)
Repayment of related parties loans	(13)	0
Interests paid	(31)	(33)
Transaction costs	(22)	0
Proceeds from issue of equity instruments of the Company	0	0
Proceeds received from convertible loan	500	0
Net cash generated from financing activities	**1,045**	**1,170**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,087**	**103**
CASH AND CASH EQUIVALENTS at beginning of the period	**759**	**656**
CASH AND CASH EQUIVALENTS at end of the period	**1,846**	**759**

The accompanying notes are an integral part of these consolidated financial statements.

7.3.4. Consolidated Statement of Changes in Equity

Attributable to owners of the parent					Non-controlling interests	TOTAL EQUITY
(in thousands of euros)	Share capital	Share premium	Accumulated Losses & Other reserves	Other elements of comprehensive income		
Balance at 1 January 2021	**664**	**3,969**	**(6,314)**	**0**	**0**	**(1,682)**
Total comprehensive income of the period	0	0	(984)	(5)	0	(989)
Issue of share capital	0	0	0	0	0	0
Transaction costs for equity issue	0	0	0	0	0	0
Equity component for Convertible Bonds	0	0	0	0	0	0
Allocation to the legal reserve	0	0	0	0	0	0
Share-based payment	0	0	0	0	0	0
Other	0	0	0	0	0	0
Balance at 31 December 2021	**664**	**3,969**	**(7,298)**	**(5)**	**0**	**(2,670)**
Balance at 1 January 2022	**664**	**3,969**	**(7,298)**	**(5)**	**0**	**(2,670)**
Total comprehensive income of the period	0	0	(3,049)	(4)	0	(3,053)
Issue of share capital	874	4,372	0	0	0	5,246
Reverse acquisition:	3,236	(3,824)	4,546	43	(402)	3,598
1. Consideration paid for the reverse acquisition	*3,598*	*0*	*0*	*0*	*0*	*3,598*
2. Non-controlling interest	*(362)*	*(3,824)*	*4,546*	*43*	*(402)*	*0*
Share-based payment	0	0	0	0	0	0
Other	0	0	79	(76)	0	3
Balance at 31 December 2022	**4,774**	**4,517**	**(5,723)**	**(42)**	**(402)**	**3,124**

The accompanying notes are an integral part of these consolidated financial statements.

8. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8.1. General Information

The company BioSenic SA (formerly named Bone Therapeutics SA), hereinafter referred to as the "Company", is a limited company governed by Belgium law. The address of its registered office is Rue Granbonpré 11 - Bâtiment H (bte 24), 1435 Mont-St-Guibert, Belgium. The shares of the Company are publicly listed on NYSE Euronext Brussels and Paris since 6 February 2015.

The Company is registered with the legal entities register (Charleroi) under number 0882.015.654 and was incorporated in Belgium on 16 June 2006 (under the name Bone Therapeutics), for an indefinite period of time.

BioSenic SA is an innovative company with the objective of addressing important unmet medical needs in the areas of innate immunity, inflammation and organ/function repair. The Company is a biopharmaceutical start-up that aims to exploit the new possibilities offered by the therapeutic use of arsenic trioxide (As203) and through this, to provide a treatment to patients with autoimmune diseases. BioSenic has a broad and diverse portfolio of solutions in clinical development in a variety of therapeutic areas targeting markets characterized by significant unmet medical needs and limited innovation.

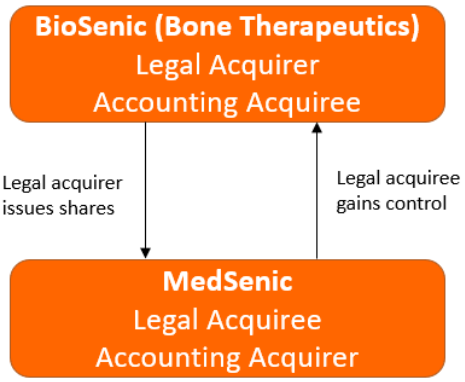
These consolidated financial statements of BioSenic SA for the year ended 31 December 2022 were authorized for issue by the Board of Directors on 26 April 2023, and they have been audited by BDO Bedrijfsrevisoren – Réviseurs d'entreprises BV/SRL, the statutory auditor of the Company and independent registered public accounting firm.

Basis of preparation of consolidated financial statements

BioSenic has acquired 51% of shares of Medsenic SAS ("Medsenic") on 24 October 2022. Medsenic is 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 ("Medsenic").

Acquisitions of 51% of shares in Medsenic from the shareholders of Medsenic was completed based on the exchange of 90,668,594 new shares, issued by BioSenic (Bone Therapeutics at the time). In addition, the Subscription Agreement also stipulated that BioSenic shall benefit from a call option right over the remaining 49% of the shares in Medsenic (i.e. the non-controlling interest), which may be exercised within a period of 3 years as from the completion of this transaction. The call option exercise price will be redetermined in case of a material adverse change in the assets, liabilities or clinical trial of Medsenic, or if Medsenic obtains extended development and commercialisation rights for e.g. US, UK, Japan from Phebra under economically favourable terms for Medsenic before the execution of the call option.

This acquisition qualifies as a reverse acquisition under IFRS (IFRS3.B19), as by issuing 90,668,594 new shares in exchange for 51% of the shares in Medsenic, the original shareholders of Bone Therapeutics no longer control the combined entity as their shares represent only 19% of the total number of shares in the combined entity and 51% of the shareholders of Medsenic hold 81% of the shares of the combined entity. Therefore, under IFRS, the legal acquirer (Bone Therapeutics) is considered to be the accounting acquiree and the legal acquiree (Medsenic) is considered to be the accounting acquirer. Therefore, the consolidated financial statements represent the continuation of the financial statements of the former company Medsenic SAS (legal acquiree, accounting acquirer), and the consolidated financial statements as of and for the year ending 31 December 2022 are prepared on the basis of the accounting policies of Medsenic. The comparative information as of and for the year ended 31 December 2021 is of Medsenic only.



Accounting for reverse acquisition

Following the reverse acquisition accounting method, these consolidated financial statements of BioSenic represent the continuation of the financial statements of the legal acquiree, being Medsenic, and for the year ended 31 December 2022, except for its capital structure, the consolidated financial statements reflect:

- The assets and liabilities of the legal subsidiary/accounting acquirer (Medsenic) recognised and measured at their pre-combination carrying amounts;
- The assets and liabilities of the legal acquirer/accounting acquiree (Bone Therapeutics) recognised and measured in accordance with IFRS 3 (generally at their fair value). Goodwill is recognised in accordance with IFRS 3, with the consideration for the business combination measured in accordance with IFRS 3.33;
- The retained earnings and other equity balances of the legal subsidiary/accounting acquirer (Medsenic) before the business combination;
- Issued equity instruments in the consolidated financial statements determined by adding the issued equity instruments of the legal subsidiary/accounting acquirer (Medsenic) outstanding immediately before the business combination to the fair value of the legal parent/accounting acquiree (Bone Therapeutics). However, the equity structure (ie the number and type of equity interests issued) reflects the equity structure of the legal parent/accounting acquiree, including the equity interests the legal parent issued to effect the combination. Accordingly, the equity structure of the legal subsidiary (the accounting acquirer) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent (the accounting acquiree) issued in the reverse acquisition.

Non-controlling interest

In accordance with IFRS 3.B23 owners of the legal acquiree (the accounting acquirer) that do not exchange their equity interest for the equity interests of the legal parent (the accounting acquiree) are treated as a non-controlling interest in the consolidated financial statements after the reverse acquisition. In the Transaction the shareholders of the legal acquiree/accounting acquirer (Medsenic) exchanged 51% of their Medsenic shares in exchange for the new shares issued by Bone Therapeutics (the legal acquirer/accounting acquiree).

8.2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below.

8.2.1. Statement of Compliance

The Group's consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (International Accounting Standards Board) and endorsed by the European Union ("IFRS").

8.2.2. Applicable IFRS Standards and Interpretation

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2022 and have been endorsed by the European Union. They have been implemented by the Group without significant impact on the financial statements:

Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 1 January 2022). The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.

- Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.

- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021, with early application permitted). The amendments extend, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. In particular, the amendment permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021). The amendment is effective for annual reporting periods beginning on or after 1 April 2021 (earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued).

The following new standard and amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2022 but have been endorsed by the European Union:

- IFRS 17 'Insurance contracts' (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. On 17 March 2020, IASB decided to defer the effective date to the annual reporting periods beginning on or after 1 January 2023. The endorsement includes the amendments issued by the Board in June 2020, which are aimed at helping companies implement the Standard and making it easier for them to explain their financial performance. The EU regulation provides an optional exemption from applying the annual cohort requirement that relates to the timing of the recognition of the profit in the contract, the

contractual service margin, in profit or loss. Entities making use of the exemption are not applying IFRSs as issued by the IASB and need to disclose the fact.

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023). The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023). The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021, effective 1 January 2023). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2022 and have not been endorsed by the European Union:

- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 01/01/2023), affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

    - Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

    - Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

- IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016). It concerns an interim standard on the accounting for certain balances that arise from rate–regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first–time adoption or subsequently) and on presentation and disclosure. It is not expected that the initial application of the above-mentioned IFRS standards, interpretations and amendments will have a significant impact on the consolidated financial statements. There is no material impact of the application of new standards and interpretations that became effective for 2022.

8.2.3. Basis of Preparation

The consolidated financial statements are presented in thousands of euros, unless otherwise stated. Euro is also the functional currency. The functional currency is the currency of the economic environment in which an entity operates. The consolidated financial statements have been prepared on a historical basis, unless otherwise stated.

8.2.4. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities directly or indirectly controlled by the Company.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

For more details on the accounting policies applied for the reverse acquisition, please refer to note 8.1.

8.2.5. Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In its consolidated financial statements, the Group uses the equity method of accounting for investments in associates and joint ventures. Under the equity method, the investment is initially recognized at cost in the consolidated statement of financial position and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture or when the investment is classified as held for sale.

8.2.6. Intangible Assets and Goodwill

Intangible Assets Acquired Separately or in the Context of a Business Combination

Intangible assets are recognized if and only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of that asset can be measured reliably. Intangible assets with finite useful lives that are acquired separately are measured at cost less accumulated amortization and accumulated impairment losses. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. Any directly attributable cost of preparing the asset for its intended use is also included in the cost of the intangible asset. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Recognition of costs in the carrying amount of an intangible asset ceases when the asset is in the condition necessary for it to be capable of operating in the manner intended by the Group.

Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Subsequent to initial recognition, intangible assets acquired in a business combination are subject to amortization and impairment test, on the same basis as intangible assets that are acquired separately.

In-process research and development

The fair value of the in-process research and development (ALLOB Phase IIb) project acquired in a reverse acquisition from Medsenic is capitalized and accounted for as intangible assets not yet ready for use until:

a) the underlying project receives regulatory approval, at which point the intangible asset will be accounted for as a definite-lived intangible asset, or

b) discontinuation, at which point the intangible asset will be written down.

Besides that, the Group has software which is amortised over 3 years period. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

The Group tests intangible assets not yet ready for use for impairment annually. For this impairment test, the Company uses an estimated future cash flow approach that requires significant judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, the selection of an appropriate discount rate, asset groupings and other assumptions and estimates. The estimates and assumptions used are consistent with the Company's business plans and a market participant's views. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the assets and could potentially impact the company's results of operations. Actual results may differ from the company's estimates.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is initially measured at cost, as the excess of the aggregate of the consideration transferred and the amount recognized for the assets acquired and liabilities assumed in a business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

8.2.7. Property, Plant and Equipment

Property, plant and equipment are recognized as assets at acquisition or production cost if and only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The cost of an item of property, plant and equipment comprises its purchase or production price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, together with the initial estimation of the costs of dismantling and removing the asset and restoring the site on which it is located, if applicable.

After initial recognition at historical cost, property, plant and equipment owned by the Group are depreciated using the straight-line method and are carried on the balance sheet at cost less accumulated depreciation and impairment. Depreciation begins when the asset is capable of operating in the manner intended by management and is charged to profit or loss, unless it is included in the carrying amount of another asset. The components of an item of property, plant and equipment with a significant cost and different useful lives are recognized separately. Lands are not depreciated. The residual value and the useful life of property, plant and equipment are reviewed at least at the end of each reporting period. The depreciation method is also reviewed annually.

Property, plant and equipment	Estimated useful life
Buildings	20 years
Leasehold Improvements	The shorter of the useful life and the lease term
Office furniture	4 years
Lab equipment	3 to 5 years
IT equipment	3 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

8.2.8. Leases

The determination of classification of leases is made at the inception of the lease: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset.

The Group leases laboratory equipment, facilities, cars and IT equipment.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease term covers the non-cancellable period for which the Group has the right to use an underlying asset, together with both:

- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct expenses; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets (determined by the Management) are directly recognized as an expense in the comprehensive income statement. Short-term leases are leases with a lease term of 12 months or less and low-value assets primarily comprise IT equipment.

The Group subleases equipments to external parties. The Group will then assess whether the sublease is a finance or operating lease in the context of the right-of-use asset being leased. The sublease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying right-of-use asset. It is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying right-of use asset.

8.2.9. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

• consideration transferred,

• amount of any non-controlling interest in the acquired entity, and

• acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental

borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

For more details on the accounting policies applied for the reverse acquisition, please refer to note 8.1.

8.2.10. Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group assess whether there is any indications that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amounts of intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized whenever recoverable amount is below carrying amount. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. An impairment loss on goodwill can never be reversed.

8.2.11. Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

8.2.12. Financial Instruments

Financial assets and liabilities are classified into three categories: Measured at amortized costs, at fair value through other comprehensive income (FVTOCI) and at fair value through Profit and Loss (FVTPL).

Financial assets and financial liabilities are recognized when the group enters into a contract. Financial instruments are derecognized when the contractual rights to the cash flows of the assets expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred.

Financial assets and financial liabilities are initially measured at fair value (except for trade receivables that are measured at transaction amount). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

8.2.13. Financial Assets

The financial assets include receivables (including trade receivables and other receivables), derivative financial instruments, financial assets at fair value through profit or loss, cash and cash equivalents.

The acquisitions and sales of financial assets are recognised at the transaction date.

Financial Assets – Debt Instruments

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.
Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments include:

- receivables that are measured at amortized cost, including government grants;
- trade receivables measured at amortized cost;
- cash & cash equivalents. Cash and cash equivalents include cash on hand and in banks, as well as short-term deposits with a maturity of three months or less.

Receivables related to government grants, including recoverable cash advances ("avances récupérables"), are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grant will be received, which generally corresponds to the date at which the Group obtains a confirmation letter from the authorities (see "government grants" below).

Impairment of Financial Assets

In relation to the impairment of financial assets an expected credit loss model is applied. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Specifically, the following assets are included in the scope for impairment assessment for the Group: 1) trade receivables; 2) non-current receivables 3) cash and cash equivalents.

IFRS 9 provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables without a significant financing component (short-term trade receivables). The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. On the other hand, if the credit risk on a financial instrument has not increased significantly

since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. For long-term receivables IFRS 9 provides a choice to measure expected credit losses applying lifetime or 12 month expected credit losses model. The Group selected the lifetime expected credit losses.

All bank balances are assessed for expected credit losses as well. They may have low credit risk at the reporting date if they are held with reputable international banking institutions.

8.2.14. Amortized Cost and Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial instrument is the amount at which the financial asset or liability is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance on the financial asset. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

8.2.15. Financial Liabilities and Equity

Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Hybrid instruments
Convertible bonds which include warrants are considered as a single financial instrument measured at fair value through profit and loss (see note 8.3). A hybrid instrument consists of a host debt and an embedded derivative that is not an own equity component and is therefore measured at fair value through profit or loss, such as, e.g. a convertible bond for which the equity conversion feature does not meet the definition of an own equity instrument of the entity.
We refer to note 8.3 for more explanation.

8.2.16. Financial Liabilities

Except for the convertible bonds including warrants (see note 8.3.2), which are measured at fair value through profit and loss, all financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include:

- trade payables at amortized cost;
- borrowings;

- government loans: the portion of recoverable cash advances ("*avances récupérables*") that is expected to be reimbursed. They are initially measured at their fair value less transaction costs, which corresponds to the present value of amounts expected to be reimbursed for recoverable cash advances recognized as financial liabilities to the extent no interest is charged on these loans.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

8.2.17. Government Grants

Government grants are assistance by government, government agencies and similar bodies, whether local, national or international, in the form of transfers of resources to the Group in return for past or future compliance with certain conditions.

The Group recognizes a government grant only when there is a reasonable assurance that the Group will comply with the conditions attached to the grant and the grant will be received. As such, a receivable is recognized in the statement of financial position and measured in accordance with the accounting policy mentioned above (see financial assets).

With respect to Recoverable Cash Advances or RCA's ("Avances Récupérables") whereby in case of successful project completion and a positive decision by the Company to exploit the results of the project, 30% of the amount will be reimbursed through a fixed reimbursement schedule and up to 170% under the form of royalties, the amount recognized as a grant is the difference between the fair value of the expected reimbursement and the actual amount received by the Company as a RCA. The Group recognizes the portion of the RCA that is expected to be reimbursed as a liability. This liability is initially measured at fair value and subsequently at amortized cost, where the carrying amount of a liability is determined by using the effective interest rate. Furthermore, the discount rate is not adjusted every year.

On 10 May 2016, the IFRS Interpretation Committee ("IFRS IC") published the final agenda decision IAS 20—Accounting for repayable cash receipts. In this context, the IFRS IC clarified that an RCA gives rise to a financial liability in the scope of IFRS 9. This financial liability is initially measured at fair value and any difference with the cash to be received from the Walloon Region is treated as a government grant in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Subsequent to the initial recognition, the financial liability is measured at amortized cost using the effective interest method on the basis of the estimated contractual cash flows with changes in value due to a change in estimated cash flows recognized in profit or loss.

In addition, the benefit of a government loan without interest or at a below market rate of interest is treated as a government grant and measured as the difference between the initial discounted value of the loan and the proceeds received or to be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs which the grants are intended to compensate. As a result, grants relating to costs that are recognized as intangible assets or property, plant and equipment (grants related to assets or investment grants) are deducted from the carrying amount of the related assets and recognized in the profit or loss statement consistently with the amortization or depreciation expense of the related assets. Grants that intend to compensate costs that are expensed as incurred are released as income when the subsidized costs are incurred, which is the case for grants relating to research and development costs as incurred.

Government grants that become receivable as compensation for expenses or losses already incurred are recognized in profit or loss of the period in which they become receivable.

The portion of grants not yet released as income is presented as deferred income in the statement of financial position. In the statement of comprehensive income, government grants are presented as other operating income or financial income depending on the nature of the costs that are compensated.

8.2.18. Derivative Financial Instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. There are currently no hedging instruments.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

8.2.19. Income Tax

The tax currently payable is based on taxable profit for the year, which differs from profit as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Income tax for the current and prior periods is recognized as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid, exceeds the amount due. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses carried-forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and tax losses carried-forward can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. The measurement reflects the Group's expectations, at the end of the reporting period, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

The deferred tax asset on the tax credit has been treated as a government grant and presented as other operating income in the consolidated statement of comprehensive income.

8.2.20. Revenue Recognition

The Group is currently not generating revenue from contracts with customers other than from licensing agreements. Most income recognized by the Group is resulting from government grants.

Licensing Revenues

The Group enters into license and/or collaboration agreements with third-party biopharmaceutical partners. Revenue under these arrangements may include non-refundable upfront payments, product development milestone payments, commercial milestone payments and/or sales-based royalty payments.

- Upfront Payment

Licensing revenues representing non-refundable payments received at the time of signature of license agreements are recognized as revenue upon signature of the license agreements when the Group has no significant future performance obligations and collectability of the fees is assured.

- Milestone Payments

Milestone payments represent amounts received from the Group's customers or collaborators. The receipt of which is dependent upon the achievement of certain scientific, regulatory, or commercial milestones. Under IFRS 15, milestone payments generally represent a form of variable consideration as the payments are likely to be contingent on the occurrence of future events. Milestone payments are estimated and included in the transaction price based on either the expected value (probability-weighted estimate) or most likely amount approach. The most likely amount is likely to be most predictive for milestone payments with a binary outcome (i.e., the Group receives all or none of the milestone payment). Variable consideration is only recognized as revenue when the related performance obligation is satisfied, and the Group determines that it is highly probable that there will not be a significant reversal of cumulative revenue recognized in future periods.

Royalty Revenue

Royalty revenues arise from our contractual entitlement to receive a percentage of product sales achieved by co-contracting parties. As the Company has not yet obtained the approval for commercialization, the Company did not yet receive any royalty revenue at the date of the Annual Report. Royalty revenues, if earned, will be recognized on an accrual basis in accordance with the terms of the collaboration agreement when sales can be determined reliably and there is a reasonable assurance that the receivables from outstanding royalties will be collected.

8.2.21. Share-based Payments

A share-based payment is a transaction in which the Group receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the Group's shares or other equity instruments of the Group. The accounting for share-based payment transactions depends on how the transaction will be settled, that is, by the issuance of equity, cash, or both equity or cash.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognized in profit or loss for the year.

8.2.22. Employee Benefits

The Company offers post-employment, death, disability and healthcare benefit schemes to certain categories of employees.

Disability, death and healthcare benefits granted to employees of the Company are covered by an external insurance company, where premiums are paid annually and expensed as they were incurred.

As a consequence of the law of 18 December 2015, the minimum guaranteed rates of return were modified as follows:

- for the contributions paid as from 1 January 2016, a new variable minimum return based on OLO rates, with a minimum of 1.75% and a maximum of 3.75% (1.75% for 2016);

- for the contributions paid until end December 2015, the previously applicable minimum rate of return (i.e 3.25%) continues to apply until the date of leaving of the participants (in case of insured plans).

In view of the minimum returns guarantees, those plans qualify as Defined Benefit plans.

Due to the fact that the Belgian law prescribes that the employer would guarantee a minimum rate of return on the contributions, such plans are classified as defined benefit plans under IFRS.

The cost of providing benefits is determined using the projected unit credit (PUC) method, with actuarial valuations being carried out at the end of each annual reporting period.

For Medsenic, employee benefits accounted for pursuant to IAS 19:

- Short-term employee benefits concern employee benefits which are due in full within twelve months following the end of the period during which the employees have rendered the corresponding services. These short-term benefits are filed under expenses for the year.

- Long-term benefits are those which are not due in full within twelve months following the end of the period during which the employees have rendered the corresponding services. These long-term benefits essentially consist of defined benefit obligations provided for in the collective agreement applicable to the Company.

Retirement benefits and other post-employment benefits are funded on the basis of an actuarial valuation carried out by an independent expert.

8.2.23. Events after the Reporting Period

Events after the reporting period which provide additional information about the Group's position at the closing date (adjusting events) are reflected in the financial statements. Events after the reporting period which are not adjusting events are disclosed in the notes if material.

8.3. Critical Accounting Estimates and Judgments

In the application of the Group's accounting policies, which are described above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The followings are areas where key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years:

8.3.1. Going Concern

The consolidated balance sheet on 31 December 2022 shows a positive equity in the amount of €3.13 million and a cash position of € 1.84 million. The Company is still in a development phase conducting a clinical trial to achieve regulatory approval and pre-clinical development which implies various risks and uncertainties. Based on the 2023 revised projected cash forecast considering an operating cash burn of €8million to €10 million and a projected financing cash burn of around €1.7 million, the Company anticipates having sufficient cash to carry out its main strategic objective, namely achieving an efficacy outcome milestone with ALLOB TF2 Phase IIb clinical study by Q2 2023, considering the following relevant assumptions:

- The issuance of a convertible bond amounting to €5 million as of May 2022 with a long stop date of 18 months of which the first 6 tranches amounting to €3.0 million have been drawn at the date of the Report. An amount of €2.0 million can still be issued with specific conditions and assuming compliance with the permitted indebtedness as imposed by certain lenders of the company. The Company also has the possibility to extend this contract for an issuance of an extra €5 million in the future.
- A renegotiation of the terms of the ongoing loans that will otherwise fall due in June 2023.
- A reinforced strict policy of cost management.
- A negotiation of a revised repayment schedule for turnover-independent reimbursements to be made under the recoverable cash advances (RCA) previously received by BioSenic.

The assumptions made above comprise various risks and uncertainties, including the risk that BioSenic Group would not satisfy the conditions under the Convertible Bonds program to draw down the additional tranche and the risk that BioSenic Group would not be able to renegotiate the terms of the ongoing loans that will otherwise fall due in June 2023. Based on cash flow forecasts for the next twelve months including significant expenses and cash outflows for the ongoing clinical trial and the issuance of the Convertible Bond in the amount of € 2.0 million, the cash runway of the company is currently expected into June 2023.

As the cash runway of the BioSenic Group is currently expected into June 2023 (provided that the above-mentioned assumptions can be satisfied), BioSenic Group will continue to require additional financing to continue its operations in the longer turn. BioSenic Group therefore continues to evaluate other options with a potential positive impact on Going Concern, including as follows:

- *Fundraising.* The Company is in active discussions with multiple stakeholders (including key historical shareholders) in order to finance its activities.
- *The extension of the existing convertible bond program*. If all Convertible Bonds have been subscribed for prior to the end of the 18 months commitment period (started on 30 May 2022) and if BioSenic is not in breach of the subscription agreement in any material respect, BioSenic has the option to renew the €5 million program.
- *Potential partnership to develop and commercialize of ALLOB.* In October 2022, BioSenic regained worldwide rights to develop, manufacture and commercialised ALLOB following the termination by Shenzhen Pregene Biopharma Co., Ltd ("Pregene") of the exclusive license agreement entered into between BioSenic, Pregene and Link Health Pharma Co., Ltd ("LinkHealth") in October 2020. Although regulatory changes in China have halted establishment of ALLOB in the Chinese market, BioSenic has started preliminary discussions with Pregene, LinkHealth and other potential partners to reach an agreement for the development and commercialization of ALLOB in other geographies, including in the U.S.
- *Potential partnership to develop and commercialize of JTA.* In March 2023, BioSenic has obtained new statistical analysis results from the JTA-004 Phase III clinical trial data. This new post-hoc analysis changes the therapeutic profile of the molecule and potentially allows for the possibility of stratifying patients for a new, optimized Phase III clinical study. BioSenic, which does not intend to allocate R&D

resources to support the clinical development of JTA-004, is seeking to collaborate with existing and potential partners to explore options for the future development of JTA-004 based on this new post-hoc analysis.

In case part or/all the above options were to materialize, the cash runway of the company would be expected at least into Q1 2024.

However, all of the above circumstances and events are however subject to material uncertainties, which may cast significant doubt about the Company's ability to continue as a going concern.

Nevertheless, based on the completion of the current CB financing operation and the renegotiation the terms of the ongoing loans, the Board is of the opinion that it is appropriate to prepare the 2022 financial statements of the Company under the assumption of going concern, considering a total projected cash burn of €10 to 12 million for 2023 and a cash runway into June 2023.

The Board of Directors 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.

8.3.2. Goodwill and intangible assets

Goodwill and intangible assets not yet ready for use will be reviewed for impairment annually or when an event occurs that could result in an impairment.

Annually, the company will test its goodwill for impairment by performing a quantitative impairment test. Factors that will be considered in the assessment include general macro-economic conditions, conditions specific to the industry and market, cost factors, the overall financial performance, results from the in-process R&D programs and whether there have been sustained declines in the company's share price.

The Company will also test intangible assets not yet ready for use for impairment annually. For this impairment test, the company will use an estimated future cash flow approach that will require significant judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, the selection of an appropriate discount rate, asset groupings and other assumptions and estimates.

The estimates and assumptions to be used will be consistent with the Company's business plans and market participant's views. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the assets and could potentially impact the Company's results of operations. Actual results may differ from the Company's estimates.

8.3.3. Business combinations

In a business combination the acquired assets and liabilities are measured at fair value. The Company uses assumptions and non-observable information to determine the fair value of the assessed identified assets and liabilities, for which no observable information is available.

8.3.4. Convertible bonds (under BioSenic)

The Company has issued convertible bonds which are measured at fair value at each reporting date. The fair value of such convertible bonds is estimated by applying valuation models in which the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

8.3.5. Convertible bonds (under Medsenic)

The Company issued convertible bonds in the amount of € 0.89 million on 21 May 2021. 4,104 bonds convertible into P preference shares €217 were issued. Each convertible bond will entitle the holder to one P share in the Company with a nominal value of 10 euros.

The Bondholder may request the Conversion of convertible bonds into P shares:

- From 15 January 2022; or
- Prior to any transfer of at least 50,01% of the capital and voting rights of the Company by way of sale of shares, contribution or merge of the latter or in the event of an introduction on a regulated market and provided that this transaction has not been previously approved by the Bondholder.

Each convertible bond bears interest at 5% per annum (increased by 5% in the event of non-conversion) and the interest will be compounded.

The company considered that the CB's rate of remuneration was higher than the rate would have been used for a bond issue without a conversion options (taking into account the specificities of Medsenic at the time of the issuance of the CBs (unlisted entity, size…)).

Given their characteristics, convertible bonds have been classifying as debt instruments within the meaning if IAS 32 and recognized as debt on the balance sheet. It is specified that, given the terms of the CB's there was no "split accounting" given an issue rate considered to be higher than the market rate of a loan without a conversion option, which would have led to a negative option being recognized as equity.

8.3.6. Government Grants (under Medsenic)

The government grants consist mainly of the proceeds received under the Research Tax Credit and advances at 0% rate received by BPI France. Tax credits could be challenged in case of control by the tax authorities, to date the Company considers the risk of returning the tax credits received as low.

Regarding to BPI France interest-free advances, they will be reimbursed according to a contractual schedule with possible anticipation in the event of faster success of the projects concerned.

8.4. Operating Segment Information

The Group does not make the distinction between different operating segments, neither on a business or geographical basis in accordance with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Board of Directors of the Company.

All non-current assets are located in Belgium and in France.

8.5. Business Combination – Reverse acquisition

For more details on the reverse acquisition of BioSenic and applied accounting policies, please refer to note 8.1.

The table below indicates the provisional assets acquired and liabilities assumed at their provisional fair value at the date of acquisition of BioSenic (Bone Therapeutics), consideration paid and the recognised provisional goodwill.

(in thousands of euros)	24/10/22
Assets acquired and liabilities assumed	
ALLOB	14,291
Other Intangible assets	25
Tangible assets	734
Financial assets	12
Other non-current assets	96
Deferred tax assets	4,000
Debtors	3,617
Cash & cash equivalents	1,956
Convertible and non-convertible bonds	(10,027)
Other long-term debt and debt-like items	(3,203)
Payables	(1,923)
Non-convertible bonds	(1,986)
Convertible Bonds	(1,364)
Non-Convertible bonds	(3,471)
Other short-term debt and debt-like items	(963)
Total fair value identified assets acquired and liabilities assumed	**(1,794)**
Consideration:	
Issued shares	3,425
Subscription rights	173
Goodwill	**1,803**

Consideration of €3.43 million is comprised of the price determined by the market capitalization of Bone Therapeutics at the transaction date, and in addition, all existing shareholders received subscription rights that were valued at €0.17 million.

The Company has acquired a significant intangible asset in connection with business combinations, which was recorded at fair value at the acquisition date. The identified intangible asset relates to ALLOB (in-process R&D) and was valued using the income approach.

In-process R&D acquired in a business combination is capitalized as an intangible asset not yet available for use until regulatory approval is obtained, at which time it is accounted for as a definite-lived asset and amortized over its estimated useful life, or discontinuation, at which point the intangible asset will be written off.

Goodwill represents the excess of acquisition cost over the fair values of identified acquired assets and liabilities, and mainly represents the business knowledge and the qualified staff. The transaction resulted in the recognition of goodwill for an amount of €1.80 million, which mainly represent the expected synergies with Medsenic, and the potential of new projects and development related to the healthcare industry. The goodwill is non-deductible for tax purposes. The goodwill was allocated to the cash generating unit of BioSenic. No deferred tax liabilities have been recognized on the Goodwill. The deferred tax liability arising from the recognition of the ALLOB intangible has been offset against the deferred tax asset recognised for the carry forward of unused tax losses and unused tax credits for which the Company considered that there are sufficient suitable deferred tax liabilities available. Please refer to the section 8.6.4 for description of Deferred Tax.

The fair values of the acquired identifiable assets and liabilities are accounted for on a provisional basis. The purchase price allocations will be finalized at a later stage and may result in adjustments to provisional values as a result of completing the initial accounting from the acquisition date. The fair values of the acquired net assets, based on a provisional assessment, are summarized in the table above.

In relation to this transaction, the Company incurred €0.78 million of transaction expenses related to legal and consultancy fees, which are expensed to the statement of comprehensive income in line *General and administrative expenses*.

In 2022, Bone Therapeutics had a negative impact of €1.34 million on the Group's net result.

If the above acquisitions would have occurred at the start of 2022, management estimates that, for 2022, the consolidated net result for the year would have been a loss of €8.43 million.

8.6. Notes Relating to the Statement of Financial Position

8.6.1. Intangible Assets

8.6.1.1. Description

The intangible assets on 31 December 2022 consist of the license agreement provided by PHEBRA in February 2022, the valuation of ALLOB and purchased software and intangible assets acquired in a reverse acquisition.

As BioSenic has decided to primarily focus on the development of its ALLOB tibia fractures indication, the allogeneic cell therapy product derived from stem cells of healthy donors was recognised as the one of the identifiable intangible assets. The value of ALLOB is estimated at €14.29 million using an Income Approach (a discounted cash flow model weighted for the probabilities of success).

(in thousands of euros)	31/12/2022	31/12/2021
Acquisition cost	17,297	0
Accumulated amortization and impairment	(4)	0
Intangible assets	**(17,293)**	**0**

The licence agreement with PHEBRA has an undefined life and is not subject to amortization in accordance with IAS 38, but there is an important obligation. Medsenic has a limited time to start cGvHD Phase 3, which is before May 2023. The licence with PHEBRA has been valued for €2.98 million.

Negotiations are underway to draft an amendment to this agreement, in particular by postponing this deadline to the end of 2023.

Table below shows the movements at acquisition in intangible assets at the end of 2022 compared to the year before:

Cost *(in thousands of euros)*	**Software**	**Licenses**	**ALLOB**	**Total**
Balance on 1 January 2021	**0**	**0**	**0**	**0**
Additions	0	0	0	0
Balance on 31 December 2021	**0**	**0**	**0**	**0**
Additions	0	2,981	0	2,981
Acquisition of business combination	25	0	14,291	14,316
Balance on 31 December 2022	**25**	**2,981**	**14,291**	**17,297**

Table below shows the movements in accumulated amortization in intangible assets at the end of 2022 compared to the year before:

Accumulated amortization and impairment *(in thousands of euros)*	**Software**	**Licenses**	**Total**
Balance on 1 January 2021	**0**	**0**	**0**
Amortization expense	0	0	0
Balance on 31 December 2021	**0**	**0**	**0**
Amortization expense	(4)	0	(4)
Balance on 31 December 2022	**(4)**	**0**	**(4)**

8.6.1.2. Impairment test

The company applied impairment tests on the main intangible assets:

1) License Agreement with PHEBRA

The carrying amount of the license with PHEBRA initially results from an agreement between the parties (between Medsenic and Phebra).

PHEBRA provided an exclusive patent license in February 2022 under a license agreement signed in 2021 in exchange for a contribution in kind of 3,151 new shares worth €2.98 million resulting from an independent valuation of Medsenic (for this operation, the share capital was positively impacted by an increase of €32,000 and the share premium was increased by €2.95 million).

In the context of the Reverse Acquisition and definition of exchange ratio, this valuation was performed and updated by a third-party independent expert. For this valuation, the business model was envisaged to be driven by an out-licensing strategy as forecasted and assumed by Medsenic management. The following assumptions were determined for the valuation: the expected upfront payments and royalties were maximized by licensing at the end of Phase III, Medsenic considers a sales price of €10.3k for cGvHD, the royalty fee for cGvHD is appraised at 8%. Medsenic also expect to launch the product in 2025 with a peak sale at €111 million and it was used a probability of success between 55% and 75%.

The impairment test for the Phebra license was performed at reporting date taking into account a discount rate sensitivity ranging from 10% (10% to 15% used during the independent expert) to 25%) and that, based on the latter percentage, the valuation exceeds the carrying value by €2.51 million. Please also note that the initial percentage of success (65%) has been maintained in the impairment test as of the balance sheet date because there is no reason to deviate from it (as management did not identify events or circumstances that would lead to significant deviation form it).

It can therefore be concluded that there is no need to take into account an impairment charge on the PHEBRA license.

2) ALLOB and GOODWILL valuation

The main asset from BioSenic, being ALLOB has been valued during the exercise period of the Purchase Price Allocation on 24 October 2022. The following assumptions were used:

- Revenues included the expected revenues of ALLOB under a success scenario, meaning that ALLOB passes all clinical trials after and including Phase IIb.
- A Probability of Success of 35%.
- A discount rate used for the valuation of 38% in line with the internal rate of return of the transaction.

Based on the discounted cash-flow (DCF) method, the fair value of ALLOB is estimated at €14.3 million. The goodwill for the whole operation and described in section 8.5 amounts to €1.80 million. It has not been yet definitively allocated but it relates to the 'cash generating units" (or "CGU") "Biosenic" (ex. "Bone Therapeutics").

Based on the discounted cash-flow (DCF) method for the CGU BioSenic, including both indications of ALLOB, the Company was able to recover the value.

8.6.2. Property, Plant and Equipment

Property, plant and equipment consist mainly of buildings, laboratory equipment and a property under construction:

(in thousands of euros)	31/12/22	31/12/21
Acquisition cost	1,467	43
Accumulated depreciation and impairment	(48)	(30)
Property, plant and equipment	**1,419**	**13**

Property, plant and equipment (PPE) at the end of December 2022 amount to € 1.42 million with an increase mainly due to the new Building Lease rental contract with Watson Creek following the recent Headquarter offices move from Gosselies in 2021 to the new facilities in Mont-Saint-Guibert in line with IFRS 16.

Cost *(in thousands of euros)*	**Laboratory equipment**	**Office & IT furniture**	**Building**	**Cars**	**Properties under construction**	**Total**
Balance on 1 January 2021	**0**	**8**	**0**	**38**	**0**	**45**
Additions	0	2	0	0	0	**2**
Disposals	0	(4)	0	0	0	**(4)**
Balance on 31 December 2021	**0**	**5**	**0**	**38**	**0**	**43**
Additions	0	(1)	724	3	0	**726**
Acquisition of business combination	63	27	476	28	141	**734**
Disposals	(14)	(6)	0	(16)	0	**(35)**
Balance on 31 December 2022	**50**	**25**	**1,200**	**52**	**141**	**1,467**

Total investment at acquisition cost at the end of 2022 amounts to € 1.47 million, mainly composed of laboratory equipment and the new premises rental contract in Mont-Saint-Guibert signed in 2021 for the offices and in late 2022 for the laboratory facility.

The table below shows the changes in the accumulated depreciation and impairment of property, plant and equipment at the end of 2022.

Accumulated depreciation and impairment *(in thousands of euros)*	**Laboratory equipment**	**Office & IT furniture**	**Building**	**Cars**	**Properties under construction**	**Total**
Balance on 1 January 2021	**0**	**(7)**	**0**	**(15)**	**0**	**(22)**
Depreciation expense	0	(1)	0	(12)	0	**(13)**
Disposals	0	4	0	0	0	**4**
Balance on 31 December 2021	**0**	**(4)**	**0**	**(26)**	**0**	**(30)**
Depreciation expense	(19)	(1)	(17)	(10)	0	**(46)**
Disposals	14	0	0	14	0	**29**
Balance on 31 December 2022	**(5)**	**(4)**	**(17)**	**(22)**	**0**	**(48)**

Carrying amount *(in thousands of euros)*	**Laboratory equipment**	**Office furniture**	**Building**	**Cars**	**Properties under construction**	**Total**
Net value assets	0	1	0	11	0	**13**
Balance at 31 December 2022	**45**	**21**	**1,183**	**30**	**141**	**1,419**

8.6.3. Investments in associates

The investment in associates relates to the investment in "*SA Invest Mons-Borinage-Centre*" for an amount of € 0.01 million and is not changed compared to the prior year.

8.6.4. Non-Current and deferred Tax

The Company does not have current and deferred income taxes recognized during 2021. During 2022, the Company has deferred taxes explained as follows:

Deferred Taxes by Source of Temporary Differences

(in thousands of euros)	Assets		Liabilities	
	31/12/22	31/12/21	31/12/22	31/12/21
Property, plant and equipment	0	0	300	0
Intangible assets	1,537	1,231	0	0
Trade and other receivables	77	0	0	0
Non-current financial liabilities	118	0	0	112
Current Financial liabilities	309	53	0	0
Other current liabilities	0	46	171	0
Total temporary differences	**2,041**	**1,329**	**471**	**112**

Tax Credits and Tax Losses carried forward and Temporary Differences

(in thousands of euros)	31/12/22	31/12/21
Tax credits	4,739	0
Tax losses	30,556	1,239
Total	**35,295**	**1,239**

Deferred tax assets and liabilities recognized

(in thousands of euros)	Assets		Liabilities	
	31/12/22	31/12/21	31/12/22	31/12/21
Deferred tax assets/(liabilities)	**37,336**	**2,568**	**471**	**112**
Unrecognized deferred tax assets	(32,126)	(2,456)		
Offsetting	(471)	(112)	(471)	(112)
Total recognized deferred taxes	**4,739**	**0**	**0**	**0**

The following table presents an overview of the deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognized:

(in thousands of euros)	31/12/22	31/12/21
Tax credits related to notional interest deduction	0	0
Tax losses	122,225	4,956
Temporary differences	6,279	4,868
Total	**128,504**	**9,824**

There is no expiry date on the other sources of deferred tax assets.

Furthermore, the R&D tax credits have been treated as a government grant and presented as other operating income in the consolidated statement of comprehensive income (see note 8.6.2).

At closing 2022, there are no unrecognized deferred tax liabilities related to temporary differences associated with investments in subsidiaries and associates. In the financial statements, only the tax credit has been recognized as deferred tax asset that will be obtained in cash by the Company after 5 years because the Group is substantially loss making and likely that will remain so for still some years to come.

The Medsenic' s tax loss data available on the 31 December 2022 and for which no deferred tax has been recorded amount to €6,683,000 on the 31 December 2022, that is, an unrecognised deferred tax at the rate of 25% of €1,671,000 compared to €4,956,000 on the 31 December 2021, that is, an unrecognised deferred tax at the rate of 25% of €1,239,000.

The Biosenic's tax loss data available on the 31 December 2022 and for which no deferred tax has been recorded amounted to €115,541,778 on the 31 December 2022, that is, an unrecognised deferred tax at the rate of 25% of €28,885,000.

8.6.5. Trade Receivables and Other Receivables

The trade and other receivables can be detailed as follows:

Trade and other receivables	**Total**	
(in thousands of euros)	**31/12/22**	**31/12/21**
Trade receivables		
Trade receivables	1,036	0
Impairment on trade receivables	0	0
Total trade receivables	**1,036**	0
Other receivables		
Receivable related to taxes	255	49
Receivable related to tax credit	946	312
Receivable related to recoverable cash advances	82	0
Receivable related to patent grants	171	0
Total other receivables	**1,454**	**361**
Total trade and other receivables	**2,490**	**361**

Trade and other receivables amount to €2.58 million showing a large increase of €2.22 million compared to the end of December 2021.

The increase of the receivables is mainly driven by the recognition of a milestone of €1.0 million from Pregene. Following the regaining of ALLOB global rights, BioSenic has received a final payment in February 2023 from Pregene linked to a previously achieved development milestone which has a significant impact on the financial fundamentals of BioSenic.

The other receivables are mainly composed by the Tax credit on R&D research to be obtained in Belgium for an amount of €0.70 million. The Company also benefits in France from the provisions of articles "244 quater B" and "49 septimes F" of the French General Tax Code concerning research tax credits. Given the structure of its shareholding, the Company may benefit from the SME status according to the definition of the tax authorities allowing the immediate reimbursement of research tax credit (CIR) claims. Consequently, research tax credit receivables are presented as current assets for an amount of €0.24 million, as their collection period

is always less than 12 months from their grant date. There was no dispute relating to the research tax credits (CIR) as of 31 December 2022.

The other receivables are also composed by VAT receivables for €0.26 million, by combined outstanding receivables with the Walloon Region amount to €0.25 million (composed on patent subsidies and recoverable cash advances) and by other receivables for €0.09 million.

8.6.6. Other non-current Assets

The non-current financial assets are composed of a security deposit paid to the BPI for 25,000€. The remaining amount recorded as non-current financial assets represent the warranty in respect of social security commitments for an amount of €0.11 million.

8.6.7. Other Current Assets

Other current assets amount €0.29 million and are mainly deferred CRO costs relating to 2023 activities.

8.6.8. Cash and Cash Equivalents

Cash and cash equivalents include following components:

(in thousands of euros)	31/12/2022	31/12/2021
Cash at bank and in hand	1,812	759
Short-term bank deposits	34	0
Total	**1,846**	**759**

The cash position at the end of December 2022 amounted to €1.85 million compared to €0.76 million at the end of December 2021. The cash and cash equivalents have been impacted positively by the reverse merger in October 2022.

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

There is no expected credit loss on 31 December 2022.

8.6.9. Equity

Equity increased from a negative amount of €2.67 million at the end of December 2021 to a positive amount of €3.13 million at the end of December 2022. The variation is mainly explained by recognition of the acquisition of the subsidiary and by the conversions into shares of the convertible bonds of ABO.

Consolidated Equity & Liabilities IFRS per: *(in thousands of euros)*	31/12/2022	31/12/2021
Share capital	4,774	664
Share premium	4,517	3,969
Accumulated losses	(5,723)	(7,219)
Other Reserves	(42)	(83)
Non-controlling interests	**(402)**	**0**
Total Equity	**3,125**	**(2,670)**

Share Capital and Share Premium

Medsenic:

Medsenic has decided to issue a bond without public offering for a total amount of EUR 890,568 by issuing 4,104 convertible bonds with a nominal value of EUR 217 into preference shares of class P (the "P Shares") on 21 May 2021 (OC-2021). The Bond was issued in a single tranche of EUR 890,568. On 15 April 2022, after having taken cognisance of the conversion request letters, the Chairman of Medsenic acknowledged the final completion of the capital increase upon conversion of the bonds convertible into shares known as "OC-2021" issued pursuant to the Company's ordinary annual and extraordinary general meeting dated 21 May 2021. The OC-2021 Holders decided to convert a total of 4,104 OC-2021 and, consequently, to subscribe to a total of 4,284 new P Shares of the Company, by offsetting the amount of the bond debt, in principal and in interest, that they held against the Company, for a total amount of K€ 930.

In April 2022, convertible bonds were converted to 4,284 new shares, which resulted in a share capital increase of K€ 43 (with share premium of K€ 887).

PHEBRA provided an exclusive patent license in February 2022 under a license agreement signed in 2021 in exchange for a contribution in kind of 3,151 new shares worth K€ 2 980 (share capital increase K€ 32 and share premium increase K€ 2 948).

These two transactions resulted in a total increase in shareholders' equity of K€ 3,910 taking into account the share premiums to which they were attached.

As of December 2022, the Company's share capital amounted to K€ 738 and it is fully paid up. It is divided into 73 820 fully subscribed and paid shares with a par value of 10 euros each, including 73 820 ordinary shares. There are no more preference shares following the conversion into ordinary shares October 2022.

The number of shares has evolved as follows since 31/12/2021:

	Ordinary shares	Preference shares	Total
31/12/2021	**44,561**	**21,824**	**66,385**
Capital increase 02/2022	3,151	0	3,151
Capital increase 04/2022	0	4,284	4,284
Preference shares conversion	26,108	-26,108	0
31/12/2022	**73,820**	**0**	**73,820**

The company does not hold any own shares.

BioSenic:

On 30 May 2022, BioSenic signed a subscription agreement for a maximum € 5 million convertible bonds facility arranged by ABO Securities, through its affiliated entity Global Tech Opportunities 15. The proceeds of the financing will be used to advance the clinical development of BioSenic' s asset, the allogeneic bone cell therapy, ALLOB. ABO Securities, on behalf of the convertible bonds investor, commits to subscribe to up to € 5 million in convertible bonds. The convertible bonds will be issued and subscribed in ten tranches. A first tranche of 10 convertible bonds with an aggregate principal amount of € 0.5 million was issued on 9 June 2022. The second and third tranche of 20 convertible bonds in the aggregate were issued on 2 September 2022, while the fourth tranche was subscribed on 23 September 2022. A fifth tranche was subscribed on 8 December 2022. The issue and subscription of the remaining five tranches with a principal amount of € 500,000

each can be requested at BioSenic' s sole discretion over an eighteen-month period beginning on the signing date of the subscription agreement, subject to customary conditions to be met.

From 24 October 2022 till 31 December 2022, a total of €0.8 million was converted into shares for a total of 6,765,731 shares. Following the reverse merger of October 2022 and the conversions, the total of shares as of 31 December 2022 amounted to 121,897,746 shares.

Please find also below the evolution of the shares:

(in euros)	2022	2021
Total shares on 1 January	21,310,520	16,478,168
Increase of shares	9,918,632	4,832,352
Shares issued for the reverse merger	90,668,594	0
Total	**121,897,746**	**21,310,520**

As BioSenic has issued shares in exchange for the contribution in kind of Medsenic, all expenses relating to this issuance of new shares are deducted from the equity. These transaction costs (mainly concerning the costs for the drafting of the prospectus) amount to €81 thousand.

Non-controlling interest

In line with the accounting policy described in note 8.1, the financial statements reflect the non-controlling interest's proportionate share of Medsenic' s (the legal acquiree/accounting acquirer) pre-combination carrying amounts of net assets (€ 821 thousand), related to the remaining 49% (i.e. €402 thousand (calculated as 49% of € 821 thousand)) which is not subject to the Transaction. Similarly, 49% of the historical loss of Medsenic (€ 1,008 thousand) and the total comprehensive loss (€ 1,010 thousand) have been reclassified to non-controlling interest in the statement of comprehensive income.

The non-controlling interest of the non-controlling shareholders' proportionate interest in the pre-combination carrying amounts of the legal acquiree's net assets, in accordance with IFRS 3.B24, as the call option right does not give present access to the returns associated with the remaining 49% of the Medsenic shares. The call option right is accounted for as a financial asset at its fair value, with any subsequent changes in fair value recognized in profit or loss. However, as the call option is providing BioSenic the opportunity to acquire Medsenic shares at market conditions, the value of the call option is considered to be zero.

Share-based Payments Scheme related to Employees, Management team and Board Members

Due to the business combination, the Stock option plans have been re-evaluated at Fair value and due to the immaterial amount, nothing has been recognized at the equity level.

8.6.10. Financial liabilities

Financial liabilities amounted to €23.79 million in 2022 compared to €3.53 million at the end of December 2021, representing an increase of €20.26 million. The Current and Non-current Liabilities have increased mainly driven by the integration of the business combination. The financial liabilities are detailed as follows:

	Non-current		Current		Total	
(in thousands of euros)	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Finance lease liabilities	1,000	0	232	2	1,232	2
Government loans	2,788	0	805	0	3,593	0
Loans from related parties	0	0	25	0	25	0
Public Investment Bank borrowings	938	1,064	176	182	1,114	1,245
Bank debt	176	300	74	0	251	300

Convertible Bonds	0	0	2,956	891	2,956	891
Non-Convertible Bonds	10,125	0	3,546	0	13,671	0
Derivative Financial Liabilities	3	0	0	0	3	0
Interest-free advances	749	909	200	150	949	1,059
Other	0	0	0	28	0	28
Total financial liabilities	**15,779**	**2,272**	**8,014**	**1,253**	**23,793**	**3,525**

Non-Convertible Bonds – European Investment bank – New loan September 2021

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). The EIB financing would 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. Due to the fact that the primary end-points and accompanying objectives of the Phase III results were not met as anticipated, further investments are currently put on hold.

The EIB financing will now primarily be 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.

The loan financing is further supplemented by an agreement to issue warrants to the EIB: 800,000 warrants will be issued with the disbursement of the first tranche and 500,000 warrants with the disbursement of the second tranche. Each warrant will give 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.

The first tranche of €8 million was received on 6 September 2021 (upon approval of the issuance of associated warrants by Bone Therapeutics' General Meetings on 23 August 2021).

The second €8 million tranche will be released when specific clinical and commercial milestones have been achieved and might require further negotiations with the European Investment Bank following the disappointing results of JTA Phase III published in June 2021. The second €8 million tranche will likely not be released given the recent disappointing results of JTA Phase III published in September 2021. The second €8 million tranche has accordingly been excluded in the forward-looking cash projections of Bone Therapeutics and new negotiations with the European Investment Bank will need to be scheduled first.

The loan facility will be 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.

As of 31 December 2022, the total amount is equal to €8.10 million.

Non-Convertible Bonds – Patronale (initial Convertible loan modified into non-convertible) – Sept'2021

In September 2021, the Convertible loan of €2 million with Patronale, (representing 800 bonds) contracted in May 2020 as explained above, has been modified into a non-Convertible loan following the negotiations with the European Investment bank under the same conditions as the Non-Convertible loan with the European

Investment bank. Hence Bone Therapeutics also renegotiated 800 convertible bonds issued on 7 May 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 which was held on 5 August 2021.

The initial convertible loan from Patronale of € 2.0 million, which was contracted in May 2020, has been transferred into a non-convertible loan with accompanying warrants under the same conditions as the recent EIB loan contracted in September 2021, following negotiations with the European Investment Bank. At initial recognition of the loans, the nominal amount of the loans has been decreased with the transaction costs related to the loan and the amount of the warrants (€ 0.1 million) allocated to the tranche withdrawn. As of 31 December 2022, the total amount is equal to €2.00 million.

Derivative Financial liabilities

The 800,000 warrants for the loan with the EIB and the 200,000 warrants for the loan with Patronale (including the put option) are fully related to the loan agreement. As such, the accounting treatment (including measurement) of the loan is linked to the warrant plan (and put option). The put option is inseparably linked to the warrants. As such, the entire instruments have been accounted for as one instrument (so not separating the put option from the warrants). As one of the parties has settlement alternatives (i.e. settlement of the warrants in cash), the instrument should be considered as a financial derivative liability to be measured at fair value at each closing with changes in fair value recognised immediately in profit or loss. The measurement of the warrant (including the put option) at fair value has been based on a model taking into account following inputs: share price, strike price, volatility of the share, duration and the interest rate. The fair value of the accompanying warrants for both EIB and Patronale have been recognized under non-current financial liabilities for an amount of € 0.11 million per December 2021.

Convertible Bonds - Integrale

Considering the Issuer has no Cash Alternative Election (choice over how the share conversion option will be settled), the share conversion option for the Integrale loan is an own equity instrument (cfr IAS 32.26). As a result, the equity component has been calculated at fair value at inception and recorded accordingly. As of 31 December 2022, the total balance for the current liability of Integrale amounts to € 2.03 million.

Convertible Bonds - ABO

The Company announced on 31 May 2022 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.

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 € 0.5 million has been subscribed by ABO in June 2022. The issue and subscription of the remaining nine tranches with a principal amount of € 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 € 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 convertible bond is a hybrid financial instrument and contains, from the issuer's perspective, a host liability, and an embedded derivative (conversion option). For the valuation of this hybrid financial instrument, the Company used an annual interest rate of 7% and a risk premium of 2% with a time to maturity of 5 years. Each tranche is valued once the Company receives the cash on its bank account. From the 1st Tranche received in June 2022 and the 5th Tranche received in December 2022 and after the conversions of 30 CB, the fair value of the loan has been set up at €0.95 million.

Other borrowings

(1) A bond issue of K€ 891 occurred on 21 May 2021. 4,104 bonds convertible into P preference shares of € 217 were issued. Each convertible bond bears interest at 5% per annum (increased by 5% in the event of non-conversion) and the interest will be compounded. Pursuant to IAS 32, this instrument has been fully qualified as a debt instrument. This bond was converted into shares in April 2022.

(2) The borrowings obtained from BPI France, amounting to €1.11 on 31 December 2022, are explained here:

Seed borrowing of K€ 375 This seed borrowing was received from BPI France on the 05/07/2017 with a contract period of 8 years, at the rate of 4,70%. The first repayment was scheduled for 31/12/2020, which was postponed to 30/06/2021. Repayments in 2022 amount to K€ 75	This financing benefits from: - Guarantee under the National Guarantee Fund for an Investment Seed Borrowing of up to 40.00%. - Guarantee of the European Investment Fund (EIF) of up to 40.00%.
Seed borrowing of K€ 125 This seed borrowing was received from BPI France on the 29/06/2018 with a contract period of 8 years, at the rate of 4,09%. The first repayment was scheduled for 31/12/2021, which was postponed to 30/06/2022. Repayments in 2022 amount to K€ 18,7	This financing benefits from: - BPI France Guarantee under the National Guarantee Fund for an Investment Seed Borrowing of up to 30.00 %. - InnovFin Guarantee of the European Investment Fund (EIF) of up to 50.00 %.
State guaranteed borrowing (PGE) of K€ 300 This PGE was received from BPI France on 21/04/2020 for an initial period of one year then extended on 22/03/2021 to a period of 5 years, at the rate of 2,25%. The first repayment is scheduled for the 31/07/2022. State guarantee premium of 200 basis points included was applied. Repayments in 2022 amount to K€ 37,5	This financing benefits from: - State guarantee under the Coronavirus state FDG guarantee fund of up to 90%.
Innovation R&D borrowing of K€ 500 This innovation R&D borrowing received from BPI France on 06/08/2021 for a period of 30 quarters, at the rate of 0,79%. Non repayments in 2022. The duration of the loan includes 10 quarters of deferred capital amortization followed by 20 quarterly installments in arrears including the capital amortization and the payment of interest, the first being fixed on 30/09/2021 and the last on 31/ 12/2028. Beyond this date, the variable rate CNO TEC 5 + 0.79 point(s).	

(3) State guaranteed borrowing (PGE) of €0.30 million from the CIC Ouest bank on the 20 April 2020 for an initial period of one year then amended to 21 January 2021, and 12 March 2021 for 5 years, at 0.70% per annum. This borrowing comes with a deferred capital repayment from the initial maturity date of the state guaranteed borrowing (PGE) on 25 April 2021 until 24 May 2022.

This financing comes with a state guarantee provided for by law number 2020-289 of 23 March 2020, on amending finances for 2020 and the specifications defined by decree of 23 March 2020 granting the State guarantee to credit institutions and financial companies of up to 90% under the above-mentioned law.

Lease Liabilities

Lease debts are gradually increasing as it includes an amount of € 1.23 million for the long-term rental obligations with Watson Creek for our new offices and labs in Mont-Saint-Guibert (in accordance with IFRS16 requirements).

The change in lease liability balances is detailed as follows:

(in thousands of euros)	At 31 December	
	31-12-22	31-12-21
Opening balance	2	9
Acquisition of business combination	512	-
New leases	724	-
Payment	(2)	(7)
Remeasurements	(4)	-
Closing balance at 31 December	**1.232**	**2**

At the beginning of 2023, BioSenic concluded a sub-leasing contract with Vesale Biosciences for part of the offices and laboratories in Mont-Saint-Guibert. The contract has a duration of 4 years, until 31 December 2026.

Government Loans

The government loans relate to the repayable part of recoverable cash advances (not linked to turnover). Interest is charged to this repayable part at a rate based on Euribor 1 year + 100 basis point or IBOR 1 year + 100 basis point if higher.

Interest-free advances

As part of the financing of its activities, the Company received interest-free conditional advances from BPI France, that is, €0.90 million (including €0.45 million in May 2016 and €0.45 million in February 2018) under the GrefSenic program and €0.49 million in June 2018 under the SclerSenic program.

Pursuant to IFRS 9, these interest-free advances were valued at their fair value on the basis of an interest rate of 4% estimated on the basis of the rates applied by BPI France in remuneration of the interest-bearing borrowings granted to the Company in 2017 and 2018.

Please find enclosed the table of the total overview of financial liabilities in relation with IAS 7:

			Non-cash changes			
(in thousands of euros)	31/12/21	Cash Flows	Business combination	Change other	New contract	31/12/22
Finance lease liabilities	2	(4)	512	0	724	1,232
Government loans	0	(81)	3,674	0	0	3,593
Loans from related parties	0	(13)	38	0	0	25
Public Investment Bank borrowings	1,245	(133)	0	0	0	1,112
Bank debt	300	(49)	0	0	0	251
Convertible Bonds	891	500	3,270	(1,705)	0	2,956
Non-Convertible Bonds	0	0	13,472	199	0	13,671
Derivative Financial Liabilities	0	0	3	0	0	3
Interest-free advances	1,059	(150)	0	40	0	949
Other	28	0	0	(28)	0	0
Total financial liabilities	**3,525**	**70**	**20,969**	**(1,494)**	**724**	**23,792**

8.6.11. Trade and Other Payables

Trade and other payables are detailed as follows:

(in thousands of euros)	31/12/22	31/12/21
Trade payables	1,990	92
Other payables	246	118
Total trade and other payables	**2,236**	**209**

Trade payables (composed of supplier's invoices and accruals for supplier's invoices to receive at reporting date) are non-interest bearing and are in general settled 30 days from the date of invoice.

The increase of €2.03 million is mainly related to the integration of the subsidiary and related to trade payables which included important invoices at the end of 31 December 2022 related to the Contract Research Organizations ("CRO") for the ongoing clinical studies (ALLOB) and some costs for the finalization of the Prospectus submitted in February 2023.

8.6.12. Other Liabilities

Please find below the description of the other non-current and current liabilities detailed in the following table:

	Non-current		Current		Total	
(in thousands of euros)	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Long-term employee benefits	68	65	44	34	112	99
Deferred income on grants related to recoverable cash advances RW	0	0	16	0	16	0
Deferred income on grants related to patents	0	0	45	0	45	0
Total financial liabilities	**68**	**65**	**105**	**34**	**172**	**99**

Liabilities for defined benefit obligations

Employee benefits accounted for pursuant to IAS 19:

- Short-term employee benefits concern employee benefits which are due in full within twelve months following the end of the period during which the employees have rendered the corresponding services. These short-term benefits are filed under expenses for the year.

- Long-term benefits are those which are not due in full within twelve months following the end of the period during which the employees have rendered the corresponding services. These long-term benefits essentially consist of defined benefit obligations provided for in the collective agreement applicable to the Company.

Retirement benefits and other post-employment benefits are funded on the basis of an actuarial valuation carried out by an independent expert.

Liabilities for defined benefit obligations developed as follows:

Value of start of year commitments (31/12/2021)	**99**
Current service cost	8
Changes in assumptions	(14)
Changes in assumptions	18
Value of end of year commitments (31/12/2022)	**112**

Value of start of year commitments (31/12/2021)	**99**
Variation via the comprehensive income statement	8
Variation via other comprehensive income (OCI)	4
Value of end of year commitments (31/12/2022)	**112**

The actuarial assumptions used as of 31/12/2022 are as follows:

- Discount rate: 3.55 %
- Rate of employer contributions: 40.47% for managers.
- Turnover rate: 0 to 6% depending on age
- Salary growth rate: 3.5 %
- Retirement age: 65 for executives and 63 for non-executives
- Table of mortality rates: INSEE table 2016-2018

Given the value of commitments, sensitivity tests are not disclosed.

8.7. Notes Relating to the Statement of Comprehensive Income

8.7.1. Revenues

On 28 December 2022, a settlement agreement was entered into between BioSenic and Pregene, which provides for the payment of the settlement and termination amount of €1.0 million (excluded taxes) within 30 business days after the receipt of the invoice from BioSenic. In the other hand, BioSenic cancelled the invoice of the second milestone (invoiced in 2021) to Link Health & Pregene following the submission by Pregene of the IND application to the Chinese National Medical Products Administration (NMPA) as per the underlying License Agreement executed on 5 October 2020.

8.7.2. Other Operating Income

The other operating income relate to the different grants received by the Group:

(in thousands of euros)	31/12/22	31/12/21
Grants income related to recoverable cash advances	(20)	0
Grants income related to patents	17	0
Grants income related to exemption on withholding taxes	20	0
Grants income related to tax credit	279	312
Other income	(31)	0
Total	**266**	**312**

Recoverable Cash Advances

The recoverable cash advances ("Avances récupérables") are granted to support specific research and development programs. After the approval of these loans by the government (i.e., Walloon Region), a receivable is recognized for the loan to be received and presented as other receivables (see note 8.5.5). These loans become refundable under certain conditions, including the fact that the Group decides to exploit the R&D results of the project. In such case, part of the loan (30%) becomes refundable based upon an agreed repayment schedule, whereas the remaining part (70% and up to 170%) only becomes refundable to the extent revenue is generated within 10 or 25 years after the date at which exploitation has been decided. Accordingly, if no revenue is generated within that period of 10 or 25 years, any non-refunded part of the loan will ultimately not be repaid.

RCAs are partially recognized as a financial liability at the time of signing the agreement as explained in section 8.2.14 above and corresponding to the present value of the expected reimbursements discounted at a rate ranging between 1.08% and 17.1%. The difference between the actual amount received and the amount recognized as financial liability is considered as a government grant and is presented under the caption "deferred income". The deferred income is released as "other operating income" as the R&D costs compensated by the grant are incurred. The part of the grant representing the discount effect on the minimum refundable amount is released as interest income over the period of the interest free loan.

Grants Related to Tax Credit

For more detail on this section, see note 8.2.17.

Grants Related to the Exemption of Withholding Taxes for Researchers

Companies that employ scientific researchers and qualify as "R&D center" benefit from a partial exemption from payment of withholding tax on the salaries of scientific staff. They must transfer to the tax authorities only 20% of the withholding tax due on the salary of these researchers while the remaining amount is considered to be a government grant. These grants are recognized in the consolidated statement of comprehensive income at the same moment the related personnel expenses are incurred.

Grants Related to Patents

The Group receives government grants related to patents. On average, the grants received cover 70% of the fees incurred in the process of obtaining patents.

Considering that patent costs are expensed as incurred, related patent grants are immediately recognized as other operating income when the patent fees are incurred.

8.7.3. Research and Development Expenses

(in thousands of euros)	31/12/22	31/12/21
Staff cost	(459)	(277)
Studies	(522)	(308)
Building and equipment amortization	(42)	0
Other external costs	(6)	(34)
Total	**(1,030)**	**(619)**

Research and development expenses in 2022 were at €1.03 million compared to €0.62 million in 2021. Research and development costs are related to 6 ongoing research programs in progress or suspended on 31/12/2022 and 31/12/2021. Pending the obtaining of regulatory marketing authorizations, all costs are expensed as incurred in accordance with IAS 38. Research and development costs are related to 6 ongoing research programs: (i) ALLOB Phase IIb ongoing clinical trial; (ii) cGvHD Phase II (statistical exploitation of clinical results); (iii) preclinical study of Lupus nephritis and establishment of the Phase II/III Lupus protocol; (iv) FRA2 model of systemic sclerosis, (v) galenics and formulation testing of arsenic combined with Cu chloride and (vi) study of transgenic triplet mice from the University of Louvain, animal model of SLE (Systemic Lupus Erythematosus) .

8.7.4. General and Administration Expenses

(in thousands of euros)	31/12/22	31/12/21
Staff costs	(592)	(209)
Fees	(521)	(227)
Other external costs	(98)	(38)
Depreciation and amortization	(18)	(13)
Other operational costs	(324)	(84)
Total	**(1,554)**	**(570)**

General and administrative expenses for the full year 2022 amounted to €1.55 million compared to €0.57 million over the same period last year. The increase is mainly resulting from the expenses incurred for the preparation of the reverse merger and the Prospectus.

8.7.5. Employee Benefit Expenses

Employee benefits expenses can be detailed as follows:

(in thousands of euros)	31/12/22	31/12/21
Short term benefits	(796)	(338)
Social security cost	(241)	(140)
Post-employment benefits and other benefits	(15)	(8)
Total	**(1,052)**	**(486)**

8.7.5.1. Post-Employment Benefit Plan

The Group has a group insurance plan based on defined contributions for some employees, for which the insurance company guarantees an interest rate until retirement (type 'branche 21/tak21'). The contributions are a flat percentage of the salary depending on the category of personnel, entirely paid by the employer. By law, the employer has to guarantee a minimum rate of return on the contributions.

Based on an analysis of the plans and the limited difference between the legally guaranteed minimum returns and the interest guaranteed by the insurance company, the Group has concluded that the application of the PUC method would not have a material impact. The accumulated reserve (individualized reserves accumulated with the insurer) amounts to €0.4 million and the accumulated contribution paid amounts to €0.09 million.

8.7.5.2. Average Number of Employees in Full-Time Equivalents during the Year

Number of employees	31/12/2022	31/12/2021
Research and development	4	3
General and administrative	2.2	1
Total	**6.2**	4

8.7.6. Financial Result

Financial result	31/12/22	31/12/21
Financial Income – value gain warrants	7	0
Interest income on government loans	3	0
Total financial income	**10**	**0**
Interest on borrowings	(45)	(62)
Interest on non-convertible bonds EIB	(78)	0
Interest on non-convertible bonds	(88)	0
Interest on convertible bonds	(18)	0
Fair value impact on convertible bonds of ABO	(445)	0
Interest on obligations under finance leases	(8)	0
Variation of repayable advances	(41)	0
Other	(18)	(45)
Total financial expenses	**(741)**	**(107)**
Exchange (gains)/losses	**(1)**	**0**
Total financial result	**(732)**	**(107)**

Financial expenses amount to €0.74 million in 2022 compared to €0.11 million in 2021 and are mainly impacted by the valuation of the bonds conversion of shares done by ABO for €0.45 million and by the recognition of the interests on convertible loan from the insurance companies and the non-convertible loans with EIB and the insurance companies (€0.18 million).

8.7.7. Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(in thousands of euros)	31/12/22	31/12/21
Profit/loss for the period attributable to ordinary equity holders of the Company	(2,041)	(989)
Weighted average number of ordinary shares for basic/diluted loss per share (in number of shares)	120,132,013	66,389
Basic/diluted profit/(loss) per share (in euros)	**(0.02)**	**(14.9)**

In calculating the weighted average number of ordinary shares outstanding (the denominator of the earnings per share calculated) during the period in which the reverse acquisition occurs:

a) The number of ordinary shares outstanding from the beginning of that period to the acquisition date shall be computed on the basis of the weighted average number of ordinary shares of the legal acquiree (accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the merger agreement; and

b) the number of ordinary shares outstanding from the acquisition date to the end of that period shall be the actual number of ordinary shares of the legal acquirer (the accounting acquiree) outstanding during that period.

The basic earnings per share for the comparative period before the acquisition date presented in the consolidated financial statements following a reverse acquisition shall be calculated by dividing:

a) the profit or loss of the legal acquiree attributable to ordinary shareholders in each of those periods by

b) the legal acquiree's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

8.8. Financial Instruments and Financial Risk Management

8.8.1. Overview of financial instruments

The following table provides the category in which financial assets and financial liabilities are classified in accordance with IFRS9 – *Financial Instruments.*

(in thousands of euros)	IFRS9 Category	31/12/22	31/12/21
Other non-current financial assets			
Non-current receivables	financial assets at amortized cost	4,171	0
Trade and other receivables	financial assets at amortized cost	2,490	361
Cash and cash equivalents	financial assets at amortized cost	1,846	759
Total financial assets		**8,507**	**1,120**
Non-current financial liabilities			
Finance lease liabilities	At amortised cost	1,000	0
Government loans (RCA)	At amortised cost	2,788	0
Bank debt	At amortised cost	1,114	1,364
Non-Convertible Bonds	At amortised cost	10,125	0
Convertible Bonds	At amortised cost	0	0
Interest-free advances	At amortised cost	749	909
Current financial liabilities			
Finance lease liabilities	At amortised cost	232	2
Government loans (RCA)	At amortised cost	805	0
Loans from related parties	At amortised cost	25	0
Bank debt	At amortised cost	250	182
Non-Convertible Bonds	At amortised cost	3,546	0
Convertible Bonds - Integrale	At amortised cost	2,004	891
Convertible Bonds - ABO	At fair value through P&L	952	0
Interest-free advances	At amortised cost	200	150
Trade and other payables			
Trade payables	At amortised cost	2,236	208
Total financial liabilities		**26,026**	**3,706**

The fair value of financial instruments can be classified into three levels (1 to 3) based on the degree to which the inputs to the fair value measurements are observable:

- Fair value measurements of level 1 are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- fair value measurements of level 2 are based on inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (through prices) or indirectly (through input derived from prices);
- fair value measurements of level 3 are based on valuation techniques comprising inputs which are unobservable for the asset or liability.

The following table presents the financial assets and liabilities for which the fair value differs from the carrying amount. The other non-current financial liabilities include warrants which are measured at fair value in the consolidated statement of the financial position. The carrying amount of the remaining financial assets and liabilities approximate their fair value.

(in thousands of euros)	31/12/22		
	Carrying amount	Fair value	Fair value level
Non-current financial liabilities			
Government loans (RCA)	2,788	4,090	Level 3
Non-Convertible Bonds	10,125	10,558	Level 2

The government loans related to the recoverable cash advances are measured at amortized costs (fair value is disclosed above and is also a Level 3 measurement).

Non-Convertible Bonds

The fair value has been measured based on a discounted cash-flow methodology, using a market interest rate reflecting the current market conditions and the risk profile of the company. For the non-convertible bonds with the insurance companies, the Company used a monthly effective interest rate of 0.97% (assumptions to fully repay the bonds in June 2023). For the EIB loan and Patronale loan, the company used a monthly effective rate of 0.49% (assumptions to fully repay the bonds with the capitalized interests in August 2026)

Convertible Bonds of ABO:

We refer to note 8.6.10 where the valuation of the corresponding financial liability has been described.

Reconciliation *(in thousands of euros)*	**31/12/22**	**31/12/21**
Opening balance	0	0
Acquisition business combination	1,364	0
Cash received	500	0
Equity recognition	(1,332)	0
Change in fair value	445	0
Transaction costs (movement)	(25)	0
Closing balance	**952**	**0**

Government loans related to the recoverable cash advances:

The fair value has been calculated as the weighted average of a best case, base case and worst-case scenario for each project. The weight given to each scenario is as follows:

- Best case given the weight of the probability of success (PoS) determined by the Management based on the analysts' reports (ranging from 20% to 40%) to each project whereby the project is successfully commercialized and a maximum of the commitments vis-à-vis the Walloon Region are honored.
- Worst case: the Company stops all activity by the end of 2023 and will only honor its fixed commitments up to that date. Probability for this scenario has been set at 10% for all projects.
- Base case: the Company honors only the fixed commitments (non-turnover-related reimbursements) for each of the projects. The probability for this scenario has been set between 50% and 70%.

Based on those scenarios, the fair value, after discounting fixed commitments at rates between 1.08% and 2.91% and the turnover dependent reimbursements at a rate of 17.10% (average rate used by the analysts following the Company) amounts to €4.90 million.

When applying a sensitivity analysis on the above varying the ponderations between the best and base case scenario (decreasing/increasing the PoS of the projects) and varying the discount rate used for discounting the turnover dependent reimbursements (using a discount rate for a more mature biotech company) we obtain the following results:

(in thousands of euros)	Impact of PoS*				
	-40%	-20%	0	+20%	+40%
DCF with discount rate of 17.10% used for turnover dependent reimbursement	4,268	4,581	4,895	5,209	5,523
DCF *with discount rate used for turnover dependent reimbursement* reduced to 12.5%**	4,668	5,108	5,547	5,987	6,426

** Decrease/increase of best case versus increase/decrease of base case with the worst-case scenario remaining at the same level.*

*** DCF used for turnover dependent reimbursements.*

8.8.2. Credit Risk

BioSenic believes that its credit risk, relating to receivables, is limited because currently almost all of its receivables are with public institutions. Cash and cash equivalent and short-term deposits are invested with highly reputable banks and financial institutions.

The maximum credit risk, to which the Group is theoretically exposed as at the balance sheet date, is the carrying amount of financial assets. At the end of the reporting period no financial assets were past due, consequently no financial assets were subject to impairment.

8.8.3. Liquidity Risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's main sources of cash inflows are obtained through capital increases, subsidies, government loans and where appropriate loans from commercial banks to finance long-term requirements (investment in infrastructure). A key objective of the Board together with the Executive Directors is to ensure that the Company remains adequately financed to meet its immediate and medium-term needs.

If necessary and appropriate, the Company assures itself of short-term borrowing facilities to cover short-term requirements. In this context, Bone Therapeutics signed a definitive subscription agreement for a EUR 5 million convertible bonds (CBs) facility arranged by ABO Securities in May 2022. The Company did not recognize any reimbursement amounts in the table below as ABO's objective is to convert the bonds as much as possible.

The following table details the Group's remaining contractual maturity of its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

31/12/2022 *(in thousands of euros)*	**Financial lease liabilities**	**Government loans**	**Loans from related parties**	**Convertible Bonds**	**Non-Convertible Bonds**	**BPI France borrowing**	**CIC borrowings**	**Total**
Within one year	332	749	25	2,160	3,986	175	76	**7,502**
>1 and <5 years	1,160	1,075	0	0	12,179	738	178	**15,330**
>5 and <10 years	0	875	0	0	0	200	0	**1,075**
>10 and <15 years	0	589	0	0	0	0	0	**589**
>15 years	0	678	0	0	0	0	0	**678**
Total	**1,492**	**3,966**	**25**	**2,160**	**16,165**	**1,113**	**254**	**25,175**

31/12/2021 *(in thousands of euros)*	Financial lease liabilities	Government loans	Other	Convertible Bonds	Non-Convertible Bonds	BPI France borrowing	CIC borrowings	Total
Within one year	0	0	30	891	0	181	0	1,102
>1 and <5 years	0	0	0	0	0	857	300	1,157
>5 and <10 years	0	0	0	0	0	207	0	207
>10 and <15 years	0	0	0	0	0	0	0	0
>15 years	0	0	0	0	0	0	0	0
Total	**0**	**0**	**31**	**891**	**0**	**1,245**	**300**	**2,466**

8.8.4. Interest Rate Risk

BioSenic and Medsenic have long term investments loans granted by third parties (including the European Investment Bank and investors in (convertible) bonds issued by BioSenic)) and by regional investment bodies (for the fixed part, but also including the turnover independent reimbursements (30%) related to RCA's concluded as of 2009). The group at current does not undertake any hedging. All the negotiated interest rates are fixed and no loans are exposed to variable rates.

8.8.5. Foreign Exchange Risk

BioSenic is currently not exposed to any significant foreign currency risk.

However, should BioSenic enter into long term collaboration agreements with third parties for which revenues would be expressed in a foreign currency, BioSenic might in such case consider entering into a hedging arrangement to cover such currency exposure (in case the related expenditure is planned in local currency). BioSenic will also monitor exposure in this respect following the establishment of its US subsidiary. At current, there is no significant exposure in USD.

8.9. Related-Party Transactions

The structure of the group has been described in Chapter 3. For more detail about the related-party transactions, please refer to Chapter 5.

Balances and transactions between the Company and its subsidiary, which is a related party of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

8.9.1. Transactions with the Walloon Region

As a result of the relationship of the government (*i.e.* Walloon Region) with some shareholders of the Company and the extent of financing received, the Company judges that the government is a related party. However, the principal amounts recognized in the financial statements relate to government grants. The total accumulated grants received from the Walloon Region since the start-up of Bone Therapeutics amount up to a total of €35.30 million (2021: €35.70 million). Next to the government grants, government agencies granted loans to the Group for a total amount of €3.97 million.

8.9.2. Remuneration of Key Management and Transactions with the Non-Executive Directors

The remuneration of key management personnel has been described as follow:

(in thousands of euros)	Period ended 31 December 2022	2021
Number of management members	4	2
Short-term benefits*	391	207
Share-based payments	0	0
Total	**391**	**207**
Number of warrants granted (in units) on 31 December	0	0
Shares owned (in units) on 31 December	39,895,482	34,692

*The total of 2022 is expressed with the benefit for the full year of Medsenic and 2 months for BioSenic. It includes 12 months for Véronique Pomi and François Rieger, 1 month for Michel Wurm and 1 month for Anne Leselbaum.

Transactions with the non-executive directors can be summarized as follows:

(in thousands of euros)	Period ended 31 December 2022	2021
Share-based payments	0	0
Management fees	37	0
Total	37	**0**
Number of warrants granted (in units) on 31 December	64,498	0
Shares owned (in units) on 31 December	112,418	0

8.10. Commitments

The Company has no major commitments for 2023 and beyond.

8.11. Fees Paid to Auditors for Audit and Other Activities

Detail of audit and non-audit fees paid during 2022 in €	Amount
Statutory and IFRS audit fees BioSenic	68,000
Additional audit fees	53,000
Total audit fees BDO for FY22	**121,000**
Contribution in kind Audit report	12,500
Pro Forma Financial Information Audit Report	36,500
Total non-audit fees BDO	**49,000**
TOTAL	**170,000**

8.12. Events after the Reporting Period

The annual consolidated financial statements on 31 December 2022 were authorized for issue by the Board of Directors of the Company on 26 April 2023. Accordingly, events after the reporting period are those events that occurred between 1 January 2023 and 26 April 2023.

On 21 February 2023, BioSenic announced it received EUR 1 million (minus 6% taxes) from Pregene in accordance with the terminated license agreement. BioSenic regained worldwide rights to its allogeneic, off-the-shelf, bone cell therapy platform ALLOB further to the unilateral termination notice received from Shenzhen Pregene Biopharma Co., Ltd. ("Pregene") in October 2022. BioSenic has started preliminary discussions with Pregene, Link Health and other potential partners to move forward with the development and commercialization of ALLOB in other geographies, including the US.

From 1 January 2023 till 26 April 2023, a total of €0.20 million was converted into shares for a total of 2,111,111 shares. Following the conversions, the total of shares as of 26 April 2023 amounted to 124,008,857 shares.

9. STATUTORY ACCOUNTS

9.1 Condensed Statutory Annual Accounts

9.1.1. General Information

In accordance with Art. 3:17 of the Belgian Companies and Associations' Code, it has been decided to present an abbreviated version of the statutory financial statements of BioSenic SA. These condensed statements have been drawn up using the same accounting principles for preparing the full set of statutory financial statements of BioSenic SA for the financial year ending 31 December 2022 These financial statements were as such prepared in accordance with the applicable accounting framework in Belgium and with the legal and regulatory requirements applicable to the financial statements in Belgium.

The management report, the statutory financial statements of BioSenic SA and the report of the statutory auditor will be filed with the appropriate authorities and are available at the Company's registered offices. The statutory auditor has issued an unqualified report on the statutory financial statements of BioSenic SA. The full set of the statutory financial statements is also available on the Company's website www.biosenic.com.

9.1.2. Balance Sheet

ASSETS *(in thousands of euros)*	**31/12/2022**	**31/12/2021**
Non-current assets	**42,396**	**3,259**
Formation expenses	1,227	1,634
Intangible assets	21	24
Property plant and equipment	209	263
Financial fixed assets	40,940	1,339
Current assets	**12,761**	**17,487**
Amounts receivable for more than one year	3,978	4,428
Trade and other receivables	6,742	2,570
Investments	34	34
Cash and cash equivalents	1,610	9,407
Deferred charges and accrued income	397	1,047
TOTAL ASSETS	**55,158**	**20,746**

EQUITY AND LIABILITIES *(in thousands of euros)*	31/12/22	31/12/21
Equity	**28,626**	**(5,439)**
Share capital	33,601	4,924
Share premium	15,799	2,175
Accumulated profits (losses)	(20,773)	(12,537)
Non-current liabilities	**12,925**	**19,213**
Current liabilities	**13,606**	**6,972**
Current portion of amounts payable after one year	7,181	945
Trade debts	5,105	4,400
Taxes remuneration and social security	72	269
Other amounts payable	464	457
Accrued charges and deferred income	784	901
Total liabilities	**26,532**	**26,185**
TOTAL EQUITY AND LIABILITIES	**55,158**	**20,746**

9.1.3. Statutory Income Statement

(in thousands of euros)	For the 12-months period ended	
	31/12/2022	31/12/2021
Operating income	**6,734**	**14,297**
Turnover	0	1,000
Own construction capitalized	4,939	11,147
Other operating income	1,795	2,150
Non-recurring operating income	0	0
Operating charges	**(13,677)**	**(26,880)**
Services and other goods	(6,776)	(12,169)
Remuneration, social security, pensions	(1,298)	(2,275)
Depreciation and amounts written off fixed assets	(5,602)	(11,751)
Other operating charge	(1)	(685)
Operating profit/(loss)	**(6,943)**	**(12,583)**
Financial income	1	5
Financial expenses	(1,295)	(847)
Result Profit/(loss) before taxes	**(8,235)**	**(13,425)**
Income taxes	0	(89)
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	**(8,236)**	**(13,514)**

9.1.4. Appropriation account

The Company ended the year with a loss of €8,24 million. Carried forward losses at the end of 2021 amounted to €12.54 million. The Board of Directors proposes to appropriate the loss for 2022 to losses carried forward. Losses carried forward after appropriation therefore amounts to €20.77 million.

(in thousands of euros)	**31/12/2022**
Loss carried forward for the year at 31.12.2021	(12,538)
Loss for the period	(8,236)
Incorporation to share capital and share premium	0
Total loss carried forward	**(20,774)**

9.1.5. Summary of significant accounting policies

9.1.5.1. Principles

The valuation rules have been prepared by the Board of Directors in accordance with the requirements of the Royal Decree of 30 January 2001.

9.1.5.2. Specific Rules

Company Formation Expenses

Formation expenses are recorded as intangible fixed assets at their nominal value and depreciated over a period of 5 years. The debt issuance costs are directly recognized into the profit and loss.

Intangible Assets

R&D costs excluding administrative and financial costs are recognized as assets in an intangible asset account and amortized pro-rata basis over the year for the R&D costs capitalized as from 1 January 2016. For R&D costs capitalized before this change in accounting rules, amortization continues to be applied over a three-year period.

Receivables from Third Parties

Receivables are valued at their face value. Non-interest bearing long-term Receivables will be actualized using an appropriate discount rate.

Advance Cash Payment

Upon signing agreements with the Walloon Region, advance cash payment will be recorded (when received) and will be debited in line with the part of the expenses reported and claimed which, granting body considers as being paid through the advances.

Recoverable Cash Advances (RCA's or Avances récupérables)

Revenue recognition of Recoverable cash advances is linked to R&D expenses which according to the new valuation principle applicable as of 1 January 2016, are amortized at 100% in the year of capitalization. For RCA's linked to R&D expenses, which were capitalized before the fiscal year 2016, and which are amortized

over a three-year period, revenue recognition of RCA's will be kept in line with the amortizing over this three-year period.

When the decision is made to exploit the results of the work financed through the recoverable cash advances, the recoverable advances are recognized in debt in full during the year the decision was taken. At the same time, the recoverable cash advance is recognized at 100% in other operating charges. The amount of the debt corresponds to plan set out in an agreement with the Walloon Region.

In case the project is abandoned, the remaining part of the capitalized R&D will be depreciated in an accelerated way and the revenues that are related will also be recognized in an accelerated way.

2022

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FREE TRANSLATION

BIOSENIC SA

Auditor's report to the general meeting of shareholders, in accordance with Article 4 of the Transparency Directive, on the compliance of the consolidated financial statements in electronic format of BIOSENIC SA as at 31 December 2022 with the ESEF (European Single Electronic Format) requirements and taxonomy under Delegated Regulation (EU) 2019/815

AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4 OF THE TRANSPARENCY DIRECTIVE ON THE COMPLIANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ELECTRONIC FORMAT OF BIOSENIC SA AS AT 31 DECEMBER 2022 WITH THE ESEF (EUROPEAN SINGLE ELECTRONIC FORMAT) REQUIREMENTS AND TAXONOMY UNDER DELEGATED REGULATION (EU) 2019/815

Mission

In accordance with Article 4 of the Transparency Directive, the auditor's role is to report if the format and mark up of the consolidated financial statements in electronic format (hereinafter the "digital consolidated financial statements") is in accordance with the ESEF requirements and taxonomy, in particular with the provisions in force as defined in the ESEF Regulatory Technical Standards ("ESEF RTS") under the European delegated regulation 2019/815 of 17 December 2018 applicable to the digital consolidated financial statements as at 31 December 2022.

Responsibilities of the board of directors

The board of directors is responsible for preparation of the digital consolidated financial statements in accordance with the ESEF requirements and taxonomy (in particular with the provisions in force as defined in the ESEF Regulatory Technical Standards ("ESEF RTS") applicable to the digital consolidated financial statements as at 31 December 2022).

This responsibility includes selecting and applying the most appropriate methods for preparing the digital consolidated financial statements. In addition, the responsibility of the board of directors includes the design, implementation and maintenance of relevant systems and processes relating to the preparation of digital consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors must verify that the digital consolidated financial statements correspond to the user-readable consolidated financial statements.

Responsibility of the auditor

It is our responsibility, based on our work, to express a conclusion that the format and mark up of the digital consolidated financial statements of Biosenic SA as at 31 December 2022 are, in all material respects, compliant with the ESEF Regulatory Technical Standards under the European delegated regulation.

We have carried out our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and plan and carry out the audit so as to obtain reasonable assurance about whether we have identified anything that causes us to believe that the digital consolidated financial statements have not been prepared, in all material respects, in accordance with the ESEF regulatory technical standards to be applied by the Company.

The choice of work performed depends on our judgment and assessment of the risk of material misstatement in the digital consolidated financial statements and the statements of the board of directors. The work that we carried out included, among other things, the following procedures:

- Verify if the digital consolidated financial statements in XHTML-format are prepared in accordance with article 3 of the European delegated regulation;
- Obtain an understanding of the Company's processes for tagging its digital consolidated financial statements and relevant internal controls for certification, with the aim of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls, which are intended to provide reasonable assurance that the XBRL tagging of the digital consolidated financial statements is, in all material respects, compliant with ESEF regulatory technical standards;
- Obtain sufficient appropriate audit evidence on the effectiveness of the operation of relevant controls for the XBRL tagging of the digital consolidated financial statements of Biosenic SA as at 31 December 2022;
- Reconcile the tagged data with the audited consolidated financial statements of Biosenic SA as at 31 December 2022.
- Assess the completeness of the tags in the consolidated digital financial statements prepared by the Group
- Assess the appropriateness of the Group use of the iXBRL elements of the ESEF taxonomy and assess the creation of the extension taxonomy.

Our independence and quality control

We have complied with the independence and other ethical requirements of the legislation and regulations in force in Belgium applicable within the context of our mission. These requirements are based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our audit firm applies the International Standard on Quality Control (ISQC) 1 and maintains a sophisticated system of quality control, including documented policies and procedures regarding ethical rules, professional standards and applicable legal and regulatory provisions.

Conclusion

Based on the work carried out, we are of the opinion that the format and mark up of the digital consolidated financial statements, included in the annual financial report, of Biosenic SA as at 31 December 2022 is, in all material respects, compliant with the ESEF requirements and taxonomy under the European delegated regulation .

In this report, we do not express an audit opinion, a review conclusion or any other assurance conclusion regarding the consolidated financial statements themselves. Our audit opinion on the consolidated financial statements is presented in the consolidated auditor's report dated 26 April 2023.

Other point

The consolidated financial statements of Biosenic SA were prepared by the board of directors of the Company on 26 April 2023 and were subject to statutory audit. This report is no reissue of our statutory auditor's report. Our auditor's report (signed on 26 April 2023) includes an unqualified opinion on the true and fair view of the assets and consolidated financial position of the Company as at 31 December 2022, together with its consolidated results and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and with legal and regulatory requirements applicable in Belgium.

La Hulpe, 31st May 2023

BDO Bedrijfsrevisoren BV
Statutory auditor
Represented by Rodrigo Abels