Docusign Envelope ID: 9FB185C1-C188-8E31-80BE-CB63397E7EC2

Due Diligence Report OrthoBion

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1. Executive Summary

Orthobion GmbH is a specialty spinal implant company focused on titanium-coated PEEK interbody fusion cages for cervical and lumbar spine applications. The company's core value proposition is the combination of the radiolucency and biomechanical properties of PEEK with the osseointegration advantages of titanium coatings. Orthobion possesses a differentiated surface technology platform protected by one granted European patent and is progressing through final stages of EU MDR certification while preparing a potential US FDA 510(k) regulatory pathway.

From a due diligence perspective, Orthobion's strongest assets appear to be:

- Proprietary titanium coating technology applied to PEEK spinal cages.
- Existing granted European patent protection, however one claim requires an engineered grooved texture, and is not yet demonstrated.
- Advanced MDR transition status with several technical issues already resolved.
- Defined FDA predicate strategy based on existing Medacta products.
- Clear clinical and commercial positioning in the growing spinal fusion market.
- Clinical data from two Belgian studies showing faster fusion than uncoated PEEK and no difference between smokers and non-smokers (design and publication status to be confirmed).
- The prospects of a range/acquisition opportunities is to be evaluated.

The principal risks identified are:

- MDR certification has not yet been finalized.
- No IP position in the US & rest of the world territories.
- Regulatory open items remain regarding clinical evaluation positioning, technical documentation and sterility validation.
- Patent portfolio breadth appears limited based on currently reviewed material.
- Commercial scale, sales traction, distribution network and financial performance remain unverified and require further investigation. Commercial deployment plan is based on internationalization without yet having full visibility on local sales networks and distributors.
- Revenue has been flat since 2023 (EUR 1.15M, 0.93M, 1.07M, c. 1.13M estimated for 2026).
- Dependence on Motion Medical.
- Fragmented, largely outsourced supply chain; the manufacturing process is still being run in and the cleaning and sterilisation revalidations are open

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Next steps:

- Need for a financial due diligence: quality of earnings, transfer pricing with Motion Medical (captive distributor), customer concentration, entity perimeter of the figures.
- Evaluation of the supply-chain concentration (single coating site with 1-2 machines; Invibio, machining partners, Inpack/BGS; French machining partner absorbed by Marl).
- Evaluate the individual key-person risk (Mr. Benoit Verjans).
- Check the quality of the clinical evidence.
- Biosenic's ability to fund the post-deal MDR, FDA and commercial plan (ABO EUR 1M + debt conversion versus needs).
- Independent validation of the regulatory status recommended. The regulatory input so far comes from Orthobion's own consultant (Mr. L. Ferriere).

Recommendation:

Based on the information provided by the Orthobion team, the information collected both internally & externally by the Biosenic due diligence team, the recommendation is to proceed with a conditional and non-binding term sheet, subject to satisfactory completion of critical due diligence on intellectual property ownership and product coverage, MDR transitional compliance, financial reconciliation and related-party arrangements. The valuation should separately reflect the demonstrated value of the existing business and the risk-adjusted value of future regulatory and commercial opportunities, and no valuation figure should appear in the term sheet before the financial reconciliation and an independent valuation. Any definitive transaction should be subject to appropriate governance procedures, independent valuation support and contractual protections addressing the identified risks.

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2. Orthobion as a company & its products

Orthobion GmbH based in Konstanz, Baden-Württemberg (Germany) manufactures implantable spinal medical devices, specifically interbody fusion cages used in spinal fusion surgery for orthopaedic and neurosurgical indications. The company was established in 2010 and has an annual turnover of EUR 1.07 million in 2025 (EUR 1.15 million in 2023, EUR 0.93 million in 2024, c. EUR 1.13 million estimated for 2026; management figures of 11 October 2026, not yet verified).

At present date geography of the company's capital is not clear and needs further clarification. Also confirmation is required on the number of actual Orthobion team members.

Under the EU Medical Device Regulation (MDR), Orthobion's products fall within the category of implantable orthopaedic devices, spinal fusion implants (interbody cages) and devices intended for the treatment of degenerative spinal diseases, instability, and other conditions requiring vertebral fusion. Currently Orthobion's main products are Titanium Surface Coated (TSC) Cages, which are the interbody fusion cages for TLIF (Transforaminal Lumbar Interbody Fusion), PLIF (Posterior Lumbar Interbody Fusion), PTLIF and ACIF/ACDF procedures (cervical fusion). The cages are constructed from a PEEK core with a patented ultra-thin titanium coating to promote osseointegration while maintaining radiolucency.

Following an evaluation, in Europe the implantable spinal fusion cages are generally classified as Class III medical devices under EU MDR 2017/745 because they are surgically invasive, long-term implantable devices intended to remain in the body. This classification is consistent with the regulatory treatment of lumbar and cervical interbody fusion cages in Europe. This classification is confirmed by the TUV NORD confirmation letter of 24 October 2024 (Rev02), which lists the reCreo and TSC cages as Class III implantable devices under MDR, with the legacy MDD certificate no. 44 232 200180 (Annex II excluding section 4).

Orthobion is described as a legal medical device manufacturer engaged in the design and development, manufacturing, production and distribution of spinal implants and related instruments.

Orthobion's products are of relatively low manufacturing complexity and include the following elements: standardized spinal fusion cages, PEEK machined implants which are purchased according to well defined specifications, ultra-thin titanium-coated surfaces using Orthobion's proprietary FGOIC Ti process yielding TSC in multiple sizes and lordotic angles. The typical manufacturing steps include the CNC machining of PEEK blanks, surface preparation, the Titanium coating process, a formal cleaning process, inspection and dimensional verification, packaging (currently outsourced), sterilization (currently outsourced) & final release. Most of these manufacturing steps can be highly automated.

The value inflection point is the technology to add a (very) thin but sufficient thick layer of Titanium to a PEEK spinal cage. Orthobion has developed this technology, has taken an IP position on this and brought a first family of medical devices to a (limited) European market.

Following a discussion on both Friday, September 18 & Friday, October 2, 2026, between Orthobion & Biosenic the following topics have been part of a due diligence exercise in order to evaluate the business case for Orthobion:

- Current Intellectual Property position on the Orthobion technology
- Status on the CE mark application
- Proposed regulatory strategy regarding an access to the US market
- Differentiation of Orthobion product line
- Business Development plan for Belgium, Europe & US

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3. Intellectual Property Assessment

Patent Position: The key patent supplied for review is EP 3 052 054 B1 Title: "Spinal Implant for Interbody Use" Application filed: 30 September 2014 Patent granted: 13 November 2019 (priority 2 October 2013; international filing 30 September 2014, PCT/EP2014/070902; nominal expiry 30 September 2034; opposition period closed in August 2020, register to be checked for oppositions or limitations) Owner: Motion Medical (Belgium). Key Protected Concept cover:

- Spinal implants manufactured from biocompatible polymers such as PEEK.
- Application of thin metallic coatings, particularly titanium coatings.
- Engineered surface textures and engineered groove patterns designed to improve cell adhesion and osseointegration. Note: claim 1 makes the grooved texture mandatory (distance between adjacent extrema 0.3-150 micrometres), combined with a metal-containing coating of 0.3 nm-5 micrometres. It also is a combination of features: presence and geometry of the grooves, spacing of extrema, thickness and composition of the coating, and Orthobion's rights over the technology actually used.
- Coating technologies enabling preservation of the mechanical properties of the polymer core.
- Intersomatic cages utilizing this coating concept.

Strategic Value: The patent aligns closely with Orthobion's public commercial positioning and appears to protect the central technological differentiator promoted by the company. Public marketing language referring to proprietary and patented titanium coating technology appears consistent with the scope of EP3052054B1.

Due Diligence Observations

Positive:

- Granted European patent rather than a pending application.
- Patent claims appear directly linked to marketed products.
- Patent claims cover the implant (claim 1) and a method of coating a textured substrate (claim 15, dependent on claim 1); no deposition parameters are claimed.

Items requiring verification:

- Current ownership chain from Motion Medical to Orthobion.
- Remaining patent term and renewal fee status. Nominal expiry: 30 September 2034 (c. 8 years left); confirm national validations of the EP designations, the Brazilian national phase (WO 2015/049222) and fee payments.
- Existence of continuation, divisional, US or additional international filings.
- Freedom-to-operate analysis *versus* major competitors.
- Assignment of EP 3 052 054 B1 from Motion Medical to Orthobion GmbH, or an exclusive and irrevocable licence, including the know-how, process parameters and validation files.

A key due diligence question is whether the patent protection is limited to spinal implants and interbody cages, or whether additional patents exist covering titanium-coated polymer implants generally, coating processes, manufacturing methods, and non-spinal applications. The granted patent claims are specifically directed to a "spinal implant" and several claims explicitly reference intersomatic cages. Therefore, before assigning significant platform value beyond spine, a verification of additional patent families and of the requirements for a US patent coverage is essential. Also the method-of-manufacturing claims need to be elaborated & re-evaluated as well as the freedom-to-operate outside the spine sector.

Conclusion: from a technology standpoint, the coating platform could potentially be extended to cranio-maxillofacial, trauma, sports medicine, dental and other orthopaedic implants. However, the current patent provided appears primarily focused on spinal implants, so the commercial expansion opportunity may be broader than the currently demonstrated IP protection.

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IP Risk Rating: Medium to High (pending product-to-claim analysis and chain of title)

The existence of granted IP is a clear strength and focuses on the claim which is characterised by two ranges (coating thickness; spacing of extrema) and still requires grooves - not by thickness alone. Orthobion's < 1 micrometre layer falls within the thickness range of the titanium layer to be applied on the different polymer implants (PEEK, PEKK, UHMWPE). However, the current portfolio depth appears to be limited since only limited to spinal implants, only Europe (EP designations, to be verified country by country) and Brazil (national phase, to be verified) are covered and patent expires on 30 September 2034 (c. 8 years of remaining protection). There is no IP protection for the US market and the current patent cannot be extended to other regions anymore, as the deadlines have expired.

In addition, the publication of the initial patent is now prior art against any new application on the same invention, so new filings are only possible for genuinely new developments (e.g. process improvements or new product designs), subject to an opinion from IP counsel. Without US protection, the technology can be lawfully reproduced in the US; differentiation there would rest on know-how, clinical data and time-to-market.

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4. European MDR Regulatory Assessment

Following the implementation of the MDR regulation in Europe, Class III medical devices had to reclassify the CE mark. This transition followed a stepwise approach. There was a deadline of 26 May 2024 for the implementation of an MDR compliant QMS system, a formal application with a certified Notified Body and the availability of a written agreement with this Notified Body by 26 September 2024.

At this stage the evaluation of the TSC cages is in its final stage of transition of MDR certification activities. The notified body is TÜV Nord. Regulatory documentation indicates that class Ir instruments have already obtained CE certification (these are the re-usable supportive instruments), the review is currently in Round 3 with the notified body and for Europe the biocompatibility questions have been successfully closed. The outstanding MDR topics include the following remaining administrative activities: alignment of labelling and implant cards, final GSPR alignment, a final version of the manufacturing flow documentation and an update of the Summary of Safety & Clinical Performance (SSCP) document.

Timeline: Orthobion plans to submit all remaining items to TÜV NORD in mid-November 2026, with a review of 1-2 months; management expects the CE certificate in Q1 2027.

Concerning the actual sterility and manufacturing operations the remaining technical requirements need to be updated to include the cleaning process description, a cleaning revalidation, an ISO 11607 compliant packaging compliance verification, and a sterilization transfer revalidation documentation.

For the final clinical evaluation the Notified Body TÜV Nord did not challenge existing clinical studies or PMS evidence, but only requested additional competitor comparisons within an equivalence-style framework. All questions were related to the classification as a "Well-Established Technology" because of the innovative manufacturing approach. Important to note that the MDR update explicitly states that the challenge regarding "Well-Established Technology" does not appear to affect the required level of clinical evidence.

European Regulatory Risk Rating: Medium-Low

The TUV NORD confirmation letter of 24 October 2024 (Rev02) confirms receipt of a formal application and a signed written agreement, but states neither date and does not address the MDR-compliant QMS deadline of 26 May 2024; evidence is still required. Under Regulation (EU) 2023/607 the transition period for Class III devices runs to 31 December 2027, subject to the conditions of Article 120(3c).

No major scientific deficiencies have been identified. Remaining issues appear mainly administrative, validation-related and documentation-focused rather than fundamental safety or efficacy concerns. Additional investments are to be expected and must be quantified, distinguishing mandatory costs (MDR cleaning and sterilization revalidation and testing), conditional costs (FDA testing, a possible second production site of EUR 1-2 million) and growth investments (business developer).

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5. Proposed regulatory strategy regarding an access to the US market

At this stage Orthobion has developed a preliminary FDA strategy based on the 510(k) pathway. This regulatory pathway will need to be confirmed. A US FDA 510(k) clearance is an authorisation from the US FDA which lets a company sell a new medical device in the United States by proving it is just as safe and effective as a device already on the market. Instead of proving a brand-new invention works from scratch with years of expensive human trials, a company shows that their new device is "substantially equivalent" to an already legally sold device (called a "predicate device"). In order to get a 510(k) clearance, the company must prove to the U.S. FDA that the new product matches the reference product in two (2) main ways:

- Same Intended Use: It does the same job or treats the same medical condition.
- Same or Safe Technology: It works the same way, or any design changes do not raise new safety or effectiveness questions

The products from Orthobion would fall into a US class II (medium risk) device category. While the spinal cage is a permanent implant, the FDA reclassified standard interbody fusion devices containing traditional bone grafting material from Class III down to Class II. This means they can usually be cleared through the 510(k) pathway by proving they are "substantially equivalent" to existing fusion cages already on the market. Prior to finalising the US regulatory strategy it will be important to confirm that the Titanium coating will be classified as an active moiety aimed to promote bone growth or not, since this will drive the legal status from 510(k) clearance to a Premarket Approval (PMA).

The proposed approach by the Orthobion team is to follow the 510(k) regulatory pathway and to use the existing Medacta titanium-coated PEEK cages as predicate devices.

Key observations:

- Product codes identified for both lumbar and cervical indications.
- Predicate devices appear clinically relevant.
- Existing standards roadmap has been established.
- Many applicable mechanical and coating test reports are reportedly already available.

Following a discussion with the Orthobion team the current biocompatibility data package built for the European MDR dossier will not be sufficient for the US market and will have to be complemented with extra studies. While in Europe a chemistry first approach is maintained, the US FDA applies a testing first approach. The FDA enforces a specific requirement for Material-Mediated Pyrogenicity (MMP) testing for all implants. They explicitly ask for this check (typically via the rabbit pyrogen test) to ensure that chemicals leaching from the spinal cage do not trigger a fever response in the patient. In addition some of ASTM standards still need to be evaluated to determine if these are applicable or not.

At this stage no formal contact has been established or contract has been signed with a US partner.

US Regulatory Risk Rating: Medium to High

The regulatory path forward appears achievable but remains unvalidated until FDA interaction takes place. It also will depend on the company decision and claim IF a 510(k) clearance will be maintained *OR* if the business case could support a PMA.

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6. Differentiation of Orthobion product line & current (Global) market

One of the discussion points identified in the due diligence agenda was differentiation *versus* major competitors including Stryker, Medtronic, Zimmer Biomet and DePuy Synthes. Also what is the market potential of the technology ?

Based on the available information, Orthobion differentiates itself through:

Feature	Orthobion Position
Implant Core	PEEK
Surface	Titanium coating
Imaging	High radiolucency
Osseointegration	Titanium-mediated bone integration
Elastic Modulus	Closer to bone than full titanium cages
Technology Message	"Best of Titanium and PEEK"

The principal commercial claim is that Orthobion provides enhanced biological response without sacrificing PEEK's imaging and biomechanical advantages. This is sufficient as a starting point, but currently only limited to spinal cages.

Clinical evidence: The differentiation rests on two Belgian series presented by the company: 127 single-level lumbar patients, coated versus uncoated PEEK, with significantly faster fusion at 6 months and 12 months; and 63 cervical patients (99 fusions), with almost 100% fusion at 6 months in both smokers and non-smokers. Both are single-centre series compared with uncoated PEEK only; there is no comparison with titanium, plasma-coated or 3D-printed titanium cages. A retrospective study of patients implanted more than five years ago is under way, with interim results expected at the end of 2026.

Based on publicly available market analyses and what is known about Orthobion GmbH, the company operates in a specialized niche of the spinal implants market, namely PEEK/titanium-coated interbody fusion cages for cervical and lumbar fusion procedures, based on this the following market analysis was done.

1. Size of the Global Market

There are different estimates depending on whether one looks at:

- The entire spinal fusion devices market (cages, screws, rods, biologics, navigation, *etc.*)
- The narrower interbody fusion cage market (Orthobion's segment)

Global spinal fusion device market, recent market reports estimate:

Market	2025-2026 Size
Global spinal fusion devices	~USD 5.9 – 9.5 billion
North America share	Largest market (~35-45%)
Europe share	Second-largest market (~25-30%)

Global interbody fusion cage market for Orthobion, this is the more relevant segment. Most market sources place the global market around USD 2.4 – 2.8 billion annually and growing approximately 4-8% CAGR

2. US and European Market

The US remains the largest market worldwide, with US spinal fusion devices market estimated at USD 5.85 billion (2025) the interbody cages account for approximately 45% of that market. This suggests a US interbody cage market of roughly USD 2.4 – 2.8 billion/year. Europe generally represents approximately 25 - 30% of the global interbody cage market. A reasonable estimate based on the published market shares is USD 600 – 800 million/year. Thus, the combined US + Europe interbody cage market is likely in the range of USD 3.0 - 3.6 billion annually.

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3. Competitive Landscape

The market is heavily dominated by a limited number of global players: Medtronic, Globus Medical, Johnson & Johnson / DePuy Synthes, Stryker, Zimmer Biomet, NuVasive (now part of Globus Medical). These companies collectively control the majority of the worldwide market. One report estimates the top five suppliers hold more than 70% of the spinal fusion market.

Beyond the large groups, the relevant comparators are the alternative cage technologies: uncoated PEEK, full titanium, 3D-printed titanium (the dominant trend in the US), plasma-sprayed titanium-coated PEEK (50 – 500 µm porous layer, *e.g.* Medacta, the chosen predicate), partially coated cages (*e.g.* Silony, with titanium on the top and bottom surfaces only, distributed by Motion Medical) and carbon cages (oncology niche). Management positions the thin-layer coating as the only solution combining fast osseointegration, coating of the central graft area, low subsidence and limited imaging artefacts; this positioning is supported by bench data (Kienle *et al*., 2018) but not by head-to-head clinical comparisons.

4. Potential Market Share of Orthobion

Compared with multinational competitors generating hundreds of millions to billions of dollars from spine products, Orthobion would generally be considered a small niche manufacturer.

Plausible market-share scenarios

Scenario	Global Share	Approximate Revenue Equivalent *
Small niche supplier	0.05%	USD 1 - 1.5 million
Established European niche player	0.1%	USD 2 - 3 million
Strong specialty player	0.5%	USD 12 - 14 million
Significant mid-sized spine company	1%	USD 24 - 28 million

* Based on a USD 2.4-2.8 billion global cage market.

A preliminary assessment based solely on company size, current product portfolio, absence from lists of major spine manufacturers, and apparent distributor-based commercialization, a realistic estimate is that Orthobion's European market share is likely well below 1%, probably somewhere in the 0.05-0.5% range. That would correspond to annual cage sales of roughly USD 0.3-4 million (0.05-0.5% of a USD 600-800 million European market), to be replaced by a bottom-up estimate.

Bottom-up anchors provided by management (18 September and 2 October 2026). Orthobion performed c. 700 cervical and 275 lumbar fusions in Belgium, *i.e.* c. 9% and 5.5% of the market. At hospital prices, the Belgian market is worth c. EUR 7.2 million (8,000 cervical fusions at c. EUR 400 and 5,000 lumbar fusions at c. EUR 800), while Orthobion sells at c. EUR 200-250 per cage to its distributor: most of the value is captured at distribution level.

Region	Cervical fusions / yr	Lumbar fusions / yr	Price cervical / lumbar	Status (management)
Belgium	8,000	5,000	EUR 400 / 800	Reference market (Motion Medical)
Italy + Spain	27,000	92,000	EUR 500 / 900	Contacts with distributors
Rest of EU	85,000	200,000	EUR 400-600 / 800-1,000	MDD in place, MDR ongoing
USA	150,000	275,000	USD 2,500 / 3,500	Preliminary FDA file

Source: management presentation of 18 September 2026 (France and Belgium are low-price countries, Germany EUR 600 / 1,000, Poland low-price tenders only).

5. Manufacturing Capacity & Opportunities

For spine companies, small niche European manufacturers often sell about 2,000 – 10,000 cages/year, mid-size spine companies about 20,000-100,000 cages/year and large players such as Medtronic, Globus Medical or Stryker several hundred thousand implants annually across product families.

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Base on the estimated Orthobion's likely market share at 0.05% – 0.5% of the global cage market and assuming an average selling price (ASP) to distributors of roughly € 200 – 250 per cage (price indicated by management on 18 September; to be reconciled with the revenue split by product), a revenue level of € 2 – 10 million would imply.

The current output capacity is based on a small operation and a highly automated implant manufacturing line with outsourced packaging and sterilization operations can readily support and output of 500 – 1.500 cages/month, which is the equivalent of 6.000 – 18.000 cages/year, without requiring a large direct workforce. This range is consistent with a small specialized German MDR-certified implant manufacturer supplying selected European and international distributors.

Capacity *versus* Capex. Management states a coating capacity of c. 24,000 cages per year against c. 3,000 - 3,600 used today (to be supported by machine capacity, cycle times and validation status), but also indicated on 18 September that a new production site requiring EUR 1-2 million of initial investment would be needed to sell c. 8,000 cages. The business plan reaches 8,862 cages in 2029 without any capex. Capacity is therefore a funding item, even if it is not the main commercial bottleneck.

In fact, for orthopaedic implants, the bottleneck is usually not manufacturing but the surgeon adoption, distributor network, reimbursement coverage, and regulatory approvals.

6. Other potential market opportunities

Are there any possible extension of the titanium based layering for other implantable medical devices? From a strategic due diligence perspective, the most interesting aspect of the Orthobion technology may not be the spinal cage itself, but the broader platform potential of applying an ultra-thin titanium coating onto PEEK or other polymeric implant substrates. The patent itself is written around a spinal implant and claims a textured polymer substrate carrying a thin titanium-containing coating. The technical rationale is to combine the favourable mechanical properties and radiolucency of PEEK and the osseointegration and cell adhesion properties of titanium. A very thin coating that minimizes stiffness mismatch and reduces imaging artefacts.

Therefore there are potential extension opportunities such as cranio-maxillofacial implants (examples: PEEK cranial plates, patient-specific cranial implants, orbital floor implants, mandibular reconstruction plates). A titanium-coated PEEK surface could potentially improve bone integration while retaining the imaging advantages of PEEK. Other options are Trauma fixation devices (examples: Bone plates, fracture fixation systems, Intramedullary implants or even small bone implants for hand and foot surgery), Dental implants or general Orthopaedic implants. The concept could provide a biologically active surface while maintaining reduced stiffness compared with solid titanium devices. Although pure titanium dominates dental implantology, titanium-coated polymer-based components could potentially be attractive where imaging properties, weight reduction or customized geometries are important. Since a significant number of devices use PEEK, titanium or bioabsorbable materials, titanium-coated PEEK platform could represent a logical extension.

In the mid to long term horizon the largest commercial opportunity would probably be patient-specific 3D-printed PEEK implants combined with Orthobion's titanium coating technology. Potential indications would include:

- Cranial implants
- Maxillofacial implants
- Tumour reconstruction implants
- Complex spinal implants
- Custom orthopaedic implants

This would allow Orthobion to move beyond standard spinal cages into personalized implant manufacturing.

These opportunities are not supported by IP or data beyond spine, and each indication requires its own regulatory and clinical pathway. They should be valued as growth options, separately from the existing business; the committee recommends focusing on spine/fusion first.

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7. Business Development plan for Belgium, Europe & US

The current market is both globally and locally large enough to support a niche player such as Orthobion, provided that sufficient and targeted business development efforts are coordinated. Ideally with an external or internal group of distributors. A detailed business development plan needs to be drafted and validated. This will drive the growth of the company. At this stage the manufacturing capacity is not on the critical path.

Currently the spinal cages are distributed through a (limited) number of entities with a focus on the local market (Belgium / Benelux).

Current distribution. Belgium: Motion Medical is the exclusive distributor and this market will remain with Motion Medical; Orthobion does not promote its products locally (combined share c. 10-15% per management). Orthobion's role is limited to finding distributors country by country. Limited sales in Germany, Portugal, the Czech Republic and South Africa; Taiwan was opened 2-3 years ago and is growing strongly. Discussions are under way with two potential distributors in Spain and Italy; no agreement has been signed. US distributors remain to be identified. Management also mentioned the Middle East (no details provided).

Constraints. Distributors often work with a single supplier for a full range and are not interested in a cages-only offer, so multi-product distributors must be targeted. Orthobion has no business development capacity today, and a large share of the margin is captured by distributors (Orthobion sells at c. EUR 200 per cage vs hospital prices of EUR 400-1,000 in Europe).

Sales plan presented on 18 September 2026 (management aims for a share comparable to its Belgian position in each new market):

Market	2026	2027	2028	2029	2030
Current markets – cages	3,595	3,775	3,963	4,162	4,370
Current markets – EUR k	719	755	793	832	874
Spain + Italy – cages	–	250	600	1,200	1,500
Spain + Italy – EUR k	–	50	120	240	300
EU + RoW – cages	–	100	800	2,500	4,000
EU + RoW – EUR k	–	20	160	500	800
USA – cages	–	–	–	1,000	2,500
USA – EUR k	–	–	–	400	1,000
Total – cages	**3,595**	**4,125**	**5,363**	**8,862**	**12,370**
Total – EUR k	**719**	**825**	**1,073**	**1,972**	**2,974**

Growth from c. EUR 1.13 million (2026e) to EUR 3.0-3.4 million in 2030 implies c. 27-32% per year, with Spain/Italy from 2027 and the US from 2029, before any MDR or FDA delay scenario.

Range extension and acquisitions. After the MDR, the roadmap includes locking ACIF and ALIF cages, a non-locking ALIF cage and an anti-migration version, which management expects to add 5-10 share points in Belgium. The simplest route described is to work with or acquire a small cage manufacturer, adapt its cage and apply the Orthobion coating. A build-up strategy could support the equity story but requires a strategic analysis of range extensions and dedicated financing; the committee recommends staying in spine first.

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8. Financial Analysis

Financial results from previous years need to be documented and reconciliated as part of a formal independent evaluation.

Business plan P&L presented on 18 September 2026 (EUR k):

EUR k	2026*	2027*	2028	2029	2030
Sales	1,379	1,345	1,593	2,422	3,424
COGS	588	574	674	957	1,241
Gross margin	791	731	858	1,465	2,183
Gross margin %	57%	57%	58%	60%	64%
People	283	411	411	470	480
SG&A	239	179	272	214	216
EBITDA (as presented)	**269**	**180**	**235**	**781**	**1,486**
EBITDA % (as presented)	20%	14%	15%	32%	43%
EBITDA recalculated	269	141	175	781	1,487

** 2026 and 2027 include intra-group transfers within the Motion group, since withdrawn (management footnote).*

Observations: Earnings quality: 2025 results include a stock increase of EUR 153k and capitalised R&D of EUR 176k (total revenue c. EUR 1.40M *versus* a turnover EUR 1.07M). Indicative sensitivity, to be confirmed by an accounting reconciliation: if the 15 – 20% EBITDA announced on 18 Sept includes both items in full, adjusted EBITDA would be negative (c. -EUR 0.12M to -0.17M). The two items represent c. 31% of turnover: a full reconciliation is needed between published EBITDA, R&D capitalisation, stock movements, cash actually paid and operating cash flow. Adjusted EBITDA is not cash: working capital, capex and capitalised development costs must be analysed separately, as well as stock valuation/shelf life and impairment risk. EUR 5-8M = c. 4.4-7.1x 2026e revenue (before net debt and perimeter adjustments).

Industrialisation Strategy: The production chain is largely outsourced; only the titanium coating, inspection and release are performed in-house.

Actual manufacturing flow (meeting of 2 October 2026). According to management, the PEEK cages are machined by two external partners (one of them a French partner since absorbed by Marl); the surface structure is produced by blasting; the cages are cleaned by an external company before the in-house titanium coating in Konstanz; packaging is outsourced and followed by a further cleaning step; sterilisation is outsourced. Management acknowledged that the process still needs to be run in.

Step	Partner	Status / point to clarify
PEEK raw material	Invibio (per committee information)	Supply agreement and specifications
CNC machining of PEEK cages	Two external partners ("TQ" and a French partner absorbed by Marl)	Supplier change: impact on technical file and significant-change assessment
Surface structuring (blasting)	To be confirmed	Link with the groove texture required by claim 1
Pre-coating cleaning	External company	Cleaning revalidation open (MDR)
Titanium coating (FGOIC Ti)	Orthobion, Konstanz (1-2 machines)	Single site; stated capacity of c. 24,000 cages/year to be verified
Packaging and final cleaning	External (Inpack/BGS per committee information)	ISO 11607 compliance checklist open
Sterilisation	External	Revalidation report to transfer
Inspection and release	Orthobion	–

Management estimated EUR 1-2 million of initial investment for a new production site if sales reach c. 8,000 cages per year (2029 in the plan).

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9. Summary of the proposal developed in the binding term sheet.

Transaction. BioSenic acquires 100% of Orthobion from the Seller, free of encumbrances, in exchange for newly issued BioSenic shares. The proposal is binding and is subject to due diligence, corporate approvals, BioSenic shareholder approval (the issuance results in a change of control) and any regulatory consents.

Valuations. Orthobion is valued at €8.8 million (DCF and EV/EBITDA), debt-free, so its enterprise value equals its equity value. BioSenic's equity value is €0.5 million, after full dilution from the shares issued to repay its debt before closing. Its per-share value is that €0.5 million divided by the fully diluted share count at an agreed reference date.

Ownership at closing. The Seller receives €8.8 million in BioSenic shares and holds about 95% of the enlarged group, with existing shareholders at about 5% (8.8 / 9.3).

Milestones. The valuation increases by €1 million on MDR validation and by a further €1 million on FDA submission, each paid in additional BioSenic shares and each subject to a deadline. The purpose is to motivate both teams to complete the submissions as quickly as possible. Shares are priced at the BioSenic share value on the milestone date, with fixing the share number at closing as a negotiable alternative. If per-share value stays constant, the Seller would reach about 96% after both milestones. BioSenic funds the regulatory work and the Seller shares the necessary know-how.

BioSenic incentive plan. Employees and board members receive warrants of up to 6% of fully diluted capital, vesting in two tranches on the same milestones. Its size is to be agreed with the Seller, since it dilutes them too.

Other terms. Seller warranties (no debt, off-balance-sheet commitments or undisclosed liabilities) are to be confirmed in due diligence. Orthobion is positioned as a high-tech company to justify a technology multiple. Due diligence covers IP, technical documentation, quality system, roadmap and valuation assumptions. There is no lock-up on the Seller's shares.

All terms of the transaction are set out in the binding term sheet.

Signé par :
Éric Halioua
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16 octobre 2026
Éric Halioua

Signed by:
Seppe De Gelas
D30F3042A6E24BE...
16 October 2026
Seppe De Gelas