



## **Medsenic reverse merger with Bone Therapeutics to access public investment and market capitalization, and Bone Therapeutics to broaden therapeutic portfolio, by acquiring majority participation in Medsenic**

- *The acquisition will result in the business combination of Bone Therapeutics and Medsenic to create BioSenic, a speciality biopharma company*
- *51% of Medsenic shares (valued at ca EUR 40,8 million) to be contributed at a subscription price per share of EUR 0.45*
- *BioSenic to acquire the remaining 49% outstanding capital of Medsenic within 24 months*

**Paris, Strasbourg – France, Mont-Saint-Guibert - Belgium, August 10, 2022, – MEDSENIC SAS**, 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 autoimmune indications, and **BONE THERAPEUTICS, BT**, (Euronext Brussels and Paris: BOTHE), the cell therapy company addressing unmet medical needs in orthopedics today announced the signature of a Binding Subscription Agreement to combine the operations of both Companies by means of a Reverse Merger, (capital increase via a first 51% Medsenic's shares acquisition by BT), subject to the approval of both shareholders' meetings. The Strategic Committee and the totality of the Medsenic shareholders community have given their approval, August 9<sup>th</sup>, 2022.

### **Background to Medsenic and rationale of the combination**

Integrating both biopharmaceutical companies would significantly help targeting a broad array of inflammatory and orthopedic indications. Both companies currently are running several mid to advanced stage clinical trials ongoing in lupus, systemic sclerosis, chronic graft-versus-host disease, tibial fractures and other related indications. As a result, there would be a number of economic, financial and operational benefits and synergies in combining the clinical development programs within one organization.

The existing pipeline from both organizations would continue as planned:

**The Phase IIb trial of Bone Therapeutics' ALLOB**, a randomized, double-blind, placebo-controlled study in patients with high-risk tibial fractures, is still ongoing and set to report interim results in the first half of 2023.

**The Medsenic Phase II clinical study with arsenic trioxide in the first-line treatment of cGvHD (chronic GvH) has been successfully validated, and should be presented end of August 2022 with a Phase III study of cGvHD anticipated to start in the first half of 2023.** A phase IIa clinical trial for Lupus has established a convincing proof of concept for safety and efficacy on the course of the disease. A Phase IIb clinical trial for severe Lupus is now in the planning stage, as well as a Phase II Clinical trial on systemic sclerosis, a rare disease with unmet medical needs.

The BT laboratory facilities in Mont-Saint-Guibert, will become the clinical operational centre of the combined entity in tight relationship with the Medsenic's Fundamental Research platform active in the context of the Hopital Cochin – Port Royal AP-HP in Paris.

*"The addition of Medsenic, particularly with its dedicated best-in-class autoimmune disease platform, allows the respective teams of both companies to develop an expanded product portfolio across multiple therapeutic indications and thus limit shareholder risk, offer multiple treatments to patients, and increase the potential for growth and value creation for all shareholders. The acquisition of Medsenic fits well with our strategic priorities and offers substantial financial growth potential and therapeutic solutions to significantly improve patient experiences and outcomes for emerging and established therapies. Bone Therapeutics is well positioned to leverage Medsenic's value proposition with a strong technology portfolio and business development experience. It is an honor and I am delighted to welcome Prof. François Rieger, a renowned scientist and investor, as the future President and CEO of the newly created company as a result of the acquisition, Biosenic. His experience and talent will undoubtedly enable Biosenic and our talented teams to embark on our next chapter of accelerating financial growth, maximizing patient benefits and enhancing value"* said **Jean Stéphane, President of Bone Therapeutics.**

*"These Agreements with Bone Therapeutics highlight the value of Medsenic's highly complementary businesses, provide our shareholders with attractive and increased value, and bring together leading expertise and drug delivery platforms to accelerate growth and create new opportunities,"* said **Professor François Rieger, President and CEO of Medsenic.** *"As we remain committed to continuing to serve our stakeholders, I would like to thank the employees of both organizations for their hard work and dedication to set up our common mission. I am very proud as the new President and CEO to work with the Bone Therapeutics Team to successfully complete the transaction and deliver best-in-class drug therapies and therapeutic solutions under the new name: 'BioSenic.'"*

### **Terms of the combination**

Further to the signed Subscription Agreement, a massive majority of Medsenic' shareholders have committed to contribute 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 values Bone Therapeutics at EUR 10 million. In exchange for the in-kind contribution of 51% of Medsenic' shares, around 90,668,594 shares would be issued by Bone Therapeutics to Medsenic shareholders (the "**Business Combination**"). The parties have relied on the valuation carried out by an independent expert in order to determine their final deal ratio of one (BT) for four (MEDSENIC's first contribution).

On closing of the Business Combination, BioSenic would also issue and automatically allot one subscription right to each outstanding share of existing Bone Therapeutics shareholders, in case of statistically positive interim results of the ALLOB Phase IIb trial, at a subscription price per share of EUR 0.45.

The overall transaction is subject to the approval of the contribution by Bone Therapeutics' shareholders at an extraordinary shareholders' meeting ('ESM') to be convened by the Board of Bone Therapeutics in the course of September 2022. The transaction is also subject to certain other customary conditions including the confirmation that the proposed Business Combination would not lead to the necessity, for any subscriber involved, to launch a mandatory takeover bid on Bone Therapeutics.

The Medsenic shareholders have agreed that the Bone Therapeutics shares to be issued to them in the contribution will be subject to an initial lock-up of nine months as from the date of the ESM, provided that on the last day of the four first calendar months following the month in which the ESM occurs, with an exception for 2% of the new shares held by each of Véronique Pomi-Schneiter and François Rieger, which shall be released from the lock-up.

If the customary conditions precedent are met and the shareholders of Bone Therapeutics vote in favor of the Business Combination, the new company BioSenic should maintain its status as an Euronext listed company, and significantly broaden its diverse therapeutic pipeline/ portfolio.

In the Subscription Agreement, the existing shareholders of Medsenic have agreed to contribute in kind the totality of the remaining Medsenic shares held by within the next 24 months from the completion of the Business Combination, meaning that, in the medium to long run, all existing pipeline from both organizations would be directly or indirectly held by BioSenic.

### **Name and Board Changes**

At the ESM, Bone Therapeutics shareholders will also be asked to approve the name change of the combined Company into '**Biosenic**' and the appointment, with effect as of the completion of the contribution, of a new board of directors [consisting of a total of up to seven directors including the current chairman Jean Stéphane and Jean-Luc Vandebroek at least until the ALLOB Phase IIb trial results. All other existing directors would end their mandate and Pr. Francois Rieger, chairman and CEO of Medsenic, would be appointed as CEO and Chairman of the BioSenic. Other proposed board members will be Ms Véronique Pomi-Schneiter, executive director currently in charge of the Operations of Medsenic, Mr Jean-François Rax, representing Cap'Innovest, Ms Revital Rattenbach, independent director and Mr Terry Sadler, independent director.

Following the completion of the Business Combination, it is anticipated that the executive leadership team consists of François Rieger (CEO), Véronique Pomi-Schneiter (COO), and their Chief Medical Officer.

The combined group is expected to have a proforma cash position of at least EUR 5 million at closing. The new Company plans to raise funds in the form of a private placement of new shares at the end of 2022 in order to finance the combined activities. In the meantime, Bone Therapeutics will make use of the existing EUR 5 million convertible facility obtained via ABO to finance its ongoing activities and to finance the convertible loan granted to Medsenic for of up to EUR 2 million to secure the projects of Medsenic during the transition period towards the fully constituted new entity, called BioSenic.

### **About Medsenic SAS**

Medsenic innovates and exploits the new possibilities offered by the therapeutic use of arsenic trioxide in several autoimmune diseases and is currently in clinical trials in Europe. The company was founded in 2010 by Prof. François Rieger, former Director of Research at the CNRS (French National Centre for Scientific Research) and author of more than 170 international scientific publications, and Véronique Pomi-Schneiter, former founder and manager of a consulting company specializing in human resources, communication and development strategy. Under the aegis of a high-level scientific board, chaired by the 2011 Nobel Prize in Medicine Jules Hoffman, a specialist in innate immunology, and supported by numerous private investors, Medsenic accelerated its development in 2016 with the arrival of professional investors. Further information is available at [www.medsenic.com](http://www.medsenic.com).

### **About Bone Therapeutics**

Bone Therapeutics is a leading biotech company focused on the development of innovative products to address high unmet needs in orthopedics and other diseases. Currently Bone Therapeutics is concentrating specifically on the development of its most advanced clinical asset, the allogeneic cell therapy platform, ALLOB.

Bone Therapeutics' 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 up to the point of use in the hospital. Its leading investigational medicinal product, ALLOB, represents a unique, proprietary approach to bone regeneration, which turns low-immune profile, undifferentiated stromal cells from healthy donors into differentiated bone-forming cells. These cells are produced via the Bone Therapeutics' scalable manufacturing process. Following the CTA approval by regulatory authorities in Europe, the Company has initiated patient recruitment for the Phase IIb clinical trial with ALLOB for patients with difficult tibial fractures, using its optimized production process. ALLOB could continue to be evaluated for other orthopedic indications including spinal fusion, osteotomy, maxillofacial and dental.

Bone Therapeutics' cell therapy products are manufactured to the highest GMP (Good Manufacturing Practices) standards and are protected by a broad IP (Intellectual Property) portfolio covering ten patent families as well as knowhow. The Company was developed in the Louvain-la-Neuve Science Park in Mont-Saint-Guibert, Belgium. Further information is available at [www.bonetherapeutics.com](http://www.bonetherapeutics.com).

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