BioSenic reaches agreement on binding term sheets with main creditors to restructure past financial debts

New binding term sheets have been formulated upon for the replacement of the Monument and Patronale bonds and loans by new unsecured convertible bonds as well as for the long-term extension of the past loan financing with the European Investment Bank.

Mont-Saint-Guibert, Belgium, September 14, 2023, 7.00 am CEST – BIOSENIC (Euronext Brussels and Paris: BIOS), the clinical-stage company specializing in serious autoimmune and inflammatory diseases and cell therapy, today announces that it has reached an agreement with Patronale, Monument and the European Investment Bank (hereafter the "main creditors"), for the restructuring of its key financial debts.

Patronale and Monument agree to replace their outstanding loans granted to BioSenic by an aggregate outstanding principal amount of EUR 7.5 million plus accrued interests, by new convertible bonds to be issued by BioSenic later this year. The convertible bonds will not be secured and will have a maturity date at the horizon of December 31, 2030, which can be further extended by BioSenic for up to 24 months depending on its cash balance, end of 2032. BioSenic has also negotiated a lower interest rate of 5% per year, payable annually, with an additional non-compounding interest of 3% per year that will be added to the principal amount upon conversion or (p)repayment of a convertible bond. The convertible bonds will only become convertible as from 10 trading days after the announcement of the official remittance to the Regulatory Agency of the Final Clinical Report following the final results of BioSenic's phase 3 clinical trial of its lead Oral ATO therapeutic candidate targeting chronic graft versus host disease (cGVHD). The conversion price will be equal to 95% of the 30-calendar day VWAP immediately preceding the date of the conversion notice. The outstanding warrants of Patronale are being cancelled.

The outstanding loan from the European Investment Bank ("EIB") for a principal outstanding amount of EUR 8 million should as well be extended to 2030, with the same 24-month extension possibility as for the new convertible bonds. The interest rate will also be aligned with the new convertible bonds. The outstanding warrants of the EIB should also cancelled, and EIB should receive a similar return as Monument and Patronale if the new convertible bonds are effectively converted into shares. The completion of the restructuring is still subject to EIB approval.

Completion of the refinancing of the loans granted by Patronale, Monument and the EIB will be subject to BioSenic raising sufficient new equity for BioSenic to continue its operations including the initiation in Q2 2024 of a Phase 3 clinical trial of its lead Oral ATO therapeutic candidate targeting cGvHD.

These voluntary agreements, which will be submitted to the competent Belgian Enterprise Court for homologation as part of a freely accepted settlement procedure, increase BioSenic's financial stability to continue to develop critical therapies for patients with none or few alternative options, and demonstrate the trust of BioSenic's main creditors. The pending stated confidence of the Chairman of the Enterprise Court will establish that BioSenic has a sound prospect of business development and viability and that the agreements are feasible without prejudicing the rights of third parties over the assets of BioSenic. This will bring Yves Brulard's mandate to reach a negotiated agreement with the main historic creditors of Bone Therapeutics to an end.

These agreements give also the opportunity to BioSenic to participate intensively in the ongoing development of the regional network and should meet the requirements of the Walloon Region's multiannual research programs. BioSenic also obtained an agreement with the ABO Securities subsidiary, Global Tech Opportunities 15, to secure short term financing on the basis of its existing convertible bond program.

François Rieger, PhD, Chairman and Chief Executive Officer of BioSenic said: "*BioSenic has achieved ongoing financial stability to continue its development programs with the optimal restructuring of the debts inherited from Bone Therapeutics. Since the reverse merger operated last October 2022, the main financial organizations involved in the past programs of the company that became BioSenic were evaluating the chances to reorganize and renew both the structure and the programs of the company. This has been successfully recognized by the present term sheets, and gives long term financial stability to BioSenic. We can now concentrate on clinical accomplishment and innovation, for the full benefit of patients that are expecting new therapies for inflammatory, degenerative or autoimmune diseases, for which our ATO or*

cell repair platforms will provide decisive progress."

About BioSenic

BioSenic is a leading biotech company specializing in the development of clinical assets issued from: (i) the arsenic trioxide (ATO) platform (with key target indications including Graft-versus-Host Disease (GvHD), systemic lupus erythematosus (SLE) and systemic sclerosis (SSc) and (ii), the development of innovative products to meet unmet needs in orthopedics.

Following a reverse merger in October 2022, BioSenic combined a strategic positionings and strengths to use, separately and combined, an entirely new arsenal of various anti-inflammatory and anti-autoimmune formulations using the immunomodulatory properties of ATO/oral ATO (OATO) with its innovative cell therapy platform and strong IP for tissue repair protection.

BioSenic is based in the Louvain-la-Neuve Science Park in Mont-Saint-Guibert, Belgium. Further information is available at http://www.biosenic.com.

About BioSenic technology platforms

BioSenic's technology is based on two main platforms:

1) *The ATO platform, which has been successfully developed, has immunomodulatory properties with fundamental effects on the activated cells of the immune system. The first effect is the increase of the cell oxidative stress in activated B, T and other cells of the innate/adaptative immune system to the point they will enter a cell death program (apoptosis) and be eliminated. The second effect is potent immunomodulatory properties on several cytokines involved in inflammatory or autoimmune cell pathways, with return to homeostasis. One direct application is its use in onco-immunology to treat GvHD (Graft-versus-Host Disease) in its chronic, established stage. cGvHD is one of the most common and clinically significant complications affecting long-term survival of allogeneic hematopoietic stem cell transplantation (allo-HSCT). cGvHD is primarily mediated by the transplanted immune cells that can lead to severe multiorgan damage. BioSenic has been successful in a Phase 2 trial with its intravenous formulation, which has orphan drug designation status by FDA and EMA. The Company is heading towards an international Phase 3 confirmatory study, with its new, IP-protected, OATO formulation. Another selected target is moderate-to-severe forms of systemic lupus erythematosus (SLE), using the same oral formulation. ATO has shown good safety and significant clinical efficacy on several affected organs (skin, mucosae and the gastrointestinal tract) in an early Phase 2a study. Systemic sclerosis is also part of the clinical pipeline of BioSenic. This serious chronic disease badly affects skin, lungs or vascularization, and has no actual current effective treatment. Preclinical studies on pertinent animal models are positive, giving good grounds to launch a Phase 2 clinical protocol.*

2) *The allogeneic cell and gene therapy platform developed by BioSenic, with differentiated bone marrow sourced Mesenchymal Stromal Cells (MSCs), which can be stored at the point of use in hospitals. ALLOB represents a unique and proprietary approach to organ repair and specifically to bone regeneration, by turning undifferentiated stromal cells from healthy donors into bone-forming cells on the site of injury. ALLOB has recently been evaluated in a randomized, double-blind, placebo-controlled Phase 2b study in patients with high-risk tibial fractures, using its optimized production process, after a successful first safety and efficacy study (Phase 1/2a) on fractured long bones, with late-delayed union. However, in June 2023, BioSenic decided to suspend its interventional trial on fracture healing using ALLOB, following negative results obtained for the primary endpoint in this exploratory Phase 2b clinical trial, interpreted as a failure of a too early cell injection, just after fracture. BioSenic is now focusing on determining the best time to optimise the efficacy of ALLOB (choice between early or late treatment).*

Note: Biosenic has reevaluated a previous important and years-long clinical development program. In March 2023, after the clinical identification of distinct OA subtypes, BioSenic delivered a new post-hoc analysis of its Phase 3 JTA-004 trial on knee OA, demonstrating positive action on the most severely affected patient subpopulation. This new post-hoc analysis drastically changes the therapeutic profile of the combined components and allows for better patient targeting in future clinical developments. This leads to a next generation of JTA, off-the-shelf enhanced viscosupplement to treat knee osteoarthritis (OA), made of a unique combination of mammalian plasma proteins, derivatives of hyaluronic acid (a natural component of synovial fluid in the knee) and a third active component. JTA or some derivatives are intended to provide effective lubrication and protection to the cartilage of the arthritic joint and to alleviate osteoarthritic (OA) pain and inflammation.
The company, will nevertheless focus its present R&D and clinical activities on a selective, accelerated development of its autoimmune (ATO/OATO) platform.

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