Public limited company with a Board of Directors with share capital of 29,857,257.60€
Registered office: 14 Avenue de l'Opéra – 75001 PARIS
Paris Commercial Register (RCS) 492 002 225

2021 ANNUAL FINANCIAL REPORT

INCLUDING THE MANAGEMENT REPORT

FINANCIAL YEAR ENDED DECEMBER 31, 2021

TRANSLATION OF 2021 ANNUAL FINANCIAL REPORT

This document is a free non-binding translation into English prepared for the convenience of English speaking readers, for information purposes only, of the French language “Rapport financier annuel 2021”.

The original French version of this document was prepared by the issuer, and its signatories are responsible for its content. In the event of any ambiguity or conflict between corresponding statements or items contained in this English translation and the original French version, the relevant statements or items of the French version shall prevail. The auditor’s reports apply to the French version of the financial statements.

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1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT 2021

Paris, April 21, 2022,

“I certify, to the best of my knowledge, that the financial statements for the past financial year have been prepared in accordance with applicable accounting standards and give a true and fair view of the Group’s assets, financial position and results, and that the management report included this report presents a true and fair view of business developments over the past financial year, the Company and the Group’s financial position and results, as well as a description of the main risks and uncertainties facing the Company."

Stanislas Veillet, Chairman and Chief Executive Officer of Biophytis SA.

2 MANAGEMENT REPORT

Appendix 1 presents the following information concerning the Company:

- History and development of the Company; and

- Business overview (presentation of clinical programs, Company strategy, drug candidates, competition, manufacturing and supply, research and collaboration agreements, Company's intellectual property, commercialization/licensing agreements).

2.1 Economic information

2.1.1 Activity report

Activity in 2021

In the context of the COVID-19 pandemic, which is still largely predominant, 2021 was marked by the results of the Phase 2 SARA-INT study on sarcopenia and by the continuation of the Phase 3 COVA study on COVID-19.

On the financial front, the Company raised a total of $20.1 million following its first IPO on the Nasdaq. It also secured a new convertible line with Atlas Capital for €32 million.

2.1.1.1 Highlights of the year

Clinical programs:

a/ The Phase 2 SARA-INT study with Sarconeos (BIO101) in Sarcopenia:

2021 was a decisive year for the Phase 2 SARA-INT study.
In August then in October 2021, the Company announced the full results of the study, demonstrating that Sarconeos (BIO101) at the highest dose of 350 mg twice daily showed an increase of 0.09 meters per second (m/s) on the 400-meter walk test (400MWT) in the FAS population (Full Analysis Data Population), and 0.1 m/s in the PP population (Per Protocol - subgroup of patients who complied with the study criteria) compared to the placebo, after six months of treatment. This last result is significant because the Minimum Clinically Significant Difference (DMCI) in sarcopenia for the 400-meter walking test is 0.1 m/s.The product also showed a very good safety profile at doses of 175 mg twice daily and 350 mg twice daily, without any Serious Adverse Events (SAE) related to the product.

These results were announced in full at the 11th Annual International Congress on Fragility and Sarcopenia (ICFSR, September 29 – October 2, 2021).

b/ The new Phase 2-3 COVA study with Sarconeos (BIO101) in respiratory failures related to COVID-19

As a reminder, the COVA clinical program (clinicaltrials.gov identifier: NCT04472728) is an international, multi-center, double-blind, placebo-controlled, sequential group and adaptive study in two parts. It is a phase 2-3 study evaluating Sarconeos (BIO101) in patients aged 45 and over, hospitalized with severe respiratory manifestations of COVID-19.
Part 1 of the COVA study is an exploratory phase 2 proof-of-concept study aimed at providing preliminary data on the safety, tolerability and efficacy of Sarconeos (BIO101) in 50 patients hospitalized with serious respiratory symptoms related to COVID-19. Part 2 of the COVA study is a randomized Phase 3 study on the safety and efficacy of Sarconeos (BIO101) on the respiratory function of 310 to 465 COVID-

19 patients (including the 50 patients of Part 1 of the study). The most significant milestones for the project in 2021 were:

- In May, the Company announced the recruitment of the 155th patient for Part 2 of the study on patients infected with COVID-19, which enabled the independent DMC committee (Data Monitoring Committee), to conduct its second interim analysis, based on the safety and efficacy of the data, for the continuation of the trial in the event of favorable results.
- In June, Biophytis secured contracts with a major international company, Custom Development and Manufacturing Organization (CDMO), for the manufacture of Sarconeos (BIO101) recording batches. These contracts were signed for the potential registration of the product in the treatment of COVID-19, as part of an emergency use authorization request with the FDA (Food and Drugs Administration), or a Conditional Marketing Approval application to the EMA (European Medicines Agency).
- In August, the Company announced the recommendation by the DMC to continue the recruitment of patients for Part 2 of the COVA study, without modification to the protocol, after the review of the safety data, on the basis of the first 50 patients.
- In September, the Company announced the DMC's recommendation to continue the COVA study without modifying the protocol after the intermediate efficacy data were deemed to be in the promising area. This Interim Analysis 2 was based on 155 patients with COVID-19 hospitalized for respiratory failure. It did not show any futility, indicating that BIO101 remains a drug candidate against acute respiratory deficiencies related to COVID-19.

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c/ The Phase 1/2/3 MYODA program evaluating Sarconeos (BIO101) in Duchenne Muscular Dystrophy

Following FDA and FAMHP authorizations in early 2020, the Company prepared the launch of the Myoda study. Nevertheless, its start is now postponed to the second half of 2022 or the very beginning of 2023, depending on the evolution of the COVID-19 health situation and the consequences it could have on our operational capacities. In addition, it should be noted that the start of this study may also be delayed due to the impacts that COVID-19 could have on this population of very vulnerable patients.

Corporate governance:

The Combined Shareholders' Meeting was convened on April 26, 2021. In the absence of a sufficient quorum, resolutions falling within the remit of the Ordinary and Extraordinary Shareholders' Meeting could not be put to the vote. The Board of Directors decided that a new Combined Shareholders' Meeting would be held, upon second notice, on May 10, 2021.

At the Combined Shareholders' Meeting of May 10, 2021, the shareholders approved all the resolutions, and in particular those ratifying the delegations of powers to the Board of Directors to decide on the issue of shares and/or securities, and the authorizations to be granted to the Board of Directors to decide on the exercise of various financial instruments.

2.1.1.2 Difficulties encountered

SARA program

. The COVID-19 health crisis had extremely significant consequences on our SARA-INT study. Given the regulatory authorities' instructions to close the clinical centers, we adapted our clinical protocol to bring the treatment to patients' homes.

The fact remains that out of a total of 233 patients recruited, only 196 patients were able to complete the trial (the last patient left the study at the end of December 2020) and only 106 patients were able to complete the 400-meter walk test. The latter is the primary measurement of our study, which can only be carried out in hospitals.

The COVID-19 pandemic and the related restrictions had a significant impact on the conduct of the study, notably on the quality of the data and its statistical power.

COVA program

Despite the promising results of Part 1 of the study, as well as those of the interim analysis of Part 2, mainly concerning the safety of the product but also on its potential efficacy, the second half of 2021 was marked by a slowdown in the rate of patient recruitment. This was due not only to a very sharp rise in vaccinations, and therefore of collective immunization, but also to the significantly lower severity profile of the Omnicron variant. Thus, despite a very high infection rate, the number of severe patients admitted to hospital – the target of our clinical trial – has decreased.
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MYODA program

The COVID-19 crisis significantly impacted the start of the MYODA study, which is now postponed to the second half of 2022 or the very beginning of 2023, health conditions permitting. In fact, these conditions can have a very major impact on the health and safety of the patients targeted for the study, all of whom are very vulnerable children suffering from Duchenne Muscular Dystrophy.

MACA program

The Company plans to postpone the clinical development of Macuneos (BIO201) in AMD during the second half of 2023, subject to obtaining regulatory approvals and the impacts of the pandemic on our operations.

2.1.1.3 Resources used

Funding:

- IPO on Nasdaq:

On February 15, 2021, the Company announced the closing of its previous initial public offering.
announced on the Nasdaq Capital Market through a capital increase of 12,000,000 new ordinary shares (the "New Shares") in the form of 1,200,000 American Depositary Shares (the "ADS"), each of which represent ten ordinary shares at an offering price of US $16.75 per ADS (the "Offering").
The total gross proceeds from the US IPO was approximately US $20.10 million (approximately €16.58 million) and the net proceeds from the offering, after deducting underwriting discounts and commissions, management fees and other offering expenses paid by the Company, was approximately $16.35 million (€13.49 million)..

- Establishment of a new €32 million ORNANE line with Atlas Capital

On June 18, 2021, the Company announced the establishment of a new ORNANE (bond redeemable in cash and new and existing shares) financing line with Atlas, a specialized investment fund based in New York (United States), for €32 million (the "Atlas 2021 Contract"). This new financial instrument provides for the issue of 1,280 bonds redeemable in cash and new and existing shares (ORNANE). Biophytis will have the option, not the obligation, to draw down up to €32 million, in eight successive tranches of €4 million each, over the next three years. The ORNANE bonds will have a nominal value of €25,000. They will not bear interest and will have a 24-month maturity from issuance. Holders will have the option to redeem the ORNANE at any time during the maturity period, and the Company will have the right to redeem the ORNANE in cash.

- Establishment of a new €10 million financing line with Kreos Capital

On November 22, 2022, the Company announced the establishment of a €10 million loan structure with Kreos Capital. This debt line is composed of four tranches of €2.5 million, €3.0 million, €2.5 million and €2.0 million respectively.
The first two tranches were drawn down at the signing of the contract on November 19, 2021, and €676.5 thousand of the third tranche was drawn down on December 29, 2021. In addition, Kreos Capital will receive warrants (BSA) from Biophytis totaling approximately €1 million.

Of the €10 million, €7.8 million will be simple bonds and €2.2 million will be convertible bonds, with annual interest rates of 10% and 9.50% respectively.

2.1.1.4 Impact of the COVID-19 health crisis on the financial statements at December 31, 2021

In light of the rapid changes related to COVID-19, the Company took the necessary precautions to protect its employees, partners and business operations.

During 2021, Its employees in France and the United States were asked to work from home and organize meetings and events virtually wherever possible, except for essential activities that needed to be carried out in the laboratory. Travel was also restricted depending on business needs. Premises had to be accessed, and work carried out, in accordance with social distancing rules, government provisions and specific facility rules. Throughout 2021, the Company strictly complied with government instructions in the three countries in which it operates, namely the United States, France and Brazil, namely, compliance with health measures and adapting the organization of employees' work between their homes and Company premises.

The impacts of the pandemic on operations were significant, particularly for clinical trials, and are described in section 2.1.4 “Foreseeable developments and outlook”.

In addition, in accordance with the provisions of the French State, the Company:

- Asked to defer its social security contributions for an amount of €168 thousand; and
- Implemented part-time working for all employees from March 23, 2020 until June 30, 2020.

The compensation received for short-time working amounted to €46 thousand and was recorded as a deduction from personnel expenses.

2.1.1.5 Research activity

In 2021, the Company's Research activities were marked in particular by:

a) Publications:

- In January 2021: Publication in a peer-reviewed journal of the clinical design of the COVA study.

Dioh W., Chabane M., Tourette C., Azbekyan A., Morelot-Panzini C., Hajjar LA, Lins M., Nair G.B., Whitehouse T., Mariani J., Latil M., Camelo S., Lafont R., Dilda P.J., Veillet S., Agus S. (2021). Testing the efficacy and safety of BIO101, for the prevention of respiratory deterioration, in patients with COVID-19 pneumonia (COVA study): a structured summary of a study protocol for a randomized controlled trial. Trials, 22:42.

- In April 2021: Publication in a peer-reviewed journal of the potential of 20-Hydroxyecdysone in the treatment of neuromuscular, cardio-metabolic and respiratory diseases.

Dinan L., Dioh W., Veillet S., Lafont R. (2021). 20-Hydroxyecdysone, from Plant Extracts to Clinical Use: Therapeutic Potential for the Treatment of Neuromuscular, Cardio-Metabolic and Respiratory Diseases. Biomedicines, 9 (5): 492.

- In May 2021: Publication in a peer-reviewed journal of the scientific rationale justifying the targeting of the protective arm of the renin-angiotensin system by BIO101 in patients with COVID-19.

Latil M., Camelo S., Veillet S., Lafont R., Dilda P.J. (2021). Developing new drugs activating the protective arm of the Renin Angiotensin System as a potential treatment of respiratory failure in COVID-19 patients. Drug Discovery Today, 26 (5), 1311-1318.

- In September 2021:

Publication in a peer-reviewed journal of scientific work describing the metabolism of ecdysteroids (including BIO101).

Dinan L., Balducci C., Guibout L., Foucault A.S., Bakrim A., Kumpun S., Girault J.P., Tourette C., Dioh W., Dilda P.J., Veillet S., Lafont R. (2021). Ecdysteroid metabolism in mammals: the fate of ingested 20-Hydroxyecdysone in mice and Rats. Journal of Steroid Biochemistry and Molecular Biology, 212:105896.

Publication in a peer-reviewed journal of scientific work describing the mechanism of action of norbixin (BIO201).

Fontaine V., Fournié M., Monteiro E., Boumedine T., Balducci C., Guibout L., Latil M., Sahel J.A., Veillet S., Dilda P.J., Lafont R., Camelo S. (2021). A2E-induced inflammation and angiogenesis in RPE cells *in vitro* are modulated by PPAR-α, -ß/δ, -γ, and RXR antagonists and by norbixin. Aging. 13 (18):22040-22058.

Publication in a peer-reviewed journal of scientific work describing poststerone metabolism.

Balducci C., Dinan L., Guibout L., Foucault A.-S., Carbonne C., Durand J.D., Caradeuc C., Bertho G., Girault J.P., Lafont R. (2021). The complex metabolism of poststerone in male rat. Journal of Steroid Biochemistry and Molecular Biology, 212:105897.

- In December 2021:

Publication in a peer-reviewed journal of the comparison of anti-COVID-19 therapies targeting the virus and the patient. Presentation of the scientific and medical rationale of the COVA study.

Camelo S., Latil M., Agus S., Dioh W., Veillet S., Lafont R., Dilda P.J. A comparison between virus- versus patients-centred therapeutic attempts to reduce COVID-19 mortality. Emerging Microbes and Infections, 10 (1):2256-2263.

Publication in a peer-reviewed journal of scientific work demonstrating the activation of the MAS receptor by BIO101 (20-hydroxyecdysone).

Lafont R., Serova M., Didry-Barca B., Raynal S., Guibout L., Dinan L., S. Veillet, Latil M., Dioh W., Dilda P.J. (2021). 20-Hydroxyecdysone activates the protective arm of the RAAS via the MAS receptor. J. Mol. Endocrinol. 68, 77-87.

b) Presentations:

- In July 2021: Presentation of an eposter at the European Congress of Clinical Microbiology & Infectious Diseases describing the effects of BIO101 on respiratory function in an animal model of COVID-19.

Latil M., Lafont R., Veillet S., Dilda P. (2021). Preclinical efficacy of BIO101 on respiratory function in SARS-CoV-2-infected Syrian hamsters. 31st European Congress of Clinical Microbiology & Infectious Diseases (ECCMID). Online 9-11th July 2021.

- In September 2021: Presentation of an eposter at the World Muscle Society Conference describing the effects of BIO101 in an animal model of SMA.

Bézier C., Cottin S., Dilda P., Lafont R., Veillet S., Charbonnier F., Latil M., Biondi O. (2021). *In vivo* effects of Sarconeos (API BIO101) on a mouse model of severe spinal muscular atrophy. 26th WMS Congress, Online, Neuromuscular Disorders, Vol. 31:S131.

- In October 2021: Oral presentation at the International Conference on Frailty & Sarcopenia Research (ICFSR) of the preliminary results of the SARA study.

Tourette C., Dioh W., Margalef C., Azbekyan A., Rabut S., Dupont P., Lafont R., Dilda P., Mariani J., Del Signore S., Agus S., Veillet S. (2021). Biophytis BIO101 in Sarcopenia: Lessons learned from the SARA program. ICFSR 2021, Sept 29th – Oct 2nd. The Journal of Frailty & Aging.

- In November 2021: Presentation of a poster at the 18th Day of the French Society of Myology describing the effects of BIO101 in an animal model of SMA.

Bézier C., Nazari Hashemi P., Cottin S., Lafont R., Veillet S., Charbonnier F., Dilda P., Latil M., Biondi O. (2021). Sarconeos (API BIO101) improves outcomes in a mouse model of severe spinal muscular atrophy. 18th Day of the French Society of Myology. 24-26th November, Saint Etienne, France.

c) Patent filings

The Company filed a patent application during the fiscal year, which is being analyzed in France:

- Latil M., Bézier C., Dilda P., Lafont R., Veillet S. (2021). Phytoecdysones and/or 20-hydroxyecdysone derivatives in combination with an active ingredient aimed at restoring SMN expression for their use in the treatment of spinal muscular atrophy (priority date November 10, 2021) FR2111920.

2.1.2 Main risks and uncertainties facing the Company

The main risks and uncertainties facing the Company are presented in Appendix 2 of this report.

2.1.3 Significant subsequent events

ANVISA approval – February 2022

. In February 2022, Biophytis received approval from ANVISA (Brazil) to give access to Sarconeos (BIO101) to hospitalized Covid-19 patients, as part of an expanded access program (Early Access Program - EAP) for a maximum of 80 mechanically ventilated patients in the intensive care units (ICU) of Brazilian hospitals.

War in Ukraine – February 2022

The war in Ukraine launched by Russia on February 24, 2022 will have significant economic and financial consequences worldwide. Sanctions against Russia are likely to have major consequences for businesses with commercial activities or business relations with Russia.

As of December 31, 2021, the Company had no commercial activity with Russia. As part of its global intellectual property protection strategy, the Company has filed patents and patent applications in Russia which are currently under review.

The Company's activities may, however, be directly or indirectly impacted by the consequences of the conflict, something which cannot be accurately quantified at the moment.
In particular, the Company may be exposed to increased costs for its clinical studies due to the rising price of energy and medical supplies.

To date, the Company believes that the impacts on its financial statements in 2022 are likely to be limited.

ATLAS – April 2022:
The Company announced the issuance of 160 ORNANE bonds for a total amount of €4 million under the 2021 financing agreement entered into with ATLAS (first tranche out of eight tranches provided for in the agreement), as described above.
As of April 5, 2022, based on 147,541,024 outstanding shares, with the assumption of a conversion today and a conversion price equal to 96% of the volume-weighted average price over the conversion period, i.e. €0.22, the dilution is as follows:

Impact on the shareholding of a shareholder holding 1% of the Company's share capital	Undiluted	Diluted
Before issuance of the new ORNANE bonds	1.00%	0.94%
Upon conversion of the ORNANE bonds of tranche 1 of the 2021 Atlas contract: issue of 18,117,202 additional shares	0.89%	0.84%

2.1.4 Foreseeable developments and outlook

2.1.4.1 For ongoing programs

- **SARA-INT program**

Our ambition is to confirm the clinical efficacy of Sarconeos (BIO101) in the treatment of Sarcopenia.
On January 24, 2022, a meeting was held between the Company and the FDA, during which we discussed the completion of additional dose-determination studies, the further definition of the population and the proposed indication, as well as the CMC data (chemistry, manufacturing and control section) to be submitted, and the non-clinical regulatory plan. We are currently evaluating the FDA's comments and recommendations and preparing to submit an uninterrupted Phase 2-3 study, with the objective of including the first patient by the second half of 2022.
We anticipate new discussions with the FDA in the third quarter of 2022 and with the EMA (European Medicines Agency) in the first half of 2022 to obtain scientific opinions, in particular on the results of the phase 2b study and the potential progress towards phase 2-3.

Given the importance of the potential market for Sarcopenia, we believe that the demonstration of the effectiveness of our product will help attract partners for its future development and marketing.

- **COVA program**

Since April 2020, 237 patients corresponding to the study criteria have been included in the trial in France, the United States, Belgium and Brazil in 35 different clinical centers. Since the end of 2021, overall immunity in Europe, the United States and Brazil, as well as vaccination campaigns have increased significantly. In addition, the number of hospital admissions has also decreased due to the reduction in severity of the Omicron variant. As a result, the Company has experienced significant slowdowns in the speed of patient recruitment in recent months.
In this context, given the need to report the results as soon as possible to the medical community and regulatory agencies, the Company stopped recruiting at the 237th patient and is closing its clinical centers in the second quarter of 2022, with the aim of publishing the results in the third quarter of 2022.

2.1.4.2 For new programs

- **MYODA program**

Depending on developments in the COVID-19 pandemic, the Company intends to start the Phase 1/2/3 clinical trial for which it obtained FDA and EMA authorization in early 2020, and which was postponed due to the health crisis, in the second half of 2022 or early 2023, subject to the impacts of the pandemic on our operational capacities.

- **MACA program**

The Company continued its pre-clinical development work on Macuneos (BIO201), its drug candidate for dry AMD.
Depending on the evolution of the pandemic, the Phase 1 clinical trial for this indication could begin in the second half of 2023, subject to obtaining regulatory approvals and the impacts of the pandemic on our operations.

2.1.5 Objective and comprehensive analysis of business trends with regard to business volume and complexity

During the 2021 financial year, the Company's financial position changed as follows:

- the Company's consolidated shareholders' equity amounted to €5,711 thousand for the financial year ended December 31, 2021 compared to €2,268 thousand for the financial year ended December 31, 2020;
- the Company's cash and cash equivalents amounted to €23,926 thousand for the financial year ended December 31, 2021 compared to €5,847 thousand for the financial year ended December 31, 2020;
- there are no liquid financial investments presented in current financial assets amounting to €12,500 thousand at December 31, 2020;

- financial debts amounted to €20,367 thousand (equal to 357% of shareholders' equity) for the financial year ended December 31, 2021 compared to €15,052 thousand (equal to 663% of shareholders' equity) for the financial year ended December 31, 2020.

The Company maintains a lean structure composed mainly of a small workforce of experienced professionals, experts in their respective fields, who coordinate a network of specialized subcontractors, contracted to meet the needs of the development program schedule, and who conduct research in partnership with public institutions on the basis of short-term contracts renewed by means of amendments.

The Company is able to finance its business for the coming financial year, and has the appropriate management team to oversee it.

2.2 Financial information

2.2.1 Analysis of consolidated financial statements prepared in accordance with IFRS

2.2.1.1 Consolidated Income statement

(amounts in thousands of euros, except share data)	NOTES appendices IFRS	12/31/2020 12 months (restated) (1)	12/31/2021 12 months
Revenue		-	-
Cost of sales		-	-
Gross margin		**-**	**-**
Research and development expenses, net	16.1	(9,921)	(19,665)
General and administrative expenses	16.2	(4,021)	(7,150)
Operating loss		**(13,942)**	**(26,815)**
Financial expenses		(1,531)	(2,581)
Financial income		34	24
Changes in fair value of derivative financial instruments - liabilities		(10,080)	(1,875)
Financial result	17	**(11,575)**	**(4,432)**
Loss before taxes		**(25,517)**	**(31,247)**
Income taxes		-	-
Net loss for the period		**(25,517)**	**(31,247)**
Attributable to shareholders of Biophytis		*(25,517)*	*(31,246)*
Non-controlling interests		-	*(1)*
Weighted average number of outstanding shares (without treasury shares)		59,974,486	118,282,679
Basic loss per share (€/share)	19	**(0.43)**	**(0.26)**
Diluted loss per share (€/share)	19	**(0.43)**	**(0.26)**

(1) Refer to section 4 note 2.4 "Restatements of Previously Issued Financial Statements" to the consolidated financial statements

Statements of consolidated financial position

(amounts in thousands of euros)	NOTES appendices IFRS	12/31/2020 (restated) [1]	12/31/2021
ASSETS			
Patents and software	3	2,673	2,757
Property, plant and equipment	4	114	563
Other non-current financial assets	5, 9	413	1,251
Total non-current assets		**3,200**	**4,571**
Other receivables and prepaid expenses	7, 9	5,239	6,536
Other current financial assets	6	12,924	1,229
Cash and cash equivalents	8, 9	5,847	23,926
Total current assets		**24,010**	**31,691**
TOTAL ASSETS		**27,210**	**36,262**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	10	20,151	27,191
Premiums related to the share capital	10	22,538	27,781
Treasury shares	10	(42)	(51)
Foreign currency translation adjustment		(72)	(73)
Accumulated deficit - attributable to shareholders of Biophytis		(14,759)	(17,865)
Net loss - attributable to shareholders of Biophytis		(25,517)	(31,2465)
Shareholders' equity - attributable to shareholders of Biophytis		**2,299**	**5,737**
Non-controlling interests		(31)	(32)
Total shareholders' equity		**2,268**	**5,705**
Liabilities			
Employee benefit obligations	13	188	205
Non-current financial liabilities	9, 12	1,833	6,293
Non-current derivative financial instruments - liabilities	12	-	916
Total non-current liabilities		**2,021**	**7,414**
Current financial liabilities	9, 12	13,219	12,370
Provisions	14	2	
Trade payables	9, 15.1	7,985	7,606
Tax and social liabilities	15.2	1,446	1,998
Current derivative financial instruments - liabilities	12	-	788
Other creditors and miscellaneous liabilities	15.3	269	381
Total current liabilities		**22,921**	**23,143**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**27,210**	**36,262**

(1) Refer to section 4 note 2.4 "Restatements of Previously Issued Financial Statements" to the consolidated financial statements

Statements of consolidated cash flows

(amounts in thousands of euros)	NOTES appendices IFRS	12/31/2020 12 months (restated) (1)	12/31/2021 12 months
Cash flows from operating activities			
Net loss for the period		**(25,517)**	**(31,247)**
Amortization and depreciation of intangible and tangible assets	3, 4	280	311
Additions of provisions, net of reversals (1)	13, 14	34	39
Expenses associated with share-based payments	11	785	3,422
Financial interest paid		628	562
Spreading of deferred loss	12.2	-	54
Changes in fair value of derivative instruments	12.2	10,080	1,875
Interests on investment accounts		(1)	(4)
NEGMA financial indemnity (1)	12.2	(34)	1,675
Unwinding of conditional advances	12.1	452	397
Amortized cost of non-convertible bonds and the debt component of convertible bonds	12.2	189	132
Operating cash flows before change in working capital requirements		**(13,104)**	**(22,785)**
(-) Change in working capital requirements (net of depreciation of trade receivables and inventories)		**(3,361)**	**1,010**
Cash flows from operating activities		**(9,743)**	**(23,795)**
Cash flows from investing activities			
Acquisition of intangible and tangible assets	3, 4	(214)	(344)
Interests on investment accounts		1	4
Subscription of term deposits classified as other current & non-current financial assets (2)	6	(12,500)	-
Sale of term deposit classified as other current financial assets		-	12,500
Cash flows (used in) from investing activities		**(12,713)**	**12,160**
Cash flows from financing activities			
Share capital increase	10	23,486	16,584
Costs paid in relation to equity transactions	10	(3,496)	(2,099)
Net NEGMA compensation received	12	34	(1,675)
Subscription of warrants	11	271	-
Exercise of warrants (BSA) and founders' warrants (BSPCE)	11	862	742
Receipt of CIR pre-financing net of guarantee deposit	12	1,964	3,011
Repayment CIR prefinancing net of guarantee deposit	12	(4,589)	(2,252)
Collection/repayment of repayable advances	12.1	(136)	121
Gross financial interest paid		(628)	(562)
Conversion that generated a cash outflow	12.2	-	(910)
Proceeds from the issuance of non-convertible and convertible bonds	12.2	8,730	20,484
Repayment of convertible and non-convertible bonds	12.2	(3,214)	(3,550)
Repayment of convertible bonds	12.2	(863)	-
Cost incurred in relation to the issuance of bonds	12.2	(435)	(125)
Repayment of debt relating to lease obligations	12.3	-	(54)
Change in short-term bank overdrafts		(15)	-
Cash flows from financing activities		**21,953**	**29,715**
Net effect of exchange rate changes on cash and cash equivalents		13	(1)
Increase (Decrease) in cash		**(490)**	**18,079**
Cash and cash equivalents at the beginning of the period		6,337	5,847
Cash and cash equivalents at the end of the period		5,847	23,926

(1) Refer to section 4 note 2.4 "Restatements of Previously Issued Financial Statements" to the consolidated financial statements

2.2.1.2 Income statement

Revenue and other income

Given the stage of development of its drug candidates, the Group does not generate any revenue.

Operating expenses by destination

Research and development expenses

The Company conducts research and development to develop drug candidates for the treatment of neuromuscular and ophthalmic diseases.

Research costs are systematically recognized as expenses.

Due to the risks and uncertainties related to regulatory authorizations and the research and development process, the six criteria for recognition as an asset are not considered to be met before obtaining the marketing authorization for drugs ("Marketing Authorization"). As a result, internal development costs occurring before obtaining marketing authorization, mainly consisting of the costs of clinical studies, are recognized as expenses, on the line Research and development costs, when they are incurred.

Research and development costs are broken down as follows for the financial years presented:

(amounts in thousands of euros)	12/31/2020	12/31/2021
Personnel expenses	(2,553)	(4,392)
Purchases and external expenses	(10,459)	(19,345)
Other	(251)	(264)
Research and development expenses	**(13,263)**	**(24,001)**
Research tax credit	3,328	4,080
Research tax credit and subsidies	14	256
Research tax credit and subsidies	**3,342**	**4,336**
Research and development expenses, net	**(9,921)**	**(19,665)**

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Personnel expenses, including share-based payments for engineers and research personnel, amounted to €2,553 thousand and €4,392 thousand for the financial years ended December 31, 2020 and 2021, respectively. The increase in personnel expenses in 2021 compared to 2020 is related to the increase in personnel as part of the COVA clinical study and to share-based payment expenses for €2,125 thousand in 2021 compared to €367 thousand in 2020.

The **purchases and external expenses related to our research activity rose to €10,459 thousand and €19,345 thousand** for the years ended December 31, 2020 and 2021, respectively. The increase in purchases and external expenses related to our studies and research costs is mainly due to the progress of our Phase 2-3 COVA study as well as the finalization for publication of the results of our Phase 2 SARA-INT study. These expenses mainly consisted of the costs of the CROs for the conduct of clinical trials and non-clinical studies, as well as the costs of the CDMOs for the scale-up of the manufacture of Sarconeos (BIO101) for a potential filing with the regulatory authorities in the event of positive COVA results.

We have benefited from the Research Tax Credit (CIR) since our incorporation. The CIR amounted to €3,328 thousand and €4,080 thousand for the financial years ended December 31, 2020 and 2021, respectively. In December 2020, part of the CIR to be received for 2020 was prefinanced by the FONDS COMMUN DE TITRISATION PREDIREC INNOVATION 2020 with NEFTYS CONSEIL SARL as arranger, or NEFTYS.
In December 2021, part of the 2021 research tax credit receivable was pre-financed by NEFTYS.

As part of BPI France's conditional advance for the "BIO 201" project, the Company was able to benefit from a subsidy of €380 thousand as part of its MACA program, of which €202 thousand was recognized as a subsidy in 2021 since 53% of the research and development expenditure budget was committed at the reporting date.

General and administrative expenses

General and administrative expenses break down as follows for the financial years presented:

(amounts in thousands of euros)	12/31/2020	12/31/2021
Personnel expenses	(1,796)	(3,107)
Purchases and external expenses	(2,188)	(3,991)
Other	(37)	(52)
General and administrative expenses	**(4,021)**	**(7,150)**

Personnel costs, general management and administrative costs, including share-based payments, amounting €3,107 thousand in 2021 compared to €1,796 thousand in 2020. This increase was mainly due to the impact of the share-based compensation expense related to BSPCE founders' warrants and free shares granted at the end of 2020 and in 2021.

Other purchases and external expenses mainly consist of administrative costs related to listings (Euronext and Nasdaq since the beginning of 2021), accounting and audit fees, and legal fees. These expenses rose sharply, from €2,188 thousand in 2020 to €3,991 thousand in 2021. This is mainly due to the listing on the Nasdaq, which leads to an increase in legal, insurance and statutory audit costs.

Financial result

(amounts in thousands of euros)	12/31/2020 (restated)[1]	12/31/2021
Financial interest on convertible and non-convertible bonds and amortized cost on non-convertible bonds (2)	(817)	(555)
Change in fair value of convertible bonds[2]	(10,080)	(1,875)
Other financial expenses	(231)	(166)
Negma financial indemnity	-	(1,695)
Set-up costs for convertible bonds	(453)	(125)
Net financial income related to the repayment of penalties by Negma	34	20
Spreading of deferred loss (day one loss)		(54)
Other financial income	1	
Foreign exchange gains (losses)	(29)	14
Total net financial expense	**(11,575)**	**(4,432)**

[1]Refer to section 3 note 2.2 "Restatements of Previously Issued Financial Statements" to the IFRS financial statements.
[2]Refer to Note 12.2 Convertible and non-convertible bonds.

Financial income amounted to (€4,432) thousand at December 31, 2021 compared to €(11,575) thousand at December 31, 2020.

During the financial year ended December 31, 2021, the change in the fair value of convertible bonds and derivative liabilities was related to (i) the change in the fair value of ORNANEs issued to NEGMA for €1,306 thousand, (ii) the change in the fair value of ORNANE bonds issued to ATLAS for €(3,017) thousand and (iii) the change in the fair value of derivative liabilities for €(174) thousand.

During the financial year ended December 31, 2020, the change in the fair value of convertible bonds and derivative liabilities was related to (i) the change in the fair value of ORNANEs issued to NEGMA for €5,304 thousand and (ii) the change in the fair value of the ORNANE bonds issued to ATLAS for €(4,776) thousand.

During the financial year ended December 31, 2020, the financial compensation paid to NEGMA includes (i) the fine for non-execution of the judgment in the amount of €1,500 thousand (see Notes 14 and 12.2), (ii) €100,000 and €8,000 under Article 700 of the French Code of Civil Procedure and (iii) late payment interest in the amount of €87,000. As a result, the Company recorded financial compensation of €1,695 thousand during the financial year ended December 31, 2021.2018 contract with Kreos

On September 10, 2018, the Company entered into a venture loan agreement with Kreos. The first and second tranches of this non-convertible bond were issued on that date. The third tranche was issued on

December 17, 2018 and the last tranche on March 1, 2019, bringing the total amount of issues to €10 million. In accordance with IFRS 9, the debt component of the non-convertible notes was measured according to the amortized cost method.

2021 Contract with Kreos

On November 19, 2021, the Company entered into a venture loan agreement with Kreos in lieu of a framework agreement organizing the issue of a bond of up to €10 million by way of issue of €7.75 million non-convertible bonds ("straight bonds") and 2.25 million convertible bonds ("convertible bonds") plus the issuance of notes attached to the first tranche.

The loan agreement includes four respective tranches of €2.5 million (including €1.25 million in convertible bonds), €3.0 million (including €1 million in convertible bonds), €2.5 million and €2.0 million. The first two tranches were drawn down at the signing of the contract on November 19, 2021, the third tranche, limited to €676 thousand, was drawn down before December 31, 2021, bringing the total amount of the issues to €6,176 thousand.

In accordance with IFRS 9, the debt component of non-convertible and convertible bonds was measured using the amortized cost method.

ORNANE agreement with NEGMA Group Limited

On August 21, 2019, the Company signed an agreement with NEGNA Group Limited allowing up to €24 million to be raised, at the sole discretion of the Company. On this date, the Company issued a first tranche of 300 convertible bonds with the issuance of 585,936 BSA warrants and resulting in an inflow of €3 million.

On December 27, 2019, the Company issued 300 convertible bonds. Out of these 300 bonds, amounting to €3 million, €1.5 million was received by the Company, and 694,444 warrants were allocated to Negma.

The Company determined that it could not separately estimate the fair value of the conversion option embedded in the convertible bonds and therefore concluded that the entire hybrid contract should be measured at fair value through of the income statement in accordance with IFRS 9.

Until December 31, 2019, the fair value was measured using a binomial valuation model. Given that the maturity of the bonds was expected to be short, the loss on the issue date ("Day one loss") (including the redemption premium and/or the issue premium) was immediately recognized in profit or loss.

Following the Company's unilateral decision to terminate the contract with Negma Group on April 6, 2020, given the uncertainties associated with the outcome of the ongoing litigation with Negma, the Company has since assessed the debt to Negma on the basis of the fair value of the shares to be issued as well as additional contractual payments resulting from Negma's conversion requests.

Following this termination, Negma Group undertook legal action in order to claim damages of €911 thousand from Biophytis as well as the delivery of 7,000,000 Biophytis shares that Negma Group considers it was entitled to pursuant to the only Biophytis ORNANE still held by Negma Group, issued in consideration for a €1,400 thousand loan (140 warrants with a nominal value of €10 thousand each).

The €911 thousand sought by Negma Group is for alleged indemnities under the terms of the 2019 Negma Contract, which provided for the payment of such indemnities in the event of the conversion of convertible notes into shares when the share price is lower than the nominal value of the shares. Biophytis strongly disputed this legal action and its demands for payment and the delivery of shares.

Pursuant to a summary judgment dated May 7, 2020, Negma Group obtained a decision partially responding to its claims ordering, under penalty (which amounted to €7 thousand), Biophytis to pay €378 thousand to settle the claim under the contractual terms of the Negma Group ORNANE agreement for which Negma Group had sent a conversion notice prior to April 6, 2020, and to deliver 2,050,000 Biophytis shares.
Biophytis and Negma Group appealed the decision of the Paris Commercial Court.

On November 18, 2020, the Paris Court of Appeal overruled the May ruling and sentenced Negma Group to return to Biophytis the 2,050,000 shares previously delivered as well as the provision of €378 thousand.

Negma Group was also order to pay additional penalties to Biophytis amounting to €41 thousand, recognized in financial income for the year ended 2020.

In 2020, 68 bonds held by Negma were converted into new shares, generating the issuance of 3,400,000 shares according the above formula under tranche 1 and tranche 2.

Negma Group also exercised all BSA_{T2} during the financial year ended on December 31, 2020, generating the issuance of 694,444 shares at a price per share of €0.27.

On March 16, 2021, the Paris Commercial Court rendered a judgment in Negma's favor and ordered Biophytis to:

- pay Negma Group a principal sum of €910 thousand in contractual penalties with late payment interest at the LIBOR rate + 10%;
- deliver to Negma 7,000,000 shares, subject to a penalty of €50 thousand per day of delay as from the tenth day after the notification of the judgment and for a period of 30 days; and
- pay Negma €100 thousand under article 700 of the French Code of Civil Procedure as well as the expenses and legal costs.

Biophytis petitioned the Paris Commercial Court on the grounds that it had failed to rule on certain claims made by the Company in the proceedings and lodged an appeal with the Paris Court of Appeal.
In addition, with regard to the execution of this Judgment, Biophytis has served Negma Group with a petition filed with the President of the Paris Court of Appeal requesting the immediate stay of execution of the Judgment or, failing that, its modification. Oral argument on this case occurred on September 6, 2021, and the court's judgment is still pending.
In the meantime, on June 24, 2021, Negma Group served Biophytis with a petition filed with the judge of the Paris Court of Justice charged with overseeing the execution of judgments requesting (i) the payment of the fine for non-performance imposed by the Judgment of March 16, 2021 in connection with its order to Biophytis to deliver 7,000,000 shares and (ii) that a final fine for non-performance be set.

Pursuant to a judgment rendered on July 16, 2021, the judge of the Paris Court of Justice in charge of overseeing the execution of judgments partially granted Negma's claims:

- ordered Biophytis to pay the fine for non-performance imposed by the Judgment for €1,500 thousand;
- ordered Biophytis to pay this amount to Negma Group;
- imposed a new provisional fine for non-performance of €50 thousand per day of delay in complying with the Judgment's order against Biophytis, as of the tenth day from service of this judgment, for a period of 30 days;
- ordered Biophytis to pay Negma €8 thousand pursuant to Article 700 of the Code of Civil Procedure; and
- ordered Biophytis to pay costs.

Biophytis has fulfilled all of its obligations under the above two judgments.
Over the period, the Company has paid the indemnities and the fine for non-performance imposed by the Judgment.
With regard in particular to the delivery of 7,000,000 shares to Negma Group, Biophytis has:

- in August 2021, delivered to Negma Group the 2,050,000 shares created and delivered to Negma Group in June 2020 and returned by Negma Group to Biophytis under the judgment of the Paris Court of Appeal dated November 18, 2020, which Biophytis had kept in self-holding; and
- issued 4,950,000 new shares in favor of Negma Group in August 2021 as part of a capital increase reserved for it on the basis of the 13th delegation of the General Meeting of May 10, 2021.

Biophytis appealed this judgment and, more generally, took all measures to safeguard its interests.
Negma Group also exercised all BSA_{T1} over the 2021 financial year, generating the issuance of 585,936 new shares at a price per share of €0.64.

2020 ORNANE contract with ATLAS

In April 2020, the Company signed an ORNANE contract with Atlas to continue the development of Sarconeos (BIO101). On April 29, 2020, the Company issued a first tranche of €3 million, a second tranche of €3 million on June 19, 2020 and a third tranche of €3 million on August 28, 2020. At December 31, 2020, the balance of the debt was zero.

On May 27, 2021, the Company issued a fourth and fifth tranche of €3 million each, a sixth and seventh tranche of €3 million each on September 20, 2021 and an eighth tranche of €3 million on December 20, 2021.

The Company determined that it could not separately estimate the fair value of the conversion option embedded in the convertible bonds and therefore concluded that the entire hybrid contract should be measured at fair value through the income statement until settlement.

The fair value was measured using a binomial valuation model. Since the bonds' maturity was expected to be short, the loss on the issue date ("Day one loss") (including the redemption premium and/or the issue premium) was immediately recognized in profit or loss.

As of December 31, 2021, 224 convertible bonds issued to Atlas had not been converted. All ORNANE provided for in the Atlas 2020 contract were issued to ATLAS.

2021 ORNANE contract with ATLAS

In June 2021, the Company signed a new convertible bond financing for a maximum of €32 million (eight tranches with a nominal value of €4 million each) with Atlas (the "2021 Atlas Contract") to continue the development of Sarconeos (BIO101) through the issuance of multiple convertible bonds.

No ORNANE were issued in 2021 under this contract. The Company announced the issuance of 160 ORNANE bonds for a total amount of €4 million under the 2021 financing agreement entered into with ATLAS (first tranche out of eight tranches provided for in the agreement).

Corporate income tax

The Group did not record any income tax expense.

At 31 December 2021, the Group had tax losses amounting to:

- €128,994 in France
  The allocation of tax losses in France is capped at 50% of the taxable profit for the financial year, this limitation being applicable to the portion of profits exceeding €1 million. The unused balance of the tax loss can be carried forward to subsequent financial years and allocated under the same conditions without any time limit. The tax rate applicable to Biophytis is the rate in force in France, *i.e.* 26.5%. This rate is gradually decreasing to reach 25% from 2022;

- €1,383 thousand for the US subsidiary of which:
  - €1,008 thousand that can be carried forward indefinitely,
  - €188 thousand expiring in 2037,
  - €144 thousand expiring in 2036,
  - €43 thousand expiring in 2035.

  In the United States, tax losses can be carried forward for 20 years from the date of their creation. This provision is applicable to tax losses arising until 2017. Those created from 2018 onwards can be carried forward indefinitely. The tax rate applicable to Biophytis Inc. is the rate in force in the United States, *i.e.* 21%;

- €1 thousand for the Brazilian subsidiary. In Brazil, the tax loss system is degressive: the tax loss carryforward is capped at 30% of the cumulative deficit of the previous year. The tax rate applicable to Instituto Biophytis Do Brasil is the rate in force in Brazil, *i.e.* 34%.

Deferred tax assets are recognized for tax loss carryforwards, when it is probable that the Company will have future taxable profits against which these unused tax losses may be charged. In accordance with this principle, no deferred tax assets are recognized in the Company's financial statements beyond deferred tax liabilities.

Earnings per share

Basic earnings per share are calculated by dividing the net earnings attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year. Instruments giving rights to capital on a deferred basis (BSA, BSPCE, etc.) are considered anti-dilutive because they lead to an increase in earnings per share. As a result, diluted earnings per share are identical to basic earnings per share.

	12/31/2020	12/31/2021
Weighted average number of outstanding shares (without Treasury shares)	59,974,486	118,282,679
Net income for the year	(25,517)	(31,247)
Basic loss per share (€/share)	**(0.43)**	**(0.26)**
Diluted loss per share (€/share)	**(0.43)**	**(0.26)**

2.2.1.3 Balance sheet analysis

Non-current assets

(amounts in thousands of euros)	**12/31/2020**	**12/31/2021**
Property, plant and equipment	2,673	2,757
Property, plant and equipment	114	563
Other non-current financial assets	413	1,251
Total non-current assets	**3,200**	**4,571**

Intangible assets consist of the shares of patents acquired during the 2015 financial year from Metabrain Research (€1,500 thousand) and Iris Pharma (€800 thousand) as well as the patents acquired in 2019, 2020 and 2021 from Stanislas Veillet for €630 thousand, €450 thousand and €270 thousand respectively.

Patents are amortized over their estimated useful lives of between 19 and 20 years.

Property, plant and equipment consist mainly of laboratory equipment.

Other non-current financial assets consist of:

- the cash reserve related to the liquidity contract set up in 2015 following the listing of the Company's shares on the Euronext Growth Paris market (formerly Alternext Paris);
- a security deposit related to the loan taken out in 2018 with Kreos for €320 thousand at December 31, 2020. The latter was classified as other current financial assets as of December 31, 2021 in line with the maturity of the debt;
- a security deposit related to the loan taken out during the financial year with Kreos for €104 thousand at December 31, 2021.
- a deferred financial asset related to the spreading of the day one loss on the KREOS convertible bond issue for €1,065 thousand at December 31, 2021.

Current assets

(amounts in thousands of euros)	12/31/2020	12/31/2021
Other receivables	5,239	6,536
Other current financial assets	12,924	1,229
Cash and cash equivalents	5,847	23,926
Total current assets	**24,010**	**31,691**

Other receivables mainly include:
In 2020:

- the receivable from the French State relating to the Research Tax Credit totaling €3,328 thousand. A portion of the receivable related to the 2020 CIR 2020 was pre-financed by the specialized organization NEFTYS;
- deductible VAT and VAT credits totaling €1,562 thousand;
- a receivable from Caceis, a company providing financial services to institutional investors, was recognized for €266 thousand as of December 31, 2020 following the exercise of BSA warrants and BSPCE founders' warrants on December 16, 2020.

In 2021:

- the receivable from the French State relating to the Research Tax Credit totaling €4,080 thousand. A portion of the receivable related to the 2021 CIR was pre-financed by the specialized organization NEFTYS;
- deductible VAT and VAT credits and a subsidy to be received totaling €1,008 thousand;
- a receivable from Caceis, a company providing financial services for institutional investors was recognized for an amount of €2 thousand as of 12/31/2021;
- prepaid expenses relating to research services provided by an external service provider amounting to €1,418 thousand.

Other current financial assets include:

- a retention payment linked to the pre-financing of the CIR with NEFTYS for €584 thousand at December 31, 2021 compared to €424 thousand at December 31, 2020;
- a guarantee deposit of €320 at December 31, 2021, thousand related to the Kreos loan taken out in 2018. The latter was classified as other non-current financial assets at December 31, 2020.
- A deferred financial asset related to the spreading of the day one loss on the KREOS convertible bond issue for €325 thousand at December 31, 2021.

Cash and cash equivalents consist of bank accounts and of two term deposits with the following characteristics:

- a short-term deposit of €2,000 thousand maturing on July 1, 2022 and with an interest rate of 0.03%;
- a short-term deposit of €5,000 thousand maturing on January 26, 2022 and with an interest rate of 0.03%.

Shareholders' equity

(amounts in thousands of euros)	12/31/2020 (restated)[1]	12/31/2021
Share capital	20,151	27,191
Share premiums	22,538	27,781
Treasury Shares	(42)	(51)
Foreign currency translation adjustment	(72)	(73)
Accumulated deficit – attributable to shareholders of Biophytis	(14,759)	(17,865)
Result – attributable to shareholders of Biophytis	(25,517)	(31,246)
Shareholders' equity – attributable to shareholders of Biophytis	**2,299**	**5,737**
Non-controlling interests	(31)	(32)
Total shareholders' equity	**2,268**	**5,705**

[1]Refer to section 3 note 2.22 "Restatements of Previously Issued Financial Statements" to the IFRS financial statements.

The share capital amounted to €27,190,131.40 at December 31, 2021. It is divided into 135,953,657 fully subscribed and paid-up shares with a nominal amount of €0.20.

For the year ended December 31, 2021:

On February 12, 2021, Biophytis announced the closing of the ADS Offering. The gross proceeds from the Offering were $20,100 thousand (€16,584 thousand, using the exchange rate of €1.00 = $1.212 on February 12, 2021, the closing date) and the aggregate net proceeds to Biophytis, after deducting underwriting discounts and commissions, management fee, and other offering expenses payable by the Company, were approximately $16.35 million (€13.49 million, using the exchange rate of €1.00 = $1.212 on February 12, 2021, the closing date). All of the securities sold in the ADS Offering were offered by Biophytis. This transaction generated a share capital increase of €2,400 thousand and an issue premium of €14,184 thousand.

On July 30,, 2021, 4,950,000 new shares were issued to Negma, generating a capital increase of €990 thousand and an issue premium of €2,629 thousand.

On August 13, 2021, 2,050,000 shares, previously returned by NEGMA following the judgment of November 18, 2021, were delivered to NEGMA following the judgment of July 16, 2021. During the financial year ended December 31, 2021, 376 bonds held by Atlas were converted into new shares, generating the issuance of 16,379,256 shares at a price of €0.20, representing a capital increase of €3,276 thousand and an issue premium of €7,527 thousand (based on the fair value of the shares issued on the conversion date.

€2,099 thousand costs incurred during the period by the Company in connection with the ADS Offering in February 2021 were deducted from shareholders' equity.

Following the exercise of warrants during the period, the share capital was increased by €373 thousand through the issuance of 1,867,304 new shares, with an issue premium totaling €369 thousand.

Non-current liabilities

(amounts in thousands of euros)	**12/31/2020**	**12/31/2021**
Employee benefit obligations	188	205
Non-current financial liabilities	1,833	6,293
Non-current derivative liabilities	-	916
Total non-current liabilities	**2,021**	**7,414**

Employee benefit obligations consist of the provision for retirement benefits.

Non-current financial debt breaks down as follows:

(amounts in thousands of euros)	**12/31/2020**	**12/31/2021**
Conditional advances	893	906
Non-convertible bonds	940	2,945
Convertible notes	-	2,217
Non-current lease liabilities	-	225
Non-current derivative financial instruments - liabilities		916
Non-current financial liabilities	**1,833**	**7,209**

Refer to section 3 note 12 of this financial report for more information on the Company's financing.

Current liabilities

(amounts in thousands of euros)	12/31/2020 (restated)[1]	12/31/2021
Current financial liabilities	13,219	12,370
Provisions	2	
Trade payables	7,985	7,606
Tax and social liabilities	1,446	1,998
Current derivative liabilities	-	788
Other creditors and miscellaneous liabilities	268	381
Total current liabilities	**22,921**	**23,143**

[1]Refer to section 3 note 2.22 "Restatements of Previously Issued Financial Statements" to the IFRS financial statements.

Current financial liabilities break down as follows:

(amounts in thousands of euros)	12/31/2020 (restated)[1]	12/31/2021
Conditional advances	274	377
Non-convertible bonds	3,454	1,858
Convertible notes	7,357	6,627
Financial liabilities related to the prefinancing of a portion of the research tax credit receivables	2,134	3,287
Debt on current lease liabilities	-	221
Current derivative financial instruments - liabilities		788
Current financial liabilities	**13,219**	**13,158**

[1]Refer to section 3 note 2.2 "Restatements of Previously Issued Financial Statements" to the IFRS financial statements.

Refer to section 3 note 12 of this financial report for further information on the Company's financing.

Trade payables and related accounts remained relatively stable between 2020 and 2021 but show different changes depending on their nature (research and development, general and administrative expenses):

(amounts in thousands of euros)	12/31/2020	12/31/2021
Suppliers – research and development	5,408	6,669
Suppliers – general and administrative expenses	2,577	937
Total trade payables	**7,985**	**7,606**

In 2021, the change in debt to research and development suppliers was mainly due to the increase in expenses related to ongoing clinical trials and the Company's research costs, particularly in the context of the SARA clinical program and the launch of the COVA program.
The decrease in trade payables to general and administrative suppliers was mainly due to the costs incurred by the Company in late 2020 as part of the Nasdaq IPO.

At December 31, 2020 and 2021, the Company set aside a provision for risks relating to the additional contribution to be paid at the end of the two-year vesting period for the free shares allocated on December 22, 2020 and September 20, 2021. This contribution is recognized on a straight-line basis over the vesting period.

2.2.2 Activity of Group companies

2.2.2.1 Biophytis SA results

(amounts in thousands of euros)	12/31/2020	12/31/2021
Operating income	50	257
Operating expenses	(17,282)	(28,738)
Operating income	(17,233)	(28,481)
Financial result	(2,462)	(5,867)
Exceptional income	427	807
Corporate income tax	3,328	4,080
Net loss for the period	**(15,940)**	**(29,460)**

Operating income amounted to €257 thousand at December 31, 2021, and was up compared to the previous financial year. This consisted, in particular, of the BPI France grant recognized in the amount of €202 thousand as part of the BIO101 project.

Operating expenses amounted to €28,738 thousand at December 31, 2021 compared to €17,282 thousand at December 31, 2020, *i.e.* an increase of €11,456 thousand mainly due to:

- an increase in personnel expenses related to hires as part of the launch of the COVA project;
- an increase in other purchases and external expenses related to:
    - the increase in expenses associated with the Company's ongoing clinical trials and research costs, particularly within the context of the SARA clinical program and the launch of the COVA program,
    - administrative costs related to being a listed company in France and the United States since February 2021, consisting of accounting, audit and legal fees, and
    - an increase in insurance premiums relating to the dual listing.

Financial income amounted to €(5,867) thousand at December 31, 2021 compared to €(2,462) thousand at December 31, 2020, *i.e.* a deterioration of €(3,405 thousand) mainly due to a combination of the following factors:

- the cancellation in 2021 of the financial debt to Negma recognized in financial income for €1,400 thousand;
- the recognition in 2020 of financial income of €419 thousand related to the repayment of penalties by Negma described in section 3 note 10;
- the recognition of an expense, net of the unwinding of provisions for the Negma dispute for the financial year ended December 31, 2021, of €5,127 thousand compared to €1,505 thousand at December 31, 2020;
- the amortization of the redemption premium related to the Atlas bond issue amounting to €282 thousand in 2021 and €270 thousand in 2020.

Exceptional income for 2021 was €807 thousand compared to €427 thousand in 2020. This was mainly due to the reimbursement received by the Company in respect of payroll tax.

After taking into account a research tax credit of €4,080 thousand, net income amounted to €(29,460) thousand at December 31, 2021 (compared to €(15,940) thousand at December 31, 2020).

2.2.2.2 Activity of subsidiaries

Biophytis Inc.

Biophytis Inc. rebills all of its costs to Biophytis SA. Thus, it recorded revenue of around €444 thousand in 2021 compared to €817 thousand in 2020.

Biophytis Inc.'s net income was at breakeven at December 31, 2021 compared to a loss of €(5) thousand at December 31, 2020. Biophytis Inc.'s expenses mainly consist of consulting fees, particularly in investor relations in the United States, personnel expenses (R&D and administrative) and overheads.

Instituto Biophytis Do Brasil

Previously dormant, Instituto Biophytis Do Brasil has rebilled all of its costs to Biophytis SA since December 28, 2020, with a retroactive effect from July 1, 2020.

Instituto Biophytis Do Brasil recorded revenue of around €103 thousand in 2021 compared to €46 thousand in 2020.

The net income of Instituto Biophytis Do Brasil thus amounted to a loss of €(3) thousand at December 31, 2021 compared to a loss of €(2) thousand at December 31, 2020. Instituto do Brasil's expenses mainly consist of personnel costs, external service costs, and administrative and overhead costs incurred in support of our clinical development and regulatory activities in Brazil.

2.2.3 Company financing

2.2.3.1 Equity financing

The table below summarizes the main capital increases up to the date of the Annual Financial Report:

Periods	Gross amounts raised in thousands of euros	Operations
2006	267	Founders' contribution
2008	800	First financing round at a subscription price of €15.73 per share
2009	2,220	Second financing round at a subscription price of €11.01 per share
2012	199	Conversion of 2011 OCA at a subscription price of €11 per share
2012	1,800	Third financing round at a subscription price of €10.28
2015	10,035	Initial public offering on the Alternext Paris market by capital increase[1][2]
2015	6,000	Private placement with a North American investor and €6 million raised through the issuance of 666,700 new shares[1]
2015	205	Subscription of 270,414 BSA_{2015D} warrants at a price of €0.60 and 54,000 BSA_{2015} warrants at a price of €0.80
2015	534	Exercise of 80,666 BSA_{2015D} warrants and 6,000 BSA_{2015} warrants
2016	58	Exercise of 28,000 $BSPCE_{2015}$ founders' warrants
2017	3,734	Private placement of €3.7 million through the issuance of 1,310,431 new shares at a unit price of €2.85[3]
2017	10,442	Private placement of €10.4 million through the issuance of 1,989,000 new shares at a price of €5.25 each[3]
2017	7,565	Share capital increase in cash of €7.6 million through the issuance of 1,513,000 new ordinary shares at the price of €5 each to the category of beneficiaries corresponding to industrial or commercial companies, investment funds, organizations, institutions or entities whatever their form, French or foreign, investing regularly in the health, biotechnology and/or pharmaceutical sectors[3]
2017	6,300	Conversion of 630 bonds held by Bracknor Fund[4]
2017	31	Exercise of 15,000 $BSPCE_{2015-1}$ founders' warrants
2019	2,420	Conversion of 242 ORNANES held by Negma
2020	3,347	€3.3 million private placement through the issuance of 12,394,071 new shares at a unit price of €0.27

Periods	Gross amounts raised in thousands of euros	Operations
2020	1,394	Capital increase through the issue of 2,050,000 shares following the court's ruling on the dispute with Negma
2020	4,000	€4 million private placement through the issuance of 6,060,606 new shares at a unit price of €0.66
2020	6,140	€6.1 million private placement through the issuance of 9,563,732 new shares at a unit price of €0.642
2020	10,000	€10 million private placement through the issuance of 21,276,596 new shares at a unit price of €0.47
2020	680	Conversion of 68 ORNANES held by Negma
2020	8,250	Conversion of 330 ORNANES held by Atlas
2020	1,315	Exercise of 4,554,586 BSA_{2020} warrants, 315,569 $BSPCE_{2019\text{-}1}$ founders' warrants
2021	16,584	Capital increase as part of the ADS Offering (initial public offering on the Nasdaq)[5]
2021	9,400	Conversion of 376 ORNANES held by Atlas
2021	742	Exercise of 1,122,695 BSA_{2020}, 35,739 $BSPCE_{2019\text{-}1}$, 17,870 $BSPCE_{2019\text{-}2}$, 74,346 $BSPCE_{2020\text{-}1}$, 37,173 $BSPCE_{2020\text{-}2}$
2021	3,619	Issue of 4,950,000 new shares to Negma
Total	116,766	

[1] The company's IPO on the Alternext Paris market as well as the private placement with a North American investor generated costs of €1,383 thousand.

[2] The capital increase as part of the IPO was partly carried out by offsetting the Company's receivables:

- *debts relating to BSA_{2015C} and BSA_{2015D} bonds for €1,897 thousand;*
- *the debt relating to the acquisition of the share of patent ownership from Metabrain Research and Iris Pharma for €1,500 thousand and €800 thousand, respectively;*
- *the shareholders' current account for €60 thousand.*

[3] The private placements carried out during the 2017 financial year generated expenses of €2,043 thousand.

[4] This amount includes the conversion of the 30 ORNANE issued in respect of the commitment fee.

[5] The company's IPO on the Nasdaq generated costs of €2,099 thousand.

2.2.3.2 Financing through the research tax credit and prefinancing of the research tax credit receivable

(amounts in thousands of euros)	12/31/2020	12/31/2021
Research tax credit	3,328	4,080

In December 2020, a portion of the receivables related to the 2020 CIR was prefinanced by the specialized organization NEFTYS. Consequently, the Company recorded:

- a liability for the amount due to NEFTYS at the time of CIR collection;
- a financial asset, for the amounts deducted by NEFTYS from the receivables sold (classed as a guarantee deposit); and
- a current asset for the CIR research tax credit payable by the French State.

In December 2021, a portion of the receivables related to the 2021 CIR was prefinanced by the specialized organization NEFTYS. This transaction had the same accounting impact as the one detailed above.

In accordance with IFRS 9, the financial liability due to NEFTYS was determined using the amortized cost method for €3,287 thousand as of December 31, 2021 and €2,134 as of December 31, 2020.

2.2.3.3 Financing by conditional advances and subsidies

Conditional advances

The Company benefits from four conditional advance programs:

- three reimbursable innovation grants from BPI France;
- a collaboration agreement with the AFM-Téléthon – "BIO101" project.

A conditional advance was granted by BPI France on February 4, 2015. This is an interest-free repayable advance of €260 thousand for the "*in vitro*, *in vivo* and pharmacokinetic characterization of a drug candidate". The contract provides for payments in installments between the date of signing of the contract and the end of the program. Following the success of the project and the postponement of repayment schedules granted by BPI France (formerly OSEO), this advance is being repaid in quarterly installments between June 30, 2017 and December 31, 2022.

A conditional advance was granted by BPI France on November 28, 2016. This is an interest-free recoverable advance of €1,100 thousand for the "production of clinical batches, regulatory preclinical phase and Phase 1 clinical trial of BIO101 for the treatment of sarcopenic obesity". The contract provides for payments in installments between the date of signing of the contract and the end of the program. As of the date of this financial report, the Company had received €1,100 thousand, less €33 thousand for investigation costs. If successful, this advance will be repaid in quarterly installments between December 31, 2018 and March 31, 2024. The drawdown for the first repayment took place in early January 2019.

In view of the COVID-19 health crisis, the Company obtained a postponement of the installments due in the first and second quarters of 2020 for the BPI France advances, which had the effect of extending the initial schedule by two additional quarters.

A conditional advance was granted by BPI France on August 23, 2019. This is a conditional interest advance of €600 thousand payable in installments for its Macuneos MACA program (BIO201) in dry age-related macular degeneration (AMD). The proceeds were subject to financial conditions that have been met in April 2021. The Company received €400 thousand in April 2021 in connection with this agreement. The remainder, will be received once the Company finalizes the program.

Repayment of the conditional advance is dependent on the successful completion of the project:

- in the event of technical/economic failure, a minimum repayment of €240 thousand will be owed by the Company at the end of the program (36 months after receipt of the first conditional advances); and
- in the event of technical/economic success, repayment is scheduled over a five-year period from September 2022.

As part of this agreement, the Company was entitled to receive a grant of €380 thousand, out of which €260 thousand was received in April 2021. At December 31, 2021, this grant was recognized as deferred income for €178 thousand since the company had incurred, at December 31, 2021, expenses representing 53% of the budget for the research and development program (see Section 3, note 15.3).

Biophytis signed a collaboration agreement with AFM-Téléthon, which entered into force on June 3, 2019 and concerns the development of Sarconeos (BIO101), Biophytis' main drug candidate, for the treatment of Duchenne Muscular Dystrophy (DMD) as part of its MYODA clinical program.

Under the terms of the agreement, the AFM-Téléthon grants €400 thousand in funding to Biophytis, which is intended for certain additional preclinical trials and for the preparation of the MYODA clinical study, and which may be repaid under certain conditions.

Repayment of the advance will be spread over a two-year period, from the authorization of the launch of Phase 3 of the MYODA clinical program, with ongoing half-yearly payments.

Please refer to note 12.1 to the consolidated financial statements prepared in accordance with IFRS in section 3 of this financial report.

(amounts in thousands of euros)	BPI - Sarcob	BPI – BIO101	AFM – Téléthon	BPI – BIO201	Total
As of December 31, 2020	**112**	**677**	**378**	**-**	**1,167**
(+) Proceeds received	-	-	-	400	400
(-) Repayment	(59)	(220)	-	-	(279)
Research tax credit and subsidies	-	-	-	(38)	(38)
Financial expenses	3	18	8	5	33
As of December 31, 2021	**57**	**474**	**385**	**367**	**1,283**

Research tax credit and subsidies

Since its creation, the Company has benefited from the following three main grant agreements:

A maximum of €520 thousand was granted by the Conseil Général de la Seine-Saint-Denis and OSEO on December 21, 2011 and February 23, 2012 for the Sarcob project. Following the notification of the end of the program in 2014, the final grant amount was set at €475 thousand (€234 thousand from the Conseil Général de la Seine-Saint-Denis and €241 thousand from OSEO).

A maximum grant of €300 thousand was granted by the Ile de France Region, on behalf of the European Union, on June 7, 2013 for the Maculia project. Following the notification of the end of the program, the final grant amount was set at €166 thousand.

A €380 thousand grant was given by BPI France as part of its MACA program for Macuneos (BIO201), €260 thousand of which was received in April 2021. As of December 31, 2021, this grant was recognized in the income statement in the amount of €202 thousand, as expenses were incurred.

2.2.3.4 Debt financing

Issuance of convertible notes to Negma

On August 21, 2019, the Company signed an agreement with Negma Group Limited providing for up to €24 million in financing for the Company through the issuance of a number of tranches of convertible bonds with warrants (ORNANEBSA), at the sole discretion of the Company.

Main characteristics of the ORNANE NEGMA note warrants
The 2,400 four-year note warrants require their holder to exercise them, at the Company's request, in tranches of 300 warrants each. Each warrant grants its holder the right to one ORNANEBSA. Note warrants may not be transferred and are not subject to a request for admission to trading on the Euronext Growth market. The BSA will be detached from the ORNANE immediately, once the ORNANEBSA has been issued.

Main characteristics of the ORNANE
ORNANE have a nominal value of €10,000 each and are issued at par. They do not bear interest and have a 12-month maturity from issuance. Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. At the end of the term, and if the ORNANE have not yet been converted, they will be automatically converted.
The holder may ask to convert the ORNANE at any time at the conversion parity determined by the following formula: N = CA/CP, where:

- "N" is the number of shares yielded by the conversion;
- "CA" is the nominal value of the ORNANE (*i.e.* €10,000);
- "CP" is the conversion price (*i.e.* 92% of the lowest volume weighted average price over the 15 trading days preceding the date on which conversion is requested).

On the conversion request date, the Company may redeem the ORNANE in cash using the following formula: V = CA/CP x closing VWAP on the conversion date.
Under the terms of this agreement, when the conversion price is lower than the nominal value of the share, a conversion penalty applies.
ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.
Pursuant to this agreement, the Board of Directors decided the issuance of the following convertible notes and warrants during the year ended December 31, 2019:

- a first tranche on August 21, 2019, of 300 ORNANE, plus a commitment fee of 30 ORNANE, with attached warrants to purchase 585,936 shares (BSA_{T1}), resulting in gross proceeds for the Company of €3 million; and

- a second tranche on December 27, 2019, of 300 ORNANE, 50% of which paid for by Negma Group on December 31, 2019, resulting in gross proceeds for the Company of €1.5 million, with attached BSA warrants to purchase 694,444 shares (BSA_{T2}).

On April 6, 2020, as part of the implementation of the Atlas agreement, the Company unilaterally terminated the contract with Negma Group.

Following this termination, Negma Group undertook legal action in order to claim damages of €911 thousand from Biophytis as well as the delivery of 7,000,000 Biophytis shares that Negma Group considers it was entitled to pursuant to the only Biophytis ORNANE still held by Negma Group, issued in consideration for a €1,400 thousand loan (140 warrants with a nominal value of €10 thousand each).

The €911 thousand sought by Negma Group is for alleged indemnities under the terms of the 2019 Negma Contract, which provided for the payment of such indemnities in the event of the conversion of convertible notes into shares when the share price is lower than the nominal value of the shares. Biophytis strongly disputed this legal action and its demands for payment and the delivery of shares.
Pursuant to a summary judgment dated May 7, 2020, Negma Group obtained a decision partially responding to its claims ordering, under penalty (which amounted to €7 thousand), Biophytis to pay €378 thousand to settle the claim under the contractual terms of the Negma Group ORNANE agreement for which Negma Group had sent a conversion notice prior to April 6, 2020, and to deliver 2,050,000 Biophytis shares.

Biophytis and Negma Group appealed the decision of the Paris Commercial Court.

On November 18, 2020, the Paris Court of Appeal overruled the May ruling and sentenced Negma Group to return to Biophytis the 2,050,000 shares previously delivered as well as the provision of €378 thousand. Negma Group was also order to pay additional penalties to Biophytis amounting to €41 thousand, recognized in financial income for the year ended 2020.

In 2020, 68 bonds held by Negma were converted into new shares, generating the issuance of 3,400,000 shares according the above formula under tranche 1 and tranche 2.

Negma Group also exercised all BSA_{T2} during the financial year ended on December 31, 2020, generating the issuance of 694,444 shares at a price per share of €0.27.

On March 16, 2021, the Paris Commercial Court rendered a judgment in Negma's favor and ordered Biophytis to:

- pay Negma Group a principal sum of €910 thousand in contractual penalties with late payment interest at the LIBOR rate + 10%;
- deliver to Negma 7,000,000 shares, subject to a penalty of €50 thousand per day of delay as from the tenth day after the notification of the judgment and for a period of 30 days; and
- pay Negma €100 thousand under article 700 of the French Code of Civil Procedure as well as the expenses and legal costs.

Biophytis petitioned the Paris Commercial Court on the grounds that it had failed to rule on certain claims made by the Company in the proceedings and lodged an appeal with the Paris Court of Appeal.

In addition, with regard to the execution of this Judgment, Biophytis has served Negma Group with a petition filed with the President of the Paris Court of Appeal requesting the immediate stay of execution of the Judgment or, failing that, its modification. Oral argument on this case occurred on September 6, 2021, and the court's judgment is still pending.

In the meantime, on June 24, 2021, Negma Group served Biophytis with a petition filed with the judge of the Paris Court of Justice charged with overseeing the execution of judgments requesting (i) the payment of the fine for non-performance imposed by the Judgment of March 16, 2021 in connection with its order to Biophytis to deliver 7,000,000 shares and (ii) that a final fine for non-performance be set.

Pursuant to a judgment rendered on July 16, 2021, the judge of the Paris Court of Justice in charge of overseeing the execution of judgments partially granted Negma's claims:

- ordered Biophytis to pay the fine for non-performance imposed by the Judgment for €1,500 thousand;
- ordered Biophytis to pay this amount to Negma Group;
- imposed a new provisional fine for non-performance of €50 thousand per day of delay in complying with the Judgment's order against Biophytis, as of the tenth day from service of this judgment, for a period of 30 days;
- ordered Biophytis to pay Negma €8 thousand pursuant to Article 700 of the Code of Civil Procedure; and
- ordered Biophytis to pay costs.

Biophytis has fulfilled all of its obligations under the above two judgments.

Over the period, the Company has paid the indemnities and the fine for non-performance imposed by the Judgment.

With regard in particular to the delivery of 7,000,000 shares to Negma Group, Biophytis has:

- in August 2021, delivered to Negma Group the 2,050,000 shares created and delivered to Negma Group in June 2020 and returned by Negma Group to Biophytis under the judgment of the Paris Court of Appeal dated November 18, 2020, which Biophytis had kept in self-holding; and
- issued 4,950,000 new shares to Negma Group in July 2021 as part of a capital increase reserved for it on the basis of the 13th delegation of the General Meeting of May 10, 2021.

Biophytis appealed this judgment and, more generally, took all measures to safeguard its interests.

Negma Group also exercised all BSA_{T1} over the 2021 financial year, generating the issuance of 585,936 new shares at a price per share of €0.64.

Accounting treatment

The Company determined that it could not separately estimate the fair value of the conversion option embedded in the convertible bonds and therefore concluded that the entire hybrid contract should be measured at fair value through the income statement until settlement.

Until December 31, 2019, the fair value was measured using a binomial valuation model. Given that the maturity of the bonds was expected to be short, the loss on the issue date ("*Day one loss*") (including the redemption premium and/or the issue premium) was immediately recognized in profit or loss.

Following the Company's unilateral decision to terminate the contract with Negma Group on April 6, 2020, given the uncertainties associated with the outcome of the ongoing litigation with Negma, the Company has since assessed the debt to Negma on the basis of the fair value of the shares to be issued as well as additional contractual payments resulting from Negma's conversion requests:

In June 2020, the delivery of 2,050,000 shares resulting from the summary judgment of May 2020 valued at €1,394 thousand was treated as a conversion under our agreement with Negma.

At December 31, 2020, the financial debt owed to Negma Group amounted to €7,357 thousand, accounting for €7,000,000 shares at fair value (€6,447 thousand) and the indemnities alleged by Negma Group (€910 thousand).

During the financial ended on December 31, 2021, Biophytis:

- paid the indemnities claimed by NEGMA (€910 thousand);
- delivered the 2,050,000 shares already created (fair value of €1,521 thousand);
- issued 4,950,000 new shares to Negma Group (fair value of €3,619 thousand).

As of December 31, 2021, the financial debt owing to Negma Group was zero.

The table below summarizes the main data used to measure the fair value of the convertible bonds:

	Tranche 1		
NEGMA	**On the issue date (12/27/2019)**	**As of 12/31/2019**	**Au 12/31/2020**
Number of outstanding convertible notes	300	58	-
Number of shares issuable upon conversion	6,976,744	3,222,222	-
Exercise price	€0.43	€0.18	-
Expected term	3 months	3 months	-
Volatility	83.16%	101.29%	-
Risk-free rate	-0.78%	-0.68%	-
Value of the bond issue (in thousands of euros)	**4,122**	**753**	**-**

	Tranche 2		
NEGMA	**On the issue date (12/27/2019)**	**As of 12/31/2019**	**Au 12/31/2020**
Number of outstanding convertible notes	150	150	99
Number of shares issuable upon conversion	7,500,000	7,500,000	7,000,000
Exercise price	€0.20	€0.20	N/A
Expected term	3 months	3 months	N/A
Volatility	119.15%	119.15%	N/A
Risk-free rate	-0.78%	-0.78%	N/A
Value of the bond issue (in thousands of euros)	**2,262**	**2,156**	**7,358**

When convertible bonds are converted, the difference between the fair value of the financial liabilities and the value of the shares issued at the current share price is recorded in financial expenses.

Under the terms of this agreement, when the conversion price is lower than the par value of the share, a conversion penalty applies.

Main characteristics of BSA warrants

The BSA will be detached from ORNANE immediately. They may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market. They may be exercised over a five-year period from their issue date. Each BSA gives the right to subscribe to one new Biophytis share at a fixed price set on the date of issue of the BSA.

The warrants issued to Negma under each tranche were recognized at fair value (according to the Black-Scholes valuation model) in equity instruments at the date of issue in accordance with IAS 32.

	NEGMA	
BSA	**First tranche**	**Second tranche**
	On issuance (08/21/2019)	**On issuance (12/27/2019)**
Number of BSA	585,936	694,444
Exercise price	€0.64	€0.27
Expected term	5 years	5 years
Volatility	83.16%	119.15%
Risk-free rate	-0.96%	-0.96%
Value of the equity instrument (in thousands of euros)	**175**	**111**

The Company recognized:

- a deferred tax liability relating to an €80 thousand equity instrument in 2019, as a deduction from shareholders' equity at the date of issue in accordance with IAS 12 *Income taxes*; and
- a deferred tax asset relating to the tax loss carryforwards recognized in the amount of the deferred tax liability recognized, generating a deferred tax income of €80 thousand in the consolidated income statement in 2019.

Issuance of convertible notes to Atlas

Issuance of convertible notes to ATLAS – 2020 Atlas Contract

In April 2020, the Company signed a convertible bond financing for a maximum of €24 million with Atlas to continue the development of Sarconeos (BIO101) through the issuance of multiple convertible bonds over a three-year period. This contract replaces the contract signed with Negma Group.

The Company issued a first €3 million tranche on April 29, 2020, a second €3 million tranche on June 19, 2020 and a third €3 million tranche on August 28, 2020.

On May 27, 2021, the Company issued a fourth and fifth tranches of €3 million each. On September 20, 2021, the Company issued a sixth and seventh tranche of €3 million each. On December 20, 2021, the Company issued an eighth €3 million tranche.

These bonds were issued with a discount of 3% of the nominal value (*i.e.* €450 thousand for the fourth, fifth, sixth, seventh and eighth tranches combined).

A €375 thousand commitment fee was deducted from the proceeds from the first tranche. Other issue fees were paid by the Company in 2020 of around €66 thousand (for the first, second and third tranche) and €125 thousand in 2021 (for the fourth, fifth, sixth, seventh and eighth tranche).

Main characteristics of the ORNANE note warrants

The 960 three-year note warrants require their holder to exercise them, at the Company's request, in tranches of 120 warrants each. Each warrant grants its holder the right to one ORNANE. Note warrants may not be transferred and are not subject to a request for admission to trading on the Euronext Growth market.

Main characteristics of the ORNANE

The ORNANE have a nominal value of €25 and are issued at a subscription price of 97% of the nominal value. They do not bear interest and have a 24-month maturity from issuance. Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. At the end of the term, and if the ORNANE have not yet been converted or redeemed, the holder will have to convert them.

The holder may ask to convert the ORNANE at any time at the conversion parity determined by the following formula: N = CA/CP, where:

- "N" is the number of shares yielded by the conversion;
- "CA" is the nominal value of the ORNANE, *i.e.* €25 thousand;

- "CP" is the conversion price (*i.e.* 97% of the lowest volume weighted average price over the ten trading days preceding the date on which conversion is requested).

On the conversion request date, the Company may redeem the ORNANE in cash using the following formula V = CA/CP x CPr, or:

- "V" is the amount redeemed to the holder;
- "CPr" is the lowest price between (i) the weighted average closing price prior to the conversion and (ii) the lowest weighted average prices of the previous ten trading days x 1.15.

ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.

Accounting treatment

The Company determined that it could not separately estimate the fair value of the conversion option embedded in the convertible bonds and therefore concluded that the entire hybrid contract should be measured at fair value through the income statement until settlement.

The fair value was measured using a binomial valuation model. Since the bonds' maturity was expected to be short, the loss on the issue date ("Day one loss") (including the redemption premium and/or the issue premium) was immediately recognized in profit or loss.

The table below summarizes the main data used to measure the fair value of the convertible bonds:

Conversion option	**Tranche 1**		**Tranche 2**		**Tranche 3**	
ATLAS	**On issuance (04/29/2020)**	**12/31/2020**	**On issuance (06/19/2020)**	**12/31/2020**	**On issuance (08/28/2020)**	**12/31/2020**
Number of outstanding convertible notes	120	-	120	-	120	-
Exercise price	€0.94	-	€0.75	-	0.62	-
Volatility	85.54%	-	68.05%	-	48.60%	-
Risk-free rate	-0.57%	-	0.55%	-	-0 59%	-
Value of the bond issue (in thousands of euros) restated[(1)]	**4,031**	**-**	**4,001**	**-**	**3,542**	**-**

[(1)]Refer to note 2.2 "Restatements of Previously Issued Financial Statements" of the notes to the IFRS financial statements.

Conversion option	**Tranche 4**		**Tranche 5**	
ATLAS	**On the issue date (05/27/2021)**	**12/31/2021**	**On the issue date (05/27/2021)**	**12/31/2021**
Number of outstanding convertible notes	120	-	120	-
Exercise price	€0.89	-	€0.89	-
Volatility	38.82%	-	38.82%	-
Risk-free rate	-0.63%	-	-0.63%	-
Value of the bond issue (in thousands of euros)	**3,456**	-	**3,444**	-

Conversion option	**Tranche 6**		**Tranche 7**		**Tranche 8**	
ATLAS	**On issuance (09/20/2021)**	**12/31/2021**	**On issuance (09/20/2021)**	**12/31/2021**	**On issuance (12/19/2021)**	**12/31/2021**
Number of outstanding convertible notes	120	-	120	104	120	120
Exercise price	€0.74	€0.46	€0.74	€0.46	€0.44	€0.46
Volatility	46.34%	49.65%	46.34%	49.65%	59.48%	49.65%
Risk-free rate	-0.68%	-0.73%	-0.68%	-0.73%	-0.78%	-0.73%
Value of the bond issue (in thousands of euros)	**3,518**	-	**3,518**	**3,077**	**3,646**	**3,550**

As of December 31, 2020, 330 convertible bonds had been redeemed in new shares, generating the issue of 17,178,683 shares under the aforementioned formula under tranches 1, 2 and 3. 30 bonds issued under tranche 3 were redeemed in cash for €750 thousand.

As of December 31, 2021, 376 convertible bonds had been converted according to the above formula, resulting in the issuance of 16,379,256 new shares under tranches 4, 5, 6 and 7.
As of December 31, 2021, 224 convertible bonds issued to Atlas had not been converted.
All ORNANE relating to the 2020 Atlas contract had been issued to ATLAS.

Issuance of convertible notes to ATLAS – 2021 Atlas Contract

In June 2021, the Company signed a new convertible bond financing for a maximum of €32 million (eight tranches with a nominal value of €4 million each) with Atlas (the "2021 Atlas Contract") to continue the development of Sarconeos (BIO101) through the issuance of multiple convertible bonds.
The new financing instrument allows the issuance of a maximum of 1,280 bonds with an option for exchange in cash and/or conversion into new or existing shares (ORNANE). Subject to the issue of the eighth and last tranche under the 2020 Atlas Contract, the €32 million total financing can be drawn by Biophytis over the next three years, without obligation, through eight successive tranches of €4 million each. This facility is intended to secure the Company's cash position in order to continue the development of its clinical activities, in particular, further development of Sarconeos (BIO101).

Main characteristics of the ORNANE

ORNANE have a nominal value of €25 each, issued at par. They do not bear interest and have a 24-month maturity from issuance.
Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. In the event of redemption in cash, the amount will be limited to 110% of the principal.
At the end of the term, and if the ORNANE have not yet been converted or redeemed, the holder will have to convert them.
The holder may ask to convert the ORNANE at any time at the conversion parity determined by the following formula: N = CA / CP, where:

- “N” is the number of shares yielded by the conversion;
- "CA" is the nominal value of the ORNANE (*i.e.* €25 thousand);
- "CP" is the conversion price (*i.e.* 100% of the Tariff Period VWAP during the ten-day Tariff Period prior to receipt of the Conversion Notice).

On the conversion request date, the Company may redeem the ORNANE in cash using the following formula V = CA/CP x CPr, or:

- “V” is the amount redeemed to the holder;
- "CPr" is the revised price.

The revised price is the lowest price between (i) volume weighted average price over the ten trading days preceding the date on which the conversion was requested and (ii) P*1.10.
ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.
As of December 31, 2021, no tranche of convertible bonds related to the Atlas 2021 contract has been issued.
The Company announced the issuance of 160 ORNANE bonds for a total amount of €4 million under the 2021 financing agreement entered into with ATLAS (first tranche out of eight tranches provided for in the agreement).

Convertible and non-convertible bonds with KREOS Capital

Issue of non-convertible bonds to Kreos – 2018 Contract

On September 10, 2018, the Company signed a venture loan agreement and bonds issue agreement with Kreos, which provides for up to €10 million in funding to the Company through the issuance of non-convertible bonds in four separate tranches of €2.5 million each, plus the issuance of attached warrants in connection

with the first tranche. As required under the terms of the venture loan agreement, the Company pledged a security interest in the Company's assets to Kreos.
Each tranche of non-convertible bonds bears a 10% annual interest rate and must be repaid in 36 monthly installments commencing in April 2019.

Pursuant to the terms of the agreements, the Company has the right, at any time but with no less than 30 days prior notice to Kreos, to prepay or purchase the non-convertible bonds, exclusively in full. The prepayment will be equal to (i) the principal amount outstanding, plus (ii) the sum of all interest repayments which would have been paid throughout the remainder of the term of the relevant tranche discounted by 10% per annum.
The first and second tranches of non-convertible bonds were issued on September 10, 2018, the third tranche of non-convertible bonds was issued on December 17, 2018 and the final tranche was issued on March 1, 2019, for total gross proceeds to the Company of €10 million. A guarantee deposit of €320 thousand (€80 thousand per tranche) was withheld by Kreos from the payments made. It will be deducted from the last monthly payment. It is presented under "Other non-current financial assets".

The BSA warrants issued to Kreos as part of the first tranche give the holder the right to subscribe for 442,477 ordinary shares at an exercise price of €2.67 per share for a term of seven years. These warrants were valued at €319 thousand and were recorded in equity and as a reduction of the debt value.

Accounting treatment

In accordance with IFRS 9, the debt component of the non-convertible bond was initially measured at fair value, then measured using the amortized cost method.
The effective interest rate after taking into account the share subscription warrants as a reduction of the debt is 13.59%.
The debt component of the non-convertible bond amounted to €0.9 million at December 31, 2021 compared to €4.4 million at December 31, 2020.

Issue of non-convertible and convertible bonds to Kreos – 2021 Contract

On November 19, 2021, the Company entered into a venture loan agreement with KREOS in lieu of a framework agreement organizing the issue of a bond of up to €10 million by way of issue of €7.75 million non-convertible bonds ("straight bonds") and 2.25 million convertible bonds ("convertible bonds") plus the issuance of notes attached to the first tranche with a nominal value of €1 each.

The loan agreement comprises four tranches of, respectively, €2.5 million, €3.0 million, €2.5 million and €2.0 million each. The first two tranches were drawn down upon signing of the contract on November 19, 2021, the third tranche, limited to €677 thousand was drawn down before December 31, 2021.

Non-convertible bonds pay an annual interest rate of 10% and must be redeemed in cash in 36 monthly payment from April 1, 2022. Convertible bonds pay an annual interest rate of 9.5%.

The Company will redeem the convertible bonds for their principal amount by March 31, 2025, at the latest, unless they are converted into shares earlier, at the discretion of Kreos Capital, at a set conversion price of €0.648.

Biophytis issued Kreos Capital with 2,218,293 BSA giving the right to subscribe to new ordinary Biophytis shares at a rate of one share for one BSA. BSA warrants may be exercised over a seven-year period after their issue. The BSA warrant exercise price was set at €0.56.
By subscribing to the BSA, Kreos Capital expressly waived it right to exercise 2018 BSA as held following their detachment from the non-convertible bonds subscribed on September 10, 2018, within the context of the 2018 borrowing structure.

The "venture loan agreement" provides for a security interest in Company goodwill, bank account balances and intellectual property rights to be pledged to Kreos. The pledge of a security interest in these three assets was granted on November 19, 2021.

Accounting treatment of the non-convertible bond issue

In accordance with IFRS 9, the debt component of the non-convertible bond was initially measured at fair value, then measured using the amortized cost method.
The effective interest rate of the debt component of the various tranches of the non-convertible bond is 11.68% for the first two tranches and 9.94% for the third tranche.
The debt component of the non-convertible bond amounted to €3,865 thousand at December 31, 2021.

Accounting treatment of the convertible bond issue

Due to the contractual covenants, the Company determined that the conversion option could not be settled in all circumstances by exchanging a fixed amount of cash for a fixed number of the entity's equity instruments. Consequently, in accordance with IFRS 9, the convertible bonds have been considered as a hybrid instrument with a debt component and a derivative relating to the conversion option.

In accordance with IFRS 9, the convertible bonds were initially recognized at fair value and subsequently recognized separately as a debt component at amortized cost and a derivative liability at fair value through profit or loss. The Company has determined that the fair value of the debt component at initial recognition differs from the transaction price. A deferred loss was recognized on the issue date as a separate asset under other non-current financial assets and is amortized over the term of the instruments concerned.

The exercise of the Company's right to redeem or purchase the non-convertible bonds and the likelihood of conversion on the redemption date were considered unlikely in the valuation model at the issue date and as at December 31, 2021.

The table below summarizes the accounting treatment of convertible bonds:

Fair value of convertible bonds, debt component and KREOS 2021 liability derivative	**As of the issue date (11/19/2021)**
Number of outstanding convertible bonds	2,250,000
Number of shares issuable upon conversion	2,250,000
Share price	€0.451
Exercise price	€0.648
12-month volatility	85%
Risk-free rate	-
Credit spread	10%
Fair value of the convertible bond (in € thousands) (A)	**3,046**
Fair value of the debt component (in € thousands) (B)	**2,227**
Fair value of the derivative instrument (in € thousands) (C = A - B)	**819**

The difference between the fair value of the debt component (€2,227 thousand) and the transaction price after bifurcation of the derivative instrument (€2,250 thousand less €819 thousand) was recognized as a loss at the issue date ("Day one loss") for €795 thousand.

The table below summarizes the valuation of the derivative as of December 31, 2021:

Fair value of derivative liabilities KREOS 2021	**12/31/2021**
Number of outstanding convertible notes	2,250,000
Number of shares issuable upon conversion	2,250,000
Share price	€0.494
Exercise price	€0.648
12-month volatility	85%
Risk-free rate	-
Credit spread	10%
Fair value of the derivative instrument (in thousands of euros)	**916**
Change in the fair value of the derivative liability during the period (in € thousands)	**97**

Accounting treatment of share subscription warrants (BSA)

Due to the contractual clauses, the Company determined that the warrants could not be settled under all circumstances by exchanging a fixed amount of cash for a fixed number of the entity's equity instruments. Consequently, in accordance with IFRS 9, the share subscription warrants, issued in November 2021 at the same time as the financing agreement with KREOS, were considered as a derivative instrument.

The subsequent changes in the fair value of the warrants are recognized in the consolidated income statement in accordance with IFRS 9.

The share subscription warrants issued to KREOS in 2018 were initially recognized as equity instruments. By subscribing to the 2021 warrants, Kreos Capital has expressly waived the right to exercise the 2018 warrants. As a result, the 2018 warrants were valued at their fair value (based on the Black-Scholes valuation model) on November 19, 2021. The cancellation of the 2018 share subscription warrants was recognized as a reduction in shareholders' equity.

The table below summarizes the accounting treatment of derivatives:

Share subscription warrants (BSA) - KREOS 2021 Derivative instruments	**On issuance (11/19/2021)**	**12/31/2021**
Number of outstanding share subscription warrants (BSA)	2,218,293	2,218,293
Exercise price per share	€0.56	€0.56
Maturity	7 years	6.88 years
Volatility	85.41%	85.41%
Risk-free rate	-0.49%	-0.49%
Fair value of the 2021 share subscription warrants (BSA) issued to KREOS (in € thousands) (1)	**711**	**788**
Change in fair value of the derivative instrument (in € thousands)		**77**

(1) The Company issued the share subscription warrants (BSA) at the same time as the financing agreement with KREOS. Their initial fair value (net of the value of the canceled 2018 share subscription warrants, see below) was included in the valuation of the day one loss.

The table below summarizes the accounting treatment of the cancellation of the 2018 share subscription warrants issued to KREOS:

Share subscription warrants (BSA) - KREOS 2018 Derivative instruments	**2018 share subscription warrants on the date of cancellation (11/19/2021)**
Number of outstanding share subscription warrants (BSA)	442,477
Exercise price per share	€2.67
Maturity	3.75 years
Volatility	96.40%
Risk-free rate	-0.70%
Fair value of 2018 share subscription warrants (BSA) issued to KREOS (in € thousand)	**62**

The table below summarizes the accounting treatment of the day one loss, which was deferred and amortized on a straight-line basis over the maturity of the 84-month instruments:

Deferred day one loss (amounts in thousands of euros)	**12/31/2021**
Deferred day one loss on the issue date on 11/19/2021	1,444
Straight-line amortization through profit or loss	(54)
Deferred day one loss recognized in other non-current financial assets (see Notes 5 and 6)	**1,390**

2.2.3.5 Cash flow

Cash flows from operating activities

The cash outflow for operating activities for the financial years ended December 31, 2020 and December 31, 2021, respectively, amounted to €9,743 thousand (restated amount, refer to section 3 note 2.2) and €23,795 thousand. This increase was mainly due to the expenses incurred as part of the SARA clinical program and the launch of the COVA program.

Cash flows from investing activities

Cash flows from investing activities amounted to a cash outflow of €12,713 thousand for the year ended December 31, 2020 compared to cash generated of €12,160 thousand for the year ended December 31, 2021.

In 2020, the Company took out term deposits classified as other current financial assets for €12,500 thousand, which were used in 2021.

In 2021, the Company took out term deposits for €7,000 thousand, which are classified as cash and cash equivalents.

Cash flows from financing activities

Cash flows from financing activities are as follows for the years presented:

(amounts in thousands of euros)	12/31/2020 (restated)[1]	12/31/2021
Capital increase net of the Negma indemnity[1]	23,486	16,584
Costs paid in relation to equity transactions	(3,496)	(2,099)
Negma financial indemnity paid	34	(2,585)
Subscription of warrants	271	-
Exercise of warrants (BSA) and founders' warrants (BSPCE)	862	742
Receipt of CIR prefinancing net of guarantee deposit	1,964	3,011
Repayment of prefinanced CIR receivables, net of guarantee deposit	(4,589)	(2,252)
Receipt of conditional advances		400
Repayment of repayable advances	(136)	(279)
Financial interest paid	(628)	(562)
Proceeds from the issuance of non-convertible and convertible bonds	8,730	20,484
Repayment of non-convertible bonds	(3,214)	(3,550)
Repayment of convertible bonds	(863)	-
Fees on the issuance of convertible and non-convertible bonds	(435)	(125)
Repayment of debt relating to lease obligations	-	(54)
Change in short-term bank overdrafts	(15)	-
Cash flows from financing activities	**21,953**	**29,715**

[1]Refer to section 3 note 2.2 "Restatements of Previously Issued Financial Statements" to the IFRS financial statements.

Cash flows generated by financing transactions in 2021 were mainly from capital increases during the year as well as bond issues with Atlas and Kreos.

Company use of financial securities

The Company does not use complex financial tools. The cash surplus is invested in term accounts renewed monthly.

2.3 Legal information

2.3.1 Information on the Company's shares

2.3.1.1 Breakdown of share capital and voting rights

At December 31, 2021, the Company's share capital amounted to €27,190,731.40, divided into 135,953,657 ordinary shares with a par value of €0.20 each.

In accordance with Article L. 233-13 of the French Commercial Code, the table below mentions the identity of natural or legal persons directly or indirectly holding more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at Shareholders' Meetings as of December 31, 2021.

Shareholders[5]	Number of shares	% of share capital and voting rights	Number of shares/ $BSA_{bracknor}$/$BSPCE_{2019}$/BSA_{2019}/ $BSPCE_{2020}$/$BSPCE_{2021}$/$BSA_{2021\text{-}Kreos}$[3][4]	% of share capital and voting rights
Founder[1]	*66,666*	0.05%	*396,875*	0.27%
Directors[2]	*1,250*	0.00%	*3,214,623*	2.17%
Stanislas Veillet, Chairman – Chief Executive Officer	*2,746,618*	2.02%	*3,455,950*	2.34%
Treasury shares	*100,793*	0.07%	*100,793*	0.07%
Floating	*133,003,230*	97.83%	*134,630,111*	91.01%
Employees (other than founders) and other holders of BSPCE	*35,100*	0.03%	*3,487,259*	2.36%
Bracknor	-	0.00%	*431,184*	0.29%
Kreos	-	0.00%	*2,218,293*	1.50%
TOTAL	***135,953,657***	***100%***	***147,935,088***	***100%***

[1] A founding natural person who is not a corporate officer.

[2] As of December 31, 2021, Ms. Nadine Coulm held 1,250 shares. The figures do not include the Chairman and Chief Executive Officer.

[3] This table takes into account (i) the 431,184 $BSA_{Bracknor}$ warrants granted by decision of the Chief Executive Officer on May 16, 2017, (ii) the 1,474,518 $BSPCE_{2019}$ issued by the Board of Directors on April 3, 2020, still in force, (iii) the 2,492,871 BSA_{2019} warrants issued by the Board of Directors on April 23, 2020, still in force, (iv) the 1,088,145 $BSPCE_{2020}$ founders' warrants issued by the Board of Directors on December 22, 2020, still in force, (v) the 4,276,420 $BSPCE_{2021}$ founders' warrants issued by the Board of Directors on September 15, 2021, still in force, (vi) the 2,218,293 $BSA_{2021\text{-}Kreos}$ warrants issued by the Chief Executive Officer on November 19, 2021, using the Board of Directors' issued on October 19, 2021.

[4] This table does not take into account (i) the 2,500,911 free shares allocated on December 22, 2020 to Stanislas Veillet and to the founder by decisions of the Board of Directors, it being specified that the vesting period for these free shares is two years from that date and (ii) the 6,631,068 free shares allocated on September 15, 2021 to Stanislas Veillet and to the founder by decisions of the Board of Directors, it being specified that the vesting period for these free shares is one year from that date.

[5] During the 2021 financial year, the Company issued 15,455,693 shares to Atlas as part of the ORNANE conversion. The Company does not know the level of residual ownership at December 31, 2021, given that these shares are not held in registered form. Thus, they were included in the free float.

2.3.1.2 Employee shareholding

At December 31, 2020, there was no incentive scheme or company savings plan set up within the Company allowing employees of the Company or its related companies to directly or indirectly acquire Company shares.

In accordance with the provisions of article L.225-102 of the French Commercial Code, we inform you that, as of December 31, 2021, the employees held 34,000 ordinary shares representing a negligeable percentage of the share capital.

The Company's Shareholders' Meeting, acting on an extraordinary basis, has set up several delegations of authority consisting of granting the Board of Directors the power to decide on the issue of BSPCE founders' warrants, BSA warrants or other options to benefit Company employees. The Board of Directors made partial use of these delegations of authority by granting BSPCE founders' warrants to some Company employees. Some of these BSPCE founders' warrants have not yet been exercised.

Please note that the last General Meeting called to vote on an extraordinary basis on a capital increase reserved for employees was held on May 11, 2021, the resolution having been approved by the Company's shareholders.

2.3.1.3 Transactions carried out by the Company on its own shares

The Company's General Meeting of May 11, 2021 authorized the Board of Directors, for a period of 18 months from the date of the meeting, to implement a share buyback program within the framework of the provisions of Article L. 22-10-62 of the French Commercial Code and in accordance with the provisions of direct application of European Commission Regulation No. 596/2014 of April 16, 2014, and the European Commission's Delegated Regulation No. 2016/1052 of March 8, 2016 under the conditions described below.

Purchases of Company shares may relate to numbers of shares such that:

- the number of shares that the Company purchases during the buyback program does not exceed 10% of the shares comprising the Company's share capital, at any time, this percentage being applied to share capital adjusted for transactions affecting it subsequent to this Shareholders' Meeting; and

- the number of shares that the Company will hold directly or indirectly at any time does not exceed 10% of the shares comprising the Company's share capital,

It is specified that (i) a maximum of 5% of the shares comprising the Company's share capital may be allocated with a view to their holding and subsequent delivery in payment or exchange in the context of a merger transaction, spin-off or contribution, and (ii) in the event of acquisition under a liquidity contract, the number of shares taken into account for the calculation of the limit of 10% of the share capital mentioned above corresponds to the number of shares purchased, less the number of shares sold during one term of this authorization.

The maximum amount of funds earmarked for this share purchase program will be three million five hundred thousand euros (3,500,000) euros.

Objectives of share buybacks:

1. to promote the liquidity of transactions and the regularity of Company share listings or to avoid price discrepancies not justified by market trends under a liquidity contract entered into with a fully independent investment services provider operating in France, in accordance with the terms and conditions set by the regulations and recognized market practices, in particular, French Financial Markets Authority (*Autorité des Marchés Financiers*) Position-Recommendation No. 2017-04 of the, in accordance with the AMAFI Code of Ethics recognized by the French Financial Markets Authority;

2. to deliver shares upon the exercise of rights attached to securities giving access by any means, immediately or in the future, to the Company's share capital as well as to carry out all hedging transactions in respect of the Company's obligations related to these securities, under the terms

and conditions provided for by the market authorities and at times to be assessed by the Board of Directors;

3. to retain shares for subsequent delivery as payment or exchange, in the context of any external growth transactions in accordance with the market practice accepted by the French Financial Markets Authority (AMF), particularly in the context of mergers, spin-offs or contributions;

4. honor obligations related to stock option programs, free share allocations, employee savings plans or other allocations of shares to employees of the Company or companies or companies related to it, including (i) the implementation of any Company stock option plan in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code, (ii) the allocation of shares to employees so that they can share in the benefits of the Company's expansion and the implementation of any company savings plan under the terms and conditions provided for by law, in particular Articles L. 3332-1 to L. 3332-8 *et seq.* of the French Labor Code or (iii) the allocation of free shares in accordance with the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code;

5. their cancellation and the corresponding reduction in capital (in particular with a view to optimizing cash flow management, return on equity or earnings per share);

6. to implement any market practice that may be recognized by law or the French Financial Markets Authority.

The maximum purchase price per share is set at 300% of the price of the shares offered to the public as part of the listing of the Company's shares on a North American stock market, as this price will be mentioned in the press release relating to the definitive features of the Company's share offering and the admission of Company shares to trading on a North American stock market, excluding acquisition costs. It is specified that, in the event of transactions on the share capital, in particular through the incorporation of reserves and/or the division or consolidation of shares, this price will be adjusted by a multiplication coefficient equal to the ratio between the number of shares comprising the share capital before the transaction and this number after the transaction.

Prior to the implementation of the share buyback program authorized by the Shareholders' Meeting of May 11, 2021:

- publication of a description of the share buyback program (effective and comprehensive circulation by a professional distributor and posted on the Company's website).

During the buyback program:

- publication of transactions on D+7 by posting on the Company's website (excluding transactions carried out under a liquidity contract); and

- the Company's monthly declarations to the AMF.

Every year:

- presentation of the results of the implementation of the buyback program and the use of the shares acquired in the Board of Directors' report to the Shareholders' Meeting;

- at December 31, 2021, the Company held 100,793 treasury shares under the liquidity contract entered into with PAREL Bank. €300,000 was allocated for the implementation of this liquidity contract;

- the transactions carried out as part of the share buyback program during the financial year ended December 31, 2021 are as follows (only under the aforementioned liquidity contract):

Securities purchased	879,004 shares for €763,816.18
Nominal value	€0.20
Weighted average purchase price	€0.8690
Number of shares sold	825,439 shares for €756,491.90
Weighted average sale price	€0.9165
Number of shares registered in the Company name at the end of the financial year	100,793
Value measured at average purchase price	100,793 securities at €0.5048, *i.e.* €50,877.39
Cash account	€72,437.86

2.3.1.4 Adjustments in the event of the issue of securities giving access to the share capital

None.

2.3.1.5 Disposal of shares (reciprocal shareholdings)

None.

2.3.2 Information on executives

2.3.2.1 Securities transactions carried out by executives and persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code

In accordance with the provisions of the AMF General Regulation, we hereby inform you of the transactions carried out by executives and persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code during the 2021 financial year:

Persons concerned	Nature of the transaction	Transaction date	Number of shares	Transaction amount
Evelyne Nguyen	Exercise of warrants	05/13/2021	50,424	20,336.00
Evelyne Nguyen	Disposal of shares	05/13/2021	50,424	52,945.20
Stanislas Veillet	Disposal of shares	06/07/2021	569,271	520,313.69

2.3.2.2 Information on share subscription or purchase options and free share allocations

At the date of this financial report, the table below shows all of the founders' warrants (BSPCE) and share subscription warrants (BSA) issued by the Company to its corporate officers and executives.

Holders of BSPCE founders' warrants or BSA warrants (corporate officers and executives)	**BSPCE$_{2019}$** allocated at the Board of Directors' meeting of April 3, 2020 (delegation granted by the Shareholders' Meeting of August 8, 2019)	**BSA$_{2019}$** awarded at the Board of Directors meeting of April 23, 2020 (delegation granted by the Shareholders' Meeting of August 8, 2019)	**BSPCE$_{2020}$** awarded at the Board of Directors' meeting of December 22, 2020 (delegation granted by the Shareholders' Meeting of May 28, 2020)	**BSPCE$_{2021}$** awarded at the Board of Directors' meeting of September 15, 2021 (delegation granted by the Shareholders' Meeting of May 10, 2021)
Stanislas Veillet Chairman – Chief Executive Officer	940,249 of which 626,832 still in force	2,935,701	N/A	N/A
Nadine Coulm Director	103,946	27,956	207,892	551,218
Dimitri Batsis Director	103,946	329,218	207,892	551,218
Jean Mariani Director	103,946	25,566	207,892	551,218
Claude Allary Director	N/A	N/A	N/A	551,218
René Lafont Scientific director	310,209	20,000	N/A	N/A
Waly Dioh Director of operations	79,201	26,428	158,401	419,994
Pierre Dilda Scientific director	50,424	20,000	100,848	267,394
Evelyne Nguyen Chief Financial Officer	50,424 of which 33,616 still in force	20,000	100,848 of which 67,232 still in force	267,394
Benoît Canolle Director of operations	N/A	N/A	N/A	267,394
TOTAL	**1,742,345 of which 1,412,120 still in force[1]**	**3,404,869[2]**	**983,773 of which 950,157 still in force[3]**	**3,427,048[4]**

[1]The exercise of each BSPCE$_{2019}$ granted on April 3, 2020 entitles the holder to one new ordinary Company share, with a par value of €0.20 at a subscription price of €0.27.

(2)The exercise of each BSA_{2019} granted on April 23, 2020, entitles the holder to one new ordinary Company share, with a par value of €0.20 at a subscription price of €0.27.

(3)The exercise of each $BSPCE_{2020}$ granted on December 22, 2020 entitles the holder to one new ordinary Company share, with a par value of €0.20 at a subscription price of €0.47.

(4)The exercise of each $BSPCE_{2021}$ granted on September 15, 2021 gives the right to one new ordinary Company share, with a par value of €0.20 at a subscription price of €0.731.

2.4 Other information in the management report

2.4.1 Proposed appropriation of earnings and loss of half of the share capital

It is proposed to allocate the loss for the financial year ended December 31, 2021, in the amount of €(29,460,393.67) as follows:

- (19,747,653.92) to the issue premium, which will fall from €19,747,653.92 to €0;
- (9,712,739.75) to negative retained earnings, which will increase from €10,941,580.77 to €20,654,320.52.

The Company's annual financial statements at December 31, 2021, show that the Company's shareholders' equity is still less than half of the share capital.

2.4.2 Dividend information

The company has not distributed any dividends over the last three financial years.

2.4.3 Non-tax deductible expenses

Pursuant to Article 223 *quater* of the French General Tax Code, the sumptuary expenses and non-deductible charges referred to in Article 39-4 of this code amounted to €1,275 in respect of the financial statements for the financial year ended on December 31, 2021.

2.4.4 Table of results for the last five financial years

In accordance with the provisions of Article R.225-102 par. 2 of the French Commercial Code, the table showing the Company's results over the last five financial years is presented in Appendix 3 of this management report.

2.4.5 Customer and supplier payment terms

In accordance with the provisions of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby provide you with information relating to the payment terms of suppliers and customers mentioned in Article D. 441-4 of the French Commercial Code and, in particular, invoices received and issued but not paid at the closing date of the financial year and in arrears (table provided for in section I of Article D. 441-4 of the French Commercial Code):

	Article D. 441-I-1: Invoices **received** but unpaid at the end of the financial year and which are in arrears						Article D. 441-I-2: Invoices **issued** but unpaid at the end of the financial year and which are in arrears					
	Day 0 (by way of indication)	One to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (one day or more)	Day 0 (by way of indication)	One to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (one day or more)
(A) Late payment tranche												
Number of invoices concerned	154					129	n/a					n/a
Total amount of invoices concerned (incl. tax) in thousands of euros	4,604	268	88	-	155	429	n/a					
Percentage of the total amount of purchases (incl. tax) for the financial year	18.03%	11.05%	0.03%	0%	0.53%	1.60%						
Percentage of revenue for the financial year (inc. tax)							n/a					
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables												
Number of invoices excluded	0						n/a					
Total amount of invoices excluded (inc. tax)	0						n/a					
(C) Reference payment terms used (contractual or legal term – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	- Legal deadlines						n/a					

2.4.6 Equity investments and takeovers

In accordance with the provisions of Articles L. 233-6 and L. 247-1 of the French Commercial Code, please note that the Company did not obtain any significant shareholding in, or control over, companies with their registered office in France during the 2021 financial year.

2.4.7 Amount of inter-company loans granted under Article L. 511-6 3 *bis* of the French Monetary and Financial Code

None.

2.4.8 Anti-competitive practices

None.

2.4.9 Corporate governance report

In accordance with the provisions of Article L.225-37, paragraph 6, of the French Commercial Code, we hereby present to you our corporate governance report which is included in this management report by

application of the provisions of Article L. 225-37, paragraph 6, of the French Commercial Code. Please refer to Appendix 3 of this management report.

2.4.10 List of all offices held and functions exercised in any company by each corporate officer during the financial year

Please note that a list of the offices held by the Company's corporate officers during the past financial year is attached in **Appendix 4.1**.

2.4.11 Agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company, and on the other hand, another company in which the first company directly or indirectly owns more than half of the share capital, with the exception of agreements relating to transactions concluded under normal conditions

In accordance with the provisions of Article L. 225-37-4, 2 of the French Commercial Code, please note that no agreements have been entered into by any of our corporate officers or significant shareholders with a Company subsidiary.

2.4.12 Table summarizing the current delegations of authority granted by the General Shareholders' Meeting in the area of capital increases, pursuant to Articles L. 225-129-1 and L. 225-129-2 and showing the use of these delegations during the financial year

In accordance with the provisions of Article L. 225-37-4, 3 of the French Commercial Code, attached to this report as Appendix 2 is a summary table of delegations of authority and powers granted by the General shareholders' meeting to the Board of Directors in relation to capital increases pursuant to the provisions of Articles L. 225-129-1 and L. 225-129-2 of said code. For your information, the table also lists the use made by the Board of Directors of authorizations given to it to grant share subscription or purchase options and free shares.

Appendices to the management report

Appendix 1 – Information on the Company

A. History and Development of the Company

We were incorporated as a *société anonyme*, or SA, on September 27, 2006. We are registered at the Paris *Registre du Commerce et des Sociétés* under the number 492 002 225. Our principal executive offices are located at Sorbonne University—BC 9, Bâtiment A 4ème étage, 4 place Jussieu 75005 Paris, France and our telephone number is +33 1 44 27 23 00. Our website address is *www.biophytis.com*. Our agent for service of process in the United States is Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711. The reference to our website is an inactive textual reference only and the information contained in, or that can be accessed through, our website is not a part of this annual report.

Our actual capital expenditures for the years ended December 31, 2019, 2020 and 2021 amounted to €642 thousand, €484 thousand and €844, respectively. These capital expenditures primarily consisted of patents rights acquired from our CEO (€630 thousand in 2019, €450 thousand in 2020, €270 thousand in 2021) and rights of use for the headquarters of the Company in France (€500 thousand in 2021) recorded in accordance with IFRS 16 *Lease*. To date, we have expensed all research and development costs as incurred, as we do not currently meet the conditions to capitalize expenditures on drug development activities, as provided in IAS 38 *Intangible Assets*. Our research and development costs for the years ended December 31, 2019, 2020 and 2021 amounted to €9,089 thousand, €9,921 thousand and €19,213 thousand, respectively. These research and development costs primarily consisted of expenses incurred in connection with the development of our drug candidates such as personnel-related costs, expenses incurred under our agreements with CROs, clinical sites, contract laboratories and costs of acquiring preclinical study and clinical trial materials. We expect our capital expenditures and research and development costs to remain significant as we continue our research and development efforts and advance the clinical development of Sarconeos (BIO101) and Macuneos (BIO201), in the United States, Europe and elsewhere. We anticipate our capital expenditures and research and development costs in 2022 to be financed from our existing cash and cash equivalents, from the funding line of convertible notes set up with ATLAS. For the near future, our investments will mainly remain in France where our research and development facilities are currently located.

The SEC maintains an Internet site that contains reports, proxy information statements and other information regarding issuers that file electronically with the SEC. The address of that site is http://www.sec.gov. Our website address is *www.biophytis.com*. The reference to our website is an inactive textual reference only and information contained in, or that can be accessed through, our website or any other website cited in this annual report is not part of this annual report.

B. Business Overview

Overview

We are a clinical-stage biotechnology company focused on the development of therapeutics that are aimed at slowing the degenerative processes associated with aging and improving functional outcomes for patients suffering from age-related diseases, including severe respiratory failure in patients suffering from COVID-19. Our goal is to become a leader in the emerging field of aging science by delivering life-changing therapies to the growing number of patients in need. To accomplish this goal, we have assembled an experienced and skilled group of industry professionals, scientists, clinicians and key opinion leaders from leading industry and academic institutions from around the world.

A number of degenerative diseases associated with aging have been characterized in the last century, including sarcopenia and AMD. The pathophysiology of these and many other age-related diseases is not yet well understood, and effective treatment options are lacking. The global population of people over the age of 60 is expected to double from approximately 962 million in 2017 to 2.1 billion by 2050, according to estimates from the United Nations' World Population Prospects: the 2017 Revision. We believe that the need for effective therapeutics for age-related diseases will continue to grow throughout the 21st century. In addition, healthcare costs, including costs associated with treatments and long-term care for age-related diseases associated with this demographic shift, are expected to rise proportionally, as effective treatment options are currently lacking. We believe that developing treatments to slow disease progression and reduce the risk of severe disability associated with age-related diseases is of the utmost importance.

As we age, our physical, respiratory, visual and cognitive performances gradually decline due, in part, to the cumulative deleterious effect of multiple biological and environmental stresses, including current and emerging viral infections, to which we are exposed during our lifetime. The functional decline can be much faster in some individuals as a consequence of, among other things, the degenerative processes affecting specific cells, tissues and organs. Through evolution, cells, tissues and organisms have developed natural means or pathways to counteract and balance the effects of the many stresses they face. This natural ability to compensate for stress and remain functional, called biological resilience, degrades over time. The decline in biological resilience contributes to the acceleration of these degenerative processes and the impairment of functional performances, which, in turn, can lead to severe disability, reduced health-span and ultimately death. This occurs as we age, but can occur at a younger age, when genetic mutations exist, or in the case of infection and inflammation.

COVID-19 was recognized as a worldwide pandemic by WHO in March 2020. There are many ongoing clinical studies to develop medical responses to COVID-19. A few anti-viral agents (including bamlanivimab and etesevimab (administered together), Paxlovid (nirmatrelvir and ritonavir), and molnupiravir) as well as monoclonal antibodies (sotrovimab and Evusheld (tixagevimab co-packaged with cilgavimab and administered together)) have already received authorizations in the United States for specific indications and patient groups, with Veklury (remdesivir) having been approved in the U.S. by the FDA for use in adults and pediatric patients (12 years of age and older and weighing at least 40 kg) for the treatment of COVID-19 requiring hospitalization. Moreover, a number of vaccines have now been authorized around the globe; while many more remain in development, including vaccines that are developed by Sanofi and GlaxoSmithKline. In the EU, Veklury (remdesivir) is conditionally approved while other drugs such as RoActemra and Kineret (anakinra) have received marketing authorizations or are currently being reviewed, including Paxlovid (PF-07321332 and ritonavir) and Lagevrio (molnupiravir). Furthermore, EMA's Committee for Medicinal Products for Human Use (CHMP) issued so-called favorable Article 5(3) Opinions under Regulation (EC) No 726/2004 for the use of different treatment options (including Lagevrio, Bamlanivimab/etesevimab, Casirivimab/imdevimab, Dexamethasone, Paxlovid, Regdanvimab and Sotrovimab) and has started evaluating Evusheld (tixagevimab and cilgavimab). Age, co-morbidities, heavy smoking, male gender and several ethnic backgrounds are associated with worse outcomes. Our therapeutic approach is aimed at targeting and activating key biological resilience pathways that can protect against and counteract the effects of the multiple biological and environmental stresses, including inflammatory, oxidative, metabolic and viral stresses that lead to age-related diseases.

Our lead drug candidate, Sarconeos (BIO101), is an orally administered small molecule in development for the treatment of neuromuscular diseases. Sarconeos (BIO101) is a plant-derived pharmaceutical-grade purified 20-hydroxyecdysone.

The initial indication we are seeking approval for is sarcopenia, an age-related degeneration of skeletal muscle, which is characterized by a loss of muscle mass, strength and function in elderly people (adults 65 years of age and older) leading to reduced mobility, or mobility disability, and increased risk of adverse health events and hospitalization, and potential death resulting from falls, fractures, and physical disability. There is currently no approved medication for sarcopenia, which is present in the elderly (greater than 65 years old) with an estimated prevalence range between six to 22% worldwide.

Sarconeos (BIO101) is also in development to treat patients with severe respiratory manifestations of COVID-19. We are currently concluding the COVA study, a global, multicenter, double-blind, placebo-controlled, group-sequential, and adaptive two-part Phase 2-3 study, in patients with SARS-CoV-2 pneumonia. We are planning to organize, subject to regulatory approval by ANVISA, in an expanded access program in Brazil for hospitalized patients with severe COVID-19 symptoms who are mechanically ventilated in intensive care units. Most people infected with the COVID-19 virus and its variants will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease and cancer are more likely to develop serious illness. In January 2022, we received approval from the ANVISA (Brazilian health authority) for an expanded access program to treat hospitalized patients with severe COVID-19 symptoms that are mechanically ventilated with Sarconeos (BIO101) and not eligible for the COVA study.

We are also developing Sarconeos (BIO101) for DMD, a rare genetic neuromuscular disease in male children and young adults, which is characterized by an accelerated degeneration of muscle and is responsible for a loss of mobility, respiratory failure and cardiomyopathy, leading to premature death. There is currently no cure and limited treatment options for DMD, which affects approximately 2.8 out of 100,000 people worldwide (approximately 20,000 new cases annually worldwide), based on our estimates from publicly available information.

Our second drug candidate, Macuneos (BIO201), is an orally administered small molecule in development for the treatment of retinopathies. It is a plant-derived pharmaceutical-grade purified norbixin. We have completed preclinical cellular and animal studies of Macuneos (BIO201) for the treatment of retinopathies. While we are still in the early stages of development, we believe that the results from our preclinical studies support continued investigation into whether Macuneos (BIO201) may stimulate biological resilience and protect the retina against phototoxic damage that leads to vision loss. The initial indication we plan to seek approval for is dry AMD, a common eye disorder among people over the age of 50 that affects central vision, impairing functions such as reading, driving, and facial recognition, and has a major impact on quality of life and the ability to live independently. There are currently no approved treatments for dry AMD. Based on our estimates from publicly available information, AMD affects approximately 8.5% of the global population (ages 45 to 85) and is expected to increase over time as the population ages.

We are also exploring Macuneos (BIO201) as a potential treatment for Stargardt disease, which shares many of the characteristics of dry AMD. Stargardt disease is the most common form of inherited macular degeneration that typically develops in childhood and leads to vision loss and, in some cases, blindness.

Subject to our entering into commercialization agreements in relation to two patent applications we recently filed, which are further described below as patent families S8 and S9, we hold exclusive commercialization rights through licenses for each of our drug candidates. We currently plan to develop our drug candidates through clinical PoC (typically Phase 2), and then seek licensing and/or partnership opportunities for further clinical development through regulatory approval and commercialization.

We have developed our lead clinical drug candidate Sarconeos (BIO101), preclinical drug candidate Macuneos (BIO201), and a preclinical pipeline of life-cycle extension products, consisting of BIO103 and BIO203, through a drug discovery platform in collaboration with Sorbonne University in Paris, France based on work with medicinal plants. Plants are major sources of small molecules, called secondary metabolites, which they produce as a defense mechanism to various environmental stresses, including attack from predatory and pathogenic species (*e.g.*, insects, bacteria and fungi). Our drug discovery platform is based on a reverse pharmacology approach that tests a collection of bioactive secondary metabolites along with chemical analogs that we have synthesized in phenotypic screens of various age-related diseases. Our long-term goal is to advance the field of aging science with the continued discovery and development of new drug candidates that treat age-related diseases by stimulating biological resilience pathways that are involved in the aging process and/or age-related diseases.

We have assembled an executive team of scientific, clinical, and business leaders with broad expertise in biotechnology and clinical drug development.

Stanislas Veillet is the co-founder of Biophytis. He has served as our President since the Company's inception and served as Chief Executive Officer (Directeur Général) and chairman of our board since May 2015. He began his career in Brazil as a researcher at the Centre de coopération international en recherche agronomique pour le développement, or CIRAD from 1989 to 1993, before obtaining a Ph.D. in Genetics. From 1994 to 2001, Mr. Veillet managed a biotechnology laboratory for the Cargill Group, then Pharmacia-Monsanto, to develop a high throughput platform for whole genome genotyping. From 2002 to 2006, he managed the Life Sciences Department of the Danone Group, where he developed several products, including Danacol and Danaten for the prevention of cardiovascular diseases. Mr. Veillet has a degree in Engineering and a Ph.D. in Genetics from AgroParisTech. Mr. Veillet is also a member of the board of directors and chairman of the compensation committee of Drone Volt S.A.

Philippe Rousseau has served as Chief Financial Officer since April 4, 2022. Before joining us, he spent 25 years in the biotech industry in C-level positions in Europe and the United States. He was notably Chief Operating Officer of Pherecydes Pharma from 2020 to 2022 (which became public in 2021), CEO of CYTOO Inc from 2013 to 2018, Chief Financial Officer and head of Investor Relations of Vivalis from 2009 to 2013, Chief Financial Officer and then interim CEO of ExonHit Therapeutics from 2003 to 2009 (which became public in 2005). Mr. Rousseau holds a MBA in Finance and Management from HEC in Paris (France).

Benoit Canolle has served as our Chief Business Officer since August 2021. Prior to joining us, he served as Director of the Corporate Medical Portfolio Department at Pierre Fabre from 2020 to 2021. Benoit has spent 16 years in pharmaceutical companies (2004 to 2015 at Sanofi, 2015 at Nestlé Skin Health and 2016 to 2021 at Pierre Fabre, mostly in positions of project direction). Benoit Canolle holds a PhD in Neurosciences and is completing an executive MBA at Kedge Business School.

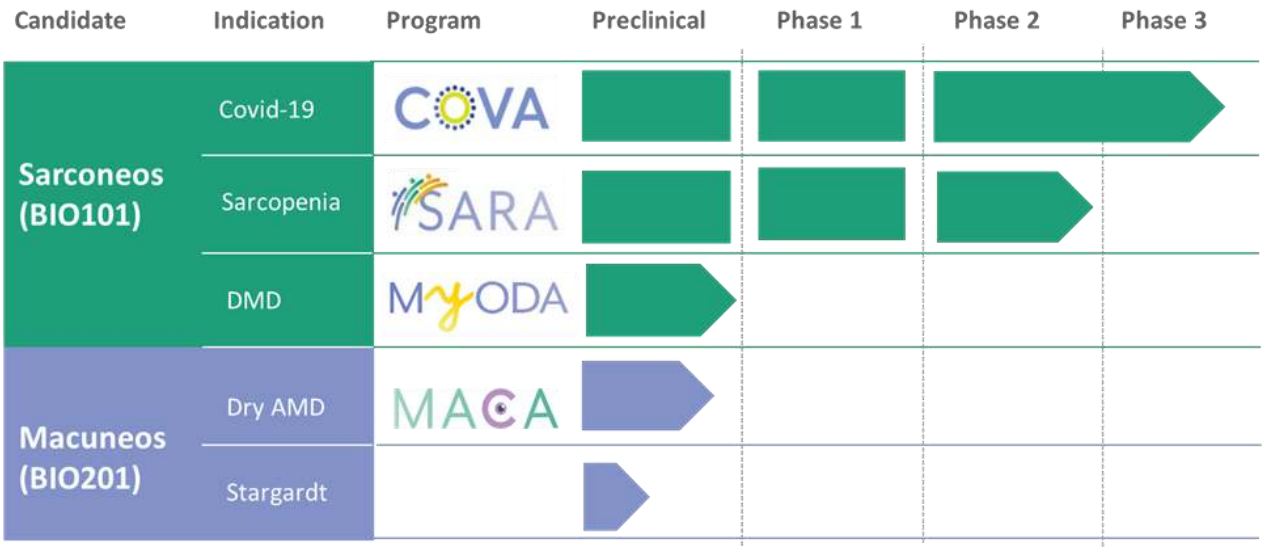
Pierre J. Dilda has served as our Chief Scientific Officer since October 2019 and previously served as our Vice President of Research from 2015 to 2019. Before joining us, he was Senior Research Fellow at the Lowy Cancer Research Center at the University of New South Wales (UNSW) in Sydney, Australia, from 2006 to 2015, where he was responsible for advancing several cancer therapeutics. Dr. Dilda holds a bachelor's degree in biochemistry and a Masters in biochemistry and immunology from the University of Paris VII (Denis Diderot), Faculty of Sciences, Paris, France, and a Masters in physiology and physiopathology and a PhD in pharmacology from the University of Paris V, Faculty of Medicine, Paris, France.

Waly Dioh has served as our Chief Clinical Operating Officer since October 2019 and previously served as Vice President of Clinical Development from October 2015 to October 2019 and as our Director of Research and Development from October 2006 to October 2015. Previously, Mr. Dioh worked at Monsanto Company, initially in France and then in the United States. Mr. Dioh received a DUES in natural sciences from Dakar University in Senegal, a masters in biology/plant pathology from Pierre and Marie Curie University Paris VI in Paris, France, a PhD in plant pathology from his doctorate from the University of Paris XI, Orsay in Paris, France and an MBA from the ESLSCA Business School in Paris, France.

Rob Van Maanen has served as our Chief Medical Officer since September 2021. Prior to joining us, he served as Chief Medical Officer for Khondrion, a dutch clinical-stage company discovering and developing therapies targeting orphan inherited mitochondtrial diseases. Before that he was Senior Medical Director at Astellas in Leiden, the Netherlands. Dr. Van Maanen holds an MBA from University of Amsterdam (NL), as well as medical licences in the UK (as specialist in the Pharmaceutical Medicine) and the Netherlands. He is an expert in global drug development, medical affairs, and pharmacovigilance with more than 20 years of experience in both large pharmaceutical companies and small biotechs.

Our Clinical Pipeline

We are developing a portfolio of programs targeting biological resilience pathways that slow the degenerative processes associated with aging and improve functional outcomes for patients suffering from age-related diseases. Our current pipeline of drug candidates is illustrated below.



Our Strategy

We are focused on the development of therapeutics that improve functional outcomes for patients suffering from age-related diseases. Our goal is to build Biophytis into a leading biotechnology company focused on targeting biological resilience pathways that slow the degenerative processes associated with age-related disease progression in order to improve the lives of millions of patients that have limited or no treatment options. We currently plan to develop our drug candidates and then seek licensing and/or partnership opportunities for

further clinical development through regulatory approval and commercialization. To achieve our goal, we are pursuing the following strategies:

- ***Demonstrate efficacy of Sarconeos (BIO101) in sarcopenia.*** Our resources and business efforts are significantly focused on advancing the clinical development of Sarconeos (BIO101) for the treatment of neuromuscular disorders, with an initial focus on sarcopenia. The topline data for our SARA-INT Phase 2b clinical trial was published in October 2021. Due to the effect of the pandemic on patient population, only 45 percent of the study subjects were able to complete the study with end-of-treatment efficacy assessments and the study was underpowered to observe the hypothesized effect size, and the primary and secondary endpoints were not met. Additional Phase 2 dose-finding studies are planned to identify an optimal dose or dosing regimens, and further inform the safety profile for higher dosing regimens and related safety information as well as pharmacokinetics data are planned.

- ***Demonstrate the therapeutic benefit and obtain an EUA (US, Brazil) and conditional approval (EU) of Sarconeos (BIO101) for COVID-19 patients.*** We are concluding the enrollment part of the two-part Phase 2/3 COVA study in hospitalized COVID-19 patients with severe respiratory manifestations earlier than planned due to the progression of the pandemic and the difficulty we experienced in enrollment. Since April 2020, 237 patients have been enrolled in France, the United States, Belgium, and Brazil, in approximately 35 clinical centers. The initial target for enrollment was 310 pateints. We plan to conclude our data analysis by the end of the third quarter of 2022. Based on these results, we will further determine development and regulatory strategies.

- ***Initiate clinical development of Sarconeos (BIO101) in DMD.*** Our efforts are also focused on leveraging our knowledge and the development of Sarconeos (BIO101) in sarcopenia to commence and advance the clinical development of Sarconeos (BIO101) for the treatment of non-ambulatory DMD patients with signs of respiratory deterioration, independent of genetic mutation and across the disease spectrum. We have already received an IND “may proceed” letter from the FDA in the United States and a CTA approval from FAMHP in Belgium. In the “may proceed” letter from the FDA, the FDA noted that it had significant concerns with the design of the study, and that the results of the study, as originally designed to enroll ambulatory and non-ambulatory patients and measure muscle function deterioration through a composite score, would not be capable of providing interpretable data sufficient to support a marketing application. In its letter, the FDA recommended that we revise the study population and primary endpoint. We have incorporated the FDA’s recommendations and revised the protocol to focus on non-ambulatory patients with signs of respiratory deterioration and changed the primary endpoint to respiratory function. The revised protocol will be submitted as an amendment to the FDA and other regulatory authorities for review. We have delayed this study in order to focus on completing the COVA study and until such time as we have a clearer understanding of the course of the pandemic. We hope to initiate this study in the second half of 2022 or first half of 2023, subject to any COVID-19-related delays and delays caused by its variants and the impact of the pandemic on our operational capabilities. The pandemic may also pose limitations on starting a study in this very vulnerable population.

- ***Advance the development of our second drug candidate, Macuneos (BIO201).*** We are also working on continuing the preclinical development of our second drug candidate, Macuneos (BIO201), for the treatment of retinopathies, with an initial focus on dry AMD. We plan to start a Phase 1 clinical trial (MACA-PK) in healthy volunteers, in the second half of 2023, subject to regulatory review and approval and the ongoing impact of the current pandemic on our operation capabilities.

- ***Expand our presence in the United States to support co-development in Europe and the United States.*** We plan to continue the expansion of our company in the United States and Europe. In 2018, we opened offices in Cambridge, Massachusetts to support our growing clinical, regulatory, and operational efforts. Our goal is to continue to build our clinical and regulatory operations in this country to support further clinical trials and, if successful, apply for regulatory approval in both the United States and Europe. We plan to work with patient associations, key experts, regulatory agencies, government and third-party payors and other key constituencies in both regions.

- ***Expand our pipeline and explore potential strategic partnerships and alliances to maximize the value of our development programs.*** We plan to continue to leverage our collaborations with leading scientific and academic institutions in order to pursue new INDs for our existing drug candidates, including Sarconeos (BIO101), BIO103, and Macuneos (BIO201), as well as Macuneos (BIO203). We

believe that our drug candidates may be applicable for additional age-related disease research and potential application. We plan to explore the commercial potential of our drug candidates after establishing clinical PoC through Phase 2/3.

Our Drug Candidates

Sarconeos (BIO101)

Our lead drug candidate, Sarconeos (BIO101), is an orally administered small molecule in development for the treatment of neuromuscular diseases. We have completed preclinical studies and are in various stages of further clinical development for the treatment of neuromuscular diseases. While preclinical studies provide limited data, based on results from our cellular and animal studies, we believe Sarconeos (BIO101) stimulates biological resilience through activation of the MAS Receptor, which may preserve muscle strength, mobility and respiratory function in various age-related conditions.

In addition, MAS activation could potentially counter the deleterious effects of the SARS-CoV-2 infection. Data from models of ALI suggest a further protective role of Sarconeos (BIO101) on the pulmonary tissue. In light of this, we began investigating Sarconeos (BIO101) in the COVA study in patients with severe respiratory manifestations of COVID-19 as an initial potential indication for Sarconeos (BIO101). The enrollment for this study ended April 7, 2022, earlier than planned, due to our inability to recruit sufficient patients in a suitable timeframe as a result of the developing pandemic. It is now rare for patients with Covid-19 disease to be admitted to hospitals for respiratory failure, due to the combined effect of high vaccination rates, high numbers of patients becoming immune through prior infection and the mild disease from the predominant Omicron variant.

Another indication we are developing is sarcopenia, an age-related degeneration of skeletal muscle, which is characterized by a loss of muscle mass, strength, function and mobility disability, and increased risk of adverse health events and potential death resulting from falls, fractures, and physical disability. There is currently no approved prescription for sarcopenia, which is highly prevalent in the elderly (adults 65 years of age and older) with an estimated prevalence between six to 22% worldwide.

We are also developing Sarconeos (BIO101) for DMD, the most common form of muscular dystrophy in children leading to early mortality. We are focusing on non-ambulatory patients with signs of respiratory deterioration.

History and Development of Sarconeos (BIO101)

In collaboration with Sorbonne University in Paris, France, we began our drug discovery efforts with a class of plant secondary metabolites called phytoecdysteroids, which are produced by plants to protect against insect attack. Phytoecdysteroids are analogs of the insect molting hormones ecdysone, which protects the plants by acting as endocrine disrupters and/or feeding deterrent. Phytoecdysteroids are found in various medicinal plants throughout the world and are used in traditional medicines as tonics or anti-diabetics.

We utilized a reverse pharmacology approach starting with phenotypic screens of a collection of phytoecdysteroids that had been gathered for over 30 years by scientists from Sorbonne University, along with chemical analogs that we have synthesized for their ability to stimulate protein synthesis in muscle cells. We selected 20-hydroxyecdysone for clinical development based on its safety profile, pharmacological activity and potential in maintaining key muscle functions, including mobility and strength. This compound was tested in animal models submitted to different stresses, including metabolic stress (high fat dieting or diabetic models), age-related stress (sarcopenia and disuse models), and genetic-related stress (DMD and Spinal Muscular Atrophy models). We are also testing the compound for infectious-related disease stress (COVID-19). Once pharmacological effects were detected, we identified the molecular target(s) and potential mechanism-of-action.

Potential Mechanism-of-Action

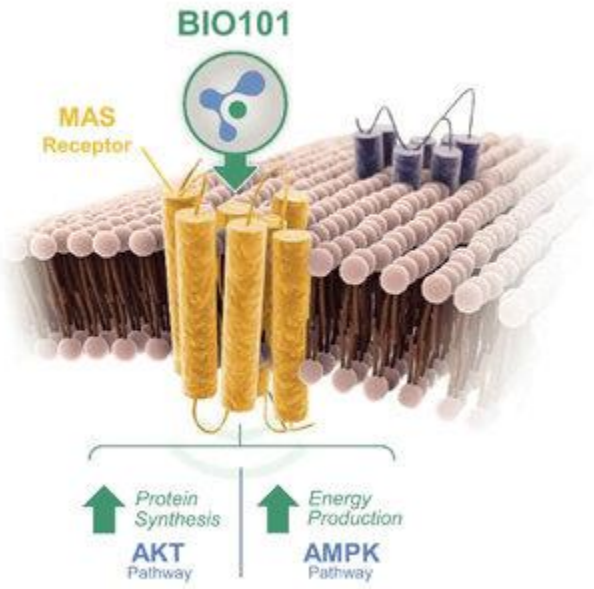
The MAS Receptor, the protective arm of the Renin-Angiotensin System (RAS)

Our preclinical studies demonstrate that Sarconeos (BIO101) activates the MAS Receptor in muscle cells, a key component of the RAS. The RAS is a fundamental endocrine system that is known to control fluid balance and blood pressure, playing a key role in cardio-vascular function. It is also involved in the regulation of smooth,

cardiac and skeletal muscle metabolism, and plays a key role in muscle function and mobility in disease states. It is made up of two different arms that counter-regulate each other: (i) the “classical” arm (or ACE / angiotensin-II (Ang-II) / Ang-II receptor type 1 (AT1R) axis), and (ii) the “protective” arm (or ACE2 / angiotensin 1-7 (Ang-1-7) / MAS Receptor axis). Ang-II blood concentration has been shown to be increased with aging and in various neuromuscular diseases, such as sarcopenia and respiratory diseases that are caused by viruses such as SARS-CoV-2. Ang 1-7, the endogenous ligand of the MAS Receptor, opposes the numerous actions of Ang-II on muscle and cardio respiratory functions.

We believe Sarconeos (BIO101), through the activation of the MAS Receptor, triggers two key downstream signaling-pathways: (i) the P13K/AKT/mTOR pathway, or the AKT pathway, which is known to be responsible for increasing protein synthesis, (ii) the AMPK/ACC pathway, or the AMPK pathway, which is known to be involved in stimulating energy production. We have demonstrated that Sarconeos (BIO101) activates major signaling pathways such as the AKT pathway and potentially the AMPK pathway in C2C12 myotubes and human muscle cells through western blot analysis. The AKT pathway and AMPK pathway have all been shown to be impaired in muscle wasting conditions.

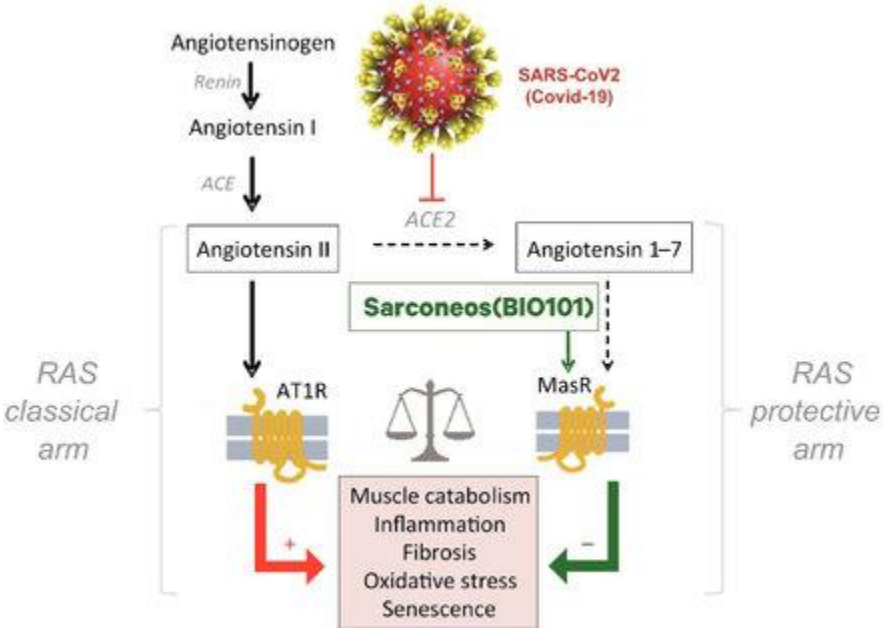
The potential mechanism-of-action through activation of the MAS Receptor is illustrated in the diagram below:



We believe that the AKT and AMPK pathway are potentially the key factors for (i) preserving muscle mass and increasing muscle strength under muscle wasting conditions and (ii) increasing muscle strength and improved endurance, respectively. We have also observed in preclinical studies that activation of the MAS Receptor by Sarconeos (BIO101) shares many common properties with Ang-1-7 at the cellular level. However, Sarconeos (BIO101) did not show an effect on blood pressure or heart rate when compared to enalapril, an angiotensin-converting enzyme, or ACE, inhibitor.

The activation of MAS Receptor is thought to be a key component of the cardio-respiratory function. When it comes to COVID-19, SARS-CoV-2 infection, by down-regulation of ACE2 expression and activity, reduces the conversion of Ang-II to Ang-1-7 resulting in excessive levels of Ang-II. This imbalance between the “classical” and “protective” arms of the RAS due to excessive activation of AT1R and limited activation of MAS Receptor which explain some of the observations in clinical practice reported in COVID-19 patients. Therefore, we believe that restoration of the balance of the RAS, by directly activating MAS Receptor downstream of ACE2, would be a particularly relevant avenue to treat patients infected with SARS-CoV-2.

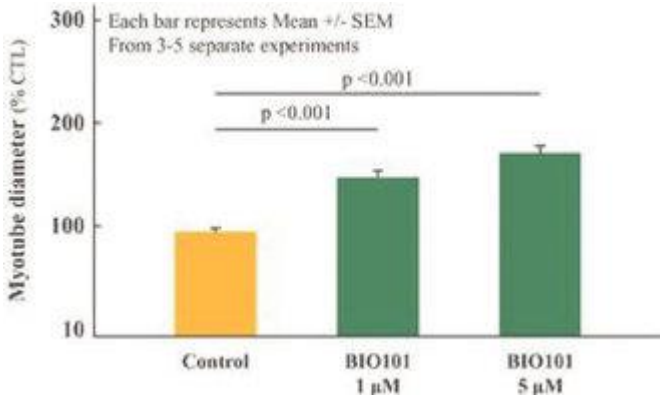
The potential mechanism-of-action through activation of MAS Receptor downstream of ACE2 which rebalances RAS in SARS-Cov2 infected subjects is as follows:



Preclinical proofs of concept

Effect on myocyte differentiation into myotubes (in vitro)

Our preclinical data in C2C12 cell lines and human cell models suggest that Sarconeos (BIO101) enlarges myotubes, the main structural units of muscle, warranting continued research. We believe that this is important for limiting muscle mass loss and increasing muscle strength under muscle wasting conditions. As depicted below, results from an *in vitro* study demonstrate that human myotubes are larger in muscle cells treated with Sarconeos (BIO101) as compared to untreated control cells.



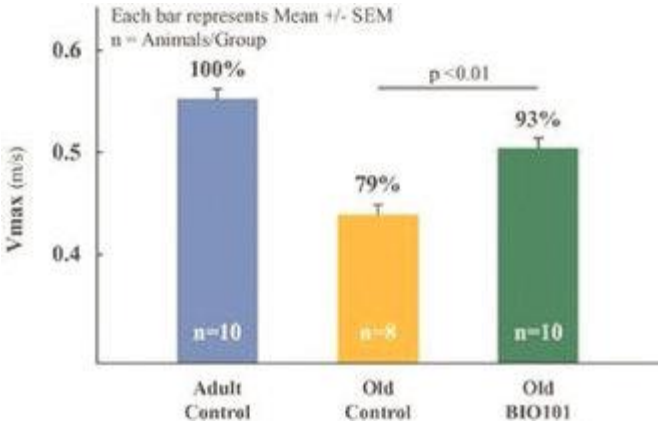
Effect of Sarconeos (BIO101) on mean myotube diameter

We believe Sarconeos (BIO101) directly targets muscle tissue and cells, and improves several key muscle cell functions, including protein synthesis, regeneration and energy production through key signaling pathways that are impaired in muscle wasting conditions, regardless of the disease stage, state of disease progression or severity, and may have the potential to improve muscle function and preserve strength, mobility and respiratory capacity in various neuromuscular diseases, independent of cause (*i.e.*, age-related or genetic) and pathophysiology.

Preclinical Development of Sarconeos (BIO101) in Sarcopenia.

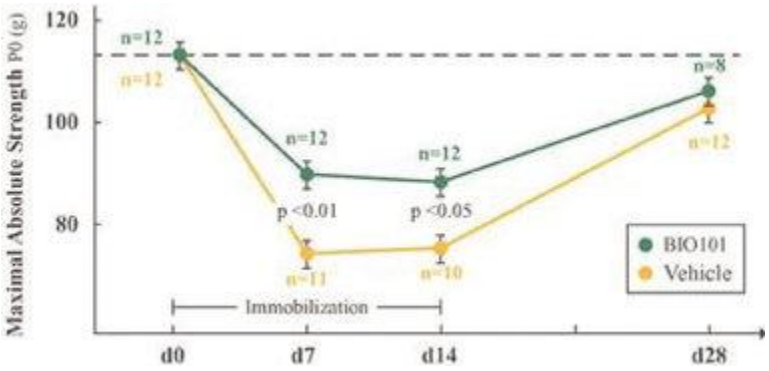
We conducted numerous *in vivo* experiments in C57Bl/6J mouse models to assess the activity of Sarconeos (BIO101) within the context of aging, specifically studying a high fat diet and immobilization. Key *in vivo* results are summarized below.

Beneficial effect on mobility in mice. We administered Sarconeos (BIO101) at 50 mg/kg/day or a placebo to "old" mice (22 months old at the beginning of the study) that were fed a high-fat diet over 14 weeks. The mice were exercised on a treadmill and maximum running velocity (Vmax) was recorded after 14 weeks of treatment. Untreated "adult" mice (12 months old at the beginning of the study) were also fed a high-fat diet and exercised similarly to determine a positive control velocity. As shown in the graph below, "old" control mice had a Vmax that was approximately 21% less than "adult" control mice ($p<0.001$) demonstrating the effects of aging. Further, results showed that "old" mice treated with Sarconeos (BIO101) demonstrated a significant improvement in Vmax as compared to "old" control mice ($p<0.01$), compensating almost completely for the loss of mobility due to aging. These results were presented in December 2016 at the Society on sarcopenia, Cachexia and Wasting Disorders, or SCWD, conference in Berlin, Germany.



Effect of chronic Sarconeos (BIO101) treatment over 14 weeks on maximum running velocity in old mice

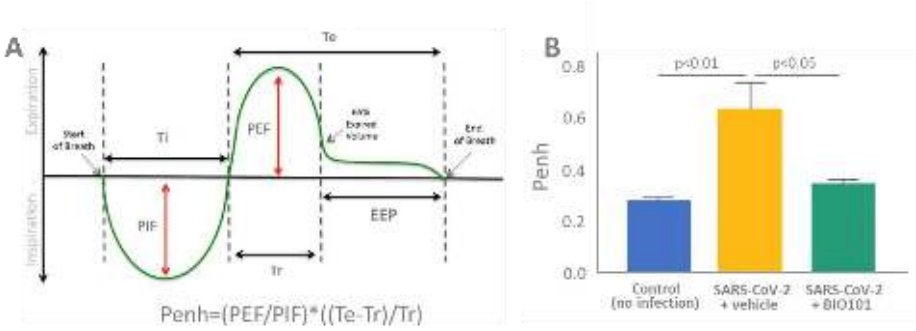
Preservation of muscle strength after immobilization in mice. To model muscle wasting associated with impaired mobility, we immobilized young mice (13 weeks old) and began administering either Sarconeos (BIO101) at 50 mg/kg/day or a placebo control (vehicle). After 14 days, we removed the immobilization and continued administration of Sarconeos (BIO101) for an additional 14 days. The absolute strength of hind limb muscle was recorded at various times over the 28-day period. As shown in the graph below, mice treated with Sarconeos (BIO101) demonstrated a preservation of muscle strength while immobilized compared to vehicle control. We believe these results support continued research to investigate whether Sarconeos (BIO101) could be an effective treatment to preserve muscle function under conditions of disuse or immobility.



Effect of chronic Sarconeos (BIO101) treatment over 28 days on maximal absolute strength in hind limb-immobilized mice

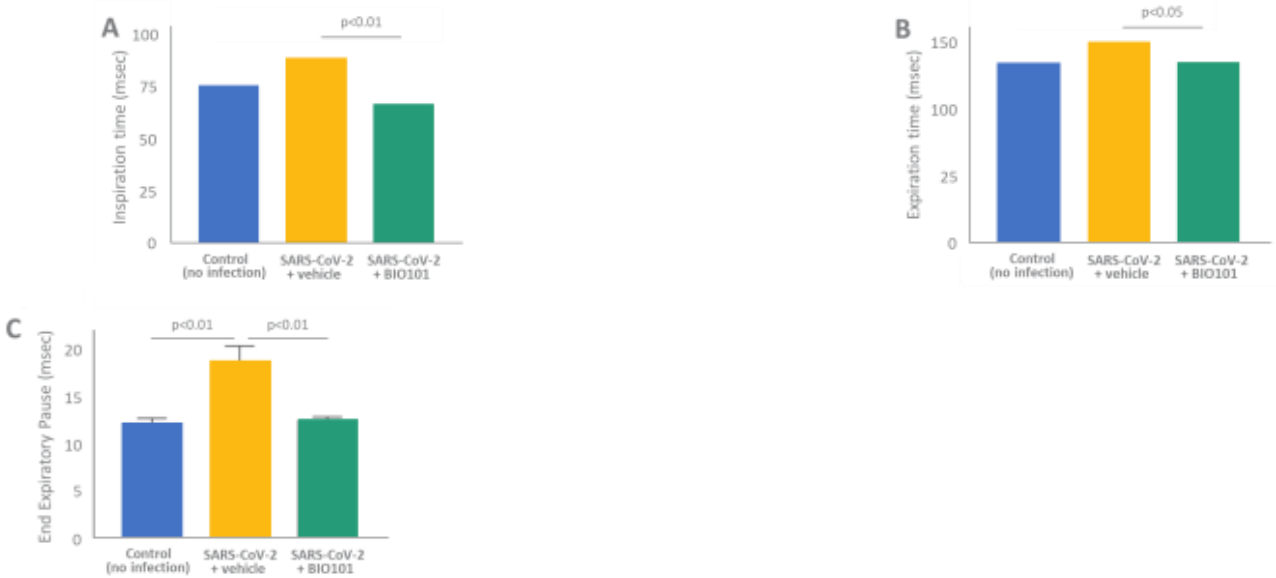
Preclinical Development of Sarconeos (BIO101) in COVID-19

ALI is acute lung injury caused by non-cardiogenic pathogenic factors and may develop to acute respiratory distress syndrome (“ARDS”) in severe cases. One of the important causes of ALI is virus infection that in some cases (including SARS-CoV-2) can deregulate the expression of RAS components by accelerating the imbalance of RAS and the occurrence and development of ALI/ARDS. Of particular interest, Sarconeos (BIO101)’s active principle ingredient (“API”) has shown lung anti-inflammatory and lung protective effects in various *in vivo* models of ALI known for being associated with severe RAS imbalance. A 2021 preclinical study revealed that Sarconeos (BIO101) daily treatment prevents respiratory function deterioration in SARS-CoV-2-infected mammals and provided a preclinical proof of concept for the concluding phase 2/3 COVA clinical study.



Effect of Sarconeos (BIO101) on SARS-CoV-2 infected hamsters

Enhanced pause (Penh) evaluation after BIO101 IP treatment of Sars-CoV-2-infected hamsters. As demonstrated in (A) above, Penh is a classically used and derived measure of respiratory distress. Penh is derived by assessing several measures of the respiratory response curve (peak expiratory flow of breath (PEF), peak inspiratory flow of breath (PIF), time of expiratory portion of breath (Te) and time required to exhale 65% of breath volume (Tr). EEP: End expiratory Pause. As noted in (B) above, this histogram shows Penh values of control group (not infected with SARS-CoV-2), infected with SARS-CoV-2 and treated with the vehicle (SARS-CoV-2 + vehicle) or infected with the SARS-CoV-2 and treated with BIO101 IP (SARS-CoV-2 + BIO101) with * p <0.05, and ** p <0.01. This data was referenced at at the European Congress of Clinical Microbiology and Infectious Diseases (“ECCMID”) in July 2021.

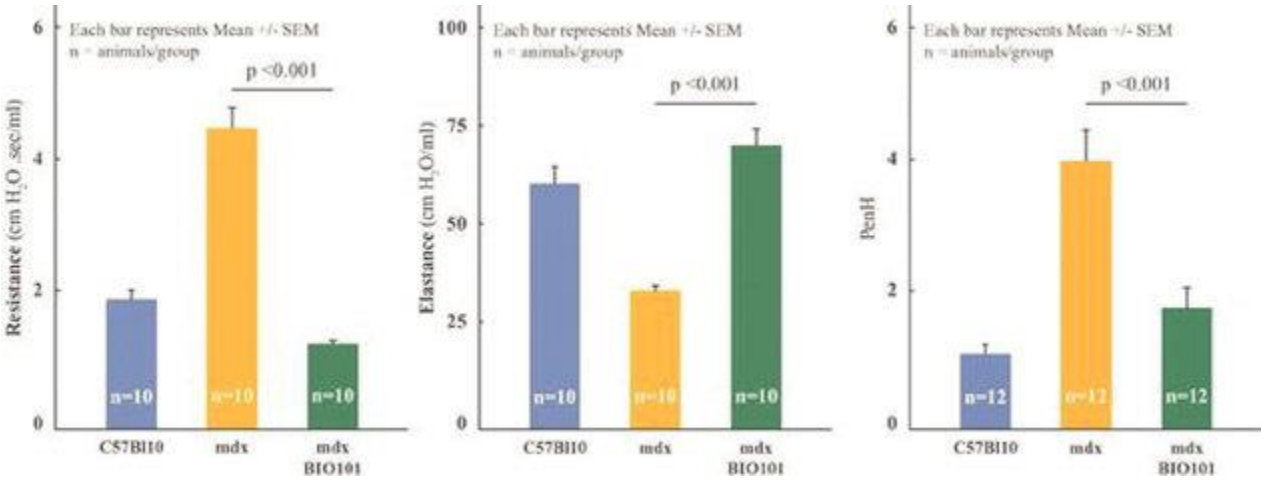


In the graphs above: (A) Inspiration time, (B) expiration time and (C) End Expiratory Pause (EEP) time evaluation after BIO101 IP treatment of SARS-CoV-2 infected hamsters. Histograms show values of control group (not infected with SARS-CoV-2), infected with SARS-CoV-2 and treated with the vehicle (SARS-CoV-2 + vehicle) or infected with the SARS-CoV-2 and treated with BIO101 IP (SARS-CoV-2 + BIO101) with * p <0.05, and ** p <0.01. This data was also referenced at at the ECCMID in July 2021.

Preclinical Development of Sarconeos (BIO101) in DMD

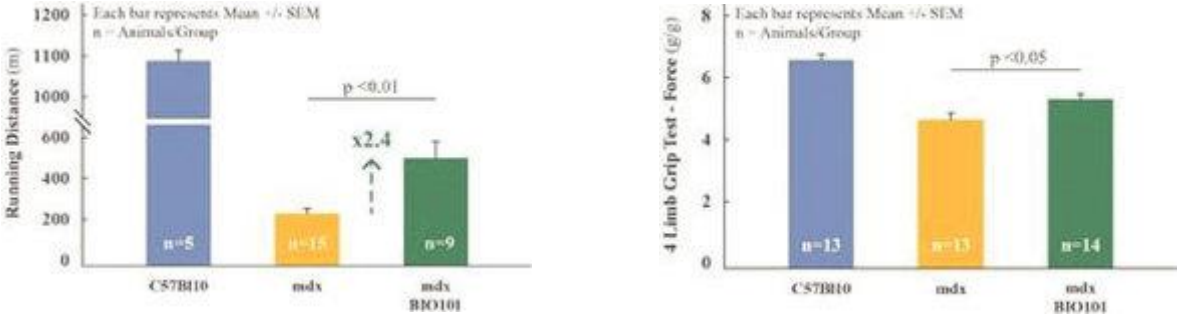
We conducted various *in vivo* experiments in *mdx* mice, a commonly used model of DMD. The results from these *mdx* mice studies were consistent with the results on cellular activity and functional outcomes from both *in vitro* and *in vivo* studies of Sarconeos (BIO101) in sarcopenia. We believe these results provide additional support for our belief that Sarconeos (BIO101) has the potential for improving mobility and muscle strength. In addition, we believe these results suggest that Sarconeos (BIO101) may increase respiratory function and decrease fibrosis. Key *in vivo* results in DMD are summarized below.

Improved respiratory function in mice. The loss of respiratory function is a major health issue for later-stage, non-ambulatory patients with DMD. Results have shown that chronic (eight weeks) daily administration of 50/mg/kg of Sarconeos (BIO101) ameliorates the time-dependent degradation of respiratory function observed in C57BL10-*mdx* mice as compared to C57BL10 control mice. This protective effect on respiratory function is not only associated with breathing parameters as suggested by enhanced pause, or PenH, measurements, but also by an improvement of deep airway structure of the respiratory system shown by FlexiVent experiments, which are a common measurement for *in vivo* lung function. PenH is calculated as follows: (PIP/PEP) x Pause, where PIP is the maximum change in chamber pressure during inspiration, PEP is the maximum change in chamber pressure during expiration, and Pause equals (TE-TR)/TE, where TE is expiratory time and TR is relaxation time. As shown in the three graphs below, C57BL10-*mdx* mice treated with Sarconeos (BIO101) exhibited improved respiratory function as measured by resistance, elastance and PenH of the lung. These results were presented in March 2019 at the annual international congress of Myology in Bordeaux, France.



Effect of chronic Sarconeos (BIO101) treatment on resistance, elastance and airway reactivity (PenH).

Improved mobility and muscle strength in mice. We studied the effect of chronic oral administration of 50 mg/kg/day of Sarconeos (BIO101) on mobility and strength over eight weeks in C57BL10-*mdx* mice. Mobility was measured by running distance and strength was measured by maximum absolute strength (force) in the four-limb grip-test test. Results show that Sarconeos (BIO101) treatment improved mobility in certain animal models, as C57BL10-*mdx* mice treated with Sarconeos (BIO101) ran 2.4x farther than untreated control C57BL10-*mdx* mice. Results show that Sarconeos (BIO101) treatment improved muscle strength in animal models, as C57BL10-*mdx* mice treated with Sarconeos (BIO101) showed an approximate 14% improvement in strength as compared to untreated control C57BL10-*mdx* mice.



Effect of Sarconeos (BIO101) on mobility (running distance) and muscle strength (four-limb grip-test force).

These *in vivo* results on muscle functionality (mobility and strength) in mice are consistent with cellular and molecular changes observed in our previous preclinical studies, including (i) improved energy metabolism (mitochondrial respiration and spare respiratory capacity), (ii) improved myoblast differentiation, and (iii) confirmed activation of the AKT Pathway involved in anabolism known for being impaired in DMD muscle. These results were presented in October 2018 at the World Muscle Society, or WMS, conference in Mendoza, Argentina (Dilda et al., 2018).

Improved lesion profile in mice. We have observed that Sarconeos (BIO101) treatment may improve the histological (muscular lesion) profile of muscle in mice, consistent with the improvements in physical performance and muscle function (mobility and strength), as mentioned above. We performed histopathological analysis of muscle from C57BL10-control mice, C57BL10-*mdx* mice and C57BL10-*mdx* mice treated with Sarconeos (BIO101). Muscles from C57BL10-*mdx* mice exhibited anisocytosis (atrophy of muscle fibers), as well as chronic inflammation associated with fibrosis as compared to healthy muscles from control mice. Observations of muscle from C57BL10-*mdx* treated mice showed that chronic administration of Sarconeos (BIO101) decreased anisocytosis and inflammation as compared to muscles from C57BL10-*mdx* mice. These results were presented in October 2017 at the WMS conference held in Saint Malo, France.

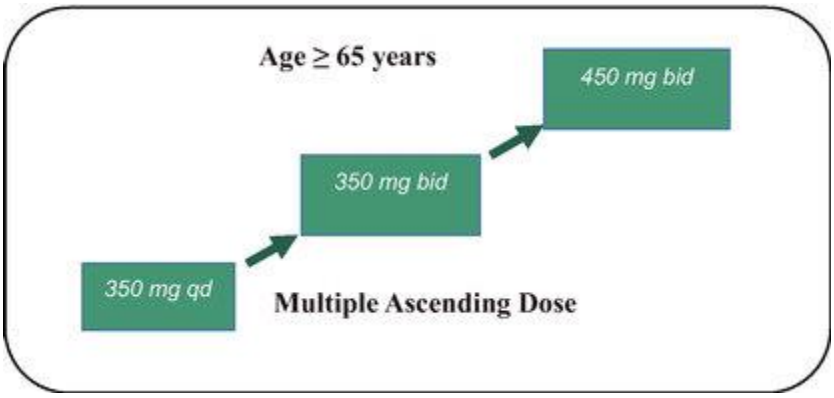
Sarconeos (BIO101) clinical development

Phase 1 Clinical Trial (SARA-PK)

We conducted a dose-escalating Phase 1 clinical trial (SARA-PK) to evaluate the safety, PK and PD effects of Sarconeos (BIO101) in 54 healthy adult and elderly subjects. Based on the results of the SARA-PK Phase 1 clinical trial, we chose 175 and 350 mg b.i.d. (twice daily) as the safe, active dosing levels for the SARA-INT Phase 2b clinical trial.

Single Ascending Dose. In the single ascending dose ("SAD") phase, subjects were dosed once with Sarconeos (BIO101) at a range between 100 to 1,400 mg or placebo. No abnormal clinical vital signs and/or serious adverse events were reported as treatment emergent adverse events, or TEAE. All TEAEs were mild in severity and were resolved by the end of the study. No serious adverse events, or SAEs, were reported in the SAD phase.

Multiple Ascending Dose. The multiple ascending dose ("MAD") phase was conducted with three selected doses of Sarconeos (BIO101) that were orally administered to 30 patients in total broken into three groups of older adults between 65 and 85 years over 14 days. Each group consisted of eight active and two placebo per dose.



No abnormal clinical vital signs and/or adverse events were reported. Study results indicated that several patients experienced TEAEs, the most common were headache and nausea, with one participant reporting an event of food poisoning at the follow-up visit and dizziness postural (vertigo) and are described in the table below. All TEAEs were indicated as mild or moderate and were resolved by the end of the study. No SAEs associated with Sarconeos (BIO101) were reported in the MAD phase.

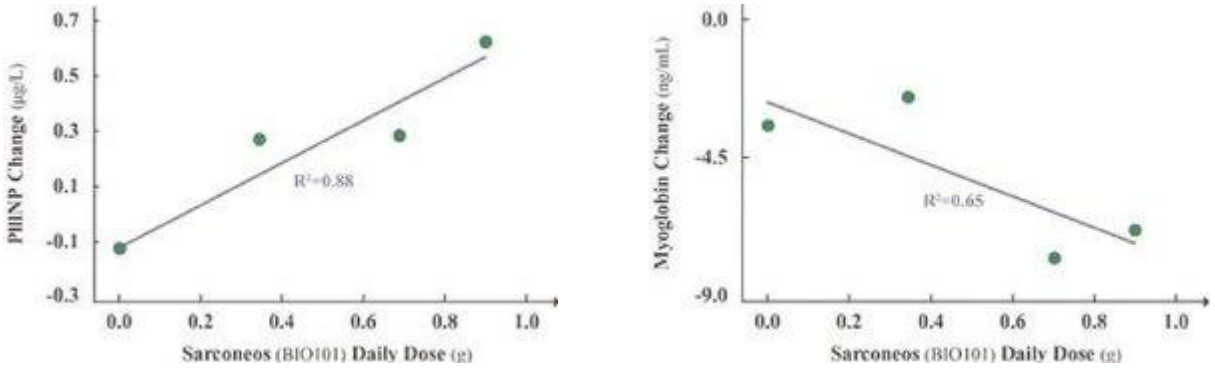
No. of treated subjects with TEAE

Dose	(Type of TEAE)	No. of placebo subjects with TEAE
350 mg q.d. (once daily)	2 subjects (mainly wound and pain in extremity).	3 subjects (mainly musculoskeletal and connective tissues (back pain, spasms and stiffness) and nervous system (dizziness and headache)).
350 mg b.i.d. (twice daily)	7 subjects (mainly gastrointestinal (constipation, diarrhea and bloating), and musculoskeletal and connective tissue (back pain, spasms and stiffness)).	
450 mg b.i.d. (twice daily)	8 subjects (mainly gastrointestinal (constipation, diarrhea and bloating), musculoskeletal and connective tissue disorders (back pain, spasms and stiffness) and nervous system (dizziness and headache)).	

The pharmacokinetic analysis showed a short half-life between 3 to 4 hours and that the steady state was reached from the second day of administration in the MAD phase. No accumulation of Sarconeos (BIO101) was observed at 350 mg q.d. in the MAD phase (accumulation ratio of 1.14); however, a small accumulation was observed at 350 and 450 mg b.i.d. in the MAD phase (accumulation ratio of 1.31). We determined the optimal dosing of 175 and 350 mg b.i.d. from a PK modeling study.

We also evaluated the effects of Sarconeos (BIO101) on PD markers. Results showed a tendency towards a decreased plasma level in muscle catabolism markers (myoglobin, creatine kinase) and in markers of the RAS (aldosterone and renin). This is consistent with the proposed mechanism-of-action of Sarconeos (BIO101) and is coherent with the activity of Sarconeos (BIO101) on the RAS.

As shown in the graphs below, Sarconeos (BIO101) treatment over 14 days showed (i) a dose-dependent effect on muscle growth and repair, as measured by plasma Procollagen type III N-terminal peptide (PIIINP), a common marker of muscle growth, repair and fibrosis, and (ii) a dose-dependent negative correlation of muscle wasting, as measured by plasma myoglobin, a common marker of muscle catabolism.



Effect of Sarconeos (BIO101) treatment for 14 days on the evolution of PD markers related to muscle anabolism (PIIINP) and to muscle catabolism (myoglobin)

Results from the SARA-PK Phase 1 clinical trial were released in April 2017 in an oral presentation at the International Conference on Frailty & Sarcopenia Research, in Barcelona, Spain. The results were used to establish the dosing levels for the recently completed SARA-INT Phase 2b clinical trial. Additional dosing studies are recommended by FDA to proceed.

Sarconeos (BIO101) for the treatment of age-related Sarcopenia

Biophytis is developing BIO101 to treat age-related degeneration of skeletal muscle. It is a major cause of mobility disability in the elderly, characterized by a loss of muscle mass, strength, balance and the ability to stand and/or walk, resulting in a loss of independence, increased risk of adverse health events and hospitalization, and potential death resulting from falls, fractures, and physical disability.

Sarcopenia was first defined in 1989 and officially classified as a disease in 2016 based on the establishment of a code from the WHO's International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM), used by physicians, researchers and health systems. There is currently no widely accepted standard of care for sarcopenia, however, to our knowledge, current non-medicinal treatment recommendations primarily focus on moderate physical activity, such as 30 minutes of walking per day or resistance-based (strength) training, as they exert effects on both the nervous and muscular systems that are critical to positive physiological and functional adaptations in older adults, and nutritional intervention. According to the International Clinical Practice Guidelines for Sarcopenia (ICFSR): Screening, Diagnosis and Management (Dent et al., *J Nutr Health Aging. 2018;22(10):1148-1161*) there is moderate certainty of evidence for the beneficial effects of physical therapy in treating patients with sarcopenia as most of the evidence for physical activity comes from studies of non-sarcopenic older adults or those with mild-moderate sarcopenia. The efficacy of more structured physical activity programs along with certain supplementation (*i.e.* dietary protein intake and/ or nutrients) for the treatment of sarcopenia is being assessed in various studies, including the SPRINTT trial. However, no consensus on nutritional intervention currently exists.

The SARA Program - Phase 2 Clinical Trial (SARA-OBS and SARA-INT)

The SARA clinical program contains two studies:

- SARA-OBS was an observational study that recruited 218 participants, of whom 185 completed a 6-months follow-up, between April 2017 and April 2019. This study was designed to characterize the target population of elderly patients (65 years old and above), who are at risk for mobility disability. This study was executed in 11 sites in the United States, France, Italy and Belgium. The study was finalized and a preliminary analysis of the SARA-OBS study was presented at the 12th Annual Congress of SCWD in Berlin, Germany in December 2019. The first presentation of the final results was given at the virtual 13th annual congress of SCWD on December 12, 2020.

- SARA-INT was a global, double-blind, placebo-controlled study, with 233 participants, who received Sarconeos (BIO101) at doses of 175 or 350 mg b.i.d. or placebo for 6 to 9 months. The study was executed in 22 centers in the United States and Belgium. Recruitment was completed in March 2020 with the last patient completing his final on-treatment visit in December 2020. Because of impediments posed by the COVID-19 pandemic, such as the interruption of in-office study visits and other disruptions, only 45 percent of the study subjects were able to complete the study with end-of-treatment efficacy assessments and the study was underpowered to observe the hypothesized effect size, and the primary and secondary endpoints were not met.

SARA-OBS Study

Objectives and Study Design. The SARA-OBS study aimed to characterize sarcopenia in patients over the age of 65 at risk of mobility disability. The mobility and physical performance of these participants, including body composition was evaluated over a six-month period. This observational phase included two visits, one at the baseline and one at the end of the study, supplemented by a telephone interview at three months to determine whether participants were complaining of a poor physical condition. The SARA-OBS study was designed and structured as a pre-selection for the SARA-INT Phase 2b clinical trial.

Results. Baseline characteristics of the 218 participants were presented in December 2018 at the Society on sarcopenia, Cachexia and Wasting Disorders conference in Maastricht, Netherlands and the virtual 13th annual congress of SCWD on December 12, 2020 and are summarized in the table below. We believe these characteristics are consistent with other clinical trials of sarcopenia patients, including the SPRINTT and LIFE trials.

Age:	79.29
BMI:	29.3
SPPB:	6.12
Gait speed:	<0.8 m/s
6-minute walk test:	295.14 meters

The final results, on the main endpoints, for the 185 completers are:

	Baseline	**M6**	**Change**	**P-value**
400MWT	0.866	0.835	-0.027	0.064

SPPB score	6.562	7.078	0.439	0.439
6MWT	297.561	284.841	-16.655	0.006
Chair-stand	1.732	1.774	0.007	0.929
Handgrip	23.739	24.464	0.957	0.077

400MWT = 400-meters walk-test; SPPB score = Short-Performance Physical Battery; 6MWT = 6-minute walk-test; Chair-stand = the chair-stand component of the SPPB

SARA-INT Phase 2b Study

Objectives and Endpoints. The objectives and endpoints of the study are summarized below:

Objectives:

- Evaluate the safety and effectiveness of two doses, 175 and 350 mg b.i.d. (twice daily) of Sarconeos (BIO101) administered orally with a meal for 26 weeks against a placebo in participants over 65 at risk of impaired mobility; and
- Measure treatment effect on improvement of physical function and on decrease of risk of mobility disability after six-month treatment.

Primary Endpoint:

- The change from baseline in gait speed as measured in the 400MWT. A minimum clinically significant benefit is set at 0.10 meter per second in the mean difference between groups.

Key Secondary Endpoints:

- Change from baseline in the hand grip strength.
- Change from baseline and responder analysis on Physical Function domain (PF-10) of the SF-36 questionnaire.
- Responder analysis from the 400MWT test with a responder definition of "study participant with an improvement of gait speed at 400MW test greater or equal to 0.1 m/s versus baseline", at an individual level.

Other Secondary, Tertiary and Exploratory Endpoints:

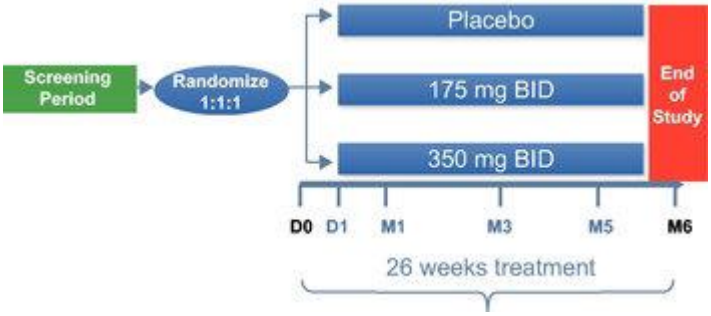
- Change from baseline of ALM and other parameters of body composition by DEXA; the rate of success to complete 400MW test after a 6-month treatment versus placebo; change from baseline of muscle strength as measured by knee extension and SCPT; change from baseline of the total SPPB score and of the sub-score of the repeated chair stands test; change from baseline using the SarQol, PAT-D, TSD-OC, SF-36 autoself-evaluation questionnaires.
- exploratory endpoints: Plasma parameters including safety markers, biomarkers of the RAS (renin, aldosterone), inflammation (IL-6, CRP and hsCRP), and muscle metabolism (PIIINP, myoglobin, creatine kinase MM and creatine kinase MB) and actimetry

In addition, four pre-defined subgroup analyses were performed:

- a "very low walking speed subpopulation," defined as having a gait speed< 0.8 m/s in the 4-meter walk test, a component of the SPPB;
- Subpopulation of participants with a chair stand sub-score of ≤2 of the SPPB;
- "Subpopulation with sarcopenic obesity" defined by a body fat percentage of > 25% for men and > 35% for women; and
- Subpopulation of participants who experience a deterioration in their ALM/BMI as measured by the DEXA scan at the end-of-treatment visit compared to the baseline measurement.

These subpopulations represented sarcopenia patients that were at a significantly high risk for deterioration and adverse outcomes.

Trial Design: The trial design is summarized below:



Prospective participants were screened for a period of up to eight weeks prior to inclusion in the trial. [The interventional phase was comprised of an inclusion visit (D0) where baseline measurements were taken on the first day and dosing started the following day (D1), a one-month safety visit (M1), a three-month follow-up visit (M3) with safety and reduced measurements in connection with the primary endpoint, a five-month telephone interview (M5), and a final six-month visit (M6) with safety and full measurements. For 50 patients who could not come to the scheduled end of treatment visit at month 6, treatment could be extended to at most 9 months, anticipating that thereafter Covid-19 restrictions would make it possible again for them to come to the site.

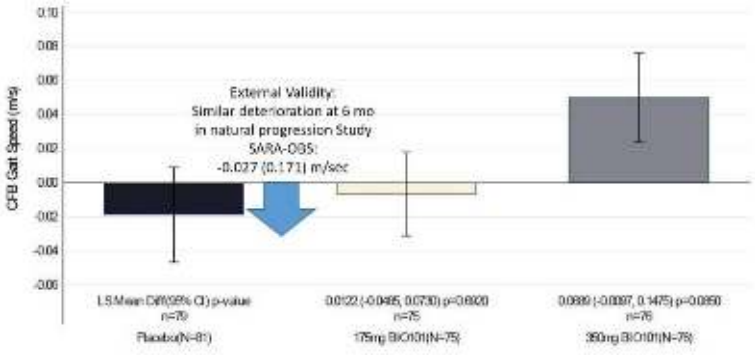
A total of 233 elderly patients with sarcopenia at risk of mobility disability were recruited in 22 clinical investigation centers in the United States and Belgium. Recruitment was completed in March 2020. During the first wave of the pandemic, clinical study sites were closed and we revised the protocols to continue our clinical trials. We informed the IRBs that oversee the clinical trials and received approvals for modifications resulting from COVID-19. Despite these and other impediments, we were able to retain most of the participants. A total of 196 participants completed the SARA-INT study, with or without an extension of up to 9 months of treatment. Of those, and due to COVID-19 restrictions, only 106 patients could perform the 400m walk test at the End-of-Study visit (M6/M9), which was the primary endpoint of our study (55% loss of efficacy data). This resulted in the study being underpowered. The last patient completed his final on-treatment visit in December 2020. Top-line results from this study were announced in August 2021, with Clinical Study Report (CSR) finalized in February 2022.

The effect of two doses of Sarconeos (BIO101), 175 mg bid and 350 mg bid, were compared to placebo in the Full Analysis Dataset (FAS) and in the Per-Protocol population (PP, subset of participants that complied to the clinical protocol), as well as in sub-populations of patients.

Results. Sarconeos (BIO101) at the highest dose of 350 mg bid showed an increase of 0.09 m/s in the FAS population and of 0.10 meters per second (m/s) in the PP population compared to placebo in observed data, for the 400-meter walking test (400MWT) in gait speed after 6 months of treatment in observed data. Statistical analyses based on Multiple and Bayesian imputation showed a LS Mean difference at Month 6 of 0.07 m/s in the FAS population (p=0.085) versus Placebo. Minimal Clinically Important Difference (MCID) for the 400MWT in sarcopenia is 0.1 m/s per the study protocol.

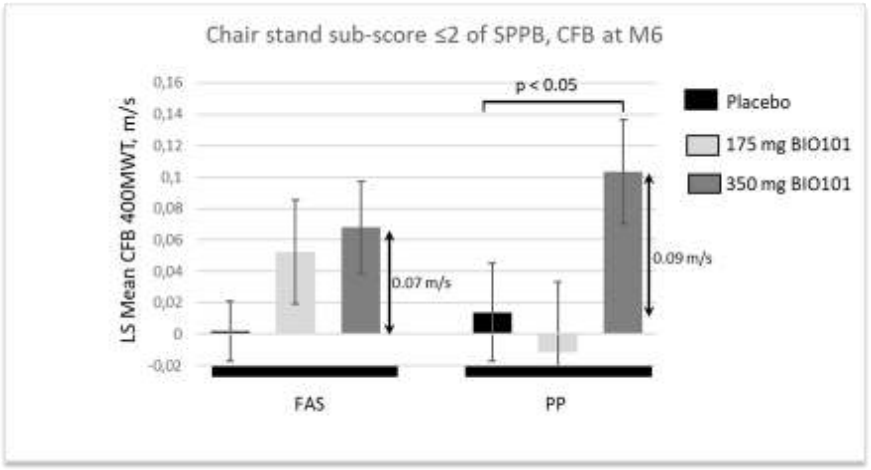
However, the increase was not statistically significant, and none of the primary or secondary efficacy endpoints reached statistical significance.

Several results from the SARA-INT Phase 2b trial of Sarconeos (BIO101) in sarcopenia were presented at the ICFSR on September 30, 2021. ICFSR is the key international scientific event on frailty and sarcopenia, and is attended by leading researchers, physicians, and personnel from the biotechnology and pharmaceutical companies. The results are provided in graphs.



Effect of Sarconeos (BIO101) on the 400 MWT gait speed in the FAS population at Month 6 based on multiple imputation for subjects without data on On-Site Visit

Sarconeos (BIO101) at 350mg bid showed an increase on the 400MWT gait speed in sub-population at higher risk of mobility disability such as slow walkers (LS mean difference of 0.07 m/s versus placebo), obese subgroup (LS mean difference of 0.09 m/s versus Placebo), chair stand sub-score ≤2 of the SPPB (LS mean difference of 0.09 m/s versus placebo, p= 0.004) in the PP population at Month 6.



Effect of Sarconeos (BIO101) on the 400MWT gait speed in sub-population with higher risk of mobility disability (chair stand subscore ≤2) at Month 6

The COVID-19 pandemic and its related restrictions had a significant impact on the conduct of the study, with 55% of total participants not allowed to perform their on-site End of Study visit, despite the extension of their treatment period. Only 45 percent of the study subjects were able to complete the end of study assessments at the clinic and thus the study was underpowered to observe the hypothesized effect size, and the primary and secondary endpoints were not met.

Safety analysis. The proportion of subjects with Treatment-Emergent Adverse Events (TEAEs) was 52 (64.2%), 51 (68.0%), and 44 (59.5%) in the placebo, 175 mg and 350 mg BIO101 groups. The proportion of subjects with serious TEAEs was 9 (11.1%), 10 (13.3%), and 2 (2.7%) in the placebo, 175 mg and 350 mg BIO101 groups. There was no noticeable difference in TEAS, related TEAEs or Serious Adverse Events (SAEs) between treatment groups.

A tabulated summary of safety data is presented below:

Events	Placebo	175 mg BIO101	350 mg BIO101
# participants	81	75	74
Adverse Events (% of total events)	119 (36%)	123 (37%)	89 (27%)
Number of subjects with any AE	52	51	44
Serious Adverse Events (% of total events)	15 (45%)	14 (42%)	4 (12%)
Number of subjects with any SAE	10	10	4
Treatment Emergent Adverse Events (% of total events)	107 (38%)	101 (36%)	70 (25%)
Number of participants with any TEAEs	48	45	38
Treatment related TEAEs (% of total events)	24 (44%)	15 (27%)	16 (29%)
Number of participants with any treatment related TEAEs	13	10	10
Treatment related Serious TEAEs	2 (100%)	0	0

Adverse Events, Serious Adverse Events and Treatment Emergent Adverse Events in the Placebo, 175 mg bid and 350 mg bid groups in the SARA-INT study

Regulatory consultation with FDA

Upon review of the results, FDA reclassified the scheduled end-of-phase Type B meeting was reclassified to a Type C meeting. During the meeting, which was held on January 24, 2022, FDA discussed concerns that entering into Phase 3 would be premature, and recommended that we perform an additional Phase 2 dose-finding study to identify an optimal dose or dosing regimen, and further inform the safety profile for higher doses along with alternative dosing regimens, related safety information, and pharmacokinetics. We also discussed strategies to further define the proposed population and to refine the proposed indication, and development of other information and data that will assist us in preparing the chemistry, manufacturing, and control information to be submitted to FDA, as well as the regulatory non-clinical plan. We plan to assess, evaluate, and address FDA's comments and recommendations in development of our continued Phase 2 part of a seamless Phase 2/3 program. We plan to have a Type C meeting with FDA in Q3 to discuss the clinical protocol design and the Clinical Outcome Asessments to be used in our next studies. Based on the comments from FDA, we plan to submit the protocols for our next studies in Q4 2022. We also anticipate discussions with the EMA in the first half of 2022, to get scientific advice including on the results of the Phase 2b study and potential progression into Phase 2/3.

Market Opportunity

Sarcopenia is a major cause of mobility disability in the elderly, resulting in a loss of independence, increased risk of adverse health events and hospitalization, and ultimately death. Sarcopenia is highly prevalent in adults greater than 65 years of age with an estimated prevalence between six to 22% worldwide. It poses a major public health issue and is steadily increasing as the global population ages. If approved by regulatory authorities for commercial use, we believe there is a market potential for Sarconeos (BIO101) in sarcopenia, as there is currently no approved medication for sarcopenia and an unmet medical need for therapeutic treatments.

Over the past two decades, other companies have launched multiple clinical development programs to treat sarcopenia, primarily with drug candidates falling in one of two classes: (i) myostatin inhibitors and (ii) selective androgen receptor modulators, or SARMs. Myostatin inhibitors, which primarily aim to increase muscle mass by blocking myostatin (myostatin acts as an essential negative regulator of muscle bulk), have been found to increase muscle mass in early clinical trials. However, they have yet to demonstrate effectiveness on clinically meaningful mobility outcomes (strength and mobility) or safety in larger clinical trials and/or have not progressed through the clinic. Both steroidal and non-steroidal SARMs have been tested as therapeutic agents for several medical conditions, including muscle-wasting diseases, but none have progressed through clinical development mainly due to safety concerns.

Based on our review of publicly available information, currently, neither myostatin inhibitors nor SARMs are being tested in late-stage clinical trials for sarcopenia. Based on our review of research in this area, we believe Sarconeos (BIO101) is currently the most advanced drug candidate being tested in a clinical program for the treatment of sarcopenia and has the potential to improve the vital functional outcomes of mobility disability necessary for regulatory approval. To our knowledge, there is currently no widely accepted standard of care for sarcopenia. Current non-medicinal treatment recommendations primarily focus on moderate physical activity, such as 30 minutes of walking per day or resistance-based (strength) training, as they exert effects on

both the nervous and muscular systems that are critical to positive physiological and functional adaptations in older adults, and nutritional intervention. Other potential drug modalities that have been tested in the clinic for sarcopenia have yet to demonstrate effectiveness on clinically meaningful outcomes (strength and mobility) and/or safety in larger clinical trials and/or have not progressed through the clinic. Based on our understanding and discussions with regulatory agencies, including the FDA and EMA, functional mobility endpoints must be achieved in order to obtain marketing approval for sarcopenia.

Sarconeos (BIO101) for treatment of severe respiratory manifestation of COVID-19

COVID-19 was recognized as a worldwide pandemic by the WHO in March 2020. As of March 1, 2022, approximately 435 million people have been identified as having been infected with the SARS-CoV-2 virus, and more than 5.9 million have died because of COVID-19. COVID-19 is caused by the SARS-CoV-2 virus. In its severe form, COVID-19 is associated with a plethora of complications, including:

- Acute pneumonia and ARDS;
- Cardiac injury, including myocarditis and pericarditis;
- Renal failure;
- Hepatitis;
- Vasculitis and thromboembolic events, leading to cardiac and cerebral strokes and pulmonary thromboembolism;
- Coagulopathy;
- Muscle injury; and
- Long-term symptoms such as fatigue, depressive symptoms and respiratory difficulties.

There are many ongoing clinical studies to develop medical responses to COVID-19. A few anti-viral agents (including bamlanivimab and etesevimab (administered together), Paxlovid (nirmatrelvir and ritonavir), and molnupiravir) as well as monoclonal antibodies (sotrovimab and Evusheld (tixagevimab co-packaged with cilgavimab and administered together)) have already received authorizations in the United States for specific indications and patient groups, with Veklury (remdesivir) having been approved in the U.S. by the FDA for use in adults and pediatric patients (12 years of age and older and weighing at least 40 kg) for the treatment of COVID-19 requiring hospitalization. Moreover, a number of vaccines have now been authorized around the globe; while many more remain in development. In the EU, Veklury (remdesivir) is conditionally approved whilst other drugs such as RoActemra and Kineret (anakinra) have received marketing authorizations or are currently being reviewed, including Paxlovid (PF-07321332 and ritonavir) and Lagevrio (molnupiravir). Furthermore, EMA's Committee for Medicinal Products for Human Use (CHMP) issued so-called favorable Article 5(3) Opinions under Regulation (EC) No 726/2004 for the use of different treatment options (including Lagevrio, bamlanivimab/etesevimab, casirivimab/imdevimab, dexamethasone, Paxlovid, regdanvimab and sotrovimab) and has started evaluating Evusheld (tixagevimab and cilgavimab), Lagevrio (molnupiravir) and Olumiant (baricitinib).

Ample evidence points towards the membrane-bound ACE2 as the entryway of SARS-CoV-2 into the cells (in a manner similar to the previously described coronavirus-associated severe acute respiratory syndrome (SARS)). Data is emerging that in COVID-19 increased levels of Ang-II are observed and are linked to the severity of the clinical syndrome. Despite the difficulty in measuring Ang-1-7, some evidence has emerged that the levels of these peptides are indeed decreased in COVID-19 as well.

While we do not yet have evidence of the benefit of Sarconeos (BIO101) in animal models of COVID-19, it is very plausible to hypothesize that by activation of the MAS-receptor, Sarconeos (BIO101) could mitigate some of the downstream effects of the interaction between SARS-CoV-2 and ACE2. Indeed, studies that were conducted in a model of ALI have shown that 20-hydroxyecdysone can mitigate inflammation and reduce the levels of inflammatory markers. We have performed additional studies in animal models of COVID-19, in parallel with the COVA clinical program with the University of Liège in Belgium and other research institutions.

SARS-CoV-2 infection, by down-regulation of ACE2 expression and activity, reduces the conversion of Ang-II to Ang-1-7 resulting in excessive levels of Ang-II. Ang-II levels in COVID-19 patients are significantly higher than in non-infected individuals and, more importantly, are linearly associated with viral load and lung injury. Moreover, the plasma levels of Ang-1-7 are significantly lower in COVID-19 patients versus healthy controls and particularly between COVID-19 patients admitted to ICUs compared to those who are not. Because most of SARS-CoV-2 deleterious effects including inflammation, fibrosis, thrombosis, pulmonary damage, point towards an imbalance of the RAS, we strongly believe that acting on the protective arm of RAS via its MAS Receptor downstream of ACE2 could have a beneficial effect in COVID-19-infected patients and, therefore, improve ARDS outcome.

The COVA Study

The COVA study is a global, multicenter, double-blind, placebo-controlled, group-sequential, and adaptive two-part Phase 2-3 study, with a total of 310-465 hospitalized patients in both parts. The final number of patients was recommended by the DMC based on the blinded second interim analyses and to protect the scientific integrity of the study. Since April 2020, however, only 237 patients meeting the study criteria have been enrolled in the trial in France, the United States, Belgium and Brazil, in approximately 35 clinical centers. Progression of the pandemic impacted our ability to enroll for the study.

The study focused on testing the benefit of Sarconeos (BIO101) in hospitalized patients 45 years old and older with severe respiratory manifestations of COVID-19. This study is intended to study Sarconeos (BIO101)'s effectiveness in hospitalized patients with severe respiratory manifestation.

Part	Goal	Number of participants
1	Allow recruitment into Part 2, based on safety data. Obtain indication of activity of BIO101, about the effect of BIO101 in preventing further respiratory deterioration.	50 1:1 randomization
2	Re-assessment of the sample size for Part 2.	155 (an addition of 105 participants) 1:1 randomization
	Confirmation of the effect of BIO101 in preventing further respiratory deterioration and obtaining a conditional marketing authorization.	310, potentially increased by 50% (up to 465, based on interim analysis 2) 1:1 randomization

During the study parts, two IAs were conducted by an independent DMC:

- IA1, on the data from the intervention period (28 days or until reaching the study endpoint, whatever comes first), of the 50 participants of Part 1:
    - To analyze the safety and tolerability of Sarconeos (BIO1010) in the target population and begin recruitment into Part 2; and
    - To obtain early evidence of activity of Sarconeos (BIO101)—the outcome of this will be disclosed only if there is a need to do so, in the interest of public health and based on consultation with the regulatory authorities.
- IA2, on the data from the intervention period, in half of the original sample size (i.e. the 50 participants of Part 1 and an addition or 105 participants from Part 2), to re-assess the final sample size of the study, based on the efficacy data. The sample size can be increased according to this analysis by up to 50%, to 465 participants in both parts.

The primary endpoint of the COVA study is the proportion of participants with "negative" events (*i.e.* all-cause mortality and respiratory failure). The key secondary endpoint is: the proportion of participants with a "positive" event, i.e. discharge home due to improvement. Additional endpoints include: all-cause mortality, time to events, function scales and biomarkers.

We received an IND "may proceed" letter from the FDA (in the United States) and a CTA approval from ANVISA (Brazil), ANSM (France), MHRA (UK) and FAMHP (Belgium). Approximately 35 centers were planned for

recruitment in Belgium, Brazil, France and the United States with a target of around 15 to 20 centers for the second part of the study. Recruitment for the Part 1 of the study began in July 2020. On January 8, 2021, the independent DMC of COVA reviewed the safety data analysis from the first 50 patients who were enrolled in the study, and recommended beginning recruitment for Part 2 of COVA. Following the DMC's recommendation to begin the recruitment for Part 2 of COVA, authorization was obtained from the applicable regulatory authorities (national regulatory agencies and/or central IRB and/or local Ethics Committees) in Brazil and the United States for most clinical centers in the two countries for the start of Part 2 of the study. Similar authorizations to begin Part 2 of COVA were subsequently obtained from the applicable regulatory authorities in France and in Belgium. Enrollment for Part 1 was completed on January 21, 2021.

In September 2021, we received confirmation from the Data Monitoring Committee (DMC) to continue the Phase 2-3 COVA study without any modification of the protocol based on on the interim efficacy data that were reviewed by the DMC.

As of the date of this Annual Report, the COVA study has enrolled 237 patients hospitalized with severe pneumonia from COVID-19 infection in approximately 35 centers in the United States, Brazil, France and Belgium. Due to a variety of circumstances in the countries participating in this study (e.g., high vaccination rates and high rates of past infections providing (partial) immunity as well as the predominance of the Omicron variant that very rarely leads to hospitalization), recruitment has progressively slowed in the first months of 2022, with only 1 randomization in March. For these reasons, we have decided to stop enrollment in the study with immediate effect and we plan to obtain topline results after the end of the 28-day treatment period during the second quarter of 2022 and complete results in the third quarter of 2022.

Market opportunity

We believe there is a market opportunity for Sarconeos (BIO101) for the treatment of respiratory failure in COVID-19, subject to successful clinical trials and the FDA's approval or authorization of Sarconeos (BIO101) for such indication. The COVID-19 pandemic continues to be a major public health issue, with a major impact on the economy of hundreds of countries. As of March 1, 2022, approximately 435 million people have been identified as having been infected with the SARS-CoV-2 virus, and more than 5.9 million have died because of COVID-19.

To our knowledge, although there are multiple initiatives to develop treatments, in the United States, Veklury (remdesivir) is the only product that has been approved for the treatment of COVID-19 requiring hospitalization, for adults and pediatric patients 12 years or older. Therapeutic products authorized by FDA under an EUA are the following: Olumiant (baracitinib), REGEN-COV (casirivimab and imdevimab), bamlanivimab and etesevimab, sotrovimab, Actemra (tocilizumab), Evusheld (tixagevimab co-packaged with cilgavimab), Paxlovid (nirmatrelvir and ritonavir), molnupiravir, and bebtelovimab.

In the EU, EMA has granted a marketing approval to the following drugs for the treatment of COVID-19: Kineret (anakinra), Regkirona (regdanvimab), RoActemra (tocilizumab), Ronapreve (casirivimab / imdevimab), and Xevudy (sotrovimab). The following drugs have received a conditonal marketing approval: Paxlovid (PF-07321332 / ritonavir), and Veklury (remdesivir). Marketing authorisation applications have been submitted for Olumiant (baricitinib), Evusheld (tixagevimab / cilgavimab) and Lagevrio (molnupiravir).

Finally, no treatment specifically targeting the stimulation of respiratory function in hospitalized COVID-19 patients has been approved or recommended for use in USA or in Europe.

Sarconeos (BIO101) for Duchenne Muscular Dystrophy (DMD)

DMD is a rare, genetic neuromuscular disease in male children and young adults, which is characterized by an accelerated degeneration of muscles and is responsible for a loss of mobility, respiratory failure and cardiomyopathy, leading to premature death. DMD is caused by mutations in the dystrophin gene that result in the absence of very low levels of functional dystrophin, a cytoskeletal protein that protects muscle cells. It is the most common form of muscular dystrophy in children, affecting approximately 2.8 out of 100,000 people worldwide (approximately 20,000 new cases annually worldwide), based on our estimates from publicly available information. DMD is caused by mutations in the dystrophin gene that result in the absence or very low levels of functional dystrophin, a cytoskeletal protein that protects muscle cells.

The absence of dystrophin in muscle severely weakens the structural and membrane stability of the muscle fibers. During normal muscle contraction and stretching the muscle fibers become damaged and eventually

undergo necrosis (*i.e.*, cell death). In order to compensate for the increased necrosis, muscle tissue regeneration is accelerated. This process soon becomes exhausted and muscle degeneration accelerates as muscle fibers are replaced by fat and connective tissue (fibrosis), resulting in the loss of muscle strength and mobility. DMD evolves according to a very well understood progression with symptoms that are similar to those associated with accelerated aging across all stages. DMD progression can be summarized as follows:

- muscle damage characterized by loss of myofibers, inflammation, and fibrosis beginning at an early age;
- lower extremity muscle weakness and progressive loss of muscle function beginning in the first few years of life;
- decline of ambulation and respiratory function after the age of seven;
- total loss of ambulation where the use of a wheelchair is essential in the pre-teenage or early teenage years;
- progressive loss of upper extremity function during mid to late-teens; and
- respiratory and/or cardiac failure, resulting in death around the age of 30.

Our Clinical Development Plans of Sarconeos (BIO101) in DMD (the MYODA program)

We have developed a formulation that is suitable to treat children, especially with swallowing difficulties. We have weight-adjusted the dose range of Sarconeos (BIO101) that we aim to test in the pediatric patient population based on modeling of data from animal studies and the SARA-PK Phase 1 trial in healthy adult and elderly participants. The low end of the dose range is driven by efficacy studies and the upper end of the dose range is driven by safety margins (toxicology and Phase 1). At the low end of the dose range, differences caused by the variance in animal models (*i.e.*, species, age and size) could affect efficacy between animals and humans (both adults and children). At the high end of the dose range, differences in body composition, absorption and metabolism between the age and patient segments could affect safety margins and tolerability. We do not have actual experimental safety PK, PD or efficacy data from clinical testing in a pediatric patient population comprised of developing children (2-12 years), adolescents (12-16 years) or young adults. However, the MYODA clinical study is designed to fill this gap, by testing a range of doses in a dose escalating manner to address these potential differences in safety and efficacy.

We have designed our MYODA clinical program to specifically address the following known challenges in DMD clinical development:

- *Currently, DMD programs are very lengthy* and may take up to 10 years to finalize. With such a high unmet-need and a situation where young children lose function and experience a much shorter life span, there is a need to utilize fast and robust designs and expedite the development process.
- *A very crowded space, with a lot of competing development programs, which are mostly focusing on ambulatory patients,* leading to difficulties in recruitment, while there is very little development that targets non-ambulatory patients—a disease state, where deterioration in respiratory function is becoming a leading cause for mortality.

In June 2018, we received orphan drug designation from the FDA and EMA for Sarconeos (BIO1010) in DMD. In December 2019, we received an IND “may proceed” letter from the FDA (USA) and we received a CTA approval from the FAMHP (Belgium) to start the MYODA study, and to investigate Sarconeos (BIO101) in non-ambulatory patients with signs of respiratory deterioration. In the “may proceed” letter from the FDA, the FDA noted that it had significant concerns with the design of the study, and that the results of the study, as originally designed to enroll ambulatory and non-ambulatory patients and measure muscle function deterioration through a composite score, would not be capable of providing interpretable data sufficient to support a marketing application. In its letter, the FDA recommended that we revise the study population and primary endpoint. We have incorporated the FDA’s recommendations and revised the protocol to focus on non-ambulatory patients with signs of respiratory deterioration and changed the primary endpoint to respiratory function. The revised protocol will be submitted as an amendment to the FDA and other regulatory authorities for review. We hope to start this study, which will be a global, double-blind, placebo-controlled, group-sequential, Phase 1-3

seamless study, in the second half of 2022, subject to any COVID-19-related delays and the impact of the pandemic on our operational capabilities.

The MYODA study is expected to recruit up to 200 participants, as follows:

Part	Objective	Design	Doses of BIO101	Number of participants
1	To evaluate the safety, tolerability and PK profile of BIO101 and its main metabolites after a single dose (Day 1) and after multiple doses at Day 7, 14 and 56	Double-blind, placebo-controlled, ascending dose-cohorts	1.25, 2.5 and 5mg/kg, placebo	3 cohorts, 6 participants in each cohort
2	To evaluate the safety, tolerability, and efficacy on respiratory function, of BIO101 following 48 weeks double blind dosing, in a small population	Double-blind, placebo-controlled, parallel groups	TBD, placebo	An addition of 30 participants
3	To evaluate the safety, tolerability, and efficacy on respiratory function of BIO101 following 48 weeks double blind dosing, in a large population	Double-blind, placebo-controlled, parallel groups	TBD, placebo	An addition of participants, up to 200 in total

All the study participants will be treated for 48 weeks, followed by an open-label extension. Participants who are recruited during Part 1, to the lower dose cohorts, will be moved to a higher dose, once it is cleared to be used. An independent committee will oversee the study, will review the safety data and allow moving from one dose cohort to the next and will conduct IAs to allow progression from one part of the study to the next.

Because of the high unmet need, we have decided to focus, at this stage, on DMD patients who are non-ambulatory and with evidence of respiratory deterioration. The primary endpoint will be Change from Baseline in Percent Predicted Peak Expiratory Flow (PEF % predictive) at Week 48 (assessed by hospital-based spirometry measurements) and the key secondary endpoint is Change from Baseline in Forced Vital Capacity (FVC % predictive) at Week 48 (assessed by hospital-based spirometry measurements). Additional endpoints include other measures of respiratory function, functional scales, muscle strength and goal-attainment.

Our study design and clinical trial protocols are subject to regulatory approval and will be submitted to regulatory agencies for review. We plan to work with the agencies to finalize the protocols. Additional challenges and risks remain with our innovative clinical trial program, including:

- *Challenges in achieving regulatory approval in each country for the MYODA clinical trial.* We received feedback from the CHMP in December 2018 on our trial design concepts and will continue to work in concert with the relevant regulatory agencies. However, the trial protocol and applications are not yet finalized and may be subject to further regulatory review, comments and changes prior to approval, if at all, at this stage, we have received approval to proceed from 2 countries: United States and Belgium. We will be seeking additional approval from other agencies.

- *Challenges in pediatric dosing of Sarconeos (BIO101).* We have modeled a weight-adjusted dosing regimen to treat children and young adults with Sarconeos (BIO101) based on data from animal studies and safety and PK observations from the SARA-PK Phase 1 trial in healthy adult and elderly volunteers.

Market Opportunity

We believe that there is market potential for Sarconeos (BIO101) in DMD, if approved by regulatory authorities for commercial use. DMD is the most common form of genetic muscular dystrophy in children, affecting approximately 2.8 out of 100,000 people worldwide (approximately 20,000 new cases annually worldwide), based on our estimates from publicly available information, resulting in premature death. There is currently no cure for DMD and there are only limited treatment options that aim to control the symptoms and slow the disease progression. In many countries, corticosteroids are the standard drug therapy. However, corticosteroids typically only slow the progression of muscle weakness and delay the loss of ambulation by up to two years, and their benefit for non-ambulatory boys with signs of respiratory deterioration, is not clear. They have also been associated with adverse side effects and are generally not suitable for long-term administration.

There are three targeted therapies (*i.e.,* therapies targeting a specific dystrophin mutation by exon skipping or with stop codons) available on the market (two in the United States and one in Europe). As these therapies each target a specific gene mutation, they can only address the approximately 20% of the overall DMD patient population with those genetic mutations. In addition, there are only a few treatments that are in clinical development that target treatment of ambulatory children. There are very few early stage programs that target treatment of non-ambulatory patients with signs of respiratory deterioration.

In addition to these targeted therapies, gene therapies that are under development aim to introduce a gene coding for a truncated dystrophin protein that could limit immune reactions. These therapies typically suffer from low transfection rates resulting in low levels of dystrophin expression and potential severe immune reactions. This leaves room for combinations of genetic treatments with other disease modifying agents, regardless of the mutation. Additional approaches in development include: immune modulators, anti-fibrotic agents and agents that enhance muscle mass and function.

We believe that Sarconeos (BIO101) directly targets muscle tissue and cells, may increase key muscle cell functions that are impaired independent of the genetic mutation that causes the disease, and has the potential to be used complementarily with corticosteroids, current targeted therapies and other gene therapies under development. We also believe that because Sarconeos (BIO101) targets various impaired muscle tissues and cells relevant to muscle strength, mobility and respiratory function, it may have the potential to be used in all stages of DMD progression, including both ambulatory and non-ambulatory patients. Due to the high unmet need, specifically in the population of non-ambulatory patients, with signs of respiratory deterioration, we decided to focus on this sub-population, at this stage.

Macuneos (BIO201)

Our second drug candidate, Macuneos (BIO201), is an orally administered small molecule in development for the treatment of retinopathies. The initial indication we plan to seek approval for is dry AMD, followed by Stargardt disease.

History and Development of Macuneos (BIO201)

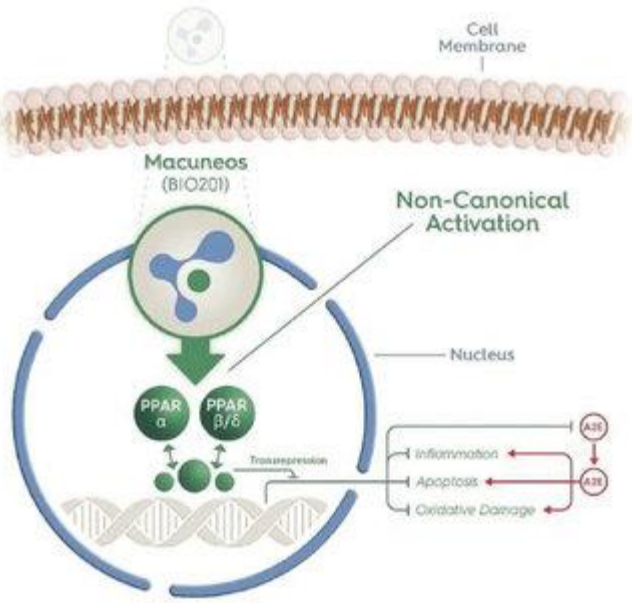
Utilizing our expertise in functional screens and assays, we expanded our drug discovery efforts to other age-related diseases, with a focus on retinopathies. Using cellular models developed with the Institute of Vision at Sorbonne University in Paris, we screened a variety of carotenoids and flavonoids for their ability to protect retinal pigment epithelium ("RPE") cells against the photo-oxidative stress induced by blue light in the presence of A2E, a phototoxic byproduct of the visual pigment cycle. We selected norbixin (an apo-carotenoid) for clinical development based on its pharmacological properties and safety profile in animal models of AMD and Stargardt disease. Next, we identified its molecular target(s) and identified a potential mechanism-of-action.

Potential mechanism-of-action

Inhibition of PPARs

Results from our preclinical studies support continued research to investigate whether Macuneos (BIO201) may protect RPE cells against the photo-oxidative stress induced by blue light in the presence of A2E through transrepression of peroxisome proliferator-activated receptors ("PPARs"). PPARs are nuclear receptors that primarily regulates carbohydrate and lipid metabolism in regenerative tissues only, and inflammatory processes in neuronal tissues, such as the brain or retina. Based on the result from our preclinical studies, we believe that Macuneos (BIO201) potentially counteracts the phototoxic effects of A2E by inhibition of PPARα and PPARγ responsible for the anti-oxidative, anti-inflammatory and anti-apoptotic activity observed in the retina. We believe that the mode of action ("MOA") of BIO201 differs from the MOA of most PPAR activators that are typically associated with known side effects.

The potential mechanism-of-action of BIO201 is illustrated in the diagram on the below:



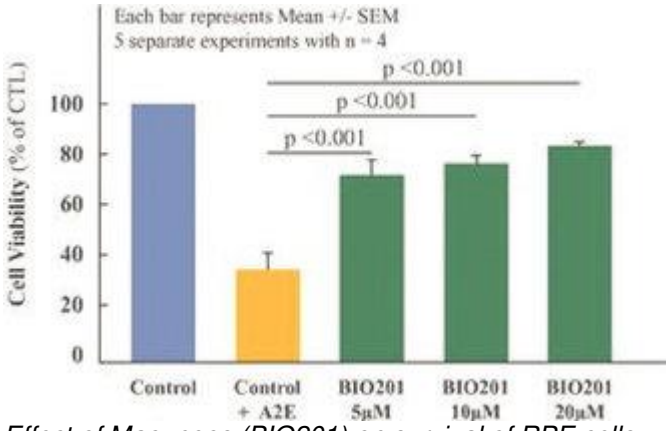
Macuneos (BIO201) is an antagonist of PPAR, involved in protecting retinal cells

Preclinical Development

Proof of concept in cellular models

In collaboration with the Institute of Vision, we used models of primary porcine RPE cell cultures to test the effect of Macuneos (BIO201). We believe this model best preserves functional defense mechanisms against photo-oxidative stress and better represents functioning human RPE cells as compared to existing stable cell lines. We exposed these RPE cells to blue light in the presence of A2E in order to explore the protective effect of Macuneos (BIO201) on RPE cell death.

Increased cell survival. Our preclinical data indicate that Macuneos (BIO201) may protect RPE cells from cell death, in a dose-dependent manner, against the photo-oxidative stress induced by blue light in the presence of A2E. These results were presented in 2016 at the annual meeting of the Association for Research in Vision and Ophthalmology, or ARVO, in Seattle, Washington, and published in *PLoSONE* (Fontaine et al; 2016).

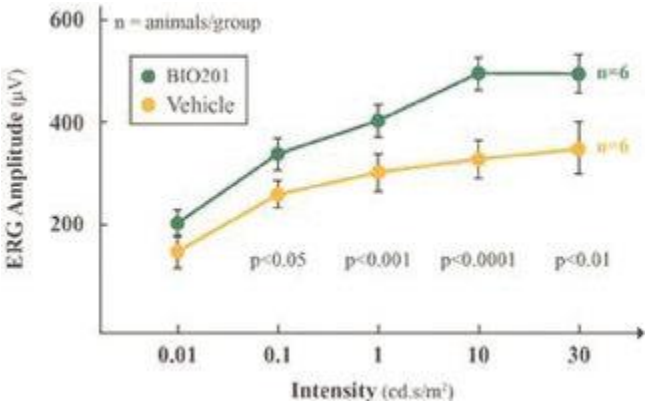


Effect of Macuneos (BIO201) on survival of RPE cells.

Proof of concept in animal models

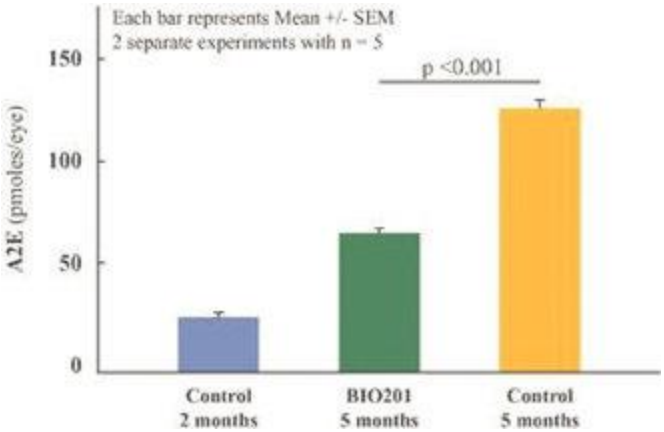
We have observed that Macuneos (BIO201) protects the retina after both oral and intra-vitreal administration in various animal models of AMD and Stargardt disease. The results from the studies, which are summarized below, were presented in 2016 at the annual meeting of the ARVO in Seattle, Washington.

Preservation of visual function in mice. We studied mice in which two genes encoding the proteins involved in the visual pigment cycle (the Abca4 transporter and the retinol dehydrogenase Rdh8) were absent. These animals, called Abca4-/- Rdh8-/-mice, accumulated A2E in their eyes and showed an early loss of electroretinogram amplitude. Our preclinical data suggest that chronic oral administration of Macuneos (BIO201) for three and six months may be effective in protecting the retina, as measured by electroretinography. This is a commonly used way to measure retinal function by looking at the electric signal transport from the retina to the brain. As shown in the figure below, Macuneos (BIO201) treated mice showed a less degraded electroretinogram as compared to the untreated control mice, meaning the treated mice have slower visual function loss. The six-month results were presented in 2018 at the annual meeting of the ARVO in Honolulu, Hawaii and recently published (Fontaine *et al*. *Aging*, 2020).



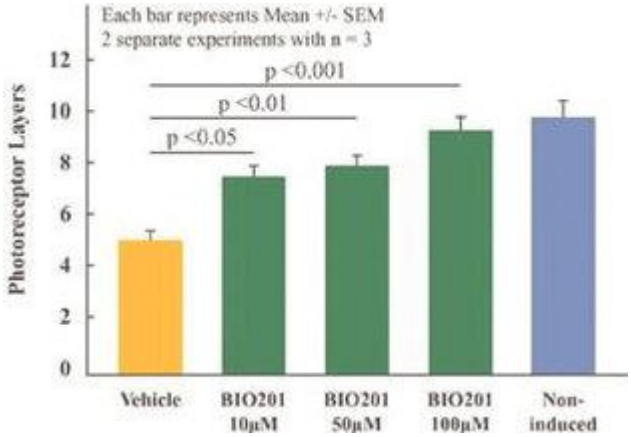
Effects of chronic oral administration of Macuneos (BIO201) on ERG Amplitude in Abca4[ib]-/[ib]- Rdh8[ib]-/[ib]-mice.

Reduced A2E Accumulation in mice. We studied the effect of Macuneos (BIO201) treatment on the accumulation of A2E in the retina of Abca4-/- Rdh8-/- mice. We began a three-month dosing regimen starting on mice that were 2 months of age. We observed that there was significant accumulation of A2E in vehicle Abca4-/- Rdh8-/-mice treated with placebo over three months as compared to control wild type mice at the beginning of the study, confirming a dysfunction of the visual cycle. Results demonstrated that chronic oral administration of Macuneos (BIO201) reduced A2E accumulation in the retina in treated Abca4-/- Rdh8-/-mice by approximately 45% as compared to vehicle control mice, which we believe is a key factor for maintaining visual function (Fontaine *et al*. *PloSOne* 2016).



Effects of chronic oral administration of Macuneos (BIO201) on A2E accumulation in Abca4-/—Rdh8-/—mice.

Dose-dependent protection of retina integrity in rats. In the classical blue light damage (BLD) rat model using normal albino rats, we observed that intra-peritoneal administration of Macuneos (BIO201) protected the retina in a dose-dependent manner, as measured by the number of remaining layers of photoreceptors. We demonstrated that there was an approximate 90% increase in the number of photoreceptors layers following the maximum dose of 100 µM of Macuneos (BIO201) as compared to the vehicle control. The results were published in *PLoSONE* (Fontaine *et al*. 2016).



Number of layers of photoreceptors in the blue light damage rat model after intraperitoneal injection of Macuneos (BIO201).

Based on this body of work, we believe that Macuneos (BIO201) may have significant clinical potential for the treatment of retinopathies, including dry AMD and Stargardt disease, and warrants continued investigation.

Macuneos (BIO201) for AMD

AMD is an age-related degeneration of the macula, the central part of the retina. It is one of the leading causes of irreversible vision loss and blindness in the people over the age of 50 worldwide, according to the BrightFocus Foundation's Age-Related Macular Degeneration: Facts & Figures Fact Sheet. AMD affects the central part of the retina, known as the macula, which is responsible for central vision and its sharpness. There are two types of AMD:

- Dry AMD is a multistage process leading to the progressive loss of vision. Dry AMD affects central vision and impairs many functions affecting quality of life and independent living such as reading, driving, and facial recognition. Early-stage dry AMD is characterized by small drüsen accumulation, which may not cause changes in vision, but as drüsen grow in size and increase in number, they may lead to a dimming or distortion of vision that people find most noticeable when they read. Intermediate stage dry AMD is defined by more abundant and larger drüsen and the appearance of early atrophies. Patients at this stage are at high-risk of advancing into geographic atrophy ("GA"), a late stage form of AMD. Patients in the late stage of AMD may have blind spots in the center of their vision and may lose central vision. The prevalence of dry AMD increases significantly with advancing age.

- Wet AMD is a late stage form of AMD, which is characterized by abnormal growth of blood vessels from the choroid underneath the macula. This is called choroidal neovascularization. These blood vessels leak blood and fluid into the retina, causing distortion of vision that makes straight lines look wavy, as well as blind spots and loss of central vision. These abnormal blood vessels and their bleeding eventually form a scar, leading to permanent loss of central vision.

Approximately 85 to 90% of patients with AMD suffer from the dry (atrophic) form of AMD, called dry AMD, according to estimates provided by the American Macular Degeneration Foundation. We believe that photo-oxidative and inflammatory stresses induced by the accumulation of A2E in RPE cells are the main factors responsible for the degenerative process of the retina in diseases such as AMD. We believe the biggest opportunity in treating dry AMD is preventing advancement into the later stages, GA or wet AMD, where vision loss is severe and can lead to visual disability.

Clinical Development Plans

We are currently conducting chronic and acute rodent and non-rodent toxicology studies that we believe will be sufficient to support our IND and clinical trial applications for our MACA clinical development program. We plan to commence a Phase 1 clinical trial (MACA-PK) with BIO201 in single and multiple ascending doses in healthy volunteers to assess the safety, PK and PD, drug and food interaction of Macuneos (BIO201) in the second half of 2023, subject to regulatory review and approval, any COVID-19-related delays and the impact of the pandemic on our operational capabilities.

We also intend to investigate whether Macuneos (BIO201) may be an effective treatment for Stargardt disease, the most common form of inherited juvenile macular degeneration. The pathophysiology of Stargardt disease is linked to excessive oxidative stress and inflammation following the accumulation of lipofuscin in patients with deficiency of genes important for the visual process. A similar accumulation of Lipofuscin occurs with aging and is believed to be responsible for dry AMD. In both diseases it leads to an accelerated retinal degeneration resulting in loss of vision. Due to the similarity of the pathophysiological processes of Stargardt disease and AMD, and based on the mode of action of Macuneos, we plan to explore clinical development of Macuneos (BIO201) for Stargardt disease in 2023 following our MACA-PK Phase 1 clinical trial, subject to any COVID-19-related delays and the impact of the current pandemic on our operational capabilities.

Market Opportunity

We believe that there is market potential for Macuneos (BIO201) in dry AMD, if approved by regulatory authorities for commercial use. AMD is one of the leading causes of irreversible vision loss and blindness in people over the age of 50 worldwide, and its prevalence increases with advancing age. Based on our review of publicly available data and to our knowledge, there is currently no approved medication for dry AMD, which represents between 85 to 90% of all AMD cases according to the American Macular Degeneration Foundation, and, based on our estimates from publicly available information, affects approximately 170 million people worldwide, and is expected to increase over time as the population ages.

There are a number of companies currently developing treatments, including anti-complement or neuroprotective agents administered by intraocular injections that may treat or alter the progression of dry AMD. We believe the market for AMD will remain fragmented and will include stand-alone and combination treatments for all stages of the disease and that a large market exists for a drug that could be administered orally rather than by monthly intraocular injections. We will continue to study Macuneos (BIO201) to determine its clinical safety and effectiveness, and to explore the feasibility of oral administration, and to further explain its mode of action.

Preclinical and Discovery Pipeline

Our preclinical pipeline currently consists of Macuneos (BIO201), as well as BIO103 and BIO203, which are chemically synthesized life-cycle extension products for Sarconeos (BIO101) and Macuneos (BIO201), respectively, potentially with better pharmacological properties. We are testing these preclinical drug candidates in preclinical models for multiple age-related diseases. We plan to continue to identify new drug candidates through our drug discovery platform based on our functional assays and reverse pharmacology approach.

Competition

The biotechnology and pharmaceutical industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that our expertise in age-related diseases, scientific knowledge and intellectual property portfolio provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions. Not only must we compete with other companies that are focused on neuromuscular diseases and retinopathies, but any drug candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

Many of our competitors may have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

The key competitive factors affecting the success of all of our drug candidates, if approved, are likely to be their efficacy, safety, tolerability, convenience, price and the availability of reimbursement from government and other third-party payors. Our commercial opportunity could be reduced or eliminated if our competitors

develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA, EMA or other national regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

The main competitors for each target indication of our drug candidates include:

- ***Sarcopenia:*** We are not currently aware of any approved medications for sarcopenia. Pharmaceutical development of myostatin inhibitors and SARM have been halted, due to lack of evidence of benefit in multiple Phase 2 studies. Therapy development focuses mostly on exercise (including devices that can improve physical function), food supplements and dietary measures. Early stage development of cell therapy and agents that aim to improve muscle function has also started.

- ***COVID-19:*** There are many ongoing clinical studies to develop medical responses to COVID-19. To date, Veklury (remdesivir) is the only product that has been approved by FDA for the treatment of COVID-19 requiring hospitalization, for adults and pediatric patients 12 years or older. Therapeutic products authorized by FDA under an EUA are the following: Olumiant (baracitinib), REGEN-COV (casirivimab and imdevimab), bamlanivimab and etesevimab, sotrovimab, Actemra (tocilizumab), Evusheld (tixagevimab co-packaged with cilgavimab), Paxlovid (nirmatrelvir and ritonavir), molnupiravir, and bebtelovimab. Because the anti-SARS-CoV-2 mAbs bamlanivimab-etesevimab and casirivimab-imdevimab combinations are predicted to have markedly reduced activities against Omicron variant, and because real-time testing to identify rare, non-Omicron variants is not routinely available, FDA revised the authorization for these anti-SARS-CoV-2 mAbs to limit their use to only when the patient is likely to have been infected with or exposed to a variant that is susceptible to these treatments. In the EU, EMA has granted a marketing approval to the following drugs for the treatment of COVID-19: Kineret (anakinra), Regkirona (regdanvimab), RoActemra (tocilizumab), Ronapreve (casirivimab / imdevimab), and Xevudy (sotrovimab). The following drugs have received a conditonal marketing approval: Paxlovid (PF-07321332 / ritonavir) andVeklury (remdesivir). Marketing Authorisation applications have been submitted for Olumiant (baricitinib), Evusheld (tixagevimab / cilgavimab) and Lagevrio (molnupiravir).

- ***Duchenne Muscular Dystrophy:*** Corticosteroids are the standard drug therapy for DMD patients in many countries throughout the world, this includes Emflaza (deflazacort, by PTC therapeutics), which was approved by the FDA in 2017, however their benefit for non-ambulatory patients with evidence of respiratory deterioration is limited. To our knowledge, three targeted therapies have been approved to date, which all are treatments that target the genetic mutation: Exondys51 (eteplirsen, by Sarepta), Vyondys53 (golodirsen, by Sarepta) and Amondys 45 (casimersen, by Sarepta) in the United States, and Translarna (ataluren, by PTC therapeutics) in Europe. While many new therapies are in development, most focus on ambulatory children. Only very few candidates, and in early stages, are being developed to treat patients who are non-ambulatory and with signs of respiratory deterioration.

- ***Dry Age-Related Macular Degeneration:*** Based on our review of research in this area, currently there are no approved therapeutic treatments for dry AMD. We believe that a number of other companies are developing drugs that may treat or alter the progression of the disease. Such competitors include, but are not limited to Allegro Ophthalmics, Apellis Pharmaceuticals, Astellas, Hemera Biosciences, Ionis Pharmaceuticals, Ophthotech Corporation, Roche and Stealth Biotherapeutics.

Manufacturing and Supply

We do not own or operate, and currently have no plans to establish any manufacturing facilities. We currently rely, and expect to continue to rely, on third parties for the manufacturing of our drug candidates for both preclinical studies and all phases of clinical trials, as well as for commercial production should any of our drug candidates receive marketing approval for commercialization. We obtain key raw materials for Sarconeos (BIO101) and Macuneos (BIO201) from third-party suppliers. We are developing at the pilot and industrial scales the manufacturing processes and transfer them through agreements to third party European and American Clinical Development Manufacturing Organizations (“CDMOs”). Non GMP and GMP batches are produced in compliance with regulations for preclinical and clinical studies, including in view of the relevant guidelines adopted by the EMA, FDA, ANVISA and other regulatory authorities regarding the COVID-19 context. These batches allowed us to conduct all of our clinical programs. We plan to sign and signed

agreements with the same and/or alternative manufacturers for industrial scale-up to submit the regulatory applications for approval and market access, subject to the global COVID-19 pandemic conditions and the impact of the current pandemic on operational capabilities. The manufacturing capacities allowed us to complete the SARA-INT clinical trial in sarcopenia and we currently have sufficient quantities to conclude COVA phase 2/3 clinical study with Sarconeos (BIO101) in COVID-19, as well as conduct the first two parts of the planned MYODA clinical trial in DMD.

Sarconeos (BIO101)

BIO101, the API of Sarconeos, is a pharmaceutical grade small molecule, 20-hydroxyecdysone (>97% purity of the active molecule). We have produced the API for preclinical and clinical development by purifying the active molecule from *Cyanotis* sp *or Stemmacantha* sp, plants cultivated in China and used for medicinal purposes in Traditional Chinese Medicine. We currently rely on one supplier for the quantities of starting material for all our studies. We have not entered into a long-term supply agreement with this supplier for commercial scale up. However, we currently have a supply agreement allowing enough quantities for our ongoing clinical programs, as well as for the manufacturing of validation and registration batches. BIO101 is purified for pharmaceutical use (>97% purity of the active molecule) using proprietary and patented processes, in compliance with GMP for pharmaceuticals, by Patheon/ThermoFisher Scientific our manufacturing partner located in Germany and Austria. We have not entered into a long-term supply agreement with Patheon/ThermoFisher. We have, by agreement, initiated the scaling-up of the manufacturing process for validation and registration batches. We believe that the supply chain we have developed over the last five years has been sufficiently scaled up, and we have already secured sufficient quantities to conduct the planned clinical trials.

We believe we can secure sufficient quantities for regulatory approval and marketing authorization for Sarconeos BIO101 in COVID-19, using our current supply chain, through scaling up production at the ThermoFisher's sites of Linz (Austria) and Bourgoin (France) to industrial level capacity and GMP standards, subject to the impact of the current pandemic on operational capabilities. Depending on positive results of the clinical program, we will have to address significant upscaling of sourcing and manufacturing to support any commercial launch.

We are also evaluating alternative methods for producing Sarconeos (BIO101), such as new chemical synthesis or fermentation, and potential alternative plant sources, in order to optimize the supply chain to support our projected commercial needs.

Macuneos (BIO201)

BIO201, the API of Macuneos, is a pharmaceutical grade small molecule norbixin (>97% purity of the active molecule). We have produced the API for preclinical development by chemical conversion into norbixin of the natural molecule bixin, which has been previously purified from seeds of *Bixa orellana L.*, a plant traditionally used for medicinal purposes in the Amazon. At this time, we rely on one supplier for the plant quantities we will require for our MACA clinical program. We have not entered into a long-term supply agreement with this supplier. The pharmaceutical development of Macuneos (BIO201) is performed by Patheon using proprietary processes. The development of the manufacturing process, the production of the technical batches, the validation of analytical methods, as well as the stability studies are currently being planned for 2021 to produce the clinical batches of Macuneos (BIO201) for the MACA-PK Phase 1 clinical trial. We are evaluating alternative methods for producing Macuneos (BIO201), such as bio fermentation, in order to optimize the supply chain to support our projected commercial needs.

Research and Collaboration Agreements with Sorbonne University and Other Academic Research Institutions

We have entered into several research and collaboration agreements with Sorbonne University and other academic research institutions (*i.e.*, the Centre National de la Recherche Scientifique (CNRS), the Institut National de la Recherche Agronomique, or INRA, Institut National de la Santé et de la Recherche Médicale, or INSERM, and Université Paris Descartes) in order to further strengthen our research and development strategies. The purpose of these agreements is to define the terms and conditions of our research (including its financing) and the results of such research. As of the date of this annual report, three research and collaboration agreements are still in force.

The research and collaboration agreements were entered into for an initial fixed term (six to 12 months), and have each been extended by amendments as long as research is ongoing. The agreements may be terminated by any party to the agreement in the event of a breach by another party that has not been remedied within one month of a notice of the breach.

Pursuant to the terms of the research and collaboration agreements, each of the parties to the agreements remains the owner of intellectual property it owned prior to the time of the agreement, and all parties will have equal ownership of any patents resulting from the research conducted pursuant to such agreements. The parties must jointly agree as to whether the results of research conducted pursuant to the agreement should give rise to the filing of a patent application. In the event that one party does not wish to file a patent application but another party does and agrees to bear alone the cost of such filing, it will have the right to do so and the party who declined to pursue registration of the patent will be required to assign its co-ownership interest of the patent and patent applications to the other party at no charge. For any patent application that is filed, we are responsible for managing the patent application and all intellectual property registrations in France or abroad. In the event that a party desires to assign its co-ownership interest in a patent (except in the event of an assignment between Sorbonne University and CNRS or to one of the inventors within the team dedicated to the research), the other parties to the agreement will have a preemptive right to acquire such party's co-ownership interest. We have an option to obtain exclusive commercial rights with respect to any products developed through the parties' research pursuant to the terms of the collaboration agreements (whether patentable or not), which the Company exercised regarding patent families S1 through S10 and patent families MI through MV and still is in a position to exercise regarding ongoing researches and other patent families. The parties may use the results of research conducted pursuant to the agreements for other research purposes, subject to informing the other parties to the agreement if such research is to be carried out in collaboration with third parties.

Pursuant to the terms of the research and collaboration agreements, once a patent is filed, the parties to such agreement enter into (i) a co-ownership agreement providing for the respective rights and obligations of the co-owners of the patents, and (ii) a commercialization/license agreement providing for our right to commercialize products based on the patents in consideration for the payment of royalties to Sorbonne University and/or the other French academic research institutions involved, as applicable, the terms of which will supersede the collaboration agreement. Until these agreements are entered into, the provisions of the collaboration agreements will continue to govern ownership of the results and the rights to commercialize any products developed through such collaborations.

As of the date of this annual report, we have a research and collaboration agreement with Sorbonne University, CNRS and INSERM "(supervisory entities of the Institut de la Vision)" dated March 2, 2020, relating to AMD for which research is currently ongoing. Our research and collaboration agreement with Sorbonne University and CNRS dated July 1, 2016, as amended on March 22, 2017, which previously governed co-ownership of patent family S6, expired when a co-ownership agreement relating to patent family S6 was entered into on October 9, 2019.

We have a research and collaboration agreement with Sorbonne University and CNRS dated February 1, 2019 (as amended) relating to heart failure associated with DMD.

We also have a research and collaboration agreement with Université Paris Descartes and SATT Ile de France Innov relating to spinal muscular atrophy for which research is currently ongoing.

Intellectual Property

We seek to protect and enhance proprietary technology, investments, and improvements that are commercially important to our business by seeking, maintaining and defending patent rights. We also seek to and will continue to rely on regulatory protection afforded through orphan drug designations, data exclusivity, market exclusivity and patent term extensions where available.

Our industrial property protection policy covers our two key fields of innovation: (i) Sarconeos (BIO101) and our life-cycle extension drug candidate, BIO103, for the treatment of neuromuscular disorders, including sarcopenia spinal muscular atrophy (SMA) and DMD, respiratory function impairment resulting from a viral infection and (ii) Macuneos (BIO201) and our life-cycle extension drug candidate, BIO203, for the treatment of retinopathies, including dry AMD.

Current Intellectual Property Portfolio

Our patent portfolio covers 15 patent families, which include a total of 48 co-owned issued patents and a total of 48 co-owned patent applications. We have recently filed other patent applications that are currently under examination.

The issued patents in our portfolio consist of nine European patents, five U.S. patents, and 20 patents in other jurisdictions, including Australia, Brazil, China, Japan and Russia.

The pending patent applications in our portfolio consist of four European patent applications, five U.S. patent applications, and 31 patent applications pending in other jurisdictions, including Australia, Brazil, Canada, China, India, Japan, Mexico, Russia and South Korea.

Our patents and patent applications are all jointly owned by us and Sorbonne, and in some cases together with other academic research institutions (*i.e.*, CNRS, INRA and INSERM). We hold exclusive commercial rights through licenses of each of our drug candidates.

Our drug candidates rely upon one or more patent rights protecting various technologies, including rights related to:

- the use of phytoecdysones in the preparation of a composition to act on metabolic syndrome (Patent family No. S1 "*metabolic syndrome*");
- the use of phytoecdysones in stabilizing weight in overweight or obese subjects after dieting (Patent family No. S2 "*weight stabilization*");
- the use of phytoecdysones to improve muscular quality in obese and/or sarcopenic mammals (Patent family No. S3 "*muscular quality*");
- a process whereby new chemical entities are used in the preparation of medicines (Patent family No. S4 "*phytoecdysone analogue*");
- a process for extracting purified 20-hydroxyecdysone and the therapeutic use of these extracts to improve muscle function or treat cardiovascular disease (Patent family No. S5 "*20-hydroxyecdysone; extracts*");
- the use of 20-hydroxyecdysone components and their derivatives to treat myopathies and other muscular dystrophies (Patent family No. S6 "*20-hydroxyecdysone*");
- the use of phytoecdysones to prevent loss of muscular strength after immobilization (Patent family No. S7 "*Loss of muscle strength*");
- the use of phytoecdysones in a treatment of neuromuscular disease (Patent family No. S8 "*Phytoecdysones in neuromuscular diseases*");
- the use of phytoecdysones in a treatment of impaired respiratory function (Patent family No. S9 "*Phytoecdysones in respiratory diseases*);
- the use of phytoecdysones and their derivatives for use in the treatment of impaired respiratory function during a viral infection (Patent family No.10 "Phytoecdysones in COVID-19 respiratory disease");
- the use of a composition of bixin and norbixin to protect the skin against sun damage (Patent family No. MI "*Photo-protection*");
- the use of bixin and norbixin compounds to protect the eye against AMD (Patent family No. MII "*AMD*");
- the use of a composition using norbixin in the treatment of AMD (Patent family No. MIII "*Composition for protecting retinal epithelial cells*");
- the use of compounds from the family of flavonoids and anthocyanidins for the treatment, prevention and/or stabilization of AMD and/or Stargardt's disease, pigmentary retinopathy and/or diabetic retinopathy (Patent family MIV "*Use of 3-deoxyanthocyanidins for the treatment of eye diseases*"); and

- The use of compounds targeting the eye and use thereof for treating ocular diseases (Patent family MV "*Use of compounds targeting the eye for the treatment of ocular diseases*").

Individual patent terms extend for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance, and the legal term of patents in the countries in which they are obtained. In most countries in which we file patent applications, including the United States, the patent term is 20 years from the date of filing of the first non-provisional application to which priority is claimed. In certain instances, a patent term can be extended under certain circumstances.

For example, in the United States, the term of a patent that covers an FDA-approved drug may be eligible for a patent term restoration of up to five years to effectively compensate for the patent term lost during the FDA regulatory review process, subject to several limitations discussed below under "Our Intellectual Property Strategy." Also, in the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. Similar term extension mechanism may apply for patents filed with the Office Européen des Brevets (European patent office).

Our issued patents and patent applications (if issued) will expire as follows (unless extended):

Patent family No. S1:

- Patent No. FR2924346 expires November 30, 2027.
- Patent Nos. AU2008332981, CN102231986, BRPI0820455-1, EP2217255, RU2010126625 and US8236359 expire November 19, 2028.

Patent family No. S2:

- Patent No. FR2982489 expires November 10, 2031.
- Patent Nos. CN103957727, EP2775859, JP6346094 and JP6462918 expire November 12, 2032.

Patent family No. S3:

- Patent No. FR2983733 expires December 13, 2031.
- Patent No. EP2790706 expires December 13, 2032.

Patent family No. S4:

- Patent No. FR3021318 expires May 20, 2034.
- Patent Nos. AU2015263121, CN106536539, EP3145942, JP6621217, RU2724329, US9938315 and US10316056 expire May 20, 2035.

Patent family No. S5:

- Patent No. FR3065644 expires April 28, 2037.

Patent family No. S6:

- Patent No. FR3065642 expires August 31, 2037.

Patent family No. S7:

- Patent No. FR3078252 expires February 28, 2038.

Patent family No. S8:

- Patent No. FR3093640 expires March 15, 2039.

Patent family No. S9:

- Patent No. FR3093641 expires March 15, 2039.

Patent family No. S10

- Patent No. FR3108504 expires March 30, 2040.

Patent family No. MI

- Patent Nos. FR2947173 and FR2955767 expire June 25, 2029
- Patent Nos. BR1010113-6, EP2445476 and US9173823 expire June 25, 2030

Patent family No. MII

- Patent Nos. FR2975008 and FR2996773 expire May 13, 2031.
- Patent Nos. EP2717891, JP6421306, and JP6432913 expire May 14, 2032.

Patent family No. MIII

- Patent No. FR3035589 expires April 30, 2035.
- Patent Nos. EP3288551, JP6660401, MX/a/2017/013918, RU2715889 and US10314804 expire April 28, 2036.

Patent family No. MIV

- Patent No. FR1554761 expires May 27, 2035.
- Patent Nos. EP33302463, JP6738412, RU2730854 and US10513503 expire May 27, 2036.

In China, Patent No. ZL201280066803.6 from Patent family S3 was subject to a motion for invalidation brought by a third party based on several arguments, including the insufficient description of the animal model used in the patent, the novelty of the patent, the extension beyond the application as filed and the inventive step. Under Chinese patent law, the invalidity of a patent may be sought by any person or entity after the grant of the patent. The patent was invalidated in China following oral proceedings before the Court of Revision of the Chinese Patent Office. The arguments in favor of the invalidation by the Court of Revision of the Chinese Patent Office were not considered as relevant objections in the context of the European examination procedure leading to the grant of a European patent on May 8, 2019 (Patent No EP2790706). However, an opposition procedure to the European patent has been started, supposedly by the same opponent as in China (the latter remaining anonymous), and is currently in progress. The corresponding oral proceedings before the European Opposition Division are expected to take place in 2021. We do not expect the potential cancellation of this patent to have any material impact on our development plans for our product candidates, our patent portfolio or our business.

If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2027 to 2039. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

Commercialization/License Agreements

As contemplated by the various research and collaboration agreements, we have entered into two commercialization/license agreements with respect to our patents which are co-owned with Sorbonne

University and/or academic research institutions : (i) a commercialization/license agreement, dated January 1, 2016 by and between us and SATT Lutech (acting as agent for CNRS, INRA and Sorbonne University) and CNRS, INRA and Sorbonne University, as amended on April 2, 2019, November 6, 2020 and December 17, 2020, relating to patent families S1 through S9, or the S-Commercialization Agreement, and (ii) a commercialization/license agreement, dated January 1, 2016, by and between us and SATT Lutech (acting as agent for CNRS, INSERM and Sorbonne University) and CNRS, INSERM and Sorbonne University, as amended on December 17, 2020 relating to patent families MI through MIV, or the M-Commercialization Agreement.

Unless terminated sooner, these agreements will remain in effect until the expiration or invalidation of the last of the patents covered by such agreement. The terms of the agreements provide that they will automatically terminate upon our termination of activity, wind-up and/or liquidation, a breach of the agreement, or upon a force majeure event (as described in the agreement). In addition, we may terminate these agreements upon 30 days' notification to SATT Lutech and payment of a penalty equal to three times the annual guaranteed minimum amount, except where termination is justified by the denial of marketing authorizations.

We are required to make certain payments under the S-Commercialization Agreement and M-Commercialization Agreement as follows:

- under the S-Commercialization Agreement, (i) beginning in the year following the first marketing of a product and in any event no later than 2023, we will pay a guaranteed annual minimum amount of €40 thousand, which will be deducted from the amount of royalties due annually (as described below), (ii) for direct commercialization by the us, the agreement provides for annual single-digit royalties based on the net sales of products, distinguishing between sales of nutraceutical and medicinal products, and (iii) for indirect commercialization by a third party, the agreement provides for annual royalties (10-20%) based on income received from licensees, distinguishing (a) between the sales of nutraceutical products (10-20% royalties) and drug products (10-20% royalties or single-digit royalties) and (b) the product development phase (Phase 1, 2 or 3) at the time of the conclusion of the licensing agreement; and

- under the M-Commercialization Agreement, (i) since 2020, we are paying a guaranteed annual minimum amount of €15 thousand, which will be deducted from the amount of royalties due annually, when applicable (as described below), (ii) beginning in the year following the first marketing of a drug product and in any event no later than 2026, the Company will pay an annual guaranteed minimum amount of €50 thousand, which will be deducted from the amount of royalties due annually (as described below), (iii) for direct commercialization by the us, the agreement provides for annual single-digit royalties based on the net sales of products, distinguishing between sales of nutraceutical and medicinal products, and (iii) for indirect commercialization by a third party, the agreement provides for annual royalties (10-20%) based on income received from licensees, distinguishing (a) between the sales of nutraceutical products (10-20% royalties) and drug products (10-20% or single-digit royalties) and (b) the product development phase (Phase 1, 2 or 3) at the time of the conclusion of the licensing agreement. The payments made under the S-Commercialization Agreement and the M-Commercialization Agreement will end upon termination of these agreements.

Co-Ownership Agreements

As contemplated by the various research and collaboration agreements, we have entered into 10 co-ownership agreements with Sorbonne University and/or academic research institutions, covering all of our patent families except for (i) patent family S7, which is governed by legal provisions of the French intellectual property code, which applies by default, and (ii) patent families S8 and S9, which have only recently been filed and for which we expect to enter into similar co-ownership agreements in the near future. Until such time as agreements are signed in relation to patent families S8 and S9, co-ownership will be governed by legal provisions of the French intellectual property code, which apply by default.

Each of these co-ownership agreements is entered into for a term ending upon expiration or invalidation of the last of the patents covered by such agreement, or, in the case of the co-ownership agreements covering patent families MI, MIII and MIV, until expiration or invalidation of the last of the patents covered by the agreement or as long as the commercialization/license agreement remains in effect. These agreements may be terminated if one of the parties becomes the sole owner of the patents or in the event the parties no longer own the patents. In the event that assignment to a third party is contemplated, the other parties to the agreement will have a preemptive right to acquire such party's co-ownership share.

Intellectual Property Agreement with Stanislas Veillet

Our CEO, who is a corporate officer *(mandataire social)* but not an employee of the Company under French law, is involved in our research and development activities. He has developed inventions with us for which we have submitted patent applications in which he is listed as a co-inventor and other inventions that we expect may give rise to patent applications in the future for which we expect he will be included as a co-inventor. As an inventor, our CEO has certain rights under French intellectual property law. These rights are distinct from the statutory rights that usually apply to employee inventors under French law. In order to define a framework within which any intellectual property resulting from our CEO's research and development activities is properly assigned to us, we have entered into an agreement with our CEO, which has been approved by our board of directors, pursuant to which he is entitled to the following payments for his contributions:

- a first lump sum cash payment of €90 thousand to be paid within 30 days of filing of a patent application based on the assigned rights;
- a second lump sum cash payment of €90 thousand to be paid within 30 days of publication of a patent application based on the assigned rights; and
- a 6.5% royalty payment with respect to any license income and/or any net sales by us of products manufactured with the patents filed on the basis of the assigned rights.

These three payments will be capped at €2.1 million on a platform per platform basis, a platform being defined in the agreement as the research and development works which cover the same family of chemical molecules targeting the same molecular receptor or biological pathway for a family of pathologies which are clinically connected.

In the event that a third-party pharmaceutical and/or biotech company acquires 100% of our capital and voting rights, payments will be accelerated, so that the cap (€2.1 million per platform), less any amount previously paid in respect of a platform, will become immediately payable.

The agreement shall remain in effect until no further payments are due. However, the provisions of this agreement will only apply to results generated during the period in which our CEO occupies the position of a corporate officer of the Company or any of its affiliates. Any party to the agreement may, upon material breach of the agreement by the other party, terminate the agreement.

Trademarks

In addition to patent protection, we have trademark protection in many countries for our name (Biophytis) and our drug candidates (in particular, "Macuneos" and "Sarconeos"). In total, we hold 42 trademarks or trademark applications. None of our trademarks are subject to a third-party license.

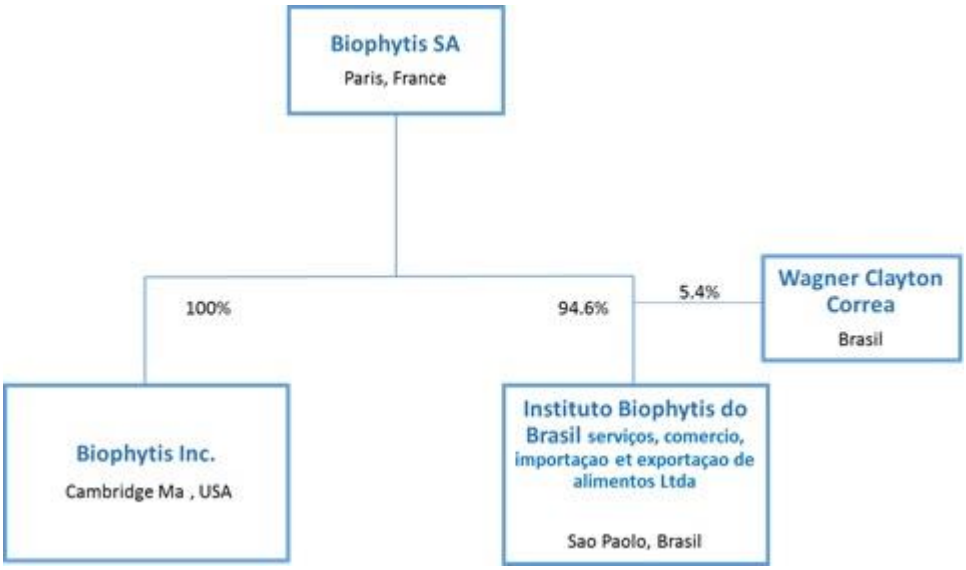
Our Intellectual Property Strategy

Our patent policy is to file the first priority application regionally in France, then extend that patent application for international coverage by filing a related international application through the Patent Cooperation Treaty, or PCT. The PCT international application has the potential to be pursued in 142 PCT-contracting countries.

We determine which countries to pursue patent coverage in based on our business strategy. Our business strategy focuses on two main zones in which to pursue patent coverage via the PCT: (1) Europe, and in particular, the major European countries, United States, and Japan because these countries are where most of the main major pharmaceutical companies are concentrated, and (2) the BRIC zone, which is Brazil, Russia, India, and China; and sometimes Canada, Australia and South Korea.

Our objective for this international intellectual property strategy is to secure the earliest patents in these target countries and obtain the broadest and most effective scope of intellectual property protection in these countries. In addition to protecting our innovations by patents, they often have supplemental regulatory data exclusivity in connection with the marketing authorization of our products.

C. Organizational Structure



D. Property, Plants and Equipment

We lease approximately 504 square meters of office space at Sorbonne University—BC 9, Bâtiment A 4ème étage, 4 place Jussieu, 75005 Paris, France for research and development and administrative activities. The lease agreement (convention d'occupation du domaine public) provides for a one-year renewable term. We incurred annual lease expense of €173 thousand for the year 2021. We believe that our existing facility is adequate to meet our current needs, and that suitable additional alternative spaces will be available in the future on commercially reasonable terms.

Risks Related to Our Limited Operating History, Financial Condition, and Capital Requirements

Our business has been and could in the future be materially adversely affected by the effects of health pandemics or epidemics, including COVID-19 and its related variants, or emergence of other infectious diseases, and in particular in regions where we or third parties on which we rely have significant manufacturing facilities, concentrations of clinical trial sites or other business operations.

Our business has been and could in the future be materially adversely affected by the effects of health pandemics or epidemics, including COVID-19 and its related variants, or emergence of other infectious diseases. COVID-19 has prompted severe lifestyle and commercial restrictions aimed at reducing the spread of the disease. Governments have imposed quarantines and other restrictions in response to the pandemic. We have also implemented social distancing and sanitary measures as well as a work-from-home policy for most of our employees. Some of our clinical study sites had to be temporarily closed during the pandemic, and we were forced to revise the protocols and obtain IRB review and approval to continue our SARA INT clinical trial, which has since been completed. Although the COVID-19 pandemic appears to be gradually subsiding as a result of widespread access to vaccines and other preventative measures, additional variants that are more infectious or deadly may emerge in the future, and any future restrictions implemented in response to COVID-19 or another health pandemic or epidemic, or emergence of other infectious diseases could negatively impact our productivity, disrupt our business and delay our clinical programs and timelines, the magnitude of which will depend, in part, on the length and severity of the restrictions, among other factors. Although we do not currently anticipate any further impacts to our clinical programs from COVID-19 or another pandemic or endemic, or emergence of other infectious diseases, these and similar, and perhaps more severe, disruptions in our operations could negatively impact our business operating results and financial condition in the future.

Quarantines, shutdowns and shelter-in-place and similar government orders related to COVID-19 or other infectious diseases, or the perception that such events, orders or other restrictions on the conduct of business operations could occur, could impact personnel at third-party supplier, manufacturing or packaging facilities in the United States and other countries, or the availability or costs of materials, which could disrupt our supply chain. Although we do not currently anticipate any clinical supply issues or concerns for our planned clinical trials, any future restrictions resulting from the COVID-19 pandemic or other health pandemics or epidemics or emergence of other infectious diseases may disrupt our supply chain in the future and delay or limit our ability to obtain sufficient materials for our drug candidates.

In addition, our current clinical trial and planned clinical trials could be affected by a resurgence of COVID-19 (or emergence of new vaccine resistant strains) or emergence of new pandemics, epidemics or other infectious diseases. For example, site initiation and patient enrollment could be impacted by a resurgence of COVID-19 (or emergence of new vaccine resistant strains), and sites conducting potential patient enrollment may not be able or willing to comply with clinical trial protocols whether due to quarantines impeding patient movement or interrupting healthcare services, or due to potential patient concerns regarding interactions with medical facilities or staff. Similarly, our ability to recruit and retain principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 or another virus, may be delayed or disrupted, which could adversely impact our clinical trial operations. Furthermore, when the primary endpoint of one of our studies is a site-based assessment, there is a risk that participants will not be able to or want to undergo this required in person assessment for safety reasons, resulting in a delay to our studies and potentially compromising the timing and results of our study. A resurgence of COVID-19 (or emergence of new vaccine resistant strains) or emergence of new pandemic, epidemic or other infectious diseases could also lead to increased costs, due to a prolonged study timeframe, resulting in the need to add study staff and the need to utilize additional technological tools, such as remote monitoring, remote source-data verification and remote audits.

Regulatory authorities may also experience a significantly increased workload, with requirements and demands for short review timelines for COVID-19 studies on the one hand and the need to amend study protocols to address COVID-19-related limitations in study conduct on the other hand. This can prolong review timelines and reduce the availability to run expedited programs, which put a high demand on regulatory staff. There is also a risk that the changes to protocols of ongoing clinical trials (other than for COVID-19 indications) that were made to address restrictions imposed in the context of the coronavirus pandemic will negatively impact the review conducted by the relevant regulatory agencies. In which case, such agencies may consider the data

to be insufficient to support acceptance of the data and the statistical plan. For example, changing in-office and in-person checks and visits to phone contacts may not be sufficient for regulatory review. We will not know until we complete our ongoing studies, complete analysis, and submit such data to the regulatory authorities, what, if any, limitations and effects could result.

In addition, the global COVID-19 pandemic has adversely affected, and any future significant outbreak of contagious diseases could similarly adversely affect, the economics and financial markets of many countries, including the United States, resulting in an economic downturn that could reduce our ability to access capital, which could negatively affect our liquidity and ability to process our clinical trials and business operations and suppress demand for our future products. Any of these events could have a material adverse effect on our business, financial condition, results of operations or cash flow. In addition, a recession, down-turn or market correction resulting from the COVID-19 pandemic, other pandemic or epidemic, or emergence of other infectious diseases could materially adversely affect the value of our ADSs and ordinary shares.

We are a clinical-stage biotechnology company with no products approved or authorized for commercial sale. We have incurred significant losses since our inception and anticipate that we will continue to incur losses for the foreseeable future.

Biotechnology product development is a highly speculative undertaking because it entails substantial upfront capital expenditures and significant risk that any potential drug candidate will not demonstrate adequate effectiveness in the targeted indication or an acceptable safety profile, gain regulatory approval or become commercially viable. We have incurred significant losses since our inception in 2006, and we anticipate that we will continue to incur losses for the foreseeable future, which, together with our limited operating history, may make it difficult to assess our future viability.

We incurred losses of €18.9 million, €25.5 million and €31.2 million ($35.4 million) (translated solely for convenience into dollars at an exchange rate of €1.00=$1.1318, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2021) for the years ended December 31, 2019, 2020 and 2021, respectively. Substantially all of our losses have resulted from expenses incurred in connection with our preclinical and clinical programs and other research and development activities and from general and administrative costs associated with our operations. We expect to continue to incur losses for the foreseeable future, and we anticipate these losses will increase as we continue to develop our drug candidates, conduct clinical trials and pursue research and development activities. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our shareholders' equity and working capital.

We will require substantial additional financing to achieve our goals, and a failure to obtain this capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our product development or other operations.

Since our inception, we have invested a significant portion of our efforts and financial resources on our preclinical studies and clinical trials and other research and development activities. We believe that we will continue to expend substantial resources for the foreseeable future in connection with the preclinical and clinical development of our current drug candidates and the discovery and development of any other drug candidates we may choose to pursue. These expenditures will include costs associated with conducting preclinical studies and clinical trials and obtaining regulatory approvals, emergency use authorizations, or conditional marketing authorization and any expenses associated with commercializing, marketing and selling products approved or authorized for sale that we elect to commercialize ourselves. In addition, other unanticipated costs may arise. Because the outcome of any preclinical study or clinical trial is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development of our current drug candidates or any future drug candidates we may choose to pursue.

As of December 31, 2021, we had capital resources consisting of cash and cash equivalents of €23.9 million ($27.1 million) (translated solely for convenience into dollars at an exchange rate of €1.00=$1.1318, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2021). Since December 31, 2021, we drew down €4 million from our 2021 credit facility with ATLAS Special Opportunities LLC ("ATLAS").

We expect our existing capital resources, including our ability to draw down on our credit facility with ATLAS (as described in further detail in "Item 5, Operating and Financial Review and Prospects" of this annual report), will be enough to fund our planned operating expenses for the next 12 months. However, our current operating plans may change as a result of many factors currently unknown to us, and we may need to seek additional funds even sooner than planned, through public or private equity or debt financings or other sources, such as

strategic collaborations. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Our future capital requirements depend on many factors, including:

- the scope, progress, data and costs of researching and developing our current drug candidates and any other drug candidates we may choose to pursue in the future, and conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals or authorizations for our current drug candidates or any future drug candidates we may choose to pursue;
- the number and characteristics of any additional drug candidates we develop or acquire;
- any costs associated with manufacturing our current drug candidates and any future drug candidates;
- the cost of sourcing purified extracts and a supply chain in sufficient quantity and quality to meet our needs;
- the cost of commercialization activities associated with any of our current drug candidates or any future drug candidates that are approved or authorized for sale and that we choose to commercialize ourselves, including marketing, sales and distribution costs;
- our ability to maintain existing, and establish new, strategic collaborations, licensing or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- any product liability or other lawsuits related to any current or future drug candidates that are approved or authorized for sale;
- the expenses needed to attract, hire and retain skilled personnel;
- the costs associated with being a public company;
- the costs that become required as a result of modified or revised clinical protocols for our clinical trials;
- the costs that become required due to necessity of having to perform additional clinical trials;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing our intellectual property portfolio; and
- the timing, receipt and amount of sales of any future approved or authorized products, if any.

Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis on terms acceptable to us, we may be required to:

- delay, limit, reduce or terminate preclinical studies, clinical trials or other development activities for our current drug candidates or any future drug candidate;
- seek corporate partners for our drug candidates when we would otherwise develop our drug candidates on our own, or at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available;
- delay, limit, reduce or terminate our research and development activities; or
- delay, limit, reduce or terminate any efforts to establish manufacturing and sales and marketing capabilities or other activities that may be necessary to commercialize our current drug candidates or any future drug candidates.

We do not expect to realize revenue from sales of products or royalties from licensed products in the foreseeable future, if at all, unless and until our drug candidates are clinically tested, approved or authorized for commercialization, and successfully marketed. To date, we have primarily financed our operations through the sale of debt and equity securities (including our U.S. initial public offering in February 2021), as well as public aid for innovation and reimbursement of the French research tax credit, described elsewhere in this annual report. We will need to seek additional funding in the future and currently intend to do so through collaborations, public or private equity offerings or debt financings, credit or loan facilities, public funding, or a combination of one or more of these funding sources. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. Additional funds may not be available to us on acceptable terms or at all. If we enter into arrangements with collaborators or others, we may be required to relinquish rights to some of our drug candidates that we would otherwise pursue on our own. If we raise additional funds by issuing equity securities, our shareholders will suffer dilution and the terms of any financing may adversely affect the rights of our shareholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing shareholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets.

We have benefited from certain reimbursable financial advances and non-reimbursable subsidies from the French government that if terminated or reduced may restrict our ability to successfully develop, manufacture and commercialize our drug candidates.

We have benefited from certain reimbursable advances and non-reimbursable subsidies from the French government and intend to continue to seek advances and/or subsidies from these agencies in the future in order to accelerate the development of our drug candidates. There is no assurance that these benefits will continue to be available to us in the future. If such benefits and programs were to be terminated or reduced, it could have an adverse effect on our business, operating results and financial condition and could deprive us of financial resources necessary for research and development of our drug candidates. Furthermore, the advances and subsidies are generally subject to contractual conditions, including our compliance with agreed upon preliminary budgets and scientific programs, informing the lender of any deviations from such agreed upon budgets and programs, and our compliance with certain financial ratios to ensure our solvency. In the event that we do not comply with the contractual conditions of the subsidies, we may be required to reimburse the French government for any outstanding payments (€1.0 million as of December 31, 2021) ($1.1 million) (translated solely for convenience into dollars at an exchange rate of €1.00=$1.1318, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2021) on an accelerated basis and could be liable for any damages incurred by such agencies resulting from the breach of contract.

Due to the significant resources required for the development of our drug candidates, we must prioritize development of certain drug candidates and/or certain disease indications. We may expend our limited resources on candidates or indications that do not yield a successful product and fail to capitalize on drug candidates or indications that may be more profitable or for which there is a greater likelihood of success.

We plan to develop a pipeline of drug candidates to treat age-related diseases and diseases whose progression and symptoms are similar to those associated with aging. Due to the significant resources required for the development of drug candidates, we must focus our attention and resources on specific diseases and disease pathways and decide which drug candidates to pursue and the amount of resources to allocate to each.

Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular drug candidates or therapeutic areas may not lead to the development of any viable commercial product and may divert resources away from better opportunities. Similarly, any decision to delay, terminate or collaborate with third parties in respect of certain programs may subsequently prove to be suboptimal and could cause us to miss valuable opportunities. If we make incorrect determinations regarding the viability or market potential of any of our programs, drug candidates, or misread trends in the aging or age-related disease space, or in the biotechnology industry, our business, financial condition and results of operations could be materially adversely affected. As a result, we may fail to capitalize on viable commercial products or profitable market opportunities, be required to forego or delay pursuit of opportunities with other drug candidates or other diseases and disease pathways that may later prove to have greater commercial potential than those we choose to pursue, or relinquish valuable rights to such drug candidates through collaboration, licensing or other royalty arrangements in cases in which it would have been advantageous for us to invest additional resources to retain development and commercialization rights.

Our operating results may fluctuate significantly, which may make our future operating results difficult to predict.

Our operating results may fluctuate significantly, which may make it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control and may be difficult to predict, including:

- the timing and cost of, and level of investment in, research, development and, if approved or authorized, any commercialization activities relating to our drug candidates, which may change from time to time;
- the timing and status of enrollment for our clinical trials, and availability of medical staff to conduct the clinical trials;
- the effect of pandemics or endemics (including COVID-19), or emergence of other infectious diseases, on our clinical trials, including government-mandated or –recommended shutdowns, or other restrictions or limitations that are caused by the spread of viruses;
- the further development and widespread adoption of COVID-19 vaccines and treatment options that could significantly reduce or eliminate the demand for our products;
- the regulatory agencies' revocation of emergency use authorizations, or conclusion of the public health emergency declaration;
- the cost of manufacturing our drug candidates, as well as building out our supply chain, which may vary depending on the quantity of production and the terms of our agreements with manufacturers;
- expenditures that we may incur to acquire, develop or commercialize additional drug candidates;
- the timing and amount of any future milestone, royalty or other payments due under any collaboration or license agreement;
- future accounting pronouncements or changes in our accounting policies;
- the timing and success or failure of preclinical studies and clinical trials for our drug candidates and/or redesign, delays and/or change of scope of our preclinical or clinical trials;
- the timing of receipt of approvals, emergency use authorizations, or conditional marketing authorizations for our drug candidates from regulatory authorities in the United States and internationally;
- the timing and success of competing drug candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or partners;
- coverage and reimbursement policies with respect to our drug candidates, if approved or authorized for emergency use; and
- the level of demand for our products, if approved or authorized for emergency use, which may vary significantly over time.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our ordinary shares and ADSs could

decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide.

Our indebtedness could restrict our operations and make us more vulnerable to adverse economic conditions.

On September 10, 2018, we entered into a Venture Loan Agreement and Bonds Issue Agreement with Kreos Capital V (UK) Ltd., which provides for up to €10 million in financing to us. Pursuant to the terms of the agreements, Kreos agreed to subscribe for up to €10 million in non-convertible bonds, to be issued by us in up to four tranches of €2.5 million each. The first two tranches were issued in September 2018, a third tranche was issued in December 2018, and the final tranche was issued on March 1, 2019. Each tranche bears a 10% annual interest rate and must be repaid in 36 monthly installments, with monthly payments of €320,004 commencing in April 2019. In connection with the first tranche, we issued a warrant to Kreos giving them the right to purchase 442,477 new ordinary shares at an exercise price of €2.67 per share over a 7-year period from the issue date. Kreos waived its right to exercise the warrant when subscribing to the new financing structure described below.

In April 2020, we signed a convertible bond financing of €24 million with ATLAS to continue the development of Sarconeos (BIO101). Pursuant to the terms of the agreement (as amended), ATLAS agreed to subscribe for up to €24 million in convertible bonds, to be issued by us in up to eight tranches of €3 million each. We issued the eighth tranche in December 2021. On June 14, 2021, we signed a new convertible bond financing of €32 million with ATLAS. Pursuant to the terms of the agreement, ATLAS agreed to subscribe for up to €32 million in convertible bonds, to be issued by us in up to eight tranches of €4 million each. The first tranche has not been issued yet.

On November 19, 2021, we entered into a Subscription Agreement, a Straight Bonds Issue Agreement and a Convertible Bonds Issue Agreement with Kreos Capital VI (UK) Ltd. and Kreos Capital VI (Expert Fund) L.P., which provides for up to €10 million in financing to us. Pursuant to the terms of the agreements, Kreos agreed to subscribe for up to €7.75 million in convertible bonds and for up to €2.25 million in non-convertible bonds, to be issued by us in up to four tranches. The first two tranches were issued on November 22, 2021. Each tranche of non-convertible bonds bears a 10% annual interest rate and must be repaid in 36 monthly installments, with monthly payments commencing in April 2022. Each tranche of convertible bonds bears a 9.5% annual interest rate and must be repaid or converted into shares by 31 March 2025. In connection with the Kreos financing, we issued 2,218,293 warrants giving them the right to purchase 2,218,293 new ordinary shares at an exercise price of €0.56 per share over a seven year period from the issue date. By subscribing to the warrants, Kreos waived its right to exercise the warrants issued to Kreos within the framework of the 2018 loan structure described above.

Pursuant to the terms of the agreements with Kreos, we have the right, at any time but with no less than 30 days prior notice to Kreos, to prepay or purchase the bonds, exclusively in full. The prepayment will be equal to (i) the principal amount outstanding, plus (ii) the sum of all interest repayments which would have been paid throughout the remainder of the term of the relevant tranche discounted by 10% per annum.

If we are unable to make the required payments, we may need to refinance all or a portion of our indebtedness, sell assets, delay capital expenditures or seek additional equity. The terms of our existing or future debt agreements may also restrict us from affecting any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Further, changes in the credit and capital markets, including market disruptions and interest rate fluctuations, may increase the cost of financing, make it more difficult to obtain favorable terms, or restrict our access to these sources of future liquidity. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of our indebtedness.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our Venture Loan Agreement and Bonds Issue Agreement with Kreos and our convertible notes agreement with ATLAS impose certain operating and financial restrictions. These covenants may limit our ability and the ability of our subsidiaries, under certain circumstances, to, among other things:

- incur additional indebtedness;
- create or incur liens;
- sell or transfer assets; and
- pay dividends and distributions.

These agreements also contain certain customary affirmative covenants and events of default, including a change of control.

As a result of the covenants and restrictions contained in our existing debt agreements, we are limited in how we conduct our business, and we may be unable to raise additional debt to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot guarantee that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from Kreos and ATLAS, and/or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as others contained in our future debt instruments from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their maturity dates. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. If we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. If we are forced to refinance these borrowings on less favorable terms or if we are unable to repay, refinance or restructure such indebtedness, our financial condition and results of operations could be adversely affected.

Risks Related to Our Business

Our business is dependent on the successful development, regulatory approval, emergency use authorization or conditional marketing authorization, manufacture and commercialization of our drug candidates.

We have no products approved or authorized for sale. Our lead drug candidate, Sarconeos (BIO101), is in clinical development and our second drug candidate, Macuneos (BIO201) is still in the preclinical development phase. Our life-cycle extension drug candidates, BIO103 and BIO203, are still in the preclinical development phase.

To secure marketing approval for our lead drug candidates, we will need to meet endpoints satisfactory to the U.S. Food and Drug Administration ("FDA"), and European Medicines Agency ("EMA"), in larger confirmatory clinical trials. The success of our business, including our ability to finance our company and generate any revenue in the future, will primarily depend on the successful development, regulatory approval, emergency use authorization or conditional marketing authorization, and commercialization of drug candidates. It may be many years, if we succeed at all, before we have demonstrated the safety and efficacy of a drug candidate sufficient to warrant approval, emergency use authorization or conditional marketing authorization for commercialization.

In the future, we may also become dependent on other drug candidates that we may develop or acquire. The clinical and commercial success of our current drug candidates and any future drug candidates will depend on a number of factors, including the following:

- our ability to raise any additional required capital on acceptable terms, or at all;

- our ability to complete Investigational New Drug ("IND")-enabling studies and successfully submit IND or comparable applications;

- timely completion of our preclinical studies and clinical trials, which may be significantly slower or cost more than we currently anticipate and will depend substantially upon the performance of third-party contractors;

- whether we are required by the FDA, EMA or similar regulatory authorities to conduct additional clinical trials or other studies beyond those planned to support the approval, authorization, and commercialization of our drug candidates or any future drug candidates;

- acceptance of our proposed indications and primary endpoint assessments relating to the proposed indications of our drug candidates by the FDA, the EMA and similar regulatory authorities;

- our ability to demonstrate to the satisfaction of the FDA, EMA and similar regulatory authorities the safety, efficacy and acceptable risk to benefit profile of our drug candidates or any future drug candidates;

- the prevalence, duration and severity of potential side effects or other safety issues experienced with our drug candidates or future approved products, if any;

- the timely receipt of necessary marketing approvals or authorizations from the FDA, EMA and similar regulatory authorities;

- achieving and maintaining, and, where applicable, ensuring that our third-party contractors achieve and maintain compliance with our contractual obligations and with all regulatory requirements applicable to our drug candidates or any future drug candidates or approved products, if any;

- the ability of any third parties with whom we contract to manufacture adequate clinical trial and commercial supplies, if approved or authorized, of our current drug candidates or any future drug candidates, remain in good standing with regulatory agencies and develop, validate and maintain commercially viable manufacturing processes that are compliant with applicable requirements including current good manufacturing practices, ("cGMP");

- with respect to any approved or authorized drug candidates that we elect to commercialize ourselves, our ability to successfully develop a commercial strategy and thereafter commercialize such drug candidates, whether alone or in collaboration with others;

- the convenience of our treatment or dosing regimen;

- our sourcing of purified extracts and a supply chain in sufficient quantity and quality to meet product needs for clinical development and commercialization;

- acceptance by physicians, payors and patients of the benefits, safety and efficacy of our drug candidates or any future drug candidates, if approved or authorized, including relative to alternative and competing treatments;

- patient demand for our drug candidates, if approved or authorized;

- our ability to maintain adequate drug diversion controls for Sarconeos (BIO101), which has a potential for misuse/abuse among body builders and other sportsmen as a result of its intended anabolic effect;

- lifestyle and commercial restrictions as a result of a resurgence or continuation of the COVID-19 pandemic or other pandemics or epidemics, or emergence of other infectious diseases;

- the potential impact of changing government orders in response to upticks in COVID-19 cases or as a result of new pandemics, epidemics, or other infectious diseases, and other limitations on our ability to conduct our business in the ordinary course;

- prioritization of hospital resources toward the COVID-19 pandemic, other pandemics or epidemics, or emergence of other infectious diseases, which would otherwise be used for clinical studies;

- the ability of our participants to safely follow clinical trial protocols because of quarantines impeding patient movement or interrupting healthcare services, or due to potential patient concerns regarding interactions with medical facilities or staff as a result of the COVID-19 pandemic, other pandemics or epidemics, or emergence of other infectious diseases;

- our ability to recruit and retain principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19, other pandemics or epidemics, or emergence of other infectious diseases may be delayed or disrupted, which may be adversely impact our clinical trial operations;

- delays due to the COVID-19 pandemic, other pandemics or epidemics, or emergence of other infectious diseases including due to reduced workforce productivity, illness among personnel, or due to delays at our third-party contract research organizations throughout the world for similar reasons or due to restrictions imposed or recommended by applicable governmental authorities;

- the impact, if any, on the data from ongoing studies that have been impacted by the initial and subsequent waves of the COVID-19 pandemic effect, and whether changes that were made to accommodate the pandemic will allow regulatory acceptance of the resulting data or whether the data will be sufficient for regulatory review—the effect of such changes will not be known until we complete ongoing studies, data analysis, and submit the data for regulatory review;

- our ability to establish and enforce intellectual property rights in and to our current drug candidates and any future drug candidates we may develop;

- our ability to avoid third-party patent interference, intellectual property challenges or intellectual property infringement claims; and

- risks related to COVID-19, the status of the ongoing pandemic, the availability and effectiveness of vaccines, and the pattern of spread (which may depend, in part, on persistence, or lack thereof, of antibodies which, as of the date of this annual report, is suspected to be no longer than six to 12 months).

These factors, many of which are beyond our control, could cause us to experience significant delays or an inability to obtain regulatory approvals or authorizations, or commercialize or license our drug candidates. Even if regulatory approvals or authorizations are obtained, we may never be able to successfully commercialize or license any of our drug candidates. Accordingly, we cannot provide assurances that we will be able to generate sufficient revenue through the sale of our drug candidates or any future drug candidates we may develop to continue our business or achieve profitability.

We may not be able to obtain regulatory approval or emergency use authorization for our drug candidates under applicable regulatory requirements. The denial, delay or imposed limitations of or on any such approval or authorization would preclude, delay or limit the commercialization of our drug candidates and adversely impact our potential to generate revenue and/or raise financing, our business and our results of operations.

To gain approval or authorization to market our drug candidates, we must provide the FDA, EMA and other foreign regulatory authorities with clinical data that adequately demonstrate the safety and efficacy of the drug candidate for the intended indication applied for in the applicable regulatory filing. Product development is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our clinical development programs. A number of companies in the biotechnology and pharmaceutical industries have suffered significant setbacks in clinical trials, even after promising data in preclinical studies or earlier phase clinical trials. These setbacks have been caused by, among other things, new preclinical findings made while clinical trials were underway and safety or efficacy observations made in clinical trials, including previously unreported adverse events. Success in preclinical testing and early phase clinical trials does not ensure that later phase clinical trials will be successful, and the results of clinical trials conducted by other parties may not be indicative of the results in trials we may conduct. Further, it is not currently known what effect, if any,

modification of ongoing non-COVID-19 related studies resulting from the COVID-19 pandemic will have on the acceptability of data from such revised studies, mostly regarding conditions for our targeted patients to participate in our current or future trials.

The research, testing, manufacturing, packaging, labeling, approval, authorization, sale, marketing and distribution of drug and biologic products are subject to extensive regulation by the FDA, EMA and other foreign regulatory authorities, and such regulations differ from country to country. We are not permitted to market our investigational drug candidates in the EU, the United States or any other country until they receive the requisite approval or authorization from the applicable regulatory authorities of such jurisdictions.

Separately, in response to the global COVID-19 pandemic, on March 10, 2020, the FDA announced its intention to postpone most foreign inspections of manufacturing facilities and products through April 2020. The FDA reported in July 2021 that the agency had largely returned to standard operations for domestic inspections; however, the agency's foreign inspectional activities, including inspections for drug establishments, were still hampered by the pandemic. The FDA's delayed inspections caused drug application delays, which meant that the applicants' schedule for commercializing the drugs were affected negatively. In January 2022, the FDA again put certain inspectional activities on hold because of the spread of the Omicron variant of COVID-19. In February 2022, FDA announced that it will again resume its domestic inspectional activities, considering the decline in COVID-19 cases in the United States. FDA will continue with mission-critical foreign inspections, as well as any previously planned foreign surveillance inspections with country clearance, and which are within the Center for Disease Control and Prevention's Level 1 or Level 2 COVID-19 travel recommendation. Otherwise, FDA expects that it will resume additional foreign inspectional activities in April. It is possible that new variants will continue to emerge in the future, further interrupting and affecting the agency's ability to carry out inspections in a timely manner. If global health concerns related to the emergence of new variants or new viruses prevent the FDA, EMA and other foreign regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA, EMA or other foreign regulatory authorities to timely review and process regulatory submissions, which could have a material adverse effect on our business.

The FDA, EMA or any foreign regulatory authorities can delay, limit or deny approval or authorization of our drug candidates for many reasons, including:

- our inability to demonstrate to the satisfaction of the agency that a drug candidate is safe and effective for the requested indication;

- the agency's disagreement with, or questions on, our trial protocol or the interpretation of data from preclinical studies or clinical trials, including studies impacted by the coronavirus pandemic;

- the agency's refusal to accept the data that is produced from modified protocols (*e.g.,* data collected from phone contacts instead of in-office and in-person checks and visits may not be sufficient for regulatory approval or authorization);

- our inability to demonstrate that the clinical and other benefits of a drug candidate outweigh any safety or other perceived risks;

- the agency's requirement for additional preclinical studies or clinical trials;

- the agency's non-approval of the formulation, labeling or specifications of a drug candidate;

- the agency's failure to approve the manufacturing processes or facilities of third-party manufacturers upon which we rely;

- our inability to demonstrate to the satisfaction of the agency the sourcing of purified extracts and that our supply chain is in sufficient quantity and quality to meet product specifications; or

- the potential for regulations and policies of the FDA, EMA or the applicable foreign regulatory agencies relating to drug approval or emergency use authorization to significantly change in a manner rendering our clinical data insufficient for approval or authorization.

In addition, the legal and regulatory basis for expedited and emergency programs related to COVID-19 may be revoked and withdrawn if the public health assessment warrants the removal of the pandemic and emergency status.

Of the large number of biotechnology and pharmaceutical products in development, only a small percentage successfully complete the applicable regulatory approval or authorization processes and are commercialized.

Even if we eventually complete clinical testing and receive approval or authorization from the FDA, EMA or applicable foreign authorities for any of our drug candidates, the applicable agency may grant approval or authorization contingent on the performance of costly additional clinical trials, which may be required after approval or authorization. The FDA, EMA or the applicable foreign regulatory agency also may approve or authorize our drug candidates for a more limited indication or a narrower patient population than we originally requested, and the applicable agency, may not approve or authorize our drug candidates with the labeling that we believe is necessary or desirable for the successful commercialization of such drug candidates.

Any delay in obtaining, or inability to obtain, applicable regulatory approval or authorization would delay or prevent commercialization of our drug candidates and would materially adversely impact our business and prospects.

Clinical development is a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure or delay can occur at any time during the different phases, or stages, of the clinical trial process. Success in preclinical studies and early clinical trials does not ensure that later clinical trials will be successful. A number of companies in the biotechnology, biopharmaceutical and pharmaceutical industries have suffered significant setbacks in clinical trials, even after positive results in earlier preclinical studies or earlier phase clinical trials. These setbacks have been caused by, among other things, new preclinical findings made while clinical trials were underway and safety or efficacy observations made in clinical trials, including previously unreported adverse events. The results of our preclinical studies or *in vivo* and *in vitro* studies provide very limited data in diseases whose physiopathology is not well understood and may not be predictive of the results of study outcomes in human clinical trials. Drug candidates in later stages of clinical trials may fail to show the desired pharmacological properties or safety and efficacy traits despite having progressed through preclinical studies and early phase clinical trials. Notwithstanding any promising results in earlier studies, we cannot be certain that we will not face setbacks and receive less promising results in later studies. Even if we are able to initiate and complete clinical trials, including studies underway during the initial coronavirus pandemic, the safety and efficacy data may not be sufficient to obtain regulatory approval or authorization for our drug candidates.

We may experience delays in obtaining the necessary regulatory authorization for our various clinical programs, and initiating other planned studies and trials. Additionally, we cannot be certain that studies or trials for our drug candidates will begin on time, not require redesign, enroll an adequate number of subjects on time or be completed on schedule, if at all. Clinical trials can be delayed or terminated for a variety of reasons, including delays or failures related to:

- the FDA, EMA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our clinical trials;
- delays in obtaining regulatory approval to commence a trial;
- reaching agreement on acceptable terms with prospective contract research organizations (“CROs”), and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly from one country to another, notably among different CROs and trial sites;
- institutional review boards, ethics committee or IRB approval at each trial site;
- recruiting an adequate number of suitable patients to participate in a trial;
- having subjects complete a trial or return for post-treatment follow-up;

- clinical sites deviating from trial protocol or dropping out of a trial;

- inability to access sites for initiation and patient monitoring and enrollment due to travel or quarantine restrictions imposed by national, federal, state or local governance;

- addressing subject safety concerns that arise during the course of a trial;

- adding a sufficient number of clinical trial sites;

- sourcing of purified extracts and a supply chain in sufficient quantity and quality to meet product needs;

- safety issues that are discovered in preclinical studies that will be conducted concurrently with our COVA study that is ending, and our planned future clinical trials;

- supply chain and sourcing may be slow or significantly delayed as the result of COVID-19 or other pandemic or epidemic restrictions on movement suspensions of service, and temporary global border closings; or

- obtaining sufficient product supply of drug candidate for use in preclinical studies, clinical trials, or during industrial scale up from third-party suppliers.

We may experience numerous adverse or unforeseen events during, or as a result of, preclinical studies and clinical trials that could delay or prevent our ability to receive marketing approval or authorization, or commercialize our drug candidates, including:

- we may receive feedback from regulatory authorities that requires us to modify the design of our clinical trials;

- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs;

- patient screening, new patient enrollment, monitoring and data collection may be affected or delayed as a result of restrictions imposed by national, federal, state or local governments due to COVID-19, other pandemics or epidemics, or emergence of other infectious diseases;

- the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;

- our third-party contractors may fail to comply with regulatory requirements, fail to maintain adequate quality controls, or be unable to source or provide us with sufficient purified extracts for product supply to conduct and complete preclinical studies or clinical trials of our drug candidates in a timely manner, or at all;

- we or our investigators might have to suspend or terminate clinical trials of our drug candidates for various reasons, including non-compliance with regulatory requirements, inability to comply with applicable study protocol as a result of COVID-19 or other pandemic, epidemics, or other infectious diseases, a finding that our drug candidates have undesirable side effects or other unexpected characteristics, or a finding that the participants are being exposed to unacceptable health risks;

- limitations occurring as a result of public health emergencies, such as COVID-19;

- the impact, if any on the data from ongoing studies that have been impacted by the initial and subsequent waves of the coronavirus pandemic effect and whether changes to accommodate the pandemic will impact regulatory acceptance of the data or whether it will be sufficient for regulatory review, the effect of which will not be known until we complete ongoing studies, data analysis and submit the data for regulatory review;

- the cost of clinical trials of our drug candidates may be greater than we anticipate;

- the quality of our drug candidates or other materials necessary to conduct preclinical studies or clinical trials of our drug candidates may be insufficient or inadequate;

- regulators may revise the requirements for approving or authorizing our drug candidates, or such requirements may not be as we anticipate; and

- future collaborators may conduct clinical trials in ways they view as advantageous to them but that are suboptimal for us.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our drug candidates or other testing, if the results of these trials or tests are not positive or are only moderately positive or if there are safety concerns, we may:

- incur unplanned costs;

- be delayed in obtaining marketing approval or authorization for our drug candidates or, in due course, not obtain marketing approval at all;

- obtain marketing approval in some countries and not in others;

- obtain marketing approval or authorization for indications or patient populations that are not as broad as intended or desired;

- obtain marketing approval or authorization with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;

- be subject to additional post-marketing testing requirements; or

- have the treatment removed from the market after obtaining marketing approval or authorization.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by the Data Safety Monitoring Board ("DSMB") for such trial or by the FDA, EMA or other regulatory authorities. Such authorities may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA, EMA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

Further, conducting clinical trials in foreign countries presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory schemes, as well as political and economic risks relevant to such foreign countries, including foreign countries' enforcement of COVID-19 restrictions on movement and lifestyle.

Principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or a regulatory authority concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of the marketing application we submit. Any such delay or rejection could prevent or delay us from commercializing our current or future drug candidates.

If we experience delays in the completion, or termination, of any preclinical study or clinical trial of our drug candidates, the commercial prospects of our drug candidates may be harmed, and our ability to generate revenues from any of these drug candidates will be delayed or not realized at all. In addition, any delays in completing our clinical trials may increase our costs, slow down our drug candidate development and approval

process and jeopardize our ability to commercialize our products and generate revenues. Any of these occurrences may significantly harm our business, financial condition and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval or authorization of our drug candidates. If one or more of our drug candidates prove to be ineffective, unsafe or commercially unviable, our entire platform and pipeline would have little, if any, value, which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends on, among other things, our ability to enroll a sufficient number of patients who remain in the study until its conclusion. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the number of COVID-19 patients in the area where clinical investigation sites are located;
- the proximity of patients to trial sites;
- the ability of patients to be assessed in study sites, given potential lock-downs due to the COVID-19 pandemic, other pandemics or epidemics, or emergence of other infectious diseases;
- the design of the trial;
- patient enrollment may be delayed due to quarantines impeding patient movement or patient concerns regarding interaction and monitoring with medical facilities and staff;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new drugs that may be approved or authorized for the indications we are investigating; and
- our ability to obtain and maintain patient consents.

In addition, our clinical trials may compete with other clinical trials for drug candidates that are in the same therapeutic areas as our drug candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we may conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials in such clinical trial site.

Delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates. The combined effects of high vaccination rates with reduction in patient numbers and mutations in the COVID-19 virus that may decrease its virulence and cause less severe disease, may decrease our ability to complete the study and file for approval.

A resurgence of COVID-19 (or emergence of new vaccine resistant strains), pandemic, endemic, or emergence of other infectious disease, may limit our ability or the investigators' ability to find and retain medical staffs that are needed to conduct the clinical studies.

The COVID-19 pandemic has caused a shortage of labor force, including nurses, clinicians, and other medical staff. This shortage is causing medical institutions and other establishments to change their operations to accommodate the shortage, and in many cases, it results in increased personnel costs in finding and retaining

the staffs that are necessary to conduct the institutions and establishments' operations. While COVID-19 cases have been decreasing, due in part to more people being vaccinated, a resurgence of COVID-19 (or emergence of new vaccine resistant strains), or emergence of other pandemic, epidemic, or other infectious diseases, could cause or exacerbate a staffing shortage, our ability to conduct clinical trials may be negatively affected, and we may need to modify, suspend, or stop our clinical trials, or expend greater resource in identifying and retaining the appropriate personnel necessary for the clinical investigations.

Our participation in an expanded access program in Brazil could subject us to adverse event reporting requirements in the United States, potentially leading to modification, suspension, or stoppage of the ongoing investigations

We are planning to organize, subject to regulatory approval by ANVISA, an expanded access program (EAP) in Brazil for hospitalized patients with severe COVID-19 symptoms who are mechanically ventilated in intensive care units. Under FDA regulations we are required to review and submit IND safety reports for suspected adverse reactions whether such safety information is collected from foreign or domestic sources. If adverse reactions occur during the expanded access program in Brazil, we will need to review and submit the safety reports to FDA, even if the COVA clinical investigation has stopped recruiting new patients due to the lack of enrollment, and will be subsequently concluded. FDA may review the safety information for other uses of Sarconeos (BIO101) such as the expanded access program if it meets the applicable threshold, or other clinical investigations that study Sarconeos (BIO101).

Our drug candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval or authorization, limit the commercial profile of an approved or authorized label, or result in significant negative consequences following marketing approval or authorization, if any.

Undesirable side effects caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval or authorization by the FDA, EMA or comparable foreign regulatory authorities. For example, one of our drug products, Sarconeos (BIO101), has been identified as having potential for misuse/abuse of the intended anabolic effect by body builders and sportsmen. Participants in clinical studies with Sarconeos (BIO101) are advised not to allow anyone access to the trial medication and the investigators specifically instruct subjects not to share their medicine. This risk is likely to become more significant after marketing authorization is granted, and the label for the drug, if it becomes approved or authorized, may have warnings and restrictions on the use and distribution of the product.

If unacceptable side effects arise in the development of our drug candidates, we, the FDA, EMA, the IRBs at the institutions in which our studies are conducted, or the DSMB could suspend or terminate our clinical trials or the FDA, EMA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval or authorization of our drug candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete any of our clinical trials or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. Failure to recognize or manage the potential side effects of our drug candidates could result in patient injury. Any of these occurrences may harm our business, financial condition and prospects significantly.

If our drug candidates are used in combination with other drugs or treatments, they may interact negatively with those other drugs or treatments. We plan to conduct studies in order to assess the risks of interactions of our drug candidates with other drugs and treatments taken together. However, there can be no guarantee that our drug candidates will not interact negatively with other drugs or treatments not covered by our studies or that such interactions will not be revealed until after the products have been commercialized. These interactions could have adverse, unacceptable or undetected side effects, or could reduce or destroy the effectiveness of our drug candidates, which could diminish the commercial potential of our drug candidates, slow their development and consequently, have a material adverse effect on our business, financial condition and prospects.

Even if we successfully advance any of our drug candidates into and through clinical trials, such trials will likely only include a limited number of subjects and limited duration of exposure to our drug candidates. As a result, we cannot be assured that adverse effects of our drug candidates will not be uncovered when a significantly larger number of patients are exposed to the drug candidate. Further, any clinical trials may not be sufficient to determine the effect and safety consequences of taking our drug candidates over a multi-year period. Certain

clinical trial protocols that are revised because of the continuing COVID-19 pandemic may also make it more difficult to identify potential safety concerns early on.

If any of our drug candidates receives marketing approval or authorization, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval or authorization of the product;
- we may be required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as a "black box" warning or other warnings, including a potential for abuse warning;
- we may be required to implement a Risk Evaluation and Mitigation Strategy ("REMS"), or create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the sales of our product may decrease significantly and the product may become less competitive; and
- our reputation may suffer.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular drug candidate, if approved or authorized, and result in the loss of significant revenues to us, which would materially and adversely affect our results of operations and business. In addition, if one or more of our drug candidates prove to be unsafe, our entire platform and pipeline could be affected, which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

Even if our current drug candidates or any future drug candidates obtain regulatory approval or authorization, they may fail to achieve the broad degree of physician and patient adoption and use necessary for commercial success.

Even if one or more of our drug candidates receives the necessary regulatory approvals or authorizations, the commercial success of any of our current or future drug candidates will depend significantly on the broad adoption and use of the resulting product by physicians and patients for approved or authorized indications. Our drug candidates may not be commercially successful. For a variety of reasons, including among other things, competitive factors, pricing or physician preference, reimbursement by insurers, the degree and rate of physician and patient adoption of our current or future drug candidates, if approved or authorized, will depend on a number of factors, including:

- the clinical indications for which the product is approved or authorized and patient demand for approved or authorized products that treat those indications;
- the safety and efficacy of our product as compared to other available therapies;
- the feasibility of adhering to heightened drug diversion protocols for drug product Sarconeos (BIO101), which has the potential for misuse/abuse by body builders and other sportsmen;
- the availability of coverage and adequate reimbursement from managed care plans, insurers and other healthcare payors for any of our drug candidates that may be approved or authorized;
- acceptance by physicians, operators of clinics and patients of the product as a safe and effective treatment;

- overcoming any biases physicians or patients may have toward particular therapies for the treatment of approved or authorized indications;

- public misperception regarding the use of our therapies, or public bias against “anti-aging” companies;

- patient satisfaction with the administration and effectiveness of our drug candidates and overall treatment experience, including, for example, the convenience of any dosing regimen and storage method;

- the cost of treatment with our drug candidates in relation to alternative treatments and reimbursement levels, if any, and willingness to pay for the product, if approved or authorized, on the part of insurance companies and other third-party payers, physicians and patients;

- the timing of market introduction of the drug candidate as well as competitive products;

- the revenue and profitability that our products may offer a physician as compared to alternative therapies;

- the prevalence and severity of side effects;

- limitations or warnings contained in the approved or authorized labeling for our products;

- any regulatory agency’s requirement to undertake a REMS;

- the effectiveness of our sales, marketing and distribution efforts;

- COVID-19 may be substantially eradicated prior to our development of a successful therapy in the COVA clinical program by one or more of the vaccines that have been or may in the future be authorized for use, or the therapy produced by the COVA clinical program may not be effective against other or future coronavirus variants, reducing or eliminating the need for this therapy to treat the disease;

- the SARS-CoV-2 virus could develop resistance to our treatment developed in the COVA clinical program (which is concluding early due to the lack of enrollment), which could affect any long-term demand or sales potential for our potential therapies;

- adverse publicity about our products, status of ongoing trials, or favorable publicity about competitive products; and

- potential product liability claims.

We cannot assure you that our current or future drug candidates, if approved or authorized, will achieve broad market acceptance among physicians and patients. Any failure by our drug candidates that obtain regulatory approval or authorization to achieve market acceptance or commercial success would adversely affect our results of operations.

We rely on third parties to provide the raw materials necessary for our drug candidates and to manufacture preclinical and clinical supplies of our drug candidates and we intend to rely on third parties to produce commercial supplies of any approved or authorized drug candidate. The loss of these suppliers or manufacturers, or their failure to comply with applicable regulatory requirements or to provide us with sufficient quantities at acceptable quality levels or prices, or at all, would materially and adversely affect our business.

We do not have nor do we plan to build or acquire the infrastructure or capability internally to source the raw materials necessary to produce our drug candidates and/or to manufacture our drug candidates on a preclinical, clinical or commercial scale.

Sarconeos (BIO101) is a pharmaceutical-grade purification of 20-hydroxyecdysone, which is derived from the *Cyamnotis* sp or *Stemmacantha* sp, a plant cultivated in China and used for medicinal purposes in traditional

Chinese medicine. There are a limited number of growers of this plant and suppliers of the plant material and we must account for the lead time required to grow sufficient quantities of the plant to meet our needs. At this time we rely on one supplier for the plant quantities we require for our clinical trials. We have not entered into a long-term supply agreement with this supplier. We have already obtained good manufacturing practices ("GMP") batches/GMP-compliant batches/batches produced in compliance with GMP of Sarconeos (BIO101) for our clinical trials and we believe we can secure sufficient quantities for our future clinical programs through our current supply chain up to regulatory approval and/or marketing authorization. If our current supplier is unable to provide sufficient quantities of the plant to produce Sarconeos (BIO101) for future clinical trials, our ability to obtain regulatory approval or authorization for Sarconeos (BIO101) would be affected. If we receive regulatory approval or authorization, we will likely need substantial quantities of plants to produce Sarconeos (BIO101) for commercial development. If our current supplier is unable to provide sufficient quantities of the plant to produce Sarconeos (BIO101) and if we are unable to find an alternative source, our ability to commercialize Sarconeos (BIO101) would be impaired. In order to address this issue, we are evaluating alternative methods for producing 20-hydroxyecdysone in order to optimize the supply chain to support our projected commercial needs.

Macuneos (BIO201) is a pharmaceutical-grade purification of norbixin, which is derived from seeds of *Bixa orellana L.*, a plant traditionally used for medicinal purposes in the Amazon and currently used for producing a food color in many countries. Although this plant is more widely available, there are a limited number of suppliers of the plant material that could meet our requirement for quality. At this time we rely on one supplier for the plant quantities we will require for our MACA clinical program. We have not entered into a long-term supply agreement with this supplier. If our current supplier is unable to provide sufficient supply to produce Macuneos (BIO201) for future clinical trials, our ability to obtain regulatory approval or authorization for Macuneos (BIO201) would be affected. If we receive regulatory approval or authorization, we will likely need substantial quantities of plants to produce Macuneos (BIO201) for commercial development. If our current supplier is unable to provide sufficient quantities of the plant to produce Macuneos (BIO201) and if we are unable to find an alternative source, our ability to commercialize Macuneos (BIO201) would be impaired. In order to address this issue, we are evaluating alternative methods for producing norbixin in order to optimize the supply chain to support our projected commercial needs.

Our contract manufacturing partner for both Sarconeos (BIO101) and Macuneos (BIO201) is Patheon, a part of Thermo Fisher Scientific, located in Germany. We have not entered into a long-term manufacturing agreement with Patheon or any other contract manufacturer.

The facilities used by our contract manufacturer to manufacture our drug candidates are subject to various regulatory requirements and may be subject to the inspection of the FDA, EMA or other regulatory authorities. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partner for compliance with the regulatory requirements, known as cGMPs. If our contract manufacturer cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA, EMA or comparable regulatory authorities in foreign jurisdictions, we may not be able to rely on their manufacturing facilities for the manufacture of our drug candidates. In addition, we have limited control over the ability of our contract manufacturer to maintain adequate quality control, quality assurance and qualified personnel. If the FDA, EMA or a comparable foreign regulatory authority finds these facilities inadequate for the manufacture of our drug candidates or if such facilities are subject to enforcement action in the future or are otherwise inadequate, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval or authorization for or market our drug candidates. Any significant delay in, or quality control problems with respect to, the supply of a drug candidate, or the raw material components thereof, for an ongoing study or trial could considerably delay completion of our preclinical studies or future clinical trials, product testing and potential regulatory approval or authorization of our drug candidates. Moreover, quarantines, shutdowns, shelter-in-place and other restrictions related to COVID-19 or other infectious diseases, or the perception that such events, orders or other restrictions on the conduct of business operations could occur, could impact personnel at manufacturing facilities which could disrupt our supply chain.

If any of our drug candidates is approved or authorized by the FDA, EMA and/or comparable foreign regulatory authorities and we choose to independently commercialize such drug candidate, we will need to engage manufacturers for the commercial supply of such drug candidates. However, we may be unable to enter into any such agreement or do so on commercially reasonable terms, which could have a material adverse impact upon our business. Moreover, if there is a disruption to one or more of our third-party manufacturers' or suppliers' relevant operations, or if we are unable to enter into arrangements for the commercial supply of our drug candidates, we will have no other means of producing our drug candidates until they restore the affected facilities or we or they procure alternative manufacturing facilities or sources of supply. Our ability to progress

our preclinical and clinical programs could be materially and adversely impacted if any of the third party suppliers upon which we rely were to experience a significant business challenge, disruption or failure due to issues such as financial difficulties or bankruptcy, issues relating to other customers such as regulatory or quality compliance issues, or other financial, legal, regulatory or reputational issues. Additionally, any damage to or destruction of our third-party manufacturers' or suppliers' facilities or equipment may significantly impair our ability to manufacture our drug candidates on a timely basis.

In addition, to manufacture our drug candidates in the quantities that we believe would be required to meet anticipated market demand, our third-party manufacturers would likely need to increase manufacturing capacity and, in some cases, we could be required to secure alternative sources of commercial supply, which could involve significant challenges and could require additional regulatory approvals. If new restrictions are imposed as a result of a COVID-19 resurgence, any new pandemic or epidemic, or emergence of other infectious diseases, we may not be able to develop or scale up manufacturing capacity on a timely basis or have access to logistics or supply channels. In addition, the development of commercial-scale manufacturing capabilities could require us and our third-party manufacturers to invest substantial additional funds and hire and retain the technical personnel who have the necessary manufacturing experience. Neither we nor our third-party manufacturers may successfully complete any required increase to existing manufacturing capacity in a timely manner, or at all. If our manufacturers or we are unable to purchase the raw materials necessary for the manufacture of our drug candidates on acceptable terms, at sufficient quality levels, or in adequate quantities, if at all, the commercial launch of our drug candidates or any future drug candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenues from the sale of such drug candidates, if approved.

We rely on third parties in the conduct of all of our preclinical studies and clinical trials and intend to rely on third parties in the conduct of all of our future clinical trials. If these third parties do not successfully carry out their contractual duties, fail to comply with applicable regulatory requirements or meet expected deadlines, we may be unable to obtain regulatory approval for our drug candidates.

We currently do not have the ability to independently conduct preclinical studies that comply with the regulatory requirements known as good laboratory practice ("GLP") requirements. We also do not currently have the ability to independently conduct any clinical trials. The FDA, EMA and regulatory authorities in other jurisdictions require us to comply with regulations and standards, commonly referred to as good clinical practice ("GCP") requirements for conducting, monitoring, recording and reporting the results of clinical trials, in order to ensure that the data and results are scientifically credible and accurate and that the trial subjects are adequately informed of the potential risks of participating in clinical trials. We rely on medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs to conduct GLP-compliant preclinical studies and GCP-compliant clinical trials on our drug candidates properly and on time. While we have agreements governing their activities, we control only certain aspects of their activities and have limited influence over their actual performance. The third parties with whom we contract for execution of our GLP-compliant preclinical studies and our GCP-compliant clinical studies play a significant role in the conduct of these studies and trials and the subsequent collection and analysis of data. These third parties are not our employees and, except for restrictions imposed by our contracts with such third parties, we have limited ability to control the amount or timing of resources that they devote to our programs. In addition, third parties may have or adopt their own policies in response to continuing COVID-19 or other pandemics, epidemics, or other infectious diseases that may create delays or service disruptions, including work-from-home policies that lead to reduced workforce productivity. Although we rely on these third parties to conduct our GLP-compliant preclinical studies and GCP-compliant clinical trials, we remain responsible for ensuring that each of our GLP preclinical studies and clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and our reliance on the CROs does not relieve us of our regulatory responsibilities.

Many of the third parties with whom we contract may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other drug development activities that could harm our competitive position. If the third parties conducting our preclinical studies or our clinical trials do not adequately perform their contractual duties or obligations, experience significant business challenges, disruptions or failures, do not meet expected deadlines, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to our protocols or to GCPs, or for any other reason, we may need to enter into new arrangements with alternative third parties. This could be difficult, costly or impossible, and our preclinical studies or clinical trials may need to be extended, delayed, terminated or repeated. As a result we may not be able to obtain regulatory approval or authorization in a timely fashion, or at all, for the applicable drug candidate, our financial results

and the commercial prospects for our drug candidates would be harmed, our costs could increase, and our ability to generate revenues could be delayed.

We face significant competition in an environment of rapid technological and scientific change, and our drug candidates, if approved or authorized, will face significant competition and our failure to effectively compete may prevent us from achieving significant market penetration. A number of our competitors have significantly greater resources than we do and we may not be able to successfully compete.

The biotechnology and pharmaceutical industries in particular are characterized by rapidly advancing technologies, intense competition and a strong emphasis on developing proprietary therapeutics. Numerous companies are engaged in the development, patenting, manufacturing and marketing of healthcare products competitive with those that we are developing. We face competition from a number of sources, such as pharmaceutical companies, generic drug companies, biotechnology companies and academic and research institutions, many of which have greater financial resources, marketing capabilities, sales forces, manufacturing capabilities, research and development capabilities, clinical trial expertise, intellectual property portfolios, experience in obtaining patents and regulatory approvals or authorizations for drug candidates and other resources than we do. Some of the companies that offer competing products also have a broad range of other product offerings, large direct sales forces and long-term customer relationships with our target physicians, which could inhibit our market penetration efforts. Mergers and acquisitions in the biotechnology and pharmaceutical industry may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. In addition, certain of our drug candidates, if approved, may compete with other products that treat age-related diseases, including over-the-counter ("OTC") treatments, for a share of some patients' discretionary budgets and for physicians' attention within their clinical practices.

We are aware of other companies seeking to develop treatments to prevent or treat aging-related diseases through various biological pathways. Indeed, the main challenge is to be able to identify the optimal target population given the dynamics in diagnostic criteria. The recent failures, combined with these dynamics, can deter major pharmaceutical companies from re-entering this space. While there are numerous clinical studies with new drug candidates to treat COVID-19, we believe Sarconeos (BIO101) is the most advanced drug candidate for the treatment of respiratory failure associated with COVID-19, specifically targeting the RAS imbalanced by SARS-CoV-2.

For DMD, our current focus on non-ambulatory patients with evidence of respiratory deterioration, puts us in a position to become one of the more advanced companies that develop medications for this population. Santhera Therapeutics, which was developing idebenone for this indication, has recently stopped their Phase 2/3 study and are no longer investing in this area. For dry AMD, we believe that we will compete with a number of companies that are developing drugs to treat this disease using different technologies (*e.g.*, cellular and gene therapy, integrin regulation, and others), for example, Allegro Ophthalmics, Apellis Pharmaceuticals, Kodiak Sciences, Astellas, Hemera Biosciences, Ionis Pharmaceuticals, Ophthotech Corporation and Roche and Stealth Biotherapeutics.

Certain alternative treatments offered by competitors may be available at lower prices and may offer greater efficacy or better safety profiles. Furthermore, currently approved products could be discovered to have application for treatment of age-related diseases generally, which could give such products significant regulatory and market timing advantages over any of our drug candidates. Our competitors also may obtain FDA, EMA or other regulatory approval for their products more rapidly than we may obtain approval for ours and may obtain orphan product exclusivity from the FDA or EMA for indications our drug candidates are targeting, which could result in our competitors establishing a strong market position before we are able to enter the market. Newly developed systemic or non-systemic treatments that replace existing therapies that are currently only utilized in patients suffering from severe disease may also have lessened side effects or reduced prices compared to current therapies, which make them more attractive for patients suffering from mild to moderate disease. Even if a generic product or an OTC product is less effective than our drug candidates, a less effective generic or OTC product may be more quickly adopted by physicians and patients than our competing drug candidates based upon cost or convenience. For additional information regarding our competition, see the section of this annual report titled "Business—Competition."

In addition, another party may be successful in producing a more efficacious therapy for COVID-19 or a therapy with a more convenient or preferred route of administration or in producing a therapy in a more timely manner, which may lead to the diversion of funding away from us and toward other companies or lead to decreased demand for our potential therapies. Further, other therapies that are more affordable than our potential therapies may be used to treat COVID-19, including existing generic drugs, which could also hurt the funding of and demand for our potential therapies.

Several public and private entities have been working to develop a therapy for COVID-19, and some of these therapies have already received approval or authorization for emergency usage. These entities may be more successful at developing, manufacturing or commercializing therapies for COVID-19, especially given that several of these other organizations are much larger than we are and have access to larger pools of capital, including U.S. government funding, and broader manufacturing infrastructure. The success or failure of other entities, or perceived success or failure, may adversely impact our ability to obtain any future funding for our development and manufacturing efforts or to ultimately commercialize a therapy for COVID-19, if approved or authorized.

Furthermore, there are a number of preventative vaccines in development and others that have already been authorized and widely distributed. If the COVID-19 pandemic subsides as a result of these vaccines, it may reduce demand for our product.

Government restrictions on pricing and reimbursement, as well as other healthcare payor cost-containment initiatives, may negatively impact our ability to generate revenues and become profitable even if we obtain regulatory approval or authorization to market a product.

Our ability to commercialize any products successfully also will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, determine which medications they will cover and establish reimbursement levels. Assuming we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of our products. Therefore, coverage and adequate reimbursement is critical to new product acceptance. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available.

Government authorities and other third-party payors are developing increasingly sophisticated methods of controlling healthcare costs, such as by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices as a condition of coverage, are using restrictive formularies and preferred drug lists to leverage greater discounts in competitive classes, and are challenging the prices charged for medical products.

In the United States, federal programs impose penalties on drug manufacturers in the form of mandatory additional rebates and/or discounts if commercial prices increase at a rate greater than the Consumer Price Index-Urban, and these rebates and/or discounts, which can be substantial, may impact our ability to raise commercial prices. Further, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

In the European Union ("EU") coverage and reimbursement possibilities for drug products differ from one Member State to another. Each Member State has the ability to set the prices and restrict the range of medicinal products for which their national health insurance systems provide reimbursement. Factors contributing to price changes between Member States depend on different regulatory approaches and instruments used by each Member State to govern the supply and demand of medicinal products. For example, in France, a pharmaceutical company may freely set a price of a drug after obtaining a marketing authorization. However, in order for the product to be reimbursed under the French Social Security scheme, the pharmaceutical

company must follow a specific process and submit an application to the French High Authority for Health, or HAS. The opinion issued by the HAS and its subcommittees (Transparency Commission or CT, and the Commission for Economic and Public Health Evaluation or CEESP, if applicable) is then transmitted to the French Economic Committee for Health Products, or CEPS—with which the pharmaceutical company has to negotiate the price of the product and the French National Union of Health Insurance Funds, or UNCAM which fixes the reimbursement rate of medicines covered by statutory health insurance. The final decision on price and reimbursement is issued by the French Minister of Health and can be revised afterwards, for example, depending on the cost/benefit balance of the medicinal product over time. Other EU countries may adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market as well as other price control mechanisms. In view of these differences from one Member State to another, there is still a risk that some EU countries do not allow favorable reimbursements and pricing arrangements.

The continuing efforts of governments, insurance companies, managed care organizations and other payors of healthcare costs to contain or reduce costs of healthcare may negatively affect our commercialization prospects, including:

- our ability to set a price we believe is fair for our products, if approved or authorized;
- our ability to obtain and maintain market acceptance by the medical community and patients;
- our ability to generate revenues and achieve profitability; and
- the availability of capital.

We cannot be sure that coverage and reimbursement will be available for any potential drug candidate that we may commercialize and, if reimbursement is available, what the level of reimbursement will be. Coverage and reimbursement may impact the demand for, or the price of, any drug candidate for which we obtain marketing approval or authorization. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not successfully commercialize any drug candidate for which we obtain marketing approval or authorization.

We expect that additional U.S. state and federal healthcare reform measures, as well as similar measures by non-U.S. governments, will be adopted in the future, any of which could limit the amounts that governments will pay for healthcare products and services, which could result in additional pricing pressure or reduced demand for any drug candidate we develop.

In the event we elect to commercialize any of our drug candidates that receive regulatory approval or authorization, we will need to establish sales capabilities on our own or through third parties. If we are unsuccessful in our efforts, we may not be able to market and sell our drug candidates effectively in the United States, EU and/or other foreign jurisdictions, if approved or authorized, or generate product revenue.

We currently do not have a marketing or sales organization. In order to commercialize our drug candidates in the United States and foreign jurisdictions, we would need to establish marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. If any of our drug candidates receive regulatory approval or authorization and we elect to independently commercialize such drug candidates, we would expect to establish a sales organization with technical expertise and supporting distribution capabilities to commercialize each such drug candidate, which would be expensive and time consuming. We have no prior experience in the marketing, sale and distribution of pharmaceutical products and there are significant risks involved in building and managing a sales organization, including our ability to hire, retain, and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel, and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products. Alternatively, we may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If we are unable to enter into such arrangements on acceptable terms or at all, we may not be able to successfully commercialize our drug candidates. If we are not successful in commercializing our drug candidates or any future drug candidates, either on our own or through arrangements with one or more third parties, and are not otherwise able to license these products to third

parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

We will need to increase the size of our organization, and we may experience difficulties in managing growth.

As of the date of this annual report, we have 25 full-time employees, 20 of whom are engaged in research and development activities and five of whom are engaged in general and administrative activities. We will need to continue to expand our managerial, operational, finance and other resources in order to manage our operations and clinical trials, continue our development activities and commercialize our drug candidates or any future drug candidates. Our management and personnel, systems and facilities currently in place may not be adequate to support this future growth. Our need to effectively execute our growth strategy requires that we:

- manage our clinical trials effectively;
- identify, recruit, retain, incentivize and integrate additional employees;
- manage our internal development and operational efforts effectively while carrying out our contractual obligations to and/or relations with third parties including regulatory agencies and market authorities;
- continue to improve our operational, financial and management controls, reports systems and procedures; and
- manage our information technology systems and data security.

If we fail to attract and retain senior management and key scientific personnel, we may be unable to successfully develop our drug candidates or any future drug candidates, conduct our clinical trials and commercialize our current or any future drug candidates.

We are dependent upon the services of our senior management and the loss of any of these individuals could harm our business. The loss of services of any of our key executive officers or other members of our senior management team, may be disruptive to, or cause uncertainty in, our business and could have a negative impact on our ability to manage and grow our business effectively. Such disruption could have a material adverse impact on our financial performance, financial condition, and the market price of our ordinary shares.

Our success also depends on our ability to continue to attract, retain and motivate highly qualified clinical and scientific personnel. Competition for qualified personnel in the biotechnology and pharmaceuticals field is intense due to the limited number of individuals who possess the skills and experience required by our industry. We will need to hire additional personnel as we expand our clinical development and if we initiate commercial activities. We may not be able to attract and retain quality personnel on acceptable terms, or at all. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our current or future drug candidates.

We face an inherent risk of product liability as a result of the clinical testing of our drug candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability, and a breach of warranty. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our drug candidates. Even a successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our current or future drug candidates;
- injury to our reputation;

- withdrawal of clinical trial participants;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- regulatory investigations, product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue; and
- the inability to commercialize our current or any future drug candidates.

Our inability to obtain and maintain sufficient product liability insurance at an acceptable cost and scope of coverage to protect against potential product liability claims could prevent or inhibit the commercialization of our current or any future drug candidates we develop. We currently carry product liability insurance covering our clinical trials. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions and deductibles, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient funds to pay such amounts. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. If and when we obtain approval or authorization for marketing any of our drug candidates, we intend to expand our insurance coverage to include the sale of such drug candidate; however, we may be unable to obtain this liability insurance on commercially reasonable terms or at all.

Our existing collaborations as well as additional collaboration arrangements that we may enter into in the future may not be successful, which could adversely affect our ability to develop and commercialize our drug candidates.

We utilize external collaborations and currently maintain several active early-stage research and discovery focused collaborations. We may seek to partner with pharmaceutical laboratories to conduct clinical trials of our drug candidates. We may also seek additional collaboration arrangements for the commercialization, or potentially for the development, of certain of our drug candidates depending on the merits of retaining commercialization rights for ourselves as compared to entering into collaboration arrangements. To the extent that we decide to enter into additional collaboration agreements in the future, we may face significant competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time-consuming to negotiate, document, implement and maintain and challenging to manage. We may not be successful in our efforts to prudently manage our existing collaborations or to enter new ones should we choose to do so. The terms of new collaborations or other arrangements that we may establish may not be favorable to us.

The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include risks that:

- collaborators have significant discretion in determining the efforts and resources that they will apply to collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development and commercialization of our drug candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to their acquisition of competitive products or their internal development of competitive products, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;

- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing;

- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or drug candidates;

- a collaborator with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;

- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;

- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our current or future drug candidates or that result in costly litigation or arbitration that diverts management attention and resources;

- collaborations may be terminated, and, if terminated, this may result in a need for additional capital to pursue further development or commercialization of the applicable current or future drug candidates;

- collaborators may own or co-own intellectual property covering products that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property;

- disputes may arise with respect to the ownership of any intellectual property developed pursuant to our collaborations; and

- a collaborator's sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

Significant disruptions of information technology systems or breaches of data security could materially adversely affect our business, results of operations and financial condition.

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent a data compromise, and rely on commercially available systems, software, tools, and monitoring to provide security for our information technology systems and the processing, transmission and storage of digital information. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may or could have access to our confidential information. Our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors and consultants and other third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization.

The risk of a security breach or disruption, particularly through cyber-attacks or cyber-intrusion, including by computer hackers, foreign governments and cyber-terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. In addition, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information or other intellectual property. The costs to us

to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval or authorization efforts and significantly increase our costs to recover or reproduce the data. Moreover, if a computer security breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation could be materially damaged.

In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal and state privacy and security laws, if applicable, including the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Clinical Health Act of 2009, and its implementing rules and regulations, as well as regulations promulgated by the Federal Trade Commission and state breach notification laws.

Under the data protection laws in the EU, and notably the General Data Protection Regulation ("GDPR") No. 2016/679, which entered into force on May 25, 2018 and is applicable personal data that we process in relation to our presence in the EU, the offering of products or services to individuals in the EU or the monitoring of the behavior of individuals in the EU, we have also a legal responsibility to report personal data breaches to the competent supervisory authority. The GDPR includes a broad definition and a short deadline for the notification of personal data breaches, which may be difficult to implement in practice and requires that we implement robust internal processes. Under the GDPR, we have to report personal data breaches to the competent supervisory authority within 72 hours of the time we become aware of a breach "unless the personal data breach is unlikely to result in a risk to the right and freedoms of natural persons" (Article 33 of the GDPR). In addition, the GDPR requires that we communicate the breach to the data subject if the breach is "likely to result in a high risk to the rights and freedoms of natural persons" (Article 34 of the GDPR). In order to fulfil these requirements, we have to implement specific internal processes to be followed in case of a personal data breach, which will allow us to (a) contain and recover the breach, (b) assess the risk to the data subjects, (c) notify, and possibly communicate the breach to the data subjects, (d) investigate and respond to the breach. The performance of these processes involve substantial costs in resources and time.

Finally, as a consequence of the decision by the European Court of Justice issued on July 16, 2020 (known as the "Schrems II decision"), which invalidated the privacy shield for data transfers between the EU and the United States, a reassessment of both data transfers to and storage of EU data by our U.S. entities or other U.S. companies will be required. To the extent that the U.S. legal system is not considered as providing an adequate level of protection by the European authorities, and that the other safeguards provided by applicable regulation (*e.g.*, Standard Contractual Clause ("SCCs") in their form before June 2021) are not deemed to fully address such inadequacies, additional protective measures will have to be assessed on a case-by-case basis, and implemented in order to ensure the compliance of such transfers, based on the new SCCs, prior to adoption.

Moreover, as we may rely on third parties that will also process as processor the data for which we are a data controller—for example, in the context of the manufacturing of our drug candidates or for the conduct of clinical trials, we must contractually ensure that strict security measures, as well as appropriate obligations including an obligation to report in due delay any security incident are implemented, in order to allow us fulfilling our own regulatory requirements.

We would also be exposed to a risk of loss or litigation and potential liability for any security breach on personal data for which we are data controller. The costs of above-mentioned processes together with legal penalties, possible compensation for damages and any resulting lawsuits arising from a breach may be extensive and may have a negative impact on reputation and materially adversely affect our business, results of operations and financial condition.

Our employees and independent contractors, including principal investigators, consultants, commercial collaborators, service providers and other vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have an adverse effect on our results of operations.

We are exposed to the risk that our employees and independent contractors, including principal investigators, consultants, any future commercial collaborators, service providers and other vendors may engage in

misconduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or other unauthorized activities that violate the laws and regulations of the FDA, EMA and other similar regulatory authorities, including those laws that require the reporting of true, complete and accurate information to such regulatory authorities; manufacturing standards; healthcare fraud and abuse, data privacy laws and other similar laws; or laws that require the true, complete and accurate reporting of financial information or data. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of clinical trials, the creation of fraudulent data in our preclinical studies or clinical trials, or illegal misappropriation of product, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and financial results, including, without limitation, the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgements, possible exclusion from participation in governmental healthcare programs, individual imprisonment, other sanctions, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Our business involves the use of hazardous materials and we and our third-party manufacturers and suppliers must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

Our research and development activities and our third-party manufacturers' and suppliers' activities involve the controlled storage, use and disposal of hazardous materials owned by us, including the components of our product and drug candidates and other hazardous compounds. We and any third-party manufacturers and suppliers we engage are subject to numerous federal, state and local environmental, health and safety laws, regulations and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment, and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air and water; and employee health and safety. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste. In some cases, these hazardous materials and various wastes resulting from their use are stored at our and our manufacturers' facilities pending their use and disposal. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination, which could cause an interruption of our commercialization efforts, research and development efforts and business operations, environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products.

Although we believe that the safety procedures utilized by our third-party manufacturers for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, we cannot guarantee that this is the case or eliminate the risk of accidental contamination or injury from these materials. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third-party facilities. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources and state or federal or other applicable authorities may curtail our use of certain materials and/or interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance.

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research, product development and manufacturing efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty, and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals or authorization

could be suspended, which could have a material adverse effect on our business, results of operations and financial condition.

We have a significant number of warrants and convertible debt securities outstanding, which may result in significant dilution for our shareholders, have a significant adverse impact on the market price of our common shares, and make it more difficult for us to raise funds through future share offerings.

As of April 21, 2022, we had 149,286,288 common shares issued and outstanding. Moreover, on that date, we had outstanding warrants to acquire up to 12,015,431 ordinary shares and 9,131,979 free ordinary shares which were allocated twice to our two founders, respectively on December 22, 2020 (for 2,500,911 ordinary shares) and on September 15, 2021 (for 6,631,068 ordinary shares) and will be delivered to them on December 22, 2022 and September 15, 2022, after an acquisition period of two years and one year respectively. The issuance of common shares in the exercise of warrants and convertible debt instruments would dilute the percentage of ownership of all shareholders, could dilute the book value per share of our common shares and increase the number of our publicly traded shares, which could lower the market price of our common shares.

Beyond the dilutive effects described above, the perceived dilution risk due to the large number of outstanding warrants and convertible debt could encourage our shareholders to be more inclined to sell their shares, which would contribute to a downward movement in the price of our common shares. In addition, the perceived dilution risk and the resulting downward pressure on our share prices could encourage investors to engage in short sales of our common shares, which could contribute to a further decline in the price of our common shares. The fact that our shareholders, warrant holders and convertible debt holders may sell substantial quantities of our common shares on the public market, whether or not sales have taken place, could make it more difficult to raise additional funds through the issuance of equity or share-related securities in the future, at a time and price that we deem reasonable or appropriate, if at all.

The Group's accumulated carry-forward deficits may not be allocated to future profits

As of December 31, 2021, after taking into account the net loss generated over the year, the Group had carry-forward deficits broken down into:

- French tax deficits indefinitely deferred for €128,994 thousand,

In France, the imputation of these deficits is capped at 50% of the taxable profit for the financial year, this limitation is applicable to the fraction of the profits that exceeds 1 million euros. The unused balance of the deficit shall remain carry-over to subsequent financial years and shall be imputable under the same conditions without a time limit.

- Tax deficits of the US subsidiary for €1,383 thousand,

In the United States, tax deficits are deferred for 20 years from their date of constitution until the end of 2017 (€375 thousand) and then indefinitely carry forward from 2018 (€1,008 thousand).

- Tax deficits of the Brazilian subsidiary for 1 K€,

In Brazil, the fiscal deficit follows a degressive regime: the carry-forward deficit is capped at 30% of the cumulative deficit of the previous year.

It cannot be ruled out that regulatory or legislative developments in the field of corporate taxation may call into question, in whole or in part, the possible imputation of these previous deficits to future profits or limit their imputation over time.

The Company benefits from public advances and, in the event of termination of such advances, should have recourse to other sources of financing

In recent years, the Corporation has been granted the following repayable grants:

As of the financial report date **(amounts in K€)**	**Amount received***	**Amount repaid**	**Amount outstanding**
BPI France - SARCOB project – "in vitro, in vivo and pharmacokinetic characterization of a candidate drug."	260	220	40
BPI France – BIO101 project – "production of clinical batches, regulatory preclinical and clinical stages for Phase I of BIO101 for the sarcopenia obesity treatment."	1 100	660	440
BPI France conditional advance – "BIO 201" project – Preclinical studies of MACA program in dry Age-Related Macular Degeneration (AMD).	400	-	400
Collaboration agreement with AFM-Telethon – "BIO 101" project	400	-	400
TOTAL	**2 160**	**880**	**1 280**

** excluding any costs to be incurred by the Company*

Information on the various advance contracts (payments, repayment schedule or specific clauses) is presented in Note 12.1 to the notes to the IFRS consolidated financial statements in Section 3 of this financial report.

In the future, the Company intends to continue to apply for aid or subsidies in order to accelerate its development.

In the event that the Company does not comply with the contractual conditions provided for in the aid agreements concluded, it may be required to repay the sums advanced in advance.

Such a situation could deprive the Company of the necessary financial means for its research and development projects and it cannot guarantee that it would find the necessary additional financial means, the time or the possibility of replacing these financial resources with others.

Foreign exchange risk

The Group's strategy is to promote the euro as a currency in the context of its activity.

The major risks linked to foreign exchange rate are considered not significant due to the low level of activity of its foreign subsidiaries.

The Company has two subsidiaries abroad: in Brazil and the United States. At the date of this financial report, the activity of these two entities is limited.

The Company currently does not use hedging instruments to protect its activity from exchange rate fluctuations. However, any major development in its activity may result in an increase of its exposure to exchange rate risk. Should such increase materialize, the Company may consider adopting an appropriate policy to hedge such risks.

Credit risk

Credit risk is linked to deposits with banks and financial institutions.

The Company seeks to minimize the risk related to banks and financial institutions by placing cash deposits with highly rated financial institutions. The maximum level of the credit risk corresponds to the book value of the financial assets. As outstanding receivables consist primarily of Research Tax Credit "CIR" granted by the French government, the Company does not carry significant credit risk.

Interest rate risk

Interest rate risk reflects the Company's exposure to fluctuations in interest rates in the market.

Changes in interest rate could affect returns achieved on cash and fixed-term deposits but this risk is not considered material given the current low returns on deposits held by the Company.

Change in interest rate could affect the statement of consolidated operations for financial liabilities but this risk is considered as not significant given the implementation by the Company of debts bearing fixed interest rate.

Risks Related to Intellectual Property

Our ability to compete may decline if we do not adequately protect our proprietary rights.

Our success depends on obtaining and maintaining proprietary rights to our drug candidates for the treatment of age-related diseases, as well as successfully defending these rights against third-party challenges. We will only be able to protect our drug candidates, and their uses from unauthorized use by third parties to the extent that valid and enforceable patents, or effectively protected trade secrets, cover them. Our ability to obtain patent protection for our drug candidates is uncertain due to a number of factors, including:

- we may not have been the first to make the inventions covered by pending patent applications or issued patents;
- we may not have been the first to file patent applications for our drug candidates or the compositions we developed or for their uses;
- others may independently develop identical, similar or alternative products or compositions and uses thereof;
- our disclosures in patent applications may not be sufficient to meet the statutory requirements for patentability;
- any or all of our pending patent applications may not result in issued patents;
- we may not seek or obtain patent protection in countries that may eventually provide us a significant business opportunity;
- any patents issued to us may not provide a basis for commercially viable products, may not provide any competitive advantages, or may be successfully challenged by third parties;
- our compositions and methods may not be patentable;
- others may design around our patent claims to produce competitive products which fall outside of the scope of our patents; or
- others may identify prior art or other bases which could invalidate our patents.

Even if we have or obtain patents covering our drug candidates or compositions, we may still be barred from making, using and selling our drug candidates or technologies because of the patent rights of others. Others may have filed, and in the future may file, patent applications covering compositions or products that are similar or identical to ours. There are many issued U.S. and foreign patents relating to chemical compounds and therapeutic products, and some of these relate to compounds we intend to commercialize. Numerous U.S. and foreign issued patents and pending patent applications owned by others exist in the allergy treatment field in which we are developing products. These could materially affect our ability to develop our drug candidates or sell our products if approved or authorized. Because patent applications can take many years to issue, there may be currently pending applications unknown to us that may later result in issued patents that our drug candidates or compositions may infringe. These patent applications may have priority over patent applications filed by us.

Obtaining and maintaining a patent portfolio entails significant expense and resources. Part of the expense includes periodic maintenance fees, renewal fees, annuity fees, various other governmental fees on patents and/or applications due in several stages over the lifetime of patents and/or applications, as well as the cost associated with complying with numerous procedural provisions during the patent application process. We may or may not choose to pursue or maintain protection for particular inventions. In addition, there are situations in which failure to make certain payments or noncompliance with certain requirements in the patent process can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we choose to forgo patent protection or allow a patent application or patent to lapse purposefully or inadvertently, our competitive position could suffer.

In addition, it is unclear at this time what Brexit's impact will have on our intellectual property rights and the process for obtaining and defending such rights. It is possible that certain intellectual property rights, such as trademarks, granted by the EU will cease being enforceable in the UK absent special arrangements to the contrary. With regard to existing patent rights, the effect of Brexit should be minimal considering enforceable patent rights are specific to the UK, whether arising out of the European Patent Office or directly through the UK patent office.

Legal actions to enforce our proprietary rights (including patents and trademarks) can be expensive and may involve the diversion of significant management time. In addition, these legal actions could be unsuccessful and could also result in the invalidation of our patents or trademarks or a finding that they are unenforceable. We may or may not choose to pursue litigation or other actions against those that have infringed on our patents or trademarks, or used them without authorization, due to the associated expense and time commitment of monitoring these activities. If we fail to protect or to enforce our intellectual property rights successfully, our competitive position could suffer, which could harm our results of operations.

Biotechnology patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to us, could negatively impact our patent position.

The patent positions of biotechnology companies can be highly uncertain and involve complex legal and factual questions. The interpretation and breadth of claims allowed in some patents covering biotechnology compositions may be uncertain and difficult to determine, and are often affected materially by the facts and circumstances that pertain to the patented compositions and the related patent claims. The standards of the United States Patent and Trademark Office ("USPTO") are sometimes uncertain and could change in the future. Consequently, the issuance and scope of patents cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated or circumvented. U.S. patents and patent applications may also be subject to interference proceedings, and U.S. patents may be subject to reexamination proceedings, post-grant review and/or inter partes review in the USPTO. Foreign patents may be subject also to opposition or comparable proceedings in the corresponding foreign patent office, which could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. For example, Patent No. EP2790706 (protecting Patent family S3 in various European countries) is currently subject to an opposition procedure before the European Patent Office. A final decision is expected by the end of 2022. It has been alleged that the Chinese patent protecting the same invention (Patent family S3) was invalidated by the Court of Revision of the Chinese Patent Office, further to a motion for invalidation brought by a third party based on similar arguments (including the insufficient description of the animal model used in the patent, the novelty of the patent, the extension beyond the application as filed and the inventive step). In addition, such interference, reexamination, post-grant review, inter partes review and opposition proceedings may be costly. Accordingly, rights under any issued patents may not provide us with sufficient protection against competitive products or processes.

In addition, changes in or different interpretations of patent laws in the United States and foreign countries may permit others to use our discoveries or to develop and commercialize our technology and products without providing any compensation to us, or may limit the number of patents or claims we can obtain. The laws of some countries do not protect intellectual property rights to the same extent as U.S. laws and those countries may lack adequate rules and procedures for defending our intellectual property rights. This may also result in having the same invention covering differing claims in different countries and provide a different scope of protection in foreign countries.

If we fail to obtain and maintain patent protection and trade secret protection of our drug candidates, we could lose our competitive advantage and competition we face would increase, reducing any potential revenues and adversely affecting our ability to attain or maintain profitability.

Developments in patent law could have a negative impact on our business.

From time to time, the United States Supreme Court, or the Supreme Court, other federal courts, the United States Congress, the USPTO or similar foreign authorities may change the standards of patentability and any such changes could have a negative impact on our business.

In addition, the Leahy-Smith America Invents Act, or the America Invents Act, which was signed into law in 2011, includes a number of significant changes to U.S. patent law. These changes include a transition from a "first-to-invent" system to a "first-to-file" system, changes to the way issued patents are challenged, and changes to the way patent applications are disputed during the examination process. These changes may favor larger and more established companies that have greater resources to devote to patent application filing and prosecution. The USPTO has developed new and untested regulations and procedures to govern the full implementation of the America Invents Act, and many of the substantive changes to patent law associated with the America Invents Act, and, in particular, the first-to-file provisions, became effective on March 16, 2013. Substantive changes to patent law associated with the America Invents Act may affect our ability to obtain patents, and if obtained, to enforce or defend them. Accordingly, it is not clear what, if any, impact the America Invents Act will have on the cost of prosecuting our patent applications, our ability to obtain patents based on our discoveries and our ability to enforce or defend any patents that may issue from our patent applications, all of which could have a material adverse effect on our business.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to patent protection, because we operate in the highly technical field of development of therapies, we rely in part on trade secret protection in order to protect our proprietary technology and processes. However, trade secrets are difficult to protect. We expect to enter into confidentiality and intellectual property assignment agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, and other advisors. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party's relationship with us. These agreements also generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us.

In addition to contractual measures, we try to protect the confidential nature of our proprietary information using physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position could be harmed.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on our drug candidates and our trademarks in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than those in the United States, assuming that rights are obtained in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions or using our trademarks in all countries outside the United States, or from selling or importing products made using our inventions or commercialized under identical or similar trademarks in and into the United States or other jurisdictions. The statutory deadlines for pursuing patent and trademark protection in individual foreign jurisdictions are based on the priority dates of each of our patent and trademark applications.

Competitors may use our technologies or trademarks in jurisdictions where we do not pursue and obtain patent or trademark protection to develop their own products and further, may export otherwise infringing products to territories where we have patent or trademark protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if we pursue and obtain issued patents and trademarks in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biopharmaceuticals or biotechnologies. This could make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties, provided that (as a general rule and subject to local laws) the interests of public health so require (*e.g.*, if the treatment is made available to the public in insufficient quantity or quality or at abnormally high prices) and the patent owner is compensated. If the test of the safety and efficacy of Sarconeos (BIO101) in patients with SARS-CoV-2 pneumonia is successful, we could be required to grant compulsory licenses for any patent or patent application protecting such treatment. In addition, many countries limit the enforceability of patents against third parties, including government authorities or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Proceedings to enforce our patent or other intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents or other intellectual property at risk of being invalidated or interpreted narrowly, could put our patent or trademark applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Third parties may assert ownership or commercial rights to inventions we develop.

Third parties may in the future make claims challenging the inventorship or ownership of our intellectual property. We have written agreements with collaborators that provide for the ownership of intellectual property arising from our collaborations. These agreements provide that we must negotiate certain commercial rights with collaborators with respect to joint inventions or inventions made by our collaborators that arise from the results of the collaboration. In some instances, there may not be adequate written provisions to address clearly the resolution of intellectual property rights that may arise from a collaboration. If we cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from our use of a third-party collaborator's materials where required, or if disputes otherwise arise with respect to the intellectual property developed with the use of a collaborator's samples, we may be limited in our ability to capitalize on the market potential of these inventions. In addition, we may face claims by third parties that our agreements with employees, contractors, or consultants obligating them to assign intellectual property to us are ineffective, or in conflict with prior or competing contractual obligations of assignment, which could result in ownership

disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such inventions. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property, or may lose our exclusive rights in that intellectual property. Either outcome could have an adverse impact on our business.

Our Chief Executive Officer, who is a corporate officer (*mandataire social*) but not an employee of the Company under French law, is involved in our research and development activities. He has contributed to research results for which we have submitted patent applications in which he is listed as a co-inventor and other inventions that we expect may give rise to patent applications in the future for which we expect he will be included as a co-inventor. Under French intellectual property law, inventors who are employees of a company have legal rights that are typically circumscribed in France by a combination of French labor law and contractual arrangements. Because Mr. Veillet is our CEO, and not an employee, we have entered into an assignment agreement with him, pursuant to which he is entitled to certain payments as consideration for his prior and future contributions to our research projects and inventions. See "Intellectual Property Agreement with Stanislas Veillet" in the "Business" section of this annual report for additional information.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

We employ individuals who were previously employed at universities or other biotechnology companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

A dispute concerning the infringement or misappropriation of our proprietary rights or the proprietary rights of others could be time-consuming and costly, and an unfavorable outcome could harm our business.

There is significant litigation in the biotechnology industry regarding patent and other intellectual property rights. While we are not currently subject to any pending intellectual property litigation, and are not aware of any such threatened litigation, we may be exposed to future litigation by third parties based on claims that our drug candidates, technologies or activities infringe the intellectual property rights of others. If our development activities are found to infringe any such patents, we may have to pay significant damages or seek licenses to such patents. A patentee could prevent us from using the patented drugs or compositions. We may need to resort to litigation to enforce a patent issued to us, to protect our trade secrets, or to determine the scope and validity of third-party proprietary rights. From time to time, we may hire scientific personnel or consultants formerly employed by other companies involved in one or more areas similar to the activities conducted by us. Either we or these individuals may be subject to allegations of trade secret misappropriation or other similar claims as a result of prior affiliations. If we become involved in litigation, it could consume a substantial portion of our managerial and financial resources, regardless of whether we win or lose. We may not be able to afford the costs of litigation. Any adverse ruling or perception of an adverse ruling in defending ourselves against these claims could have a material adverse impact on our cash position and the price of the ADSs. Any legal action against us or our collaborators could lead to:

- payment of damages, potentially treble damages, if we are found to have willfully infringed a party's patent rights;
- injunctive or other equitable relief that may effectively block our ability to further develop, commercialize, and sell products; or
- us or our collaborators having to enter into license arrangements that may not be available on commercially acceptable terms, if at all, all of which could have a material adverse impact on our cash position and business and financial condition. As a result, we could be prevented from commercializing current or future drug candidates.

We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts and stop us from commercializing or increase the costs of commercializing our drug candidates, if approved or authorized.

Our success will depend in part on our ability to operate without infringing the intellectual property and proprietary rights of third parties. We cannot assure you that our business, products and methods do not or will not infringe the patents or other intellectual property rights of third parties.

The biotechnology industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may allege that our drug candidates or the use of our technologies infringes patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. Any claim relating to intellectual property infringement that is successfully asserted against us may require us to pay substantial damages, including treble damages and attorney's fees if we are found to be willfully infringing another party's patents, for past use of the asserted intellectual property and royalties and other consideration going forward if we are forced to take a license. In addition, if any such claim were successfully asserted against us and we could not obtain such a license, we may be forced to stop or delay developing, manufacturing, selling or otherwise commercializing products.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our products. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease developing, selling or otherwise commercializing our drug candidates;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all;
- harm our reputation and cause potential partners or academic entities to avoid working with us; and
- in the case of trademark claims, redesign or rename trademarks we own to avoid infringing the intellectual property rights of third parties, which may not be possible and, even if possible, could be costly and time-consuming.

Any of these risks coming to fruition could have a material adverse effect on our business, results of operations, financial condition and prospects.

Issued patents covering our drug candidates could be found invalid or unenforceable if challenged in court.

If we or one of our licensing partners initiated legal proceedings against a third party to enforce a patent covering our drug candidate, the defendant could counterclaim that the patent covering our drug candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for unenforceability assertions include allegations that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review and equivalent proceedings in foreign jurisdictions, e.g., opposition proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our drug candidates or competitive products. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of

invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our drug candidates. Such a loss of patent protection would have a material adverse impact on our business.

Risks Related to Government Regulation

Even if we obtain regulatory approval or authorization for a drug candidate, our products will remain subject to regulatory scrutiny.

If our drug candidates are approved or authorization, they may be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, EMA and comparable foreign regulatory authority requirements, including ensuring that quality control and manufacturing procedures conform to cGMP regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any approved marketing application or authorization. Inspections by regulatory authorities and the potential need for subsequent corrective actions may require additional investment or changes to our manufacturing or suppliers' manufacturing facilities, and may cause delays, interruptions, or complete stoppage of the manufacturing process. If certain drugs have a potential for misuse/abuse, manufacturers and manufacturers' facilities must also comply with certain drug diversion regulatory and compliance programs. Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production, and quality control.

Given that we expect to have a global supply chain, our supply chain may also be affected by the FDA's enforcement activity at the U.S. border, such as import detentions, import holds, import refusals, or drug diversion oversight or refusals. Despite our investment in regulatory compliance, the FDA may raise issues with our regulatory compliance, and suppliers outside of our direct control may also fail to adhere to the FDA's regulatory requirements, in which case our supply chain and business plans may be interrupted. Further import detentions, holds, or refusals may also occur while the FDA attempts to verify the imported products' compliance with the law. Such detentions, holds, or refusals may affect our supply chain and business plans.

Authorities and policy makers are tightening controls on compliance by suppliers on environmental and social standards. We may be required to further tighten the audit of our suppliers, and to change suppliers in case of non-compliance. Independently, enforcement measures by government authorities such as import bans from suppliers suspected of such non-compliance may impact our supply chain.

We will have to comply with requirements concerning advertising and promotion for our products. Promotional communications with respect to prescription drugs and biologics are subject to a variety of legal and regulatory restrictions in the United States and the EU (both at EU and national level, for instance, in France) and must be consistent with the information in the product's approved or authorized label. As such, we may not promote our products for indications or uses for which they do not have approval or authorization. The holder of an approved or authorized application must submit new or supplemental applications and obtain approval or authorization for certain changes to the approved or authorized product, product labeling, or manufacturing process. We could also be asked to conduct post-marketing clinical trials to verify the safety and efficacy of our products in general or in specific patient subsets. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing approval or authorization. In addition, under European regulation, certain of our drug candidates could be added to the list of drugs subject to additional monitoring and studies. Such list concerns drugs for which there is no experience due to their recent marketing or a lack of data on their long-term use. This classification would lead to additional requirements regarding post-marketing surveillance measures of our products or safety studies, which may require more resources on our end.

If a regulatory authority discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, or disagrees with the promotion, marketing or labeling of a product, such regulatory agency may impose restrictions on that product or us, including requiring withdrawal of the product from the market. If we fail to

comply with applicable regulatory requirements, a regulatory agency or enforcement authority may, among other things:

- issue warning letters;
- carry out inspections;
- seek an injunction or impose administrative, civil or criminal penalties or sanctions;
- suspend or withdraw regulatory approval or authorization;
- suspend any of our clinical trials;
- refuse to approve or authorize pending applications or supplements to approved or authorized applications submitted by us;
- impose restrictions on our operations, including closing our contract manufacturers' facilities;
- seize or detain products, or require a product recall; or
- refuse product importation, subject the import shipments to scrutiny, or place us or our suppliers on the Import Alert program.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory approval or authorization is withdrawn, the value of our company and our operating results will be adversely affected.

Moreover, the policies of the FDA, EMA and of other regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval or authorization of our drug candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, in Europe, the United States or elsewhere. For example, Regulation (EU) No 536/2014 on clinical trials on medicinal products for human use was adopted in 2014 and became effective as of January 31, 2022 and could impact the administrative procedure that we will have to follow in order to obtain regulatory approval or authorization for our drug candidates. Depending on the date of our application for clinical trial authorization, we could be required to adapt quickly to the new requirements and procedures resulting from this new regulation, in particular regarding the new required deadlines that will require us to be reactive in the event of additional requests from the authorities. We are also anticipating further guidance and decisions from the European Commission, EMA and national regulators of Member States (such as ANSM for France) as those are involved in the process.

In addition, certain policies of the new Biden administration in the United States may impact our business and industry. Previously, the Trump administration enacted several executive actions, including the issuance of a number of Executive Orders that restricted the FDA's ability to engage in routine oversight activities such as implementing rules through rulemaking. The Biden administration rescinded some of the Executive Orders, but it may also implement new policies and executive actions that could affect the FDA's ability to exercise its authority. If these executive actions impose restrictions on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted. In addition, if we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval or authorization that we may have obtained and we may not achieve or sustain profitability.

Changes in COVID-19 infectiousness or lethality rates, or eradication or substantial eradication of the disease could reduce or eliminate the demand for our product.

We are currently concluding the global, multicenter, double-blind, placebo-controlled, group-sequential, and adaptive two-part Phase 2-3 study (COVA) in patients with SARS-CoV-2 pneumonia. Widespread access to vaccines or other therapeutic options significantly reduced or eliminated our ability to enroll subjects in the COVA program. For example, On December 22, 2021, FDA issued an EUA for Paxlovid for the treatment of mild-to-moderate coronavirus disease 2019 (COVID-19) in adults and pediatric patients (12 years of age and

older weighing at least 40 kg) with positive results of direct severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) viral testing, and who are at high risk for progression to severe COVID-19, including hospitalization or death. On December 8, 2021, the FDA also issued an EUA for Evusheld for the pre-exposure prophylaxis (prevention) of COVID-19 in certain adults and pediatric individuals (12 years of age and older weighing at least 40 kilograms. On October 29, 2021, the FDA has officially granted Emergency Use Authorization of the Pfizer-BioNTech COVID-19 vaccine for children ages 5-11. A substantial proportion of the population has now had COVID-19, which may have provided further immunity and/or lead to a mild clinical course that only very rarely results in hospitalization (as is now seen with the Omicron variant).

In addition, spread of new COVID-19 variants that do not cause severe respiratory illnesses are reducing the demand for our product and impacting our ability to enroll subjects for the COVA study. For example, information that is known about the newer variants suggest that there is some possibility that while they are more infectious, they do not cause severe respiratory illnesses as frequently as the prior variants did. If this is the case, the demand for our Sarconeos (BIO101) could be significantly reduced.

Regulatory agencies may change the policies and requirements regarding approvals and emergency use authorizations, or revoke emergency use authorizations that the agencies have already issued.

Under section 564 of the Federal Food, Drug and Cosmetic Act ("FD&C Act"), following a public health emergency declaration by the Secretary of Health and Human Services (HHS), the FDA Commissioner may allow unapproved medical products, or unapproved uses of approved medical products, to be used in an emergency to diagnose, treat, or prevent serious or life-threatening diseases or conditions caused by chemical, biological, radiological and nuclear (CBRN) threat agents when there are no adequate, approved, and available alternatives. The EUA allows temporary use of the medical product, based on efficacy data, which is usually not sufficient on its own for approval. Many drugs and medical devices have received emergency use authorizations under this framework, and we plan to seek emergency use authorization for at least one of our drug candidates. There is some risk, however, that the public health emergency declaration could be terminated before or soon after we complete the development of our drug, or even if we obtain an EUA, that the FDA will revoke the EUA. In fact, the FDA has already begun promulgating guidance documents that discuss disposition of products that are distributed pursuant to EUAs. If this occurs, we may no longer be able to distribute our product, or our distribution and marketing efforts may be severely restricted.

If any of our drug candidates obtain regulatory approval, additional competitors could enter the market with generic versions of such drugs, which may result in a material decline in sales of affected products.

Under the Drug Price Competition and Patent Term Restoration Act of 1984 (the "Hatch-Waxman Act"), a pharmaceutical manufacturer may file an abbreviated new drug application ("ANDA") seeking approval of a generic version of an approved, small molecule innovator product. Under the Hatch-Waxman Act, a manufacturer may also submit a new drug application ("NDA") under section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act (the "FDCA") that references the FDA's prior approval of the innovator product. A 505(b)(2) NDA product may be for a new or improved version of the original innovator product. The Hatch-Waxman Act also provides for certain periods of regulatory exclusivity, which preclude FDA approval (or in some circumstances, FDA filing and review) of an ANDA or 505(b)(2) NDA. In addition to the benefits of regulatory exclusivity, an innovator NDA holder may have patents claiming the active ingredient, product formulation or an approved use of the drug, which would be listed with the product in the FDA publication, "Approved Drug Products with Therapeutic Equivalence Evaluations," known as the Orange Book. If there are patents listed in the Orange Book for a product, a generic or 505(b)(2) applicant that seeks to market its product before expiration of the patents must include in their applications what is known as a "Paragraph IV" certification, challenging the validity or enforceability of, or claiming non-infringement of, the listed patent or patents. Notice of the certification must be given to the patent owner and NDA holder and if, within 45 days of receiving notice, either the patent owner or NDA holder sues for patent infringement, approval of the ANDA or 505(b)(2) NDA is stayed for up to 30 months.

Accordingly, if any of our drug candidates are approved, competitors could file ANDAs for generic versions of our drug candidates or 505(b)(2) NDAs that reference our small molecule drug products. If there are patents listed for our drug candidates in the Orange Book, those ANDAs and 505(b)(2) NDAs would be required to include a certification as to each listed patent indicating whether the ANDA applicant does or does not intend to challenge the patent. We cannot predict which, if any, patents in our current portfolio or patents we may

obtain in the future will be eligible for listing in the Orange Book, how any generic competitor would address such patents, whether we would sue on any such patents, or the outcome of any such suit.

We may not be successful in securing or maintaining proprietary patent protection for products and technologies we develop or license. Moreover, if any of our owned or in-licensed patents that are listed in the Orange Book are successfully challenged by way of a Paragraph IV certification and subsequent litigation, the affected product could immediately face generic competition and its sales would likely decline rapidly and materially.

We have received and may seek additional orphan drug designations for certain future drug candidates, but we may be unable to obtain such designations or to maintain the benefits associated with orphan drug designation, including market exclusivity, which may cause our revenue, if any, to be reduced.

We obtained and may pursue orphan drug designation for certain of our future drug candidates. In the European Union, the EMA's Committee for Orphan Medicinal Products ("COMP") recommends orphan drug designation to promote the development of products that are intended for the diagnosis, prevention, or treatment of a life-threatening or chronically debilitating condition affecting not more than five in 10,000 persons in the European Union. Additionally, designation is granted for products intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition when, without incentives, it is unlikely that sales of the drug in the European Union would be sufficient to justify the necessary investment in developing the drug or biological product or where there is no satisfactory method of diagnosis, prevention, or treatment, or, if such a method exists, the medicine must be of significant benefit to those affected by the condition. Under the Orphan Drug Act, the FDA may designate a drug or biologic product as an orphan drug if it is intended to treat a rare disease or condition, defined as a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States.

In the European Union, orphan drug designation may entitle a party to financial incentives such as reduction of regulatory fees or fee waivers and ten years of market exclusivity following drug or biological product approval unless a derogation applies. This period may be reduced to six years if the orphan drug designation criteria are no longer met, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and application fee waivers. In addition, if a product receives the first FDA approval for the indication for which it has orphan designation, the product is entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same drug for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity or where the manufacturer is unable to assure sufficient product quantity for the orphan patient population.

We may seek additional orphan drug designations in the future for some of our future drug candidates but FDA or EMA may decline our application. Even if we obtain orphan drug designation, we may not be the first to obtain marketing approval for any particular orphan indication due to the uncertainties associated with developing pharmaceutical products. Further, even if we obtain orphan drug exclusivity for a drug candidate, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties can be approved for the same condition. Orphan drug designations are not in any way indicative of a drug's likelihood of receiving the final marketing authorization from FDA. The FDA does not evaluate a drug candidate's safety and effectiveness using the same standard as it would when reviewing a drug candidate's safety and effectiveness prior to granting final marketing approvals. The FDA may grant orphan drug designations to multiple drugs intended for the same indication. Even after an orphan drug is approved, the EMA or FDA can subsequently approve the same drug with the same active moiety for the same condition if the EMA or FDA concludes that the later drug is clinically superior in that it is safer, more effective, or makes a major contribution to patient care. Orphan drug designation neither shortens the development time or regulatory review time of a drug or biologic nor gives the drug or biologic any advantage in the regulatory review or approval process.

Enacted and future healthcare legislation may increase the difficulty and cost for us to obtain marketing approval or authorization of and commercialize our drug candidates and may affect the prices we may set.

In the United States, the EU and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes to the healthcare system that could affect our future results of operations. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the "Affordable Care Act") was enacted, which substantially changed the way healthcare is financed by both governmental and private insurers. Among the provisions of the Affordable Care Act, those of greatest importance to the pharmaceutical and biotechnology industries include the following:

- an annual, non-deductible fee payable by any entity that manufactures or imports certain branded prescription drugs and biologic agents (other than those designated as orphan drugs), which is apportioned among these entities according to their market share in certain government healthcare programs;

- a Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;

- requirements to report certain financial arrangements with physicians, teaching hospitals, and other healthcare providers, including reporting "transfers of value" made or distributed to such healthcare providers and reporting ownership or investment interests held by physicians and their immediate family members;

- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;

- a methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;

- extension of a manufacturer's Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;

- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;

- a Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and

- establishment of a Center for Medicare Innovation at the Centers for Medicare & Medicaid Services, or CMS, to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future.

In addition, other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. In August 2011, the Budget Control Act of 2011, among other things, led to aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect in April 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2025 unless additional action is taken by Congress. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of

providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Individual states in the United States have also become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Legally-mandated price controls on payment amounts by third-party payors or other restrictions could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our drug candidates or put pressure on our product pricing. Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products.

In the EU, similar political, economic and regulatory developments may affect our ability to profitably commercialize our drug candidates, if approved. In addition to continuing pressure on prices and cost containment measures, legislative developments at the EU or at the Member State level may result in significant additional requirements or obstacles that may increase our operating costs. The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers and payors. Generally, pricing negotiations with governmental authorities can take many months after the receipt of regulatory approval and product launch. In some EU Member States, such as in France, we may be required to conduct a clinical trial that compares the cost-effectiveness of our products candidates with available therapies in order to obtain favorable reimbursement for the indications sought or pricing approval. Should reimbursement for our drug candidates be unavailable in any country in which we seek reimbursement, or be limited or subject to additional clinical trials, or should pricing be set at unsatisfactory levels, then this might have an impact on our operating results. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our drug candidates, restrict or regulate post-approval activities and affect our ability to commercialize our drug candidates, if approved. In markets outside of the United States and EU, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States, the EU or any other jurisdiction. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our drug candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

Our business operations and current and future relationships with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our drug candidates, if approved or authorized. Such laws include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing any remuneration (including any kickback, bribe, or certain rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under U.S. federal and state healthcare programs such as Medicare and Medicaid. A person or

entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the U.S. federal false claims and civil monetary penalties laws, including the civil False Claims Act, which, among other things, impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the U.S. federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- the U.S. federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services; similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and its implementing regulations, which also imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information without appropriate authorization by covered entities subject to the rule, such as health plans, healthcare clearinghouses and healthcare providers as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information;

- the FDCA, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices and the introduction of such products into interstate commerce;

- the U.S. Public Health Service Act, which prohibits, among other things, the introduction into interstate commerce of a biological product unless a biologics license is in effect for that product;

- the U.S. Physician Payments Sunshine Act and its implementing regulations, which require certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to the government information related to certain payments and other transfers of value to physicians, teaching hospitals, and other healthcare providers, as well as ownership and investment interests held by the physicians described above and their immediate family members;

- analogous U.S. state laws and regulations, including: state anti-kickback and false claims laws, which may apply to our business practices, including but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts; and

- similar healthcare laws and regulations in the EU and other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers. For example, under French law, the regulation requires strict transparency of the links between the health care industry and other actors such as, but not limited to, health care practioners, and impose reporting on a public record all benefits granted to the various actors involved, in particular health professionals, as well as the existence of agreements concluded with these actors as well as remunerations paid. In addition to

financial penalties, any violation of those requirements, such as misleading information or non-publication, could result in additional sanctions that may have harmful effect on the conduct of our business. More generally, as our business activity is heavily regulated and involves a significant interaction with government officials, our dealings with prescriber and authorities are subject to national anti-corruption laws of EU Member States. These laws notably prohibit us and our employees from improperly influencing government officials or commercial parties to obtain or retain business, direct business to any person or gain any advantage and also prohibit our third-party business partner's representatives and agents from engaging in corruption and bribery. Under these applicable anti-corruption laws, we may be held liable for the acts or the corrupt activities of our third-party business partners, intermediaries, representatives, contractors, channel partners and agents, even if we don't explicitly authorize or have knowledge of such activities. While we have a formal procedure that defines the process to be used to select our third-party partners, collaborate with them and monitor them in accordance with applicable anti-corruption laws, there is a risk that our third-party partners may act in violation of applicable laws, for which we may be ultimately held responsible. Any violation of applicable anti-corruption laws could result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees, severe criminal, civil and administrative sanctions, suspension or debarment from government contracts, all of which may have an adverse effect on our reputation, business, results of operations and financial condition. In addition, it is possible that as our business grows and evolves, we will become subject to additional compliance requirements, resulting for example from the French Sapin II Act, which requires companies concerned by this regulation to implement a general anti-corruption compliance project under the control of the competent supervisory authority such as staff training, compliance documentation, audits and regular monitoring of commercial relationships. As the EU Commission has stated in one of its reports that the health sector is particularly vulnerable, our business may be subject to increased anti-corruption compliance monitoring.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. Further, defending against any such actions can be costly, time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

In addition, considering that our activity involves the processing of personal data, in particular sensitive data such as health data, our business activities are also subject to GDPR and other national data protection laws and guidelines with respect to such data, which implies that we must implement significant and continuous efforts to comply with these data protection regulations, as well as any applicable additional national health care regulations. The GDPR has allowed EU Member States to introduce additional requirements for the processing of health data. This means we must comply with both EU as well as national laws in order to conduct our activities as regards patient data. In particular, our GDPR compliance involves the precise identification of our data processing operations and the risks incurred, the implementation of an organization of our internal processes and the establishment of documentation relating to our compliance. Our GDPR compliance also means being very aware of the fulfilment of our third-party contractors' obligations and their (own) GPDR compliance, which requires us to impose strict contractual provisions on our third-party contractors as processors or to ensure that they will not use the personal data for other purposes than agreed on. Moreover, the transfer of data from the EU to our U.S. entities or others U.S. companies must (i) have a legal basis in GDPR or other national data protection laws, and (ii) be subject to a valid legal mechanism for the lawful transfer of data, which may have to require some of our third-party contractors who process personal data to take additional privacy and security measures. Non-compliance could lead to severe impact for individuals and cause us to incur potential disruption and expense related to our business processes. Any violations of these laws and regulations could also result in substantial penalties and could materially damage our reputation.

Furthermore, following the European Court of Justice's decision to invalidate the EU—U.S. Privacy Shield as part of the Schrems II decision, any transfer or storage of data from the EU by our U.S. entities, other U.S. companies or contractual counterparties will require the implementation of additional safeguards, which given the current status of regulations, will most certainly require further protection measures in order to ensure

an adequate level of protection as defined by the EU and national authorities. In case such additional safeguards do not lead to sufficient protection of personal data, transfers must be suspended or not carried out at all.

We are subject to U.S. and foreign anti-corruption and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and possibly other state and national anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, third-party intermediaries, joint venture partners and collaborators from authorizing, promising, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We engage third-party investigators, CROs, and other consultants to design and perform preclinical studies of our drug candidates, and will do the same for any clinical trials. Also, once a drug candidate has been approved, authorized, and commercialized, we may engage third-party intermediaries to promote and sell our products abroad and/or to obtain necessary permits, licenses, and other regulatory approvals or authorizations. We or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, collaborators, partners, and agents, even if we do not explicitly authorize or have actual knowledge of such activities.

Noncompliance with anti-corruption and anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas, investigations, or other enforcement actions are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In certain cases, enforcement authorities may even cause us to appoint an independent compliance monitor which can result in added costs and administrative burdens.

Our failure to maintain certain tax benefits applicable to French technology companies may adversely affect our results of operations.

As a French biotechnology company, we have benefited from certain tax advantages, including, for example, the research tax credit (*Crédit d'Impôt Recherche*), or CIR. The CIR is a French tax credit aimed at stimulating research and development. The CIR can be offset against French corporate income tax due and the portion in excess (if any) may be refunded at the end of a three fiscal-year period (or, sooner, for smaller companies such as ours). The CIR is calculated based on our claimed amount of eligible research and development expenditures in France and represented €2.8 million, €3.3 million and €4.1 as of December 31, 2019, 2020 and 2021, respectively. The French tax authority with the assistance of the Research and Technology Ministry may audit each research and development program in respect of which a CIR benefit has been claimed and assess whether such program qualifies in its view for the CIR benefit. The French tax authorities may challenge our eligibility to, or our calculation of certain tax reductions and/or deductions in respect of our research and development activities and, should the French tax authorities be successful, we may be liable for additional corporate income tax, and penalties and interest related thereto, or we may not obtain the refunds for which we have applied, which could have a significant impact on our results of operations and future cash flows. Furthermore, if the French Parliament decides to eliminate, or reduce the scope or the rate of, the CIR benefit, either of which it could decide to do at any time, our results of operations could be adversely affected.

Future changes to applicable U.S. tax laws and regulations may have an adverse effect on our business, financial condition and results of operations.

In general, changes in laws and policy relating to taxes may have an adverse effect on our business, financial condition and results of operations. For example, at the end of 2017, the U.S. government enacted significant tax reform, with additional guidance from the U.S. Treasury and Internal Revenue Service (the "IRS") still pending. Changes include, but are not limited to, a federal corporate tax rate decrease to 21% for tax years beginning after December 31, 2017, a reduction to the maximum deduction allowed for net operating losses

generated in tax years after December 31, 2017, eliminating carrybacks of net operating losses, and providing for indefinite carryforwards for losses generated in tax years after December 31, 2017. The 2017 legislation remains unclear in many respects and could be subject to potential amendments and technical corrections or even outright changes. Additionally, current tax laws may continue to be subject to interpretations and implementing regulations by the U.S. Treasury and IRS, any of which could mitigate or increase certain adverse effects of prior legislation. In addition, it is unclear how future U.S. federal income tax changes will affect state and local taxation.

Appendix 3 – Table of results for the last five financial years

Nature of the information	2017 financial year	2018 financial year	2019 financial year	2020 financial year	2021 financial year
I – YEAR-END SHARE CAPITAL					
a) Share capital	2,692,682	2,692,682	4,792,651	20,151,419	27,190,731
b) Number of shares issued	13,463,413	13,463,413	23,963,254	100,757,097	135,953,657
c) Number of bonds convertible into shares	-	-	208	140	224
II – OPERATIONS AND RESULTS FOR THE YEAR					
a) Revenue excluding taxes	-	-	-	-	
b) Profit before tax, depreciation, amortization and provisions	(11,486,395)	(15,978,041)	(20,019,981)	(19,152,652)	(34,309,300)
c) Income tax	(2,544,801)	(3,133,456)	(2,806,567)	(3,327,660)	(4,079,548)
d) Profit after tax, depreciation, amortization and provisions	(9,283,880)	(14,175,730)	(17,254,736)	(15,939,873)	(29,460,393)
e) Amount of profits distributed	None	None	None	None	None
III – EARNINGS PER SHARE					
a) Profit after tax, but before depreciation, amortization and provisions	(0.66)	(0.96)	(0.84)	(0.19)	(0.22)
b) Profit after tax, depreciation, amortization and provisions	(0.69)	(1.05)	(0.72)	(0.16)	(0.22)
c) Dividend paid per share	None	None	None	None	None
IV – PERSONNEL					
a) Number of employees	18	24	17	21	30
b) Total payroll	1,431,177	2,505,403	2,333,492	1,849,843	2,506,066
c) Amount paid in respect of social benefits (Social Security, charities, etc.)	645,047	1,041,518	979,642	833,438	1,552,079

Appendix 4.1 List of offices held by each corporate officer

It should be noted that the Company has chosen to combine the functions of Chairman of the Board of Directors and Chief Executive Officer.

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we present a list of all the offices and positions held in any company for each of the Company's corporate officers during the past financial year:

Last name	Nature of the office	Company
Stanislas Veillet	Chairman Director	Biophytis Inc. Drone Volt
Nadine Coulm	Zero	Zero
Jean M. Franchi	Director Director Director	Visioneering Technologies, Inc. Dynacure Biodesix
Dimitri Batsis	**Zero**	Zero
Jean Mariani	Director Director Chairman Chairman	Silver Innov Gérontopôle d'Ile de France GEROND'IF Successful Life Society for Research on Cerebellum and Ataxia (SRCA)

Appendix 4.2 Related party agreements under Article L. 225-38 of the French Commercial Code

The Board of Directors approved, by decision of May 13, 2019, the entering by the Company into an agreement for the transfer of intellectual property rights with its Chairman and Chief Executive Officer, whereby the latter transfers to the Company all the intellectual property rights relating to his inventive activity within the company that he holds or may hold in the future.

The General Meeting of June 28, 2019 approved this agreement between the Chairman and Chief Executive Officer and the Company. This agreement continued during the 2020 financial year. By decisions of April 3, 2020, the Board of Directors approved the conclusion of an amendment to this transfer agreement.

On October 1, 2019, the Company entered into a services agreement with Successful Life SAS in which Jean Mariani, its legal representative, has a controlling interest. This services agreement provides for the preparation of meetings of the Scientific Committee, and scientific and strategic advice, including in the biology of aging. This agreement was entered into for a period of one year and was renewed by written amendment dated October 1, 2020 for an additional period of one year, renewable by tacit agreement. This agreement was terminated and a new agreement was concluded for a period of one year, renewable by tacit agreement, with effect from January 1, 2021 following the decisions taken by the Board of Directors on March 9, 2021.

In accordance with legal provisions, current agreements entered into under normal conditions were not subject to this control. A second service agreement was signed with Successful Life SAS on July 7, 2021, approved by the Board of

Directors on July 7, 2021, and amended by an addendum dated August 31, 2021, approved by the Board of Directors on September 15, 2021. This contract was concluded to replace the CMO position until the arrival of the new CMO ("Chief Medical Officer"). This agreement replaces the previous service agreement until the arrival of the new CMO and provides for a fixed compensation of €15 thousand per month until September 30, 2021.

The General Meeting of May 10, 2021 approved the future conclusion by the Company of indemnification agreements between the Company and the Company's directors.

The agreements were sent to the Statutory Auditors for presentation in their special report to the General Meeting.

On April 4, 2022, the Board of Directors reviewed the agreements entered into and authorized during previous financial years, the execution of which continued during the 2021 financial year.

Appendix 4.3 Delegations of power or authority to increase the share capital

The tables below show the delegations granted to the Board of Directors in terms of capital increases and the use made of said delegations during the 2020 financial year.

I. General Meeting resolutions May 28, 2020

General Meeting resolutions May 28, 2020	Subject of the resolution	Maximum nominal amount in euros	Method used to determine the issue price	Duration of authorization and expiry	Use	Residual amount on the date of this financial report
8th Resolution	Delegation of authority to be granted to the Board of Directors under the terms of the provisions of Article L. 225-129-2 of the French Commercial Code for the purpose of deciding on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights, without indication of beneficiaries and by a public offer	Nominal amount (capital increases): €14,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	Note 1	26 months	Yes, decisions taken by the Board of Directors on February 9, 2021 for an amount of €2,400,000 in connection with the listing of the Company on the Nasdaq	-
9th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with maintenance of shareholders' preferential subscription rights, or incorporation of profits, reserves or premiums	Nominal amount (capital increases): €14,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	-	26 months	No	-

General Meeting resolutions May 28, 2020	Subject of the resolution	Maximum nominal amount in euros	Method used to determine the issue price	Duration of authorization and expiry	Use	Residual amount on the date of this financial report
10th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights in favor of a category of beneficiaries ****	Nominal amount (capital increases): €14,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	At least equal to 80% of the volume weighted average of the ten (10) last trading sessions preceding the day of its determination	18 months	No	-
11th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights in favor of a category of persons ensuring the underwriting of the Company's equity securities that may result in the case of an equity financing line	Nominal amount (capital increases): €14,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	At least equal to 80% of the volume weighted average of the ten (10) last trading sessions preceding the day of its determination	18 months	No	-
12th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights by way of an offer to qualified investors or a restricted circle of investors under the meaning of paragraph II of Article L. 411-2 of the French Monetary and Financial Code (private placement) and within the limit of 20% per annum of the share capital	Nominal amount (capital increases): €14,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	At least equal to 80% of the volume weighted average of the ten (10) last trading sessions preceding the day of its determination	26 months	No	-

General Meeting resolutions May 28, 2020	Subject of the resolution	Maximum nominal amount in euros	Method used to determine the issue price	Duration of authorization and expiry	Use	Residual amount on the date of this financial report
13th Resolution	Authorization to be granted to the Board of Directors to increase the number of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, in the event of the implementation of the delegations of authority referred to in the five previous resolutions (8th to 12th) with maintenance or cancellation of preferential subscription rights as the case may be (*Over-Allocation Option*)	15% of the initial issue*	Price set for the initial issue and within the limit of a ceiling of 15% of the latter	26 months	No	-
14th Resolution	Delegation of authority to be granted to the Board of Directors to decide on a capital increase reserved for the employees	Nominal amount of €269,268.20	In accordance with the provisions of Articles L. 3332-18 *et seq.* of the French Labor Code	18 months	No	-
16th Resolution	Authorization to be given to the Board of Directors for the Company to purchase its own shares in accordance with Article L. 225-209 (new Article L. 22-10-62) of the French Commercial Code (*Buyback Program*)	10% of the Company's share capital (at any given time)	Maximum 300% of the price of shares offered to the public as part of the stock exchange listing on a North American index of the Company's shares	18 months	No	-
17th Resolution	Authorization to be granted to the Board of Directors to reduce the Company's share capital by the cancellation of shares	10% of the Company's share capital per twenty-four (24) month period	-	18 months	No	-
18th to 21st Resolutions	Delegation of authority to be granted to the Board of Directors to decide to issue Warrants$_{2020}$, Founder's warrants$_{2020}$, Free shares (AGA $_{2020}$), subscription options and/or stock options (Options$_{2020}$), in favor of categories of beneficiaries ****	€800,000 for each of the 20th to 23rd Resolutions***	Note 2	18 months (for the 18th and 19th Resolutions) 38 months (for the 20th and 21st Resolutions)	No	-

We invite you to refer to the annual financial report for the financial year ended December 31, 2020 to familiarize yourself with the delegations granted to the Board of Directors for capital increases by the General Meeting of May 28, 2020.

II. General Meeting resolutions May 10, 2021

General Meeting resolutions May 10, 2021	Subject of the resolution	Maximum nominal amount in euros	Method used to determine the issue price	Duration of authorization and expiry	Use	Residual amount on the date of this financial report
10th Resolution	Delegation of authority to be granted to the Board of Directors under the terms of the provisions of Article L. 225-129-2 of the French Commercial Code for the purpose of deciding on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights, without indication of beneficiaries and by a public offer	Nominal amount (capital increases): €28,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	Note 1	26 months	No	Nominal amount (capital increases): €24,791,707 (bonds and other debt securities giving access to the share capital): €22,750,000
11th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with maintenance of shareholders' preferential subscription rights, or incorporation of profits, reserves or premiums	Nominal amount (capital increases): €28,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	-	26 months	No	Nominal amount (capital increases): €24,791,707 (bonds and other debt securities giving access to the share capital): €22,750,000
12th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights in favor of a category of beneficiaries ****	Nominal amount (capital increases): €28,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	At least equal to 75% of the volume weighted average of the five (5), ten (10) or fifteen (15) last trading sessions preceding the day of its determination	18 months	Yes, decisions of the Chief Executive Officer dated November 19, 2021 (Kreos bonds), June 18, 2021, September 20, 2021 and December 19, 2021 (Atlas bonds)	Nominal amount (capital increases): €24,791,707 (bonds and other debt securities giving access to the share capital): €22,750,000
13th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights in favor of a category of beneficiaries****	Nominal amount (capital increases): €28,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	At least equal to 75% of the volume weighted average of the five (5), ten (10) or fifteen (15) last trading sessions preceding the day of its determination	18 months	Yes, decisions of the Board of Directors of July 20, 2021 and decisions of the Chief Executive Officer of July 30, 2021, for an amount of €990,000.	Nominal amount (capital increases): €24,791,707 (bonds and other debt securities giving access to the share capital): €22,750,000

General Meeting resolutions May 10, 2021	Subject of the resolution	Maximum nominal amount in euros	Method used to determine the issue price	Duration of authorization and expiry	Use	Residual amount on the date of this financial report
14th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights in favor of a category of persons ensuring the underwriting of the Company's equity securities that may result in the case of an equity financing line	Nominal amount (capital increases): €28,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	At least equal to 75% of the volume weighted average of the five (5), ten (10) or fifteen (15) last trading sessions preceding the day of its determination	18 months	No	Nominal amount (capital increases): €24,791,707 (bonds and other debt securities giving access to the share capital): €22,750,000
15th Resolution	Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of shareholders' preferential subscription rights by way of an offer to qualified investors or a restricted circle of investors under the meaning of paragraph II of Article L. 411-2 of the French Monetary and Financial Code (private placement) and within the limit of 20% per annum of the share capital	Nominal amount (capital increases): €28,000,000* (bonds and other debt securities giving access to the share capital): €40,000,000**	At least equal to 75% of the volume weighted average of the five (5), ten (10) or fifteen (15) last trading sessions preceding the day of its determination	26 months	No	Nominal amount (capital increases): €24,791,707 (bonds and other debt securities giving access to the share capital): €22,750,000
16th Resolution	Authorization to be granted to the Board of Directors to increase the number of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, in the event of the implementation of the delegations of authority referred to in the previous six resolutions (10th to 15th) with maintenance or cancellation of preferential subscription rights as the case may be (*Over-Allocation Option*)	15% of the initial issue*	Price set for the initial issue and within the limit of a ceiling of 15% of the latter	26 months	No	-

General Meeting resolutions May 10, 2021	Subject of the resolution	Maximum nominal amount in euros	Method used to determine the issue price	Duration of authorization and expiry	Use	Residual amount on the date of this financial report
17th Resolution	Delegation of authority to be granted to the Board of Directors to decide on a capital increase reserved for the employees	Nominal amount of €269,268.20	In accordance with the provisions of Articles L. 3332-18 *et seq.* of the French Labor Code	18 months	No	-
19th Resolution	Authorization to be given to the Board of Directors for the Company to purchase its own shares in accordance with Article L. 22-10-62 of the French Commercial Code *(Buyback Program*)	10% of the Company's share capital (at any given time)	Maximum 300% of the price of shares offered to the public as part of the stock exchange listing on a North American index of the Company's shares	18 months	No	10% of the Company's share capital (at any given time)
21st Resolution	Authorization to be granted to the Board of Directors to reduce the Company's share capital by the cancellation of shares	10% of the Company's share capital per twenty-four (24) month period	-	18 months	No	10% of the Company's share capital per twenty-four (24) month period
22nd to 25th Resolutions	Delegation of authority to be granted to the Board of Directors to decide to issue Warrants$_{2020}$, Founder's warrants$_{2020}$, Free shares (AGA$_{2020}$), subscription options and/or stock options (Options$_{2020}$), in favor of categories of beneficiaries ****	€2,600,000 for each of the 22nd to 25th Resolutions***	Note 2	18 months (for the 22nd and 23rd Resolutions) 38 months (for the 24th and 25th Resolutions)	Yes, 23rd Resolution (4,379,122 Founders' warrants) and 24th (6,631,068 AGA shares)	€397,962 for each of the 22nd to 25th Resolutions

*The nominal amount of the ceiling of the authorized capital increases will be deducted from the total authorized ceiling of €28,000,000 stated in the 18th Resolution of the General Meeting of May 10, 2021.

**The nominal amount of the ceiling for bonds and other debt securities giving access to the authorized share capital will be deducted from the total authorized ceiling of €40,000,000 stated in the 18th Resolution of the General Meeting of May 10, 2021.

***The use of delegations may not result in all shares arising from the exercise of Founders' warrants, warrants, subscription and stock options and free shares held by employees, executives and corporate officers and consultants of the Company representing more than 10% of the share capital on a fully diluted basis, it being specified that this percentage is and will be calculated taking into account the existing capital, plus the shares to be issued:

- in the context of the use of the delegations granted by the 22nd to 25th Resolutions;
- in the context of the use of the delegations granted by the 10th to 15th Resolutions; and
- pursuant to any agreement entered into following the use, prior to the General Meeting, of any delegation granted by any decision made prior to said meeting, and the execution of which continues after the same meeting.

****Categories of beneficiaries of delegations in the 12th Resolution and 13th Resolution and the 22nd to 25th Resolutions:

The allocation of shares (12th Resolution) is reserved for the benefit of:

- any natural person wishing to invest in a company in order to benefit from a reduction in income tax (in accordance with the provisions of Article 199 *terdecies*-0 A of the French General Tax Code) or any other equivalent tax system under foreign law equivalent in the jurisdiction where the individual wishing to invest is a tax resident, for a minimum individual subscription amount in the Company of €10,000 per transaction (subject to the Company's eligibility for these tax arrangements);

- any company which regularly invests in small and medium-sized enterprises and which wishes to invest in a company in order to enable its shareholders or partners to benefit from a reduction in income tax (in accordance with the provisions of Article 199 *terdecies*-0 A of the French General Tax Code) or any other equivalent tax system under foreign law in the jurisdiction where shareholders or partners are tax residents, for a minimum individual subscription amount in the Company of €20,000 per transaction (subject to the Company's eligibility for these tax arrangements);

- investment funds that invest on a regular basis in small and medium-sized companies and that wish to invest in a company in order to enable the subscribers of their shares to benefit from a reduction in income tax (in accordance with the provisions of Article 199 *terdecies*-0 A of the French General Tax Code) or any other equivalent tax system under foreign law in the jurisdiction where subscribers are tax residents, for a minimum individual subscription amount in the Company of €20,000 per transaction (subject to the Company's eligibility for these tax arrangements);

- companies, investment companies and investment funds, collective investment undertakings, bodies, institutions or entities of any form, French or foreign, investing mainly in so-called growth companies (*i.e.* not listed or whose market capitalization does not exceed €500 million) whatever they may be, including innovation mutual funds (French FCPIs) and venture mutual funds (French FCPRs) and local investment funds (French FIP), having their registered office or their management company in the territory of the European Union, the United States, China or Japan, for a minimum individual subscription amount of €50,000 (issue premium included);

- any legal or natural person governed by French or foreign law active in the healthcare, biotechnology and/or pharmaceutical sector that has entered into or is about to enter into a scientific and/or industrial and/or commercial partnership agreement with the Company with a substantial impact for the Company's business and/or any holder of securities in a legal entity governed by French or foreign law active in the healthcare sector, the biotechnology and/or pharmaceutical sectors having agreed to sell its shares in this legal entity to the Company, whether or not it is subject to a scientific and/or industrial and/or commercial partnership of substantial significance for the Company's business;

- industrial or commercial companies, investment companies and investment funds, collective investment undertakings, bodies, institutions or entities whatever their form, French or foreign, investing on a regular basis in the healthcare sector, the biotechnology sector and/or pharmaceuticals, for a minimum individual subscription amount of €20,000 (issue premium included);

- companies, investment companies and investment funds, collective investment undertakings, bodies, institutions or entities of any form, French or foreign, which may invest in French companies listed on the Euronext, Euronext Access or Euronext Growth markets or on any other regulated market that specializes in structured bond issues for small and medium-sized companies;

- any financial institution, public body, development bank, French or European sovereign wealth fund or any institution attached to the European Union, wishing to grant funds to small and medium-sized enterprises and whose investment conditions may include all or part of an investment in equity and/or in the form of securities giving immediate or future access to the share capital;

- executives, directors and/or management employees of the Company wishing to invest at the same time as beneficiaries falling within the aforementioned categories;

- creditors holding unquestionable liquid and due receivables of the Company having expressed their wish to have their receivable converted into securities of the Company and for which the Board of Directors of the Company

deems it appropriate to offset their receivables with securities of the Company (it being specified, for all intents and purposes, that any trust set up by the Company as part of the restructuring or repayment of its debts falls within the scope of this category); and

- French or foreign investment service providers likely to guarantee such a transaction, in accordance with the provisions of Article L. 411-2 of the French Monetary and Financial Code for French investors (qualified investors within the meaning of point e of Article 2 of Regulation (EU) No. 2017/1129 of June 14, 2017 and restricted circle of investors within the meaning of Article D. 411-4 of the French Monetary and Financial Code) and equivalent provisions for foreign investors.04

The allocation of shares (13th Resolution) is reserved for the benefit of:

- any natural or legal person to whom shares must be granted pursuant to any decision, order, injunction or instruction of a competent authority, having binding force.

The allocation of BSA_{2021} (warrants) (22nd Resolution) is reserved for the benefit of natural or legal persons having one of the following characteristics:

(i) persons holding a directorship or member of any other supervisory or control body or Studies Committee or acting as a non-voting member of the Company's Board of Directors;

(ii) consultants or managers or partners of companies providing services to the Company that have entered into a consulting or service agreement with the latter that are in force at the time of use of this delegation by the Board of Directors;

(iii) any employee and/or executive of the Company; and

(iv) any person significantly involved in the scientific or economic development of the Company at the time of use of this delegation by the Board of Directors.

The allocation of $BSPCE_{2021}$ (Founders' warrants) (23rd Resolution) is reserved for the benefit of employees, executives subject to the tax regime of employees, members of the Board of Directors, the Supervisory Board or, in the case of simplified joint-stock companies, of any equivalent statutory body, of the Company and/or its subsidiaries.

The allocation of AGA_{2020} (free shares) (24th Resolution) is reserved for the benefit of employees and corporate officers.

Allocation of $Options_{2019}$ (25th Resolution) is reserved for the benefit of the following beneficiaries:

(i) members or some of the employees of the Company and companies related to it under the conditions referred to in Article L. 225-180 I of the French Commercial Code;

(ii) corporate officers of the Company.

Note 1: the price in the context of a public offering will be set by the Board of Directors according to the following rules:

- for capital increases, the issue price of the new shares will be set by the Board of Directors in accordance with the provisions of Article L. 225-136 1° of the French Commercial Code and must be at least equal to 75% of the volume weighted average of the last fifteen (15), ten (10) or five (5) trading sessions (as determined by the Board of Directors) preceding the date of its determination;

- for securities giving access to the share capital, including free-standing warrants, the issue price will be set by the Board of Directors in such a way that the sums received immediately by the Company at the time of the issue

of the securities in question, plus the sums that may be received subsequently by the Company for each share attached to and/or underlying the securities issued, are at least equal to the minimum price referred to above.

Note 2: (strike price of BSA_{2021}, $BSPCE_{2021}$, $Options_{2021}$):

1. the strike price of the BSA_{2021} shall be at least equal to the volume weighted average of the share prices on the last ten (10) trading sessions preceding the grant date of said BSA_{2021} by the Board of Directors, less a maximum discount of 20%, if applicable, for as long as the Company's shares are admitted to trading on a market or stock exchange;

2. the strike price of the $BSPCE_{2021}$ shall be at least equal to:

   (i) the price at which the Company's shares are listed on a North American stock exchange as determined by the Board of Directors at the end of the placement period and resulting from the comparison of the number of shares offered for subscription and subscription requests from investors as part of the global placement, according to the so-called "order book construction" technique, for any allocation made within six (6) months of the completion of the capital increase enabling the Company to be listed on a North American stock market and subject to the provisions set out below in point (ii) in the event of a capital increase within six (6) months preceding the implementation of this delegation by the Board of Directors,

   (ii) in the event of one or more capital increases carried out in the six (6) months preceding the implementation of this delegation by the Board of Directors, at the ordinary share subscription price selected at the time of the most recent of said capital increases assessed on the grant date of each $BSPCE_{2021}$, provided that the ordinary shares to be issued on the exercise of the $BSPCE_{2021}$ grant rights equivalent to those issued as part of the capital increase,

   (iii) for any grant made outside the assumptions referred to in (i) and (ii), the average price weighted by the price volumes of the last ten trading sessions preceding the grant date of said $BSPCE_{2021}$ by the Board of Directors, less a maximum discount of 20% for as long as the Company's shares are admitted to trading on a market or stock exchange;

3. the subscription or purchase price of shares upon exercising of the $Options_{2021}$, for as long as the shares are admitted to trading on a North American stock exchange and/or on Euronext Growth, will be determined in accordance with the provisions of Article L. 225-177 of the French Commercial Code and will be set by the Board of Directors on the day on which the options are granted, in accordance with the provisions of Articles L. 225-177 and L. 225-179 of the French Commercial Code, it being specified that:

   (i) in the case of new share subscription options, the price may not be less than 95% of the average price listed for the ten trading sessions preceding the day on which the option is granted,

   (ii) in the case of existing stock options, the price will be equal to 95% of the average price quoted during the ten trading days preceding the day on which the option is granted, nor to the average purchase price of the shares held by the Company on the date the option is granted under Article L. 22-10-62 of the French Commercial Code.

3 CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

Statements of consolidated financial position

(amounts in thousands of euros)	Notes	AS OF DECEMBER 31, 2019 (as restated)(1)	2020 (as restated)(1)	2021
ASSETS				
Patents and software	3	2,400	2,673	2,757
Property, plant and equipment	4	185	114	563
Other non-current financial assets	5, 9	382	413	1,251
Total non-current assets		**2,967**	**3,200**	**4,571**
Other receivables and prepaid expenses	7, 9	7,893	5,239	6,536
Other current financial assets	6	475	12,924	1,229
Cash and cash equivalents	8, 9	6,337	5,847	23,926
Total current assets		**14,705**	**24,010**	**31,691**
TOTAL ASSETS		**17,672**	**27,210**	**36,262**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity				
Share capital	10	4,793	20,151	27,191
Premiums related to the share capital	10	45,478	22,538	27,781
Treasury shares	10	(17)	(42)	(51)
Foreign currency translation adjustment		(82)	(72)	(73)
Accumulated deficit - attributable to shareholders of Biophytis		(39,479)	(14,759)	(17,865)
Net loss - attributable to shareholders of Biophytis		(18,946)	(25,517)	(31,246)
Shareholders' equity - attributable to shareholders of Biophytis		**(8,253)**	**2,299**	**5,737**
Non-controlling interests		(31)	(31)	(32)
Total shareholders' equity		**(8,284)**	**2,268**	**5,705**
Liabilities				
Employee benefit obligations	13	142	188	205
Non-current financial liabilities	9, 12	5,398	1,833	6,293
Non-current derivative financial instruments	12	-	-	916
Total non-current liabilities		**2,021**	**2,021**	**7,414**
Current financial liabilities	9, 12	11,057	13,219	12,370
Provisions	14	-	2	-
Trade payables	9,5.1	7,866	7,985	7,606
Tax and social liabilities	15.2	1,263	1,446	1,998
Current derivative financial instruments	12	-	-	788
Other creditors and miscellaneous liabilities	15.3	230	269	381
Total current liabilities		**20,416**	**22,921**	**23,143**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**17,672**	**27,210**	**36,262**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

Statements of consolidated operations

(amounts in thousands of euros, except share and per share data)	Notes	FOR THE YEARS ENDED DECEMBER 31, 2020 (as restated)[1]	2021
Revenue		-	
Cost of sales		-	
Gross margin		**-**	
Research and development expenses, net	16.1	(9,921)	(19,665)
General and administrative expenses	16.2	(4,021)	(7,150)
Operating loss		**(13,942)**	**(26,815)**
Financial expenses		(1,531)	(2,581)
Financial income		34	24
Change in fair value of financial instruments		(10,080)	(1,875)
Net financial expense	17	**(11,575)**	**(4,432)**
Loss before taxes		**(25,517)**	**(31,247)**
Income taxes benefit		-	-
Net loss		**(25,517)**	**(31,247)**
Attributable to shareholders of Biophytis		(25,517)	(31,246)
Non-controlling interests		-	(1)
Basic and diluted weighted average number of shares outstanding		59,974,486	118,282,679
Basic loss per share (€/share)	19	**(0.43)**	**(0.26)**
Diluted loss per share (€/share)	19	**(0.43)**	**(0.26)**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

Statements of consolidated comprehensive loss

(amounts in thousands of euros)	FOR THE YEARS ENDED DECEMBER 31, 2020 (as restated)[1]	2021
Net loss for the year	**(25,517)**	**(31,247)**
Items that will not be reclassified to profit or loss		
Actuarial gains and losses	(14)	23
Items that will be reclassified to profit or loss		
Foreign currency translation adjustment	10	-
Other comprehensive income (loss)	**(4)**	**23**
Total comprehensive loss	**(25,521)**	**(31,224)**
Attributable to shareholders of Biophytis	(25,521)	(31,223)
Non-controlling interests	-	(1)

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

Statement of changes in consolidated shareholders' equity

(amounts in thousands of euros, except share data)	*Notes*	*Share capital – number of shares*	Share capital	Premiums related to the share capital	Accumulated deficit and net loss	Foreign currency translation adjustment	Share based payment	Split accounting impact related to convertible notes and warrants attached to non-convertible bonds	Treasury Shares	Shareholders' equity – Attributable to shareholders of Biophytis	Non-controlling interests	Shareholders' equity
As of December 31, 2019 (as restated) [(1)]		*23,963,254*	**4,793**	**45,478**	**(64,105)**	**(82)**	**4,736**	**944**	**(17)**	**(8,253)**	**(31)**	**(8,284)**
Net loss for the period			-	-	(25,517)	-	-	-	-	**(25,517)**	**-**	**(25,517)**
Other comprehensive income (loss)			-	-	(14)	10	-	-	-	**(4)**	**-**	**(4)**
Total comprehensive income (loss)			-		(25,531)	10	-	-	-	**(25,521)**	**-**	**(25,521)**
Conversion of convertible notes	12	*22,628,683*	4,526	10,186	-	-	-	-	-	**14,712**	**-**	**14,712**
Share capital increase	12	*49,295,005*	9,858	13,628	-	-	-	-	-	**23,486**	**-**	**23,486**
Exercise of warrants	11	*4,870,155*	974	341	-	-	-	-	-	**1,315**	**-**	**1,315**
Subscription of warrants	11		-	449	-	-	-	-	-	**449**	**-**	**449**
Allocation of premiums to retained earnings (2)			-	(44,047)	(44,047)	-	-	-	-	**-**	**-**	**-**
Treasury shares net movements			-	-	-	-	-	-	(25)	**(25)**	**-**	**(25)**
Gains and losses, net related to treasury shares			-	-	61	-	-	-	-	**61**	**-**	**61**
Equity settled share-based payments	11		-	-	-	-	785	-	-	**785**	**-**	**785**
Biophytis shares to be received from Negma (3)	12.2.1				(1,212)					**(1,212)**		**(1,212)**
Costs incurred in relation to public offering on the Nasdaq	10		-	(787)	-	-	-	-	-	**(787)**	**-**	**(787)**
Costs incurred in relation to equity transactions (4)	10		-	(2,709)	-	-	-	-	-	**(2,709)**	**-**	**(2,709)**
As of December 31, 2020 (as restated) [(1)]		*100,757,097*	**20,151**	**22,538**	**(46,740)**	**(72)**	**5,521**	**944**	**(42)**	**2,299**	**(31)**	**2,268**
Net loss for the period					(31,246)					(31,246)	(1)	**(31,247)**
Other comprehensive income (loss)					23					23	-	**23**
Total comprehensive income (loss)					**(31,223)**					**(31,223)**	**(1)**	**(31,224)**
Conversion of convertible notes	12	*16,379,256*	3,276	7,664	-	-	-	-	-	10,940	-	10,940
Share capital increase	10	*16,950,000*	3,390	16,814	-	-	-	-	-	20,204	-	20,204
Exercise of warrants	11	*1,867,304*	373	369	-	-	-	-	-	742	-	742
Cancellation of 2018 Kreos warrants	12.2.3	-	-	-	-	-	-	(62)	-	(62)	-	(62)
Biophits shares delivered to Negma	12.2.1	-	-	-	1,521	-	-	-	-	1,521	-	1,521
Allocation of premiums to retained earnings (2)		-	-	(17,505)	17,505	-	-	-	-	-	-	-
Treasury shares net movements		-	-	-	-	-	-	-	(9)	(9)	-	(9)
Gains and losses, net related to treasury shares		-	-	-	2	-	-	-	-	2	-	2
Equity settled share-based payments	11	-	-	-	-	-	3,422	-	-	3,422	-	3,422
Costs incurred in relation to equity transactions	10	-	-	(2,099)	-	-	-	-	-	(2,099)	-	(2,099)
As of December 31, 2021		*135,953,657*	**27,191**	**27,781**	**(58,935)**	**(72)**	**8,943**	**882**	**(51)**	**5,737**	**(32)**	**5,705**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts
(2) The general meetings held on May 28, 2020 and on May 10,2021 decided the allocation of premiums to accumulated deficit.
(3) The judgment of the Paris Court of Appeal of November 18, 2020 ordered the return by Negma of the 2,050,000 Biophytis shares previously delivered following the judgment of May 7, 2020. As a result, the Company recognized at the date of the judgment of November 18, 2020 the right to receive the 2,050,000 shares to be returned by Negma in equity for € 1,212 thousand and a corresponding increase of the financial liability (see notes 12.2 and 14).
(4) Costs incurred by the Company in relation to private placements totaling €23.5 million that occurred in February, June, July and October 2020.

Statements of consolidated cash flows

(amounts in thousands of euros)	Notes	FOR THE YEARS ENDED DECEMBER 31, 2020 (as restated)(1)	2021
Cash flows from operating activities			
Net loss for the period		**(25,517)**	**(31,247)**
Adjustments to reconcile net loss to cash flows from operating activities			
Amortization and depreciation of intangible and tangible assets	3, 4	280	311
Additions of provisions, net of reversals	13, 14	34	39
Expenses associated with share-based payments	11	785	3,422
Change in deferred tax		-	-
Costs incurred in relation to equity transactions, initially recognized as a reduction from shareholders' equity		-	-
Financial interest		628	562
Conversion settled with cash payment		-	-
Amortization of the day one losses	12.2	-	54
Changes in fair value of financial instruments	12.2	10,080	1,875
Interests on investment accounts		(1)	(4)
Financial indemnity, net, Negma	12.2	(34)	1,675
Unwinding of conditional advances and other financial expenses	12.1	452	397
Amortized cost of non-convertible bonds and debt component of the convertible notes	12.2	189	132
Operating cash flows before change in working capital requirements		**(13,104)**	**(22,785)**
(-) Change in working capital requirements (net of depreciation of trade receivables and inventories)		**(3,361)**	**1,010**
(Decrease) increase in other non-current financial assets		(4)	(2)
(Decrease) increase in other receivables		(2,654)	1,297
Decrease (increase) in trade payables		(479)	380
Decrease (increase) in tax and social security liabilities		(183)	(242)
Decrease (increase) in other creditors and miscellaneous liabilities		(41)	(113)
Cash flows used in operating activities		**(9,743)**	**(23,795)**
Cash flows used in investing activities			
Acquisition of intangible and tangible assets	3, 4	(214)	(344)
Interests on investment accounts		1	4
Purchase of term deposits classified as other current financial assets	6	(12,500)	-
Sale of term deposits classified as other current financial assets		-	12,500
Cash flows used in investing activities		**(12,713)**	**12,160**
Cash flows from financing activities			
Proceeds from share capital increase	10	23,486	16,584
Costs paid in relation to equity transactions	10	(3,496)	(2,099)
Net financial indemnity received from/ (paid to) Negma	12.2	34	(1,675)
Subscription of warrants (BSA)	12	271	-
Exercise of warrants (BSA) and founders' warrants (BSPCE)	12	862	742
Proceeds from research tax credit prefinancing, net of guarantee deposit	12	1,964	3,011
Reimbursement of the prefinanced CIR receivables, net of guarantee deposit	12	(4,589)	(2,252)
Proceeds from conditional advances	12.1	-	400
Repayment of conditional advances		(136)	(279)
Financial interest paid		(628)	(562)
Conversion settled with cash payment	12.2	-	(910)
Proceeds from the issuance of convertible notes and non-convertible bonds	12.2	8,730	20,484
Repayment non-convertible bonds	12.2	(3,214)	(3,550)
Repayment of convertible notes		(863)	-
Costs incurred in relation to the issuance of convertible notes and non-convertible bonds	12.2	(453)	(125)
Repayment of lease obligations		-	(54)
Change in short-term bank overdrafts		(15)	-
Cash flows from financing activities		**21,953**	**29,715**
Net effect of exchange rate changes on cash and cash equivalents		13	(1)
Increase (decrease) in cash and cash equivalents		**(490)**	**18,079**
Cash and cash equivalents at the beginning of the period		6,337	5,847
Cash and cash equivalents at the end of the period		5,847	23,926

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

Notes to the consolidated financial statements

(Unless otherwise stated, the consolidated financial statements are presented in thousands of euros. Certain amounts may be rounded up for the calculation of the financial information contained in the consolidated financial statements. As a result, the totals in some tables may not exactly match the sum of the previous figures.)

Note 1: General information about the Company

Incorporated in September 2006, Biophytis is a clinical-stage biotechnology company focused on the development of therapeutics that slow the degenerative processes associated with aging and improve functional outcomes for patients suffering from age-related diseases.

Sarconeos (BIO101), the Company's leading drug candidate, is a small molecule, administered orally, and currently in clinical Phase 2b in sarcopenia (SARA-INT) in the United States and Europe. A pediatric formulation of Sarconeos (BIO101) is being developed for the treatment of Duchenne Muscular Dystrophy (DMD).

Since April 2020, Sarconeos (BIO101) is also being developed as a treatment for patients with COVID-19 related respiratory failure in a Phase 2/3 clinical study (COVA) in the United States, Europe and Latin America. Enrollment of the study, however, has ended earlier than planned due to the progression of the pandemic and the difficulty in enrolling patients.

Biophytis is a French joint stock company (société anonyme) and has its registered office located at 14, avenue de l'Opéra, 75001 Paris, France (register Number at the Company's house: 492 002 225 RCS PARIS).

The ordinary shares of the Company are listed on Euronext Growth Paris (Ticker: ALBPS-ISIN: FR0012816825). The ADSs (American Depositary Shares) are listed on the Nasdaq Capital Market since February 10, 2021 under the symbol "BPTS".
Biophytis and its subsidiaries are referred to hereinafter as "**Biophytis,**" or the "**Company.**"

The following information constitutes the Notes to the consolidated financial statements for the years ended December 31, 2020 and 2021.

The consolidated financial statements of Biophytis, or the "**Financial Statements**", have been prepared under the responsibility of management of the Company and were approved and authorized for issuance by the Company's Board of Directors on April 4, 2022.

Note 2: Accounting principles, rules and methods

2.1 Principles used in preparing the Financial Statements

The Financial Statements are presented in thousands of euros unless stated otherwise. Some amounts may be rounded for the calculation of financial information contained in the Financial Statements. Accordingly, the totals in some tables may not be the exact sum of the preceding figures.

Statement of compliance

The Company has prepared its Financial Statements for the years ended December 31, 2021 and December 31, 2020 in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Boards, or IASB. The term "IFRS" refers collectively to international accounting and financial reporting standards (IASs and IFRSs) and to interpretations of the interpretations committees (IFRS Interpretations Committee, or IFRS IC, and Standing Interpretations Committee, or SIC), whose application is mandatory for the periods presented.

Due to the listing of ordinary shares of the Company on Euronext Growth Paris (formerly known as Alternext Paris) and in accordance with the European Union's regulation No. 1606/2002 of July 19,

2002, the Financial Statements of the Company are also prepared in accordance with IFRS as adopted by the European Union, or EU, whose application is mandatory for the periods presented.

As of December 31, 2019, 2020 and 2021, all IFRS that the IASB has published and that are mandatory are the same as those endorsed by the EU and mandatory in the EU. As a result, the Financial Statements comply with IFRS as issued by the IASB and as adopted by the EU.

Going concern

The Board of Directors approved the Financial Statements on a going concern basis despite the 2021 loss of €31,247 thousand. This analysis takes into account:

- Cash and cash equivalents as of December 31, 2021 amounted to €23.9 million;
- The potential use of a funding line of convertible notes set up with Atlas (or "2021 Atlas Contract") that could lead up to additional funding of up to €32 million (see Note 12.2.2). The first tranche of €4 million has been issued in April 2022 (see Note 23).

The Company believes that the level of cash and cash equivalents, supplemented by the availability of existing funding lines, is sufficient to cover the Company's cash requirements for the next 12 months from the date of approval of the Financial Statements.

Accounting methods

The accounting principles adopted for the Financial Statements as of and for the year ended December 31, 2021 are the same for the year ended December 31, 2020 with the exception of the following new standards, amendments and interpretations whose application was mandatory for the Company as of January 1, 2021:

- Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16 – *Benchmark Interest Rates Reform: Phase 2* issued on August 27, 2020; and
- IFRS IC Decision dated April 20, 2021 *Attributing Benefit to Periods of Service*.

Adoptions of these standards or IFRS IC decision have not had a material impact on the Financial Statements (see Note 2.2).
Recently issued accounting pronouncements that may be relevant to the Company's operations but have not yet been adopted are as follows:

- Amendments to IFRS 16 *Leases*: Covid-19-Related Rent Concessions beyond June 30, 2021 issued on March 31, 2021 and whose application is for annual reporting periods beginning on or after April 1, 2021;
- Amendments to IFRS 3 *Business combinations*, IAS 16 *Property, Plant and Equipment* and IAS 37 *Provisions*, *Contingent Liabilities and Contingent Assets*, Annual improvements 2018-2020, all issued on May 14, 2020 and whose application is for annual reporting periods beginning on or after January 1, 2022; ·
- Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date issued on January 23, 2020 and July 15, 2020 respectively and whose application is for annual reporting periods beginning on or after January 1, 2023;
- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: Disclosure of Accounting policies issued on February 12, 2021 and whose application is for annual reporting periods beginning on or after January 1, 2023; ·
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates issued on February 12, 2021 and whose application is for annual reporting periods beginning on or after January 1, 2023; and
- Amendments to IAS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction issued on May 7, 2021 and whose application is for annual reporting periods beginning on or after January 1, 2023.

The Company has not early adopted these new accounting standards, amendments and interpretations. It currently does not anticipate any significant impact on its Financial Statements at adoption date.

2.2 Restatements of previously published financial statements

In October 2021, it was determined that the annual consolidated financial statements for the years ended December 31, 2019 and 2020 required correction for the accounting treatment of the convertible notes.

These technical corrections relate to the inappropriate historical accounting practices relating to notes convertible into ordinary shares and/or redeemable for cash with attached warrants issued to convertible noteholders.

The company assessed that the fair values historically attributed to the attached warrants as well as the derivatives embedded in the convertible bonds and to the shares issued upon conversion were incorrect, which had a significant impact on the consolidated financial statements.

As part of the Company's reassessment of the fair value of the embedded derivatives, it was determined that the Company could not reliably estimate separately their fair value and therefore concluded that the entire hybrid contracts should be measured at fair value through profit or loss. In addition, given the uncertainties associated with the pending outcome of the ongoing litigation with Negma, the Company concluded that the accounting for its liability to Negma should have reflected initial contractual obligations.

The following presents a reconciliation of the impacted financial statement line items as filed to the restated amounts as of December 31, 2020 and 2019 and for the years then ended. The previously reported amounts reflect those included in the Annual Report for the year ended December 31, 2020 and in the Original Form 20-F as of and for the year ended December 31, 2020 filed with the SEC on March 12, 2021. These amounts are labeled as "As filed" in the tables below. The amounts labeled "Restatement" represent the effects of this restatement due to the corrections required to reflect the proper accounting treatment of the Company's convertible notes.

Summary of the Restatement Adjustments

The impact of the technical adjustments performed were an increase in the fair value of the related financial liabilities through income statement since their issuance date as soon as they were set up and the recording of the initial contractual obligations in the fair value of the debt instead of in the provisions account.

The following tables summarize the impact of the restatement on our financial statements for the years ended December 31, 2020 and December 31, 2019:

	Twelve months period ended December 31, 2019			Twelve months period ended December 31, 2020		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Statement of consolidated financial position						
Total shareholders' equity	(7,526)	(758)	(8,284)	6,832	(4,564)	2,268
Non-current liabilities	5,540	-	5,540	2,021	-	2,021
Current financial liabilities	9,846	1,211	11,057	7,262	5,957	13,219
Provisions	-	-	-	1,396	(1,394)	2
Derivative instruments	451	(451)	-	-	-	-
Total liabilities and shareholders' equity	17,672	-	17,672	27,210	-	27,210
Statement of consolidated financial operations						
Net financial expenses	(2,134)	(1,210)	(3,344)	(3,112)	(8,463)	(11,575)
Income taxes benefit	28	52	80	-	-	-
Net loss	(17,788)	(1,158)	(18,946)	(17,054)	(8,463)	(25,517)

Impact on the statement of consolidated financial position

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020 As filed	Restatements	As restated
ASSETS			
Total non-current assets	**3,200**	**-**	**3,200**
Total current assets	**24,010**	**-**	**24,010**
TOTAL ASSETS	**27,210**	**-**	**27,210**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	20,151	-	20,151
Premiums related to the share capital	17,821	4,717	22,538
Treasury shares	(42)	-	(42)
Foreign currency translation adjustment	(72)	-	(72)
Accumulated deficit - attributable to shareholders of Biophytis	(13,941)	(818)	(14,759)
Net income (loss) - attributable to shareholders of Biophytis	(17,054)	(8,463)	(25,517)
Shareholders' equity - attribuable to shareholders of Biophytis	**6,863**	**(4,564)**	**2,299**
Non-controlling interests	(31)	-	(31)
Total shareholders' equity	**6,832**	**(4,564)**	**2,268**
Total non-current liabilities	**2,021**	**-**	**2,021**
Current financial liabilities	7,262	5,958	13,219
Provisions	1,396	(1,394)	2
Trade payables	7,985	-	7,985
Tax and social liabilities	1,446	-	1,446
Other creditors and miscellaneous liabilities	268	-	269
Total current liabilities	**18,357**	**4,564**	**22,921**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**27,210**	**-**	**27,210**

(amounts in thousands of euros)	AS OF DECEMBER 31, 2019 As filed	Restatements	As restated
ASSETS			
Total non-current assets	**2,967**	**-**	**2,967**
Total current assets	**14,705**	**-**	**14,705**
TOTAL ASSETS	**17,672**	**-**	**17,672**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	4,793	-	4,793
Premiums related to the share capital	45,237	241	45,478
Treasury shares	(17)	-	(17)
Foreign currency translation adjustment	(82)	-	(82)
Accumulated deficit – attributable to shareholders of Biophytis	(39,638)	157	(39,479)
Net income (loss) – attributable to shareholders of Biophytis	(17,788)	(1,158)	(18,946)
Shareholders' equity – 153ttributable to shareholders of Biophytis	**(7,495)**	**(760)**	**(8,253)**
Non-controlling interests	(31)	-	(31)
Total shareholders' equity	**(7,526)**	**(760)**	**(8,284)**
Total non-current liabilities	**5,540**	**-**	**5,540**
Current financial liabilities	9,846	1,211	11,057
Provisions	-	-	-
Trade payables	7,866	-	7,866
Tax and social liabilities	1,263	-	1,263
Derivative liabilities	451	(451)	-
Other creditors and miscellaneous liabilities	232	-	230
Total current liabilities	**19,658**	**760**	**20,416**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17,672**	**-**	**17,672**

Impact on the statement of consolidated operations

(amounts in thousands of euros)	Note	FOR THE YEAR ENDED DECEMBER 31, 2020 As filed	Restatements	As restated
Gross margin		**-**	**-**	**-**
Research and development expenses, net		(9,921)	-	(9,921)
General and administrative expenses		(4,021)	-	(4,021)
Operating loss		**(13,942)**	**-**	**(13,942)**
Financial expenses		(6,364)	4,833	(1,531)
Financial income		421	(387)	34
Change in fair value of convertible notes		2,831	(12,911)	(10,080)
Net Financial expense		**(3,112)**	**(8,463)**	**(11,575)**
Loss before taxes		**(17,054)**	**(8,463)**	**(25,517)**
Income taxes benefit		-	-	-
Net loss		**(17,054)**	**(8,463)**	**(25,517)**
Attributable to shareholders of Biophytis		*(17,054)*	*(8,463)*	*(25,517)*
Non-controlling interests		-	-	-
Basic and diluted weighted average number of shares outstanding		59,974,486	59,974,486	59,974,486
Basic loss per share (€/share)		**(0.28)**	**(0.15)**	**(0.43)**
Diluted loss per share (€/share)		**(0.28)**	**(0.15)**	**(0.43)**

(amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2020 As filed	Restatements	As restated
Net loss for the year	**(17,054)**	**(8,463)**	**(25,517)**
Items that will not be reclassified to profit or loss			
Actuarial gains and losses	(14)	-	(14)
Items that will be reclassified to profit or loss			
Foreign currency translation adjustment	10	-	10
Other comprehensive income (loss)	**(4)**	**-**	**(4)**
Total comprehensive loss	**(17,058)**	**(8,463)**	**(25,521)**
Attributable to shareholders of Biophytis	*(17,058)*	*(8,463)*	*(25,521)*
Non-controlling interests	-	-	-

Impact on the statement of changes in consolidated shareholders' equity

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020		
	As filed	Restatements	As restated
	Shareholders' equity - Attributable to shareholders of Biophytis		
As of January 1, 2020	**(7,495)**	**(758)**	**(8,253)**
Net loss for the period	(17,054)	(8,463)	(25,517)
Other comprehensive income (loss)	(4)	-	(4)
Total comprehensive income (loss)	**(17,058)**	**(8,463)**	**(25,521)**
Conversion of convertible notes	8,841	5,871	14,712
Share capital increase	24,880	(1,394)	23,486
Exercise of warrants (BSA) and founders' warrants (BSPCE)	1,315	-	1,315
Subscription of warrants (BSA)	449	-	449
Allocation of premiums to retained earnings	-	-	-
Treasury shares movements, net	(25)	-	(25)
Gains and losses, net related to treasury shares	61	-	61
Equity settled share-based payments	785	-	785
Biophytis shares to be received from Negma	(1,394)	182	(1,212)
Cost incurred in relation to public offering on the NASDAQ	(787)	-	(787)
Cost incurred in relation to equity transaction	(2,709)	-	(2,709)
As of December 31, 2020	**6,863**	**(4,564)**	**2,299**

(amounts in thousands of euros)	AS OF DECEMBER 31, 2019		
	As filed	Restatements	As restated
	Shareholders' equity - Attributable to shareholders of Biophytis		
As of January 1, 2019	**7,037**	**-**	**7,037**
Net loss for the period	(17,788)	(1,158)	(18,946)
Other comprehensive income (loss)	69	-	69
Total comprehensive income (loss)	**(17,719)**	**(1,158)**	**(18,878)**
Conversion of convertible notes	2,629	241	2,871
Issuance of warrants (BSA) attached to convertible bonds	75	211	286
Deferred tax liabilities on the issuance of warrants (BSA)	(28)	(52)	(80)
Treasury shares movements, net	134	-	134
Gains and losses, net related to treasury shares	(131)	-	(131)
Equity settled share-based payments	63	-	63
Cost incurred in relation to equity transaction	445	-	445
As of December 31, 2019	**(7,495)**	**(758)**	**(8,253)**

Impact on the statement of consolidated cash flows

STATEMENT OF CONSOLIDATED CASH FLOWS

	AS OF DECEMBER 31, 2020		
(amounts in thousands of euros)	**As filed**	**Restatements**	**As restated**
Net loss for the period	**(17,054)**	**(8,463)**	**(25,517)**
Amortization and depreciation of intangible and tangible assets	280	-	280
Additions of provisions, net of reversals	1,428	(1,394)	34
Expenses associated with share-based payments	785	-	785
Financial interests and conversion settled with cash payment	118	510	628
Changes in fair value of convertible notes	(2,831)	12,911	10,080
Financial indemnity, net, NEGMA	(34)	-	(34)
Interest on investment accounts	(1)	-	(1)
Unwinding of conditional advances and other financial expenses	65	387	452
Amortized cost of non-convertible bonds	4,374	(4,185)	189
Operating cash flows before change in working capital requirements	**(12,871)**	**(233)**	**(13,104)**
(-) Change in working capital requirements (net of depreciation of trade receivables and inventories)	**(3,007)**	**(354)**	**(3,361)**
Cash flows from operating activities	**(9,864)**	**121**	**(9,743)**
Cash flows used in investing activities	**(12,713)**	**-**	**(12,713)**
Cash flows from financing activities			
Proceeds from share capital increase, net of NEGMA indemnity	23,486	-	23,486
Costs paid in relation to equity transactions	(3,496)	-	(3,496)
Net financial indemnity received from (paid to) NEGMA	34	-	34
Subscription of warrants (BSA)	271	-	271
Exercise of warrants (BSA) and founders' warrants (BSPCE)	862	-	862
Proceeds from research tax credit prefinancing, net of guarantee deposit	1,964	-	1,964
Reimbursement of the prefinanced CIR receivables, net of the guarantee deposit	(4,589)		(4,589)
Proceeds from conditional advances, net of repayment	(136)	-	(136)
Financial interests paid	(908)	280	(628)
Proceeds from the issuance of convertible notes and non-convertible bonds	9,000	(270)	8,730
Repayment of non-convertible bonds	(3,964)	750	(3,214)
Repayment of convertible notes		(863)	(863)
Costs incurred in relation to the issuance of convertible notes and non-convertible bonds	(435)	(18)	(453)
Change in short-term bank overdrafts	(15)	-	(15)
Cash flows from financing activities	**22,074**	**(121)**	**21,953**
Net effect of exchange rate changes on cash and cash equivalents	13	-	13
Increase (decrease) in cash and cash equivalents	**(490)**	**-**	**(490)**
Cash and cash equivalents at the beginning of the period (including bank overdrafts)	6,337	-	6,337
Cash and cash equivalents at the end of the period (including bank overdrafts)	5,847	-	5,847

2.3 Change in accounting methods

For the preparation of its Financial Statements, the Company adopted in 2021 the IFRS IC Decision dated April 20, 2021 *Attributing Benefit to Periods of Service (IAS 19 Employee Benefits)*.

IFRIC decision lead to shorten the period to which benefits are attributed by deferring the date from which an expense is recognised.
The difference has been considered as not material as of December 31, 2020 and as of December 31, 2019. The Company recognized the full impact of €30 thousand for the year ended December 31, 2021 in Other Comprehensive Income and Employee benefit obligation.

Adoptions of the other new standards identified in Note 2.1 have not had a material impact on the Financial Statements as of and for the year ended December 31, 2021.

2.4 Use of judgments and estimates

To prepare the Financial Statements in accordance with IFRS, judgments and estimates were made by the Company's management; these may have had an effect on the amounts presented under assets and liabilities, the contingent liabilities at the date of preparation of the Financial Statements and the amounts under income and expenses for the period.

Such estimates are based on the assumption of a going concern and are based on the information available at the time of their preparation. These estimates are ongoing and are based on past experience as well as diverse other factors judged to be reasonable and form the basis for the assessments of the book value of assets and liabilities. These estimates may be revised if the circumstances on which they are based change or as a result of new information. Actual results may differ significantly from such estimates if assumptions or conditions change.

The main judgments and estimates made by management relate to the following in particular:

- The fair value measurement of founders' warrants, warrants and free shares granted to employees and board members:
    - The fair value measurement of share-based payments is based on the Black-Scholes option valuation model which makes assumptions about complex and subjective variables. These variables notably include the value of the Company's shares, the expected volatility of the share price over the lifetime of the instrument, and the present and future behavior of holders of those instruments. There is a high inherent risk of subjectivity when using an option valuation model to measure the fair value of share-based payments in accordance with IFRS 2 *Share-based Payment*; and
    - The valuation assumptions adopted are disclosed in Note 11.

- The fair value measurement of warrants issued to Negma:
    - The fair value measurement of the equity instruments issued to Negma is based on the Black-Scholes option valuation model which makes assumptions about complex and subjective variables. These variables notably include the value of the Company's shares, the expected volatility of the share price over the lifetime of the instrument, and the present and future behavior of holders of those instruments. There is a high inherent risk of subjectivity when using an option valuation model to measure the fair value of derivative instruments and of the equity instruments in accordance with IAS 32 *Financial Instruments – Presentation* ("IAS 32") and IFRS 9; and
    - The valuation assumptions utilized are disclosed in Note 12.2.

- The fair value measurement of convertible notes and non-convertible bonds issued to Kreos with attached warrants:
    - The fair value measurement of the derivative related to the conversion option to Kreos and the warrants issued to Kreos is based on the Black-Scholes option valuation model

which makes assumptions about complex and subjective variables. These variables notably include the value of the Company's shares, the expected volatility of the share price over the lifetime of the instrument, and the present and future behavior of holders of those instruments. There is a high inherent risk of subjectivity when using an option valuation model to measure the fair value of derivative instruments and of the equity instruments in accordance with IAS 32 *Financial Instruments – Presentation* ("IAS 32") and IFRS 9. The fair value measurement of the debt component of the convertible notes was determined by discounting cash flows at market rate (unobservable input). The accounting for the day one losses resulting from those valuation are consequently subject to judgement.
    - The valuation assumptions utilized are disclosed in Note 12.2.

- The fair value measurement of notes convertible into ordinary shares and/or redeemable in cash with attached warrants issued to Negma and notes convertible into ordinary shares and/or redeemable in cash with Atlas:
    - The fair value measurement of the convertible notes issued to Negma and Atlas is based on the binomial valuation model which makes use of assumptions and unobservable inputs. The inputs used notably include the quoted price of the Company's shares, the expected volatility of the share price over the expected maturity of the convertible notes, and the present and future behavior of the Company and of the holders of those instruments. There is a high inherent risk of subjectivity when using an option valuation model to measure the fair value of convertible notes in accordance with IFRS 9 and IAS 32; and
    - The valuation assumptions utilized are disclosed in Note 12.2.

- Non-recognition of deferred tax assets net of deferred tax liabilities:
    - The determination of the amount of deferred tax assets which can be recognized requires that management makes estimates on both the consumption period of tax losses carried forward, and the level of future taxable income, in terms of strategies for fiscal management; and
    - The accounting principles applied by the Company in terms of recognition of deferred tax assets are detailed in Note 2.23.

2.5 Consolidation scope and methods

Biophytis controls all the legal entities included in the consolidation. An investor consolidates an investee when it controls the investee. The investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee. This principle applies to all investees, including structured entities.

An investor must possess all of the following elements to be deemed to control an investee:

- Control over the investee, which is described as having existing rights that give the current ability to direct the activities of the investee that significantly affect the investee's returns;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- Ability to exert control over the investee to affect the amount of the investor's returns.

The subsidiaries are consolidated beginning on the date on which the Company acquires control. They are deconsolidated beginning on the date on which control ceases to be exercised.

Intra-company transactions and balances are eliminated. The financial statements of the subsidiaries are prepared for the same reference period as those of the parent company, on the basis of the same accounting methods.

As of the date of publication of these Financial Statements, the Company has the control over the following two subsidiaries:

- Instituto Biophytis Do Brasil, a company incorporated in July 2006 under Brazilian law and registered in the state of Sao Paulo. Biophytis holds a 94.6% ownership stake in this subsidiary; and
- Biophytis Inc., a company incorporated in September 2015 under United States law and registered in the state of Delaware. Biophytis holds a 100% ownership stake in this subsidiary.

2.6 Foreign currency translation

For each entity, the Company determines the functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

The parent company's functional currency is the euros (€), which is the reporting currency of the Company and represented in the Financial Statements.

2.6.1 Recognition of transactions in foreign currencies

Transactions in foreign currencies are converted into the Company's functional currency by applying the exchange rate at the date of the transactions. The monetary assets and liabilities denominated in foreign currencies are converted at the closing date into the functional currency using the rate of exchange on that date.

Foreign exchange gains and losses resulting from the conversion of monetary items correspond to the difference between the amortized cost denominated in the functional currency at the beginning of the period, adjusted for the impact of the effective interest rate and payments over the period, and the amortized cost denominated in the foreign currency converted at the exchange rate on the closing date.

2.6.2 Translation of the financial statements of foreign subsidiaries

The financial statements of entities whose functional currency is not the euro are translated as follows:

- assets and liabilities are translated using the closing rate of the period;
- income statement items are translated using the average rate of the period; and
- equity items are translated using the historical rate.

The exchange differences arising on translation are directly recognized in shareholders' equity under "Foreign currency translation adjustment."

The exchange rates used for the preparation of the Financial Statements are as follows:

EXCHANGE RATE	Closing rate AS OF DECEMBER 31,			Average rate FOR THE YEAR ENDED DECEMBER 31		
	2019	2020	2021	2019	2020	2021
BRL	4.5157	6.3735	6.3101	4.4134	5.8943	6.3779
USD	1.1234	1.2271	1.1326	1.1195	1.1422	1.1827

2.7 Impact of the COVID-19 health crisis on the December 31, 2021 accounts

The Company has, like many other companies, experienced disruptions due to the COVID 19 pandemic. Given the rapid changes associated with COVID 19, we have and are continuing to take the necessary precautions to protect our employees, partners and operations. For example, the Company has encouraged its employees in France and in the United States to work from home and to organize meetings and events in a virtual way whenever possible. The Company has also imposed restrictions on travel, which is now limited to professional imperatives only.

The Company's ongoing and planned clinical studies have been impacted by COVID 19. The Company's SARA-INT trial in sarcopenia has been impacted by the emergence of COVID 19 and subsequent lockdowns in Belgium and several American states (California and New York in particular). In light of the various measures adopted by governments and health authorities to restrict movement and protect the safety of patients, the Company had to adapt its SARA-INT protocol in order to ensure the continuity of the trial, in particular by closing all on-site activities, replacing them by phone calls, organizing Investigational Product delivery to patients' homes, and expanding the treatment from six to nine months for some patients. Despite these interruptions of in-office study visits and other disruptions that were imposed due to the COVID 19 pandemic, the Company was able to retain most of the study participants. The last patient completed his final on-treatment visit in December 2021. Despite the impediments, a total of 203 participants completed the SARA-INT study. However only 106 patients could perform the 400m walk test, which was the primary endpoint of our study.

In addition, our MYODA program in DMD and MACA program for dry AMD, both planned for 2022 and 2023, respectively may be delayed if there is a resurgence of COVID-19 or emergence of new vaccine resistant strains.

Due to the lack of severely ill COVID-19 patients meeting the enrollment criteria, we have decided to stop enrollment in the COVA study with immediate effect and we plan to obtain topline results after the end of the 28-day treatment period during the second quarter of 2022 and complete results in the third quarter of 2022.

2.8 Intangible assets

2.8.1 Research and development expenses

Research and development costs are recognized as expenses when incurred. Costs incurred on development projects are recognized as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

In the opinion of management, due to uncertainties inherent in the development of the Company's drug candidates, the criteria for research and development costs to be recognized as an intangible asset, as prescribed by IAS 38 *Intangible Assets*, have not been met and all research and development costs historically have been expensed.

2.8.2 Patents and software

Patents and software license acquisition costs are recorded as assets based on the costs incurred to acquire the related patents and licenses.

2.8.3 Amortization duration and expense

When intangible assets have a finite useful life, amortization is calculated using the straight-line method over this period, specifically:

Items	Amortization period
Development costs	Estimated useful life of the project
Acquired patents	Estimated useful life of the patents
Metabrain	*19 years*
Iris Pharma	*20 years*
Stanislas Veillet (BIO101)	*19 years*

Software	3 to 5 years

The value of intangible assets is tested when there is any indication that it may be impaired. The quantitative and qualitative factors are reviewed at each reporting date, in particular factors linked to research and development portfolio, pharmacovigilance, patents litigation and new competitors. When a factor indicates that an asset may have lost value, Biophytis estimates its recoverable value. The test consists of comparing the net book value of these assets with their recoverable amount. When the net book value exceeds the recoverable amount, an impairment loss is recognized for the difference.

2.9 Property, plant and equipment

Property, plant and equipment are valued at their cost of acquisition (purchase price and incidental expenses to ready the assets for their intended use) or their cost of production by the Company.

Assets are depreciated on a straight-line basis over their useful life.

They are depreciated using the straight-line method over the following periods:

Items	**Depreciation periods**
General facilities, fixtures and fittings	3 to 15 years
Technical installations, equipment and tooling	5 to 7 years
Office and IT equipment	3 to 5 years
Furniture	3 to 5 years
Transport equipment	3 to 5 years

The depreciation expenses for property, plant and equipment are recognized in the statement of consolidated operations under:

- "General and administrative expenses" for depreciation of facilities, fixtures and fittings, office and IT equipment, and furniture; and
- "Research and development expenses" for depreciation of laboratory equipment.

2.10 Lease agreements

Items held under lease agreements as defined by IFRS 16, *Leases,* and that do not meet the criteria for accounting exemptions for tenants (low-value asset leases and short-term agreements of less than 12 months) are shown as right of use assets in the statements of consolidated financial position. The corresponding liability is reported under "Financial liabilities" as a lease liability.

Leases payments that meet the exemptions criteria are recognized under expenses in the statements of consolidated operations on a straight-line basis over the term of the contract (refer to Note 21.1).

2.11 Recoverable value of non-current assets

Assets with an indefinite useful life are not depreciated and are subjected to an annual impairment test. Definite-lived assets are subject to an impairment test whenever there is any internal or external indicator that their value may be impaired.
Impairment indicators include in particular:

- mixed or negative results from preclinical and clinical trials;
- significant delay with the clinical trial development schedule.

2.12 Financial assets

As of December 31, 2020 and 2021, the financial assets of the Company are classified into two categories depending on their nature and objectives for keeping such assets in accordance with IFRS 9:

- financial assets at fair value through profit or loss; and
- financial assets at amortized costs.

All financial assets are initially recognized at their fair value plus acquisition costs. All purchases and sales of financial assets are recognized on the settlement date.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The financial assets related to the guarantee deposits and the related financial liabilities are presented separately in accordance with IAS 32.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist of:

- cash and cash equivalents as of December 31, 2021 and 2020;
- short-term deposits as of December 31, 2021 presented in other current financial assets;

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category as determined at each reporting date are presented in the statements of consolidated operations within “Financial income (loss)” in the period in which they arise.

Other financial assets may also voluntarily be classified in this category.

Financial assets at amortized cost

Financial assets at amortized cost are mainly non-current financial assets, other current financial assets, loans and other receivables, and trade receivables measured at amortized cost using the effective interest rate method, adjusted for expected credit losses.

Impairment of financial assets measured at amortized cost

The Company considers that a financial asset is impaired according to the expected loss method in order to take into account any defaults during the asset holding period. The amount of the expected loss is recognized in the statements of financial position. Impairment losses are recognized in the statements of consolidated operations.

2.13 Cash and cash equivalents

Cash and cash equivalents recognized in the statements of consolidated financial position include bank deposits, cash at hand and short-term deposits with an initial maturity of less than three months.

Cash equivalents are easily convertible into a known amount of cash and are subject to an insignificant risk of changes in value. They are held for the purpose of meeting short term cash commitments They are assessed at fair value and changes in value are recognized under “Financial income (loss)”.

2.14 Fair value of financial instruments

Borrowings and financial debts (excluding derivative financial instruments and convertible notes issued to Atlas and Negma) are initially recognized at fair value and subsequently measured at amortized cost, measured using the effective interest rate (EIR) method.

Convertible notes issued to Negma and Atlas were measured at fair value through profit or loss in accordance with IFRS 9.

The fair value of trade receivables and trade payables is considered as their book value, given their very short payment maturities. The same principle applies to other receivables, other current financial assets and other current liabilities.

The Company has distinguished three categories of financial instruments depending on their valuation methods and uses this classification to disclose some of the information required by IFRS 7 *Financial Instruments: Disclosures*:

- Level 1: financial instruments listed on an active market;
- Level 2: financial instruments whose valuation methods rely on observable inputs; and
- Level 3: financial instruments whose valuation methods rely entirely or partly on unobservable inputs, an unobservable input being defined as one whose measurement relies on assumptions or correlations that are not based on the prices of observable market transactions for a given instrument or on observable market data on the valuation date.

The Company's financial instruments that are recognized at fair value through profit or loss are:

- short term deposits which are classified as Level 1; and
- derivative financial instruments and convertible notes issued to Negma and Atlas (see Note 12.2), which are classified as Level 3.

2.15 Liquidity agreement

Following its listing on the stock market "Alternext Paris" (now called Euronext Growth Paris), the Company signed a liquidity agreement with a specialized institution in order to limit the "intra-day" volatility of Biophytis' shares.

For this purpose, the Company made an initial advance payment of €300 thousand to this institution in order that the latter can take long or short positions in the Company's shares. Shares acquired under this arrangement are recorded as treasury shares of the Company at cost.

Gain and losses from the disposal of these treasury shares is recognized under shareholders' equity.

The cash reserve related to the liquidity agreement is presented under "Non-current financial assets."

2.16 Public subsidies

Conditional advances

The Company benefits from conditional advances. The detail of these public grants is provided in Note 12.1.

They are recognized in accordance with IAS 20 *Accounting for government's grants and disclosures of governments assistance*. These are financial advances granted at interest rates lower than those of the market and are valued at amortized cost in accordance with IFRS 9, as follows:

- The rate advantage is determined by using a discount rate corresponding to a market rate at the grant date. The amount resulting from the rate advantage obtained at the grant date of the conditional advance is considered as a subsidy recognized in the statements of consolidated operations; and
- The financial cost of the conditional advances calculated at market rates is subsequently recognized in financial expenses.

The subsidies related to the rate advantage are presented as a reduction under the "Research and Development" line item.

These advances are recognized in “Non-current financial liabilities” or “Current financial liabilities” depending on their maturities. In the event of failure of the project, the debt is written off and recognized as a subsidy.

Subsidies

Subsidies received by the Company are recognized as soon as the corresponding receivable becomes certain, taking into account conditions imposed for the grant of the subsidy.

Operating subsidies are deducted from research and development expenses.

Research tax credit

The Company benefits from certain provisions of the French General Tax Code relating to research tax credits.

The Company receives certain specific project-related research tax credits (“Crédit d’Impôt Recherche”, or “CIR”), which are granted to companies incorporated in France as an incentive for technical and scientific research. Companies with expenses that meet the eligibility criteria receive a tax credit that (i) can be used to offset against corporate income tax due in the year, as well as in the following three financial years, in which it is granted, or, (ii) under certain circumstances, can be paid directly to the Company for its surplus.

If a company meets certain criteria in terms of sales, headcount or assets to be considered as a small / medium size company as defined by the European Union, it may request an immediate payment of the research tax credit. Biophytis meets such criteria.

The Company considers the research tax credit received from French Tax Authorities as government grants based on the fact that the tax credits are received independently from tax payments. The Company recognizes these credits as other current receivables given the expected time of collection. These credits are presented in the statements of consolidated operations as credits to research and development expense.

Research tax credits are subject to audit by the French Tax Authorities.

2.17 Receivables

Receivables are valued at their nominal value.

Impairment allowances include expected losses as required by IFRS 9, rather than incurred losses. No impairment allowances were determined to be necessary as of December 31, 2021 or 2020.

Other receivables include the nominal value of the CIR research tax credit which is recognized when expenses eligible to the research tax credit are incurred.

2.18 Capital

Classification as equity depends on the specific analysis of the characteristics of each instrument issued. The Company’s ordinary shares are classified as equity instruments.

Costs directly attributable to the issuance of shares are recognized, net of tax, as a reduction from shareholders’ equity.

2.19 Share-based payments

Since its incorporation, the Company has implemented several compensation plans settled in equity instruments in the form of warrants ("BSA"), founders' warrants ("BSPCE") and free shares attributed to employees and board members.

In accordance with IFRS 2 *Share-based Payment*, the cost of transactions settled in equity instruments is recognized under expenses in the period in which the rights to benefit from the equity instruments are acquired by the holder.

The fair value of the warrants granted to employees is measured using the Black-Scholes option valuation model. The same is true for warrants granted to other individuals supplying similar services, the market value of the latter not being determinable.

The assumptions used in measuring the fair value of such compensation plan equity issuances are described in Note 11.

2.20 Employment benefit obligations

The French employees of the Company are entitled to retirement benefits provided for under French law, and include:

- a retirement benefit, paid by the Company at the time of their retirement (defined benefit plan); and
- payment of retirement pensions by the Social Security bodies, which are financed by contributions from companies and employees (defined contribution plan).

Retirement plans, related payments and other company benefits which are classified as defined benefit plans (plans in which the Company undertakes to guarantee a defined amount or level of benefit) are recognized in the statements of consolidated financial position on the basis of an actuarial valuation of the commitments at the end of the period, after deduction of the fair value of the related plan assets dedicated to them.

This valuation is based on the projected unit credit method, taking into account staff turnover and mortality rates. Any actuarial variances are recognized in consolidated shareholders' equity under "Other comprehensive income (loss)."

The payments made by the Company for defined contribution plans are recognized as expense in the statements of consolidated operations for the period to which they relate.

2.21 Provisions

A provision is recognized if, as a result of a past event, a company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

2.22 Financial liabilities

Financial liabilities are classified into two categories and include:

- financial liabilities recognized at amortized cost; and
- financial liabilities recognized at fair value through profit or loss.

Financial liabilities recognized at amortized cost

Borrowings and other financial liabilities, such as conditional advances, are recognized at amortized cost calculated using the effective interest rate. The portion of financial liabilities due in less than one year is presented under current financial liabilities.

During the year ended December 31, 2018, the Company issued three tranches of non-convertible bonds with warrants attached to the first tranche. This financial instrument includes: a debt component related to the non-convertible bonds (measured at amortized cost) and an equity instrument related to the warrants (measured at fair value at the issue date in equity instruments in accordance with IAS 32 / IFRS 9). The fourth tranche of non-convertible bonds was issued during the year ended December 31, 2019. Transaction costs are allocated to the debt component and the equity instrument in proportion to their respective estimated values.

The accounting treatment of this compound financial instrument is detailed in Note 12.2.3.

During the year ended December 31, 2021, the Company issued non-convertible bonds and convertible notes to Kreos. Non-convertible bonds and debt component of the convertible notes were initially recorded at fair value and subsequently measured at amortized cost.

Financial liabilities recognized at fair value through profit or loss

During the years ended December 31, 2020 and 2021, the Company issued notes convertible into ordinary shares and/or redeemable in cash, with attached warrants to Negma and Atlas. This financial instrument includes: a hybrid component related to the convertible notes (measured at fair value through profit or loss in accordance with IFRS 9) and an equity instrument related to the warrants (measured at fair value at the issuance date in equity instruments in accordance with IAS 32).

Transactions costs are recognized in financial expenses at the issuance date of the convertible notes.

At issuance date, a day one loss has been recognized in financial expense for the difference between the fair value of the convertible notes plus the fair value of the attached warrants (if any) as estimated by the Company on the one hand, and the transaction price (i.e. proceeds received on the other hand).

The accounting treatment of this hybrid financial instrument is detailed in Notes 12.2.1 and 12.2.2.

During the year ended December 31, 2021, the Company issued three tranches of the loan concluded on November 19, 2021 with Kreos consisting of non-convertible bonds and convertible notes with attached warrants.

This financial instrument includes several components measured at fair value through profit or loss in accordance with IFRS 9: a derivative financial instrument related to the conversion option of the convertible notes and a derivative financial instrument related to the warrants.

Day one loss

At issuance date, initial measurement at fair value of the convertible notes and the warrants issued to Kreos resulted in the recognition of day one losses.

As the fair value of these day one losses are based on unobservable inputs (Level 3), these day one losses have been deferred in accordance with IFRS 9 B5.1.2A. The deferred day one losses have been recognized as separate assets under other non-current financial asset and other current financial asset lines items and are amortized over their underlying respective maturity through profit or loss.

The accounting treatment of this hybrid financial instrument is detailed in Note 12.2.3.

2.23 Income tax

The tax assets and liabilities payable for the fiscal year and the previous fiscal year are valued at the amount that the Company expects to recover from or pay to the tax authorities.

The tax rates and the tax regulations used to determine these amounts are those which have been enacted at the balance sheet date.
Deferred taxes are recognized using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their book values in the Financial Statements as well as on tax losses carried forward.

Deferred tax assets are recognized in respect of tax losses that may be carried forward when it is probable that the Company will have future taxable profits to which these unused tax losses can be allocated. The determination of the amount of deferred tax assets that can be recognized requires management to make estimates both concerning the period during which the tax losses will be used and the level of future taxable profits taking into account tax strategies developed by management as well as any deferred tax liabilities that exist.

2.24 Segment information

The Company operates in only one segment: the development of drug candidates that slow the degenerative processes associated with aging and improve functional outcomes for patients suffering from age-related diseases.

The assets, liabilities and the operating loss presented in the Financial Statements are based on the parent company's operations located in France and the expansion of the Company into the United States which began in 2018. A majority of the research and development expenses and general and administrative expenses have been incurred in France and since 2018, such expenses have also been incurred in the United States.

2.25 Earnings per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to shareholders of Biophytis by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (loss) per share is calculated by adjusting the net income (loss) attributable to shareholders of Biophytis and the weighted average number of ordinary shares in circulation by the effects of all potentially dilutive ordinary shares.
If the inclusion of instruments giving deferred access to capital (warrants, founders' warrants, free shares or convertible notes) creates an anti-dilutive effect, those instruments are not taken into account.

Note 3: Patents and software

(amounts in thousands of euros)	Patents	Software	Total
GROSS AMOUNT			
As of January 1, 2020	**2,930**	**32**	**2,962**
Addition	450	-	450
Disposal	-	-	-
As of December 31, 2020	**3,380**	**32**	**3,412**
Addition	272	-	272
Disposal	-	-	-
As of December 31, 2021	**3,652**	**32**	**3,684**
AMORTIZATION			
As of January 1, 2020	**547**	**15**	**562**
Increase	168	9	177
Decrease	-	-	-
As of December 31, 2020	**715**	**24**	**739**
Increase	180	8	188
Decrease	-	-	-
As of December 31, 2021	**895**	**32**	**927**
NET BOOK VALUE			
As of January 1, 2020	**2,383**	**17**	**2,400**
As of December 31, 2020	**2,665**	**8**	**2,673**
As of December 31, 2021	**2,757**	**-**	**2,757**

No impairment was recognized on intangible assets of the Company in the years ended December 31, 2020, and 2021, respectively. The Company determined that the COVID-19 pandemic had limited impact on the development of the clinical studies and ultimately on the company's assets.

The Company co-owns certain patents with state-owned partners.

As part of the Intellectual Property agreement signed with the Company's CEO (see Note 20.2) and its amendment, the total patents rights acquired from the Company's CEO as of December 31, 2021 amounted to €1,350 thousand (€1,080 thousand as of December 31, 2020) and are amortized over a 19-year period.

Of this amount, €270 thousand was paid to the Company's CEO in 2019, €180 thousand in 2020 and €270 thousand in 2021. The remaining amount was applied to the CEO's subscription and the exercise of Founders warrants in 2020 (see Note 11).

Note 4: Property, plant and equipment

(Amounts in thousands of euros)	Equipment and tooling	Equipment and tooling (right of use)	Fixture and fittings	Office, IT equipment, furniture	Buildings (right of use)	Total
GROSS AMOUNT						
As of January 1, 2020	**285**	**181**	**90**	**92**	-	**648**
Addition	30	-	-	5	-	35
Exchange effect	(18)	-	(5)	(3)	-	(26)
As of December 31, 2020	**297**	**181**	**85**	**94**	-	**657**
Addition	43	-	29	-	500	572
Exchange effect	-	-	-	2	-	2
As of December 31, 2021	**340**	**181**	**114**	**96**	**500**	**1,231**
DEPRECIATION						
As of January 1, 2020	**190**	**143**	**71**	**59**	-	**463**
Increase	40	37	18	9	-	104
Exchange effect	(18)	-	(4)	(1)	-	(23)
As of December 31, 2020	**212**	**180**	**85**	**67**	-	**544**
Increase	38	1	21	6	56	122
Exchange effect	-	-	-	2	-	2
As of December 31, 2021	**250**	**181**	**106**	**75**	**56**	**668**
NET BOOK VALUE						
As of January 1, 2020	**95**	**38**	**19**	**33**	-	**185**
As of December 31, 2020	**85**	**1**	**-**	**26**	-	**114**
As of December 31, 2021	**90**	**-**	**8**	**21**	**444**	**563**

No impairment was recognized on tangible assets of the Company in the years ended December 31, 2020, and 2021, respectively.
The increase in the buildings right of use in 2021 is due to the lease arrangement for the Company's premises located in France for its headquarter.

As of December 31, 2020, no lease liability nor right of use were recognized, considering that the lease arrangement had a term of less than 12 months.

In late August 2021, the Company initiated a negotiation with Sorbonne University to enter into a new lease arrangement for its headquarter. The terms and conditions of the new lease arrangement were finalized at the end of September 2021 (see Note 21). Given the finalization of the terms and conditions with Sorbonne University in September 2021 and an estimated lease term greater than 12 months, the Company recognized a right-of-use asset and a lease liability as at September 30, 2021 in accordance with IFRS 16.22.

The Company is reasonably certain to exercise the option to extend the lease arrangement by an additional maximum period of 12 months. As a result, in accordance with IFRS 16.18, the lease term has been set on December 14, 2023.

Given the nature of the right of use (premises) and the term (2 years), the Company determined that its incremental borrowing rate at 2%.

Note 5 : Non-current financial assets

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020	2021
Cash reserve related to the liquidity agreement	80	72
Guarantee deposit related to the non-convertible bonds (Kreos 2018 contract)	320	-
Guarantee deposit related to the 2021 Kreos loan contract (see note 12.2.3)	-	104
Deferred day one loss related to debt component of the convertible notes and warrants issued to Kreos in 2021	-	1,065
Miscellaneous	13	10
Total non-current financial assets	**413**	**1,251**

Deferred day one losses related to the debt component of the convertible notes and to the warrants issued to Kreos in 2021 were recognized at issuance date. The deferred day one losses are amortized over the maturity of the related instruments. See Note 12.2.3.

Note 6: Other current financial assets

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020	2021
Guarantee deposit as part of the research tax credit prefinancing from NEFTYS (see note 12)	424	584
Guarantee deposit related to the non-convertible bonds (Kreos 2018 contract)	-	320
Deferred day one loss related to debt component of the convertible notes and warrants issued to Kreos in 2021	-	325
Short term deposits	12,500	-
Total other current financial assets	**12,924**	**1,229**

As of December 31, 2020, the Company owned three short-term deposits for a total amount of €12,500 thousand with an initial maturity of 6 months:

- A short-term deposit of €1,000 thousand with a maturity in March 2021 and an interest rate of 0.05%;
- A short-term deposit of €3,000 thousand with a maturity in March 2021 and an interest rate of 0.05%; and
- A short-term deposit of €8,500 thousand with a maturity in April 7, 2021 and an interest rate of 0.02%.

In accordance with IAS 7, these short-term deposits were recorded under current financial assets.

As of December 31, 2021, no short-term deposit has been recorded under financial assets.

Note 7: Other receivables and prepaid expenses

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020	2021
Research tax credit (1)	3,199	3,941
Value added tax	1,562	1,008
Prepaid expenses (2)	29	1,418
Suppliers – advances payment and debit balance	127	125
Receivable from CACEIS in relation with the exercises of BSA/BSPCE (3)	266	2
Miscellaneous	57	42
Total other receivables and prepaid expenses	**5,239**	**6,536**

(1) Research tax credit (CIR)

Subject to certain conditions (see Note 2.16), CIR is payable by the government in the year following its recognition when there is no taxable net income to be offset. Those conditions are met by Biophytis as of December 31, 2021.
CIR recorded for the years ended December 31, 2020 and December 31, 2021 are:

- CIR 2020: €3,328 thousand; and
- CIR 2021: €4,080 thousand.

In December 2020, a portion of the CIR receivables for 2020 was prefinanced with NEFTYS (see note 12).
In December 2021, a portion of the CIR receivables for 2021 was prefinanced with NEFTYS (see note 12).

(2) Prepaid expenses mainly relate to research services provided by an external provider.

(3) Receivables from CACEIS, a company providing financial services to institutional investors, were recognized following the exercise of warrants and founders' warrants for €266 thousand on December 31, 2020 and €2 thousand on December 31,2021.

Note 8: Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

	AS OF DECEMBER 31,	
(amounts in thousands of euros)	**2020**	**2021**
Bank accounts	3,347	16,926
Short term deposits	2,500	7,000
Total cash and cash equivalents	**5,847**	**23,926**

Cash and cash equivalents are mainly held in euros.

As of December 31, 2020, the Company owned one short-term deposits with a maturity on January 18, 2021 and an interest rate of 0.03%. Its nominal value is €2,500 thousand.

As of December 31, 2021, the Company owned two short-term deposits for a total amount of €7,000 thousand with initial maturity of 1 month:

- A short-term deposit of €2,000 thousand with a maturity in January 1, 2022 and an interest rate of 0.03%;
- A short-term deposit of €5,000 thousand with a maturity in January 26, 2022 and an interest rate of 0.03%.

In accordance with IAS 7, these short-term deposits were recorded under cash and cash equivalents as (i) their initial maturity is less than three months, (ii) they are easily convertible into a known amount of cash and (iii) are subject to an insignificant risk of changes in value.

Note 9: Financial assets and liabilities and impacts on statements of consolidated operations

The Company's financial assets and liabilities are measured as follows as of December 31, 2020 and 2021, respectively:

	AS OF DECEMBER 31, 2020 (as restated)[1]			
			Measurement – Statement of financial position (IFRS 9)	
(amounts in thousands of euros)	**Measurement – Statement of financial position**	**Fair value**	**Fair value through profit or loss**	**Amortized cost**
Non-current financial assets	413	413	-	413
Other receivables (excluding prepaid expenses)	5,210	5,210	-	5,210
Other current financial assets	12,924	12,924	-	12,924
Cash and cash equivalents	5,847	5,847	5,847	-
Total assets	**24,394**	**24,394**	**5,847**	**18,547**
Non-current financial liabilities	1,833	1,833	-	1,833
Current financial liabilities (as restated)	13,219	13,219	7,357	5,862
Trade payables	7,985	7,985	-	7,985
Total liabilities	**23,037**	**23,037**	**7,357**	**15,680**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

	AS OF DECEMBER 31, 2021			
			Measurement – Statement of financial position (IFRS 9)	
(amounts in thousands of euros)	Measurement – Statement of financial position	Fair value	Fair value through profit or loss	Amortized cost
Non-current financial assets (excluding deferred day one loss)	187	187		187
Other receivables (excluding prepaid expenses)	5,119	5,119	-	5,119
Other current financial assets (excluding deferred day one loss)	905	905	-	905
Cash and cash equivalents	23,926	23,926	23,926	-
Total assets	**30,137**	**30,137**	**23,926**	**6,211**
Non-current financial liabilities	6,293	6,386	-	6,386
Non-current derivative financial instruments	916	916	916	-
Current financial liabilities	12,370	12,370	6,627	5,743
Current derivative financial instruments	788	788	788	-
Trade payables	7,606	7,606	-	7,606
Tax and social liabilities	1,998	1,998	-	1,998
Other creditors and miscellaneous liabilities	381	381	-	381
Total liabilities	**30,352**	**30,445**	**8,331**	**22,114**

The impact of the Company's financial assets and liabilities on the statements of consolidated operations are as follows for the years ended December 31, 2020 and 2021:

	FOR THE YEARS ENDED DECEMBER 31,			
	2020 (as restated)[1]		2021	
(amounts in thousands of euros)	Interest	Change in fair value	Interest	Change in fair value
Profit or loss impact of liabilities				
Liabilities at fair value: derivative financial instruments			-	(174)
Liabilities at fair value: convertible notes	-	(10,080)	-	(1,701)
Non-convertible bonds at amortized costs and interest of convertible notes issued to Kreos	(817)	-	(565)	-
Liabilities at amortized cost: advances	(24)	-	(33)	-

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

Note 10: Share capital

	AS OF DECEMBER 31,	
	2020	2021
Share capital (in thousands of euros)	20,151	27,191
Number of outstanding shares	100,757,097	135,953,657
Nominal value per share (in euros)	0.20 €	0.20€

Share capital and issue premium

As of December 31, 2021, the share capital of the Company was €27,190,731.40 divided into 135,953,657 fully subscribed ordinary shares with a nominal value of €0.20 per share.

Outstanding shares exclude warrants ("BSA") granted to certain investors, free shares and founders' warrants ("BSPCE") granted to certain employees and members of the Board of Directors that have not yet been exercised.

As of December 31, 2021, the premiums of the Company were €27,781 thousand. This included the recognition of costs incurred as part of the Company's US IPO in the amount of €2,099 thousand.

The general meeting held on May 10, 2021 decided the allocation of premiums to accumulated deficit for amount of €17,505 thousand.

Changes in share capital

For the year ended December 31, 2020:

The Company completed several private placements during the period totaling €23,486 thousand (share capital increase of €9,859 thousand and an issue premium of €13,627 thousand), which can be detailed as follows:

- In February 2020: a private placement amounting to €3.3 million through the issuance of 12,394,071 new shares at a share price of €0.27. This transaction generated a share capital increase of €2,479 thousand and an issue premium of €868 thousand.
- June 2020:
    - issuance of 2,050,000 new shares at a share price of €0.68, reserved for Negma, pursuant to summary judgement dated May 7, 2020 (see Note 12.2). This transaction generated a capital increase of €410 thousand and an issue premium of €984 thousand.
    - a private placement of €4.0 million by issuing 6,060,606 new shares at a share price of €0.66. This transaction generated a capital increase of €1,212 thousand and an issue premium of €2,788 thousand.
- In July 2020: a private placement amounting to €6.1 million by issuing 9,563,732 new shares at a share price of €0.642. This transaction generated a capital increase of €1,913 thousand and an issue premium of €4,227 thousand.
- In October 2020: a private placement amounting to €10 million through the issuance of 21,276,596 new shares at a share price of €0.47. This transaction generated a share capital increase of €4,255 thousand and an issue premium of €5,745 thousand.

The Company converted certain bonds into new shares in the year ended December 31, 2020 which can be detailed as follows:

- 68 bonds held by Negma were converted into new shares generating the issuance of 3,400,000 shares with a share price of €0.20, or a capital increase of €680 thousand, and an issue premium of -€6 thousand (based on the fair value of shares issued at the date of conversion).
- 330 bonds held by Atlas were converted into new shares generating the issuance of 17,178,683 shares with a share price of €0.20, representing a capital increase of €3,436 thousand and an issue premium of €9,208 thousand (based on the fair value of shares issued at the date of conversion).
- Pursuant to a summary judgement dated May 7, 2020, 41 bonds held by Negma were converted into new shares generating the issuance of 2,050,000 shares with a share price of €0.20, representing a capital increase of €410 thousand and an issue premium of €984 thousand.

The costs incurred by the Company in connection with the 2020 share capital increases and the Initial Public Offering on Nasdaq Capital Market in February 2021 were recognized as a reduction from shareholders' equity for respectively €2,709 thousand and €787 thousand.

Following the exercise of warrants during the period, the share capital was increased by €1,315 thousand through the issuance of 4,870,155 new shares, with a nominal value of €0.20, or €974 thousand, and an issue premium of €341 thousand.

For the year ended December 31, 2021:

On February 12, 2021, Biophytis announced the closing of the ADS Offering. The gross proceeds from the Offering were $20,100 thousand (€16,584 thousand, using the exchange rate of €1.00 = $1.212 on February 12, 2021, the closing date) and the aggregate net proceeds to Biophytis, after deducting underwriting discounts and commissions, management fee, and other offering expenses payable by the Company, were approximately $16.35 million (€13.49 million, using the exchange rate of €1.00 = $1.212 on February 12, 2021, the closing date). All of the securities sold in the Offering were offered by

Biophytis. This transaction generated the issuance of 12,000,000 shares representing a share capital increase of €2,400 thousand and an issue premium of €14,184 thousand.

On July 30, 2021, 4,950,000 new shares were issued to Negma generating a share capital increase of €990 thousand and an issue premium of €2,629 thousand (see Note 12.2.1).

During the year ended December 31, 2021, 376 bonds held by Atlas were converted into new shares generating the issuance of 16,379,256 shares with a share price of €0.20, representing a capital increase of €3,276 thousand and an issue premium of €7,664 thousand (based on the fair value of shares issued at the date of conversion).

The costs incurred during the period by the Company in connection with the Initial Public Offering on Nasdaq Capital Market in February 2021 were recognized as a reduction from shareholders' equity for €2,099 thousand.

Following the exercise of warrants during the period, the share capital was increased by €373 thousand through the issuance of 1,867,304 new shares, with a premium totaling €369 thousand.

Distribution of dividends

The Company did not distribute any dividends during the years ended December 31, 2020 and 2021, respectively.

Capital management

The Company's policy is to maintain a solid capital base in order to preserve the confidence of investors and creditors and to support future growth.

In this respect, the Company entered into a liquidity agreement with Banque Parel. In connection with this liquidity agreement:

- 100,793 treasury shares were recognized at cost (€50 thousand) as a reduction from shareholders' equity as of December 31, 2021, 48,228 treasury shares were recognized at cost (€43 thousand) as a reduction from shareholders' equity as of December 31, 2020 and 83,479 treasury shares were recognized at cost (€17 thousand) as a reduction from shareholders' equity as of December 31,2019; and
- €72 thousand of cash was included in non-current financial assets as of December 31, 2021, €80 thousand of cash was included in non-current financial assets as of December 31, 2020 and €45 thousand of cash was included in non-current financial assets as of December 31, 2019.

Note 11: Warrants and founders' warrants

BSA warrants issued to investors

On July 10, 2015, as part of a bond agreement the Company issued investors warrants to subscribe for 270,414 shares at an exercise price of €6.00 per share for a non-refundable issue price of €162 thousand. These warrants have a term of 4 years. These BSA warrants are considered equity instruments and are recorded in shareholders' equity at their subscription price in accordance with IAS 32.

On April 3, 2020, the Company decided to launch a public offering of share subscription warrants. The main objective of the transaction was to allow existing shareholders to participate in the new COVA program and the future development of the Company, and eventually to consolidate its equity.

Upon completion of its public offering, the Company issued 7,475,708 share subscription warrants, after full exercise of the extension clause.

The subscription price was €0.06 per warrant. The warrants can be exercised for a period of 5 years from April 30, 2020, at an exercise price of €0.27 per new share.

Each warrant gives its holder the right to subscribe to one new Biophytis share. Total subscriptions amounted to €449 thousand in 2020. During the periods ended December 31, 2020 and 2021, warrants were exercised for €1,042 thousand and €302 thousand respectively.

The Company's CEO participated in 2020 in the subscription and the exercise of the investors warrants which was settled by the amount of €630 thousand due to the Company's CEO as part of the Intellectual Property agreement (see Notes 3 and 20.2) (€177 thousand for the subscription of warrants and €453 thousand for the exercise of warrants).

These BSA warrants are considered as equity instruments and are recorded in shareholders' equity at their subscription price in accordance with IAS 32.

Activity for BSA warrants issued to investors that were outstanding during the year ended December 31, 2020 are summarized in the table below:

Type	Grant date	Number of outstanding warrants					Number of shares which can be subscribed
		As of 1/1/2020	Granted	Exercised	Lapsed	As of 12/31/2020	
Warrants $_{2020}$	04/07/2020	-	7,475,708	(3,860,142)	-	3,615,566	3,615,566

Activity for BSA warrants issued to investors that were outstanding during the year ended December 31, 2021 are summarized in the table below:

Type	Grant date	Number of outstanding warrants					Number of shares which can be subscribed
		As of 1/1/2021	Granted	Exercised	Lapsed	As of 12/31/2021	
Warrants $_{2020}$	04/07/2020	3,615,566	-	(1,122,695)	-	2,492,871	2,492,871

BSA warrants issued to Bracknor

In 2017, the Company issued warrants for the benefit of Bracknor Fund Ltd with an average exercise price of €3.48 per ordinary share for the purpose of a funding line that was fully repaid in 2017 and is now terminated. The number of shares that can be issued if the warrants are exercised is 442,477 ordinary shares as of December 31, 2021.

BSA warrants issued to Negma Group

See note 12.2.1

BSA warrants issued pursuant to equity-compensation plan

The following table summarizes the data related to the warrants issued pursuant to equity-compensation plans as well as the assumptions adopted for valuation in accordance with IFRS 2:

Type	Grant date	Characteristics			Assumptions		IFRS2 Initial valuation (Black-Scholes) in thousands of euros
		Number of warrants granted	Maturity date	Exercise price	Volatility	Risk-free rate	
Warrants $_{2017}$	07/21/2017	**72,000**	07/21/2021	€3.30	59.95%	-0.62%	**153**

All BSA warrants issued pursuant to equity-compensation plans were fully vested on the grant date.

Activity for BSA warrants issued pursuant to equity-compensation plans that were outstanding during the year ended December 31, 2020 are summarized in the table below:

Type	Grant date	Number of outstanding warrants					Number of shares which can be subscribed
		As of 1/1/2020	Granted	Exercised	Lapsed	As of 12/31/2020	
Warrants $_{2017}$	07/21/2017	72,000	-	-	-	72,000	72,000

Activity for BSA warrants issued pursuant to equity-compensation plans that were outstanding during the year ended December 31, 2021 are summarized in the table below:

Type	Grant date	Number of outstanding warrants					Number of shares which can be subscribed
		As of 1/1/2021	Granted	Exercised	Lapsed	As of 12/31/2021	
Warrants $_{2017}$	07/21/2017	72,000	-	-	(72,000)	-	-

Founders' warrants ("BSPCE")

The following table summarizes the data related to BSPCE founder's warrants issued as well as the assumptions adopted for valuation in accordance with IFRS 2:

Type	Grant date	Characteristics				Assumptions		IFRS 2 Initial valuation (Black-Scholes) in thousands of euros
		Number of warrants granted	Maturity date	Expected term	Exercise price	Volatility	Risk-free rate	
Founders' warrants$_{2017\text{-}1}$	07/21/2017	**227,000**	07/21/2021	3 years	€3.30	54.07%	-0.53%	**347**
Founders' warrants$_{2017\text{-}2}$	07/21/2017	**127,000**	07/21/2021	3 years	€3.30	57.25%	-0.65%	**421**
Founders' warrants$_{2019\text{-}1}$	04/03/2020	**1,333,333**	04/03/2026	2 years	€0.27	48.36%	-0.62%	**674**
Founders' warrants$_{2019\text{-}2}$	04/03/2020	**666,667**	04/03/2026	4 years	€0.27	53.32%	-0.56%	**356**
Founders' warrants$_{2020\text{-}1}$	12/22/2020	**999,393**	12/22/2026	2 years	€0.47	57.80%	-0.77%	**508**
Founders' warrants$_{2020\text{-}2}$	12/22/2020	**499,696**	12/22/2026	4 years	€0.47	57.91%	-0.77%	**284**
Founders' warrants$_{2021\text{-}1}$	09/15/2021	**2,919,415**	09/15/2027	1 year	€0.73	79.11%	-0.73%	**677**
Founders' warrants$_{2021\text{-}2}$	09/15/2021	**1,459,707**	09/15/2027	2 years	€0.73	106.04%	-0.75%	**595**

Activity for BSPCE founder's warrants that were outstanding during the year ended December 31, 2020 are summarized in the table below:

Type	Grant date	Number of outstanding warrants					Number of shares which can be subscribed
		At 1/1/2020	Granted	Exercised	Lapsed	At 31/12/2020	
Founders' warrants$_{2017\text{-}1}$	07/21/2017	148,000	-	-	-	148,000	148,000
Founders' warrants$_{2017\text{-}2}$	07/21/2017	74,000	-	(2,152)	(9,000)	62,848	62,848
Founders' warrants$_{2019\text{-}1}$	04/03/2020	-	1,333,333	(313,417)	(8,607)	1,011,309	1,011,309
Founders' warrants$_{2019\text{-}2}$	04/03/2020	-	666,667	-	(4,304)	662,363	662,363
Founders' warrants$_{2020\text{-}1}$	12/22/2020	-	999,393	-	-	999,393	999,393
Founders' warrants$_{2020\text{-}2}$	12/22/2020	-	499,696	-	-	499,696	499,696
Total		**222,000**	**3,499,089**	**(315,569)**	**(21,911)**	**3,383,609**	**3,383,609**

Activity for BSPCE founder's warrants that were outstanding during the year ended December 31, 2021 are summarized in the table below:

Type	Grant date	Number of outstanding warrants					Number of shares which can be subscribed
		At 1/1/2021	Granted	Exercised	Lapsed	At 31/12/2021	
Founders' warrants$_{2017-1}$	07/21/2017	148,000	-	-	(148,000)	-	-
Founders' warrants$_{2017-2}$	07/21/2017	62,848	-	-	(62,848)	-	-
Founders' warrants$_{2019-1}$	04/03/2020	1,011,309	-	(35,739)	(99,897)	875,673	875,673
Founders' warrants$_{2019-2}$	04/03/2020	662,363	-	(17,870)	(49,948)	594,545	594,545
Founders' warrants$_{2020-1}$	12/22/2020	999,393	-	(74,346)	(199,797)	725,250	725,250
Founders' warrants$_{2020-2}$	12/22/2020	499,696	-	(37,173)	(99,898)	362,250	362,250
Founders' warrants$_{2021-1}$	09/15/2021	-	2,919,415	-	(45,645)	2,873,769	2,873,769
Founders' warrants$_{2021-2}$	09/15/2021	-	1,459,707	-	(22,823)	1,436,885	1,436,885
Total		**3,383,609**	**4,379,122**	**(165,128)**	**(728,856)**	**6,868,747**	**6,868,747**

The vesting period of these BSPCE founder's warrants are summarized in the table below:

Type	Vesting period		
Founders' warrants$_{2017-1}$	1/3 as of 07/21/2017	1/3 as of 07/21/2018	1/3 as of 07/21/2019
Founders' warrants$_{2017-2}$	1/3 as of 07/21/2017	1/3 as of 07/21/2018	1/3 as of 07/21/2019
Founders' warrants$_{2019-1}$	1/3 as of 04/10/2020	1/3 as of 04/10/2022	1/3 as of 04/10/2024
Founders' warrants$_{2019-2}$	1/3 as of 04/10/2020	1/3 as of 04/10/2022	1/3 as of 04/10/2024
Founders' warrants$_{2020-1}$	1/3 as of 12/22/2020	1/3 as of 12/22/2022	1/3 as of 12/22/2024
Founders' warrants$_{2020-2}$	1/3 as of 12/22/2020	1/3 as of 12/22/2022	1/3 as of 12/22/2024
Founders' warrants$_{2021-1}$	1/3 as of 09/15/2021	1/3 as of 09/15/2022	1/3 as of 09/15/2023
Founders' warrants$_{2021-2}$	1/3 as of 09/15/2021	1/3 as of 09/15/2022	1/3 as of 09/15/2023

Free shares

Type	Grant date	Characteristics			Assumptions		IFRS 2 Initial valuation (Black-Scholes) in thousands of euros
		Number of warrants granted	Maturity date	Exercise price	Volatility	Risk-free rate	
Free shares $_{2020}$	12/22/2020	**2,500,911**	N/A	N/A	N/A	N/A	**2,311**
Free shares $_{2021}$	09/15/2021	**6,631,068**	N/A	N/A	N/A	N/A	**4,936**

Activity for the free shares that were outstanding during the year ended December 31, 2020 are summarized in the table below:

Type	Grant date	Number of outstanding free shares					Number of shares which can be issued
		As of 1/1/2020	Granted	Exercised	Lapsed	As of 12/31/2020	
Free shares $_{2020}$	12/22/2020	-	2,500,911	-	-	2,500,911	2,500,911
Total		-	2,500,911	**-**	**-**	**2,500,911**	**2,500,911**

Activity for the free shares that were outstanding during the year ended December 31, 2021 are summarized in the table below:

Type	Grant date	Number of outstanding free shares					Number of shares which can be issued
		As of 1/1/2021	Granted	Exercised	Lapsed	As of 12/31/2021	
Free shares $_{2020}$	12/22/2020	2,500,911	-	-	-	2,500,911	2,500,911
Free shares $_{2021}$	09/15/2021	-	6,631,068	-	-	6,631,068	6,631,068
Total		**2,500,911**	6,631,068	**-**	**-**	**9,131,979**	**9,131,979**

The vesting period of these free shares are summarized in the table below:

Type	Vesting period
Free shares$_{2020}$	Vesting period of 2 years followed by a holding period of 2 years
Free shares$_{2021}$	Vesting period of 1 year followed by a holding period of 1 year

Stock based compensation expense recognized for the years ended December 31, 2020 and 2021.(amounts in thousands of euros)

Type	DECEMBER 31, 2020				DECEMBER 31, 2021			
	Probable cost of the plan	Cumulative expenses - beginning of period	Expense for the period	Cumulative expense to date	Probable cost of the plan	Cumulative expenses - beginning of period	Expense for the period	Cumulative expense to date
Warrants $_{2017}$	153	153	-	153	153	153	-	153
Founders' warrants$_{2017-1}$	347	347	-	347	347	347	-	347
Founders' warrants$_{2017-2}$	369	369	-	369	369	369	-	369
Founders' warrants$_{2019-1}$	674	-	447	447	640	447	124	570
Founders' warrants$_{2019-2}$	356	-	52	52	320	52	62	113
Founders' warrants$_{2020-1}$	508	-	257	257	218	257	84	341
Founders' warrants$_{2020-2}$	284	-	1	1	435	1	42	43
Founders' warrants$_{2021-1}$	-	-	-	-	838	-	339	339
Founders' warrants$_{2021-2}$	-	-	-	-	419	-	169	169
Free shares $_{2020}$	2,311	-	28	28	2,311	28	1,155	1,184
Free shares $_{2021}$	-	-	-	-	4,936	-	1,447	1,447
Sub-total			**785**				**3,422**	
Social contribution (1)			2				308	
Total			**787**				**3,730**	

(1) Free shares are subject to social contribution to be paid upon the issuance of the free shares at the term of the vesting period. This social contribution is recognized on a straight-line basis over the vesting period and adjusted at each closing based on the Company's share price. This social contribution is recorded in social security liabilities (refer to Note 15.2) and amounted to €310 thousand as of December 31, 2021 and €2 thousand as of December 31, 2020 resulting in a change of €308 thousand in 2021.

Note 12: Borrowings and financial liabilities

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020 (as restated)(1)	2021
Conditional advances	893	906
Non-convertible bonds	940	2,945
Convertible bonds	-	2,217
Non-current lease obligations	-	225
Non-current financial liabilities	**1,833**	**6,293**
Non-current derivative financial instruments	-	916

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020 (as restated)(1)	2021
Conditional advances	274	377
Non-convertible bonds	3,454	1,858
Convertible notes	7,357	6,627
Financial liabilities related to the prefinancing of a portion of the research tax credit receivables (2)	2,134	3,287
Current lease obligations	-	221
Current financial liabilities	**13,219**	**12,370**
Current derivative financial instruments	-	788

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

(2) Financial liabilities related to the prefinancing of a portion of the research tax credit (CIR) receivables

A portion of the 2020 and 2021 CIR receivables was prefinanced by FONDS COMMUN DE TITRISATION PREDIREC INNOVATION 3 with NEFTYS CONSEIL SARL as arranger, or NEFTYS in 2020 and 2021, respectively. Consequently, the Company recorded:

- a liability for the amount due to NEFTYS at the time of CIR collection;
- a financial asset for the amounts deducted by NEFTYS on the receivables sold (considered as a guarantee deposit, see Note 6), and
- a current asset for the CIR research tax credits payable by the French State.

In accordance with IFRS 9, the financial liability due to NEFTYS was determined using the amortized cost method:

- CIR 2020: €2,134 thousand as of December 31, 2020; and
- CIR 2021: €3,287 thousand as of December 31, 2021.

Breakdown of financial liabilities by maturity, at value on redemption

The maturity of financial liabilities is broken down as follows:

(amounts in thousands of euros)	AS OF DECEMBER 31, 2021	Current	Non-current	
		< 1 year	1 to 5 years	> 5 years
Conditional advances	1,354	379	815	160
Non-convertible bonds Kreos 2018 contract	944	944	-	-
Non-convertible bonds Kreos 2021 contract	3,926	1,000	2,926	
Convertible notes Kreos 2021 contract	2,250	-	2,250	-
Convertible notes Atlas	5,600	5,600	-	-
Lease obligations	446	221	225	-
Derivative financial instruments	1,704	788	916	
Financial liabilities related to the prefinancing of a portion of the research tax credit receivables	3,450	3,450	-	-
Total financial liabilities	**19,674**	**12,382**	**7,132**	**160**

12.1 Conditional advances

The table sets out the changes in conditional advances:

(amounts in thousands of euros)	BPI -Sarcob	BPI – BIO101	AFM – Téléthon	BPI – BIO201	Total
As of January 1, 2020	**135**	**774**	**370**	**-**	**1,279**
(+) Proceeds from conditional advances	-	-	-	-	-
(-) Repayment	(26)	(110)	-	-	(136)
Subsidies	-	-	-	-	-
Financial expenses	3	13	8	-	24
As of December 31, 2020	**112**	**677**	**378**	**-**	**1,167**
(+) Proceeds from conditional advances	-	-	-	400	400
(-) Repayment	(59)	(220)	-	-	(279)
Subsidies	-	-	-	(38)	(38)
Financial expenses	3	18	8	5	33
As of December 31, 2021	**56**	**474**	**386**	**367**	**1,283**

Breakdown of conditional advances by maturity, at value on redemption

(amounts in thousands of euros)	BPI -Sarcob	BPI – BIO101	AFM – Téléthon	BPI – BIO201	Total
As of December 31, 2021	**59**	**495**	**400**	**400**	**1,354**
Less than one year	59	220	100	-	379
One to five years	-	275	300	240	815
More than five years	-	-	-	160	160

12.1.1 BPI France conditional advance - “Sarcob” project

On February 4, 2015, Biophytis entered into an agreement with BPI France for an interest-free conditional advance of €260 thousand payable in milestone installments for the “in vitro, in vivo and pharmacokinetic characterization of a candidate drug.”

The Company received €260 thousand in aggregate in connection with this agreement. The project has been successfully completed.
This initial repayment schedule pursuant to the successful completion of the project is:

- €6.5 thousand per quarter from June 30, 2017 to March 31, 2018 (4 payments);
- €13 thousand per quarter from June 30, 2018 to March 31, 2021 (12 payments); and
- €19.5 thousand per quarter from June 30, 2021 to March 31, 2022 (4 payments).

Following the COVID-19 health crisis, the Company managed to postpone the repayments of the first and second quarters of 2020 which extended the initial repayment schedule by two more quarters. The repayment schedule after considering these changes is as follows:

- €13 thousand per quarter from June 30, 2020 to March 31, 2021 (3 repayments);
- €19.5 thousand per quarter from June 30, 2021 to March 31, 2022 (4 repayments); and
- €32.5 thousand per quarter from June 30, 2022 to December 31, 2022 (2 repayments).

The commitments provided by the Company pursuant to this agreement can be found in Note 21.2.

Under IFRS, since the conditional advance does not bear annual interest, it is treated as an interest-free loan for the Company (i.e. under conditions more favorable than market rates). The difference between the amount of the advance at historical cost and the advance discounted at market rates is considered as a public grant.

12.1.2 BPI France conditional advance – “BIO101” project

On November 28, 2016, the Company entered into an agreement with BPI France for an interest-free conditional advance of €1,100 thousand payable in milestone installments for the “production of clinical batches, regulatory preclinical and clinical stages for Phase I of BIO101 for the sarcopenia obesity treatment.”

The Company received €1,100 thousand in aggregate in connection with this agreement. The project has been successfully completed. The initial repayment schedule pursuant to the successful completion of the project is:

- €55 thousand per quarter from December 31, 2018 to September 30, 2023 (20 payments). The first quarterly repayment was made by the Company in January 2019.

Following the COVID-19 health crisis, the Company managed to postpone the repayments of the first and second quarters of 2020 which extended the initial repayment schedule by two more quarters. The repayment schedule after considering these changes is as follows:

- €55 thousand per quarter from June 30, 2020 to March 31, 2024 (11 repayments).

The commitments provided by the Company pursuant to this agreement can be found in Note 21.2.

Under IFRS, since the conditional advance does not bear annual interest, it is treated as an interest-free loan for the Company (i.e. under conditions more favorable than market rates). The difference between the amount of the advance at historical cost and the advance discounted at market rates is accounted for as a public grant.

12.1.3 Collaboration agreement with AFM-Telethon – « BIO 101 » project

Biophytis entered into a collaboration agreement effective as of June 3, 2019 with AFM-Telethon focusing on the development of its lead drug candidate, Sarconeos (BIO101) for the treatment of Duchenne Muscular Dystrophy (DMD) through its MYODA clinical program.

Under the terms of the collaboration, AFM-Telethon provided funding of €400,000 to Biophytis for certain additional preclinical studies and for the preparations for the MYODA clinical program, which may become repayable under certain circumstances.

The repayment is scheduled over a two-year period (constant semi-annual reimbursement) following the approval to launch Phase 3 of the MYODA clinical program.
Under IFRS, since the conditional advance does not bear annual interest, it is treated as an interest-free loan for the Company (i.e. under conditions more favorable than market rates). The difference between the amount of the advance at historical cost and the advance discounted at market rates is accounted for as a public grant.

12.1.4 BPI France conditional advance – "BIO 201" project

On August 23, 2019, the Company entered into an agreement with BPI France for an interest-free conditional advance of €600 thousand payable in milestone installments for its MACA program of Macuneos (BIO201) in dry Age-Related Macular Degeneration (AMD). The proceeds were subject to financial conditions that have been met in April 2021.

The Company received €400 thousand in April 2021 in connection with this agreement. The balance of €200 thousand will be received once the Company finalizes the program.

The repayment of this conditional advance is subject to the successful completion of the project:

- In case of technical and economic failure, a minimum repayment of €240 thousand is due at the end of the project timeline (36 months after first conditional advance received); and
- In case of successful completion, repayment over a 5-year period will commence in September 2022.

Under IFRS, since the conditional advance does not bear annual interest, it is treated as an interest-free loan for the Company (i.e., under conditions more favorable than market rates).

The difference between the amount of the advance at historical cost and the advance discounted at market rates is accounted for as a public grant.

As part of this agreement, the Company was entitled to receive a grant of €380 thousand, of which €260 thousand was received in April 2021. As of December 31, 2021, €178 thousand was recorded as deferred income since 53% of the budget of research and development expenses were incurred on that project at the closing date (see Note 15.3).

12.2 Convertible notes and non-convertible bonds

12.2.1 Issuance of convertible notes to NEGMA

(amounts in thousands of euros)	NEGMA ORNANEBSA
As of January 1, 2020 (as restated)[1]	**2,909**
(+) Change in fair value	5,304
(-) Shares issued pursuant to May 7, 2020 court decision	(1,394)
(-) Conversion settled with cash payment pursuant to May 7, 2020 court decision	(378)
(+) Shares to be returned pursuant November 18, 2020 court decision	1,212
(+) Cash returned pursuant to November 18, 2020 court decision	378
(-) Conversion settled with issuance of shares	(674)
As of December 31, 2020 (as restated)[1]	**7,357**
(+) Change in fair value	(1,307)
(-) 2,050,000 shares delivered on August 13, 2022 pursuant to July 16,2021 court decision	(1,521)
(-) 4,950,000 shares issued on July 30, 2022 pursuant to July 16, 2021 court decision	(3,619)
(-) Conversion with cash-settlement	(910)
As of December 31, 2021	**-**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

On August 21, 2019, the Company signed an agreement with Negma Group Limited providing for up to €24 million in financing to the Company through the issuance of multiple tranches of convertible notes with attached warrants (ORNANEBSA), at the sole discretion of the Company.

Main characteristics of the ORNANE note warrants

The 2,400 4-year note warrants require their holder to exercise them, at the Company's request, in tranches of 300 warrants each. Each note warrant grants its holder the right to one ORNANEBSA. Note warrants may not be transferred and will not be subject to a request for admission to trading on the Euronext Growth market. Note warrants will be detached immediately from ORNANE once ORNANEBSA are issued.

Main characteristics of the ORNANE

The ORNANE have a par value of 10,000 euros. They do not bear interest and have a 12-month maturity from issuance. Holders of ORNANE may request at any time to convert them during their term, and at that time, the Company has the option to redeem the ORNANE in cash. At the end of the maturity period, and if the ORNANE have not yet been converted, the ORNANE are automatically converted.

The holder may ask to convert the ORNANE at any time at the conversion parity determined by the following formula: N = CA /(CP), where

- "N" is the number of shares yielded by the conversion,
- "CA" is the par value of the ORNANEs, i.e., 10,000 euros,
- "CP" is the conversion price, i.e., 92 % of the lowest volume weighted average price over the 15 trading days preceding the date on which conversion is requested.

On the day of the conversion request, the Company may redeem the ORNANE in cash using the following formula: V = CA/CP x closing VWAP on the conversion date.

Pursuant to this agreement, when the conversion price is less than the nominal value of the share, a conversion penalty applies.
ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.

Pursuant to this agreement, the Board of Directors decided the issuance of the following convertible notes and warrants during the year ended December 31, 2019:

- A first tranche on August 21, 2019 of 300 ORNANE plus a commitment fee of 30 ORNANE, with attached warrants to purchase 585,936 shares (BSA_{T1}), resulting in gross proceeds to the Company of €3 million; and
- A second tranche on December 27, 2019 of 300 ORNANE, out of which 50% were paid by Negma Group as of December 31, 2019, resulting in gross proceeds to the Company of €1.5 million and with attached warrants to purchase 694,444 shares (BSA_{T2}).

On April 6, 2020, as part of the implementation of the Atlas agreement described below, the Company terminated the contract with Negma.

Following this termination, Negma undertook legal action in order to claim damages of €911 thousand from Biophytis as well as the delivery of 7,000,000 Biophytis shares, that Negma considers it was entitled to pursuant to the only Biophytis ORNANES still held by Negma, issued in consideration for a loan of €1,400 thousand (140 bonds with par value of €10 thousand each).

The sum of €911 thousand claimed by Negma corresponds to the contractual penalties alleged by Negma under the terms of the Negma Contract 2019, which provided for the payment of such penalties in the event of conversion of notes into shares when the stock price is below the par value of the shares. Biophytis vigorously disputed this legal action and these requests for payment and delivery of shares.

Pursuant to a summary judgment dated May 7, 2020, Negma obtained a decision partially responding to its claims ordering, under penalty (which amounted to €7 thousand), Biophytis to pay €378 thousand as a settlement according to contractual terms of the Negma agreement on ORNANE for which Negma had sent a conversion notice before April 6, 2020 and deliver 2,050,000 Biophytis shares.

Biophytis and Negma appealed the decision of the Paris Commercial Court.

On November 18, 2020, Paris Court of Appeal cancelled the May decision and sentenced Negma to return to Biophytis the 2,050,000 shares previously delivered as well as the provision of €378 thousand. In addition, Negma was ordered to pay €41 thousand to Biophytis as additional compensation recorded in financial income during the year ended December 31, 2020.

As of December 31, 2020, the Company recognized the right to receive the 2,050,000 shares to be returned by Negma in equity for €1,210 thousand in counterparts of the recognition of a financial liability. As of December 31, 2020, the financial liability due to Negma amounted to €7,357 thousand which represent 7,000,000 shares at fair value (€6,447 thousand) and the contractual penalties alleged by NEGMA (€910 thousand).

During the year 2020, 68 bonds held by Negma were converted into new shares generating the issuance of 3,400,000 shares under the formula mentioned above for tranche 1 and tranche 2.

Negma Group also exercised all BSA_{T2} during the year ended December 31, 2020 generating the issuance of 694,444 shares at a share price of €0.27.

On March 16, 2021, the Paris Commercial Court rendered a judgement in Negma Group's favor and ordered Biophytis to:

- pay Negma Group a principal sum of €910 thousand in contractual penalties with late payment interest calculated at the LIBOR rate + 10%;
- deliver to Negma Group 7,000,000 shares, subject to a penalty of €50 thousand per day of delay as from the tenth day after the notification of the judgment and for a period of 30 days; and
- pay Negma Group €100 thousand under article 700 of the French Code of Civil Procedure as well as the expenses and legal costs.

Biophytis filed a petition with the Paris Commercial Court on the ground of failure of the Judgment to rule on certain claims made by the Company in the proceedings and appealed the Judgment to the Paris Court of Appeal.

In addition, as regards to the execution of this Judgement, Biophytis has served Negma Group with a petition filed with the Presiding Judge of the Paris Court of Appeal requesting that immediate enforcement of the Judgment be stayed or, alternatively, that it be modified. Oral argument on this matter occurred on September 6, 2021 and the court is still deliberating.

In the meantime, on June 24, 2021, Negma Group served Biophytis with a petition filed with the judge of the Paris Court of Justice charged with overseeing the execution of judgments requesting (i) the payment of the fine for non-performance imposed by the Judgment in connection with its order to Biophytis to deliver 7,000,000 shares and (ii) that a final fine for non-performance be set.

Pursuant to a judgment rendered on July 16, 2021, the judge of the Paris Court of Justice in charge of overseeing the execution of judgments partially granted Negma Group's claims:

- ordered Biophytis to pay the fine for non-performance imposed by the Judgment for €1,500 thousand;
- imposed a new provisional fine for non-performance of €50 thousand per day of delay in complying with the Judgment's order against Biophytis, as of the tenth day from service of this judgment, for a period of 30 days;
- ordered Biophytis to pay Negma Group €8 thousand pursuant to Article 700 of the Code of Civil Procedure; and
- ordered Biophytis to pay the costs of the proceedings.

Biophytis has fulfilled all of its obligations under the above two judgments.

During the period, the Company has paid the contractual penalties and the fine for non-performance imposed by the Judgment.

With regard in particular to the delivery of 7,000,000 shares to Negma Group, Biophytis has:

- delivered in August 2021 to Negma Group the 2,050,000 shares created and delivered to Negma Group in June 2020 and returned by Negma Group to Biophytis under the judgment of the Paris Court of Appeal dated November 18, 2020, which Biophytis had kept in self-holding; and

- issued 4,950,000 new shares to Negma Group in August 2021 as part of a capital increase reserved for it on the basis of the 13th delegation of the general meeting of May 10, 2021.

Biophytis has appealed against this judgment and, more generally, is taking all measures to safeguard its interests.

Negma Group also exercised all BSA_{T1} during the year ended December 31, 2021 generating the issuance of 585,936 shares at a share price of €0.64.

Accounting treatment

The Company determined that it could not reliably estimate separately the fair value of the conversion option embedded in the convertible bonds and therefore concluded that the entire hybrid contract should be measured at fair value through profit or loss until settlement.

Until December 31, 2019, the fair value was measured using a binomial valuation model. Given that the maturity of the bonds was expected to be short, the day one loss (including the redemption premium and/or issuance premium) was immediately recognized in profit or loss.

Following the unilateral decision by the Company to terminate the contract with Negma Group on April 6, 2020, given the uncertainties associated with the pending outcome of the ongoing litigation with Negma, the Company has since measured the liability to Negma based on the fair value of the shares to be issued as well as additional contractual cash payments resulting from Negma's conversion requests.

In June 2020, the delivery of 2,050,000 shares resulting from the May 2020 summary judgement valued at €1,394 thousand was treated as a conversion under the terms of our agreement with Negma.
As of December 31, 2020, the financial liability due to Negma Group amounted to €7,357 thousand which represent 7,000,000 shares at fair value (€6,447 thousand) and the contractual penalties alleged by NEGMA (€910 thousand).

During the year ended December 31, 2021, Biophytis has:

- paid the contractual penalties alleged by NEGMA (€910 thousand);
- delivered the 2,050,000 shares already created (fair value of €1,521 thousand);
- issued 4,950,000 new shares to Negma Group (fair value of €3,619 thousand).

As of December 31, 2021, the financial liability due to Negma Group is nil.

The table below summarizes the accounting treatment of the convertible notes:

Convertible notes	**Tranche 1**				**Tranche 2**			
Negma	**As of the issue date (08/21/2019)**	**As of December 31, 2019**	**As of December 31, 2020**	**As of December 31, 2021**	**As of the issue date (12/27/2019)**	**As of December 31, 2019**	**As of December 31, 2020**	**As of December 31, 2021**
Number of outstanding convertible notes	300	58	-	-	150	150	99	-
Number of shares issuable upon conversion	6,976,744	3,222,222	-	-	7,500,000	7,500,000	7,000,000	-
Conversion price	€ 0.43	€ 0.18	-	-	€ 0.20	€ 0.20	N/A	-
Expected term	3 months	1 month	-	-	3 months	3 months	N/A	-
Volatility	83.16%	101.29%	-	-	119.15%	119.15%	N/A	-
Risk-free rate	-0.78%	-0.68%	-	-	-0.78%	-0.78%	N/A	-
Value of the convertible notes (in thousands of €)	**4,122**	**753**	**-**	**-**	**2,262**	**2,156**	**7,358**	**-**

As of the issue dates, the quoted market price of the Company has been used to determine the value of the convertible notes.

Upon conversion of the notes, the difference between the fair value of the financial liabilities and the valuation of the shares issued at the spot rate (quoted market price) is recorded in financial expense.

Pursuant to this agreement, when the conversion price is less than the nominal value of the share, a conversion penalty applies.

During the year ended December 31, 2019, the company recorded conversion penalties for €301 thousand that were considered as conversion settled with cash payment recorded as financial expense.

Main characteristics of the warrants

The warrants are detached from ORNANE immediately. They may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market. They may be exercised for a period of five years from their date of issuance. Each warrant gives its holder a right to subscribe one new Biophytis share for a fixed price determined at the issuance date of the Warrants.

The warrants issued to Negma as part of each tranche were recognized at fair value (based on the Black-Scholes valuation model) in equity instruments at the issuance date in accordance with IAS 32.

Warrants	**Tranche 1**	**Tranche 2**
NEGMA	**As of the issue date (08/21/2019)**	**As of the issue date (12/27/2019)**
Number of outstanding warrants	585,936	694,444
Exercise price per share	€ 0.64	€ 0.27
Expected term	3 months	3 months
Volatility	83.16 %	119.15%
Risk-free rate	-0.96 %	-0.96%
Value of the equity instrument (in thousands of €)	**175**	**111**

The Company recognized:

- A deferred tax liability with respect to the equity instrument for €80 thousand in 2019, as a decrease of equity on initial recognition under IAS 12 Income Taxes; and
- A deferred tax asset with respect to net operating losses (NOLs) carried forward as a result of the deferred tax liabilities generated, resulting in a deferred tax benefit of €80 thousand in 2019 in the statement of consolidated operations.

12.2.2 Issuance of convertible notes to ATLAS

(amounts in thousands of euros)	**ATLAS ORNANE - 2020 Atlas Contract**
As of January 1, 2020	**-**
(+) Net proceeds (2)	8,730
(+/-) Change in the fair value of financial liabilities	4,776
(-) Repayment	(863)
(-) Conversion	(12,643)
As of December 31, 2020 (as restated)[1]	**-**
(+) Net proceeds (2)	14,550
(+/-) Change in the fair value of financial liabilities	3,017
(-) Conversion	(10,940)
As of December 31, 2021	**6,627**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

(2) Net proceeds of €8,730 thousand (subscription price of 97% of the nominal value of €9,000 thousand) in 2020 and net proceeds of €14,550 thousand (subscription price of 97% of the nominal value of €15,000 thousand) in 2021.

In April 2020, the Company signed a new convertible bond financing of up to €24 million from ATLAS to continue the development of Sarconeos (BIO 101) through the issuance of multiple convertible notes. This contract replaces the Negma contract.

The Company issued a first tranche of €3 million on April 29, 2020, a second tranche of €3 million on June 19, 2020 and a third tranche of €3 million on August 28, 2020. On May 27, 2021, the Company issued a fourth and fifth tranche of €3 million each. On September 20, 2021, the Company issued a sixth and seventh tranche of €3 million each. On December 20, 2021, the Company issued the last tranche of €3 million.

Those bonds were issued with a discount of 3% of nominal value (i.e., €450 thousand for the fourth tranche, the fifth tranche, the sixth tranche, the seventh tranche and the eighth tranche).

A commitment fee of €375 thousand was withheld from the proceeds of the first tranche. Other issuance costs were incurred by the Company for approximately €66 thousand in 2020 (for the first tranche, the second tranche and the third tranche) and €125 thousand in 2021 (for the fourth tranche, the fifth tranche, the sixth tranche, the seventh tranche and the eighth tranche).

Main characteristics of the ORNANE note warrants

The 960 3-year "note warrants" require their holder to exercise them, at the Company's request, in tranches of 120 warrants each. Each warrant grants its holder the right to one ORNANE. "Note warrants" may not be transferred and are not subject to a request for admission to trading on the Euronext Growth market.

Main characteristics of the ORNANE

The ORNANE (Bonds) have a par value of €25 thousand and are issued at a subscription price of 97% of the nominal value.

They do not bear interest and have a 24-month maturity from issuance. Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. At the end of the term, and if the ORNANE have not yet been converted or redeemed, the holder will have to convert them.

The holder may ask to convert the ORNANE at any time at the conversion parity determined by the following formula: N = CA /CP, where

- "N" is the number of shares yielded by the conversion,
- "CA" is the par value of the ORNANEs (i.e., €25 thousand),
- "CP" is the conversion price (i.e., 97% of the lowest volume weighted average price over the 10 trading days preceding the date on which conversion is requested).

On the day of the conversion request, the Company may redeem the ORNANE in cash using the following formula: V = CA/CP x CPr, where

- "V" is the amount redeemed to the holder,
- "CPr" is the lowest price between (i) the weighted average closing price prior to the conversion and (ii) the lowest weighted average prices of the previous 10 trading days x 1.15
- ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.

Accounting treatment

The Company determined that it could not reliably estimate separately the fair value of the conversion option embedded in the convertible bonds and therefore concluded that the entire hybrid contract should be measured at fair value through profit or loss until settlement.

The fair value is measured using a binomial valuation model. Given that the maturity of the bonds is expected to be short, the day one loss (including the redemption premium and/or issuance premium) is immediately recognized in profit or loss.

The table below summarizes the key inputs to measure the fair value of the convertible notes:

ATLAS	Tranche 1		Tranche 2		Tranche 3	
	As of the issue date (04/29/2020)	As of December 31, 2020	As of the issue date (06/19/2020)	As of December 31, 2020,	As of the issue date (08/28/2020)	As of December 31, 2020
Number of outstanding convertible notes	120	-	120	-	120	-
Conversion price	€0.94	-	€0.75	-	€0.62	-
Volatility	85.54%	-	68.05%	-	48.60%	-
Risk-free rate	-0.57%	-	-0.55%	-	-0.59%	-
Fair value of the convertible notes (in thousands of €) (as restated)[1]	**4,031**	**-**	**4,001**	**-**	**3,542**	**-**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

ATLAS	Tranche 4		Tranche 5	
	As of the issue date (05/27/2021)	As of December 31, 2021	As of the issue date (05/27/2021)	As of December 31, 2021
Number of outstanding convertible notes	120	-	120	-
Conversion price	€0.89	-	€0.89	-
Volatility	38.82%	-	38.82%	-
Risk-free rate	-0.63%	-	-0.63%	-
Fair value of the convertible notes (in thousands of €)	**3,456**	**-**	**3,456**	**-**

ATLAS	Tranche 6		Tranche 7		Tranche 8	
	As of the issue date (09/20/2021)	As of December 31, 2021	As of the issue date (09/20/2021)	As of December 31, 2021	As of the issue date (12/19/2021)	As of December 31, 2021
Number of outstanding convertible notes	120	-	120	104	120	120
Conversion price	€0.74	-	€0.74	€0.46	€0.44	€0.46
Volatility	46.34%	-	46.34%	49.65%	59.48%	49.65%
Risk-free rate	-0.68%	-	-0.68%	-0.73%	-0.78%	-0.73%
Fair value of the convertible notes (in thousands of €)	**3,518**	**-**	**3,518**	**3,077**	**3,646**	**3,550**

During the year ended as of December 31, 2020, 330 convertible notes had been converted in accordance with the formula above, resulting in the issuance of 17,178,683 new shares pursuant to Tranche 1, 2 and 3. 30 notes issued with the third tranche have been repaid in cash for a total amount of €750 thousand.

During the year ended as of December 31, 2021, 376 convertible notes had been converted in accordance with the formula above, resulting in the issuance of 16,379,256 new shares pursuant to Tranche 4, 5, 6 and 7.

During the year ended as of December 31, 2021, 224 convertibles notes issued for the benefit of Atlas have not been converted. Pursuant to the 2020 Atlas contract, all ORNANEs have been issued to ATLAS.

The table below summarizes the sensitivity analysis on the level of the valuation of the convertible notes performed through the change of inputs in the valuation of volatility:

Sensitivity analysis	As of December 31, 2021			
	Tranche 7		Tranche 8	
Volatility	85% over 12 months	61% over 6 months	85% over 12 months	61% over 6 months
Fair value of the convertible notes (in thousands of €)	**3,383**	**3,173**	**3,903**	**3,661**

Issuance of convertible notes to ATLAS – 2021 Atlas Contract

In June 2021, the Company signed a new convertible bond financing of up to €32 million (8 tranches with a nominal value of €4 million each) with Atlas (the "2021 Atlas Contract") to continue the development of Sarconeos (BIO 101) through the issuance of multiple convertible notes.

The new financing instrument provides for the issuance of up to 1,280 bonds with an option for exchange in cash and/or conversion into new or existing shares (ORNANE). The €32 million total financing can be drawn by Biophytis over the next three years, without obligation, through eight successive tranches of €4 million each. This facility is intended to secure the Company cash position in order to continue the development of its clinical activities in particular further development of Sarconeos (BIO 101).

The convertible notes agreement with ATLAS imposes certain operating and financial restrictions. These covenants may limit our ability and the ability of our subsidiaries, under certain circumstances, to, among other things:

- incur additional indebtedness;
- create or incur liens;
- sell or transfer assets; and
- pay dividends and distributions.

This agreements also contains certain customary affirmative covenants and events of default, including a change of control.

In April 2022, the Company issued the first tranche of 160 ORNANEs for a total of €4 million as part of its 2021 bond financing agreement with Atlas.

Main characteristics of the ORNANE

The ORNANE will have a par value of €25 thousand and are issued at a subscription price of 0.96% of the nominal value. They will not bear interest and will have a 24-month maturity from issuance.

The holder of ORNANE may request at any time to convert them into shares during their maturity period, and the Company shall have the right to redeem the ORNANE in cash. In case of cash redemption, the amount reimbursed will be limited to 110% of the principal.
At the end of the maturity period, and in the case where the ORNANE would not have been redeemed either in cash or in new or existing shares, the holder will have the obligation to convert the ORNANE.

The holder can ask to convert the ORNANE at any time at the conversion parity determined by the following formula:
N = CA / CP, where

- “N” is the number of shares yielded by the conversion,
- “CA” is the par value of the ORNANEs (i.e., €25 thousand each),
- “CP” is the conversion price (i.e., 100% of the Pricing Period VWAP during the Pricing Period of 10 trading days preceding the reception of the Conversion Notice).

On the day of the conversion request, the Company may redeem the ORNANE in cash using the following formula: V = (CA/CP) * CPr, where

- “V” is the amount to be redeemed to the holder.
- “CPr” is the revised price.

The revised price is the lowest price between (i) the volume weighted average price over the 10 trading days preceding the date on which conversion is requested and (ii) P*1.10.
The ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for trading admission on the Euronext Growth market.

As of December 31, 2021, no tranche of convertible notes related to the 2021 Atlas Contract were issued.
In April 2022, the Company issued the first tranche of 160 ORNANEs for a total of €4 million as part of its 2021 bond financing agreement with Atlas.

12.2.3 Issuance of non-convertible bonds and convertible notes to Kreos

(amounts in thousands of euros)	KREOS 2018 contract Non-Convertible bonds	KREOS 2021 contract Non-Convertible bonds	KREOS 2021 contract Convertible notes	Total
As of January 1, 2020	**7,417**	**-**	**-**	**7,417**
(+/-) Amortized cost	189	-	-	189
(-) Repayment	(3,214)	-	-	(3,214)
As of December 31, 2020	**4,392**	**-**	**-**	**4,392**
(+) Gross Proceeds received	-	3,822	2,250	6,072
(+) Guarantee Deposit	-	104	-	104
(-) Bifurcation of the conversion option recognized as derivative financial instruments	-	-	(819)	(819)
(+/-) Day one loss	-	-	795	795
(-) Transactions costs	-	(97)	-	(97)
(+/-) Amortized cost	96	35	(10)	121
(-) Repayment	(3,550)	-	-	(3,550)
As of December 31, 2021	**938**	**3,864**	**2,216**	**7,018**

Issuance of non-convertible bonds to Kreos – 2018 contract

On September 10, 2018, the Company signed a venture loan agreement and bonds issue agreement with Kreos, which provide for up to €10 million in financing to the Company through the issuance by the Company to Kreos of non-convertible bonds in four separate tranches of €2.5 million each, plus the issuance of attached warrants in connection with the first tranche. As required under the terms of the venture loan agreement, the Company pledged a security interest in the Company's assets for the benefit of Kreos. The Company also granted a security interest in the business as a going concern, including a portion of the Company's patents, to Kreos.
Each tranche of non-convertible bonds bears a 10% annual interest rate and must be repaid in cash in 36 monthly installments commencing in April 2019.

Pursuant to the terms of the agreements, the Company has the right, at any time but with no less than 30 days prior notice to Kreos, to prepay or purchase the non-convertible bonds, exclusively in full. The prepayment will be equal to (i) the principal amount outstanding, plus (ii) the sum of all interest repayments which would have been paid throughout the remainder of the term of the relevant tranche discounted by 10% per annum.

The first and second tranches of non-convertible bonds were issued on September 10, 2018, the third tranche was issued on December 17, 2018, and the last one was issued on March 1, 2019, for total gross proceeds to the Company of €10 million.

Guarantee deposits totaling €320 thousand (€80 thousand per tranche) were withheld by Kreos from the proceeds received by the Company. The amount withheld will be deducted from the last installment to be repaid by the Company. It is presented under "Non-current financial assets" in 2020 and in "Current financial assets" in 2021.

The BSA warrants issued to Kreos as part of the first tranche give the holder the right to subscribe for up to 442,477 ordinary shares at an exercise price of €2.67 per share for a term of 7 years. These warrants were valued at €319 thousand and were recorded in equity and as a reduction of the debt value.

Accounting treatment

In accordance with IFRS 9, the non-convertible debt component was initially recognized at fair value and subsequently measured at amortized cost. The effective interest rate post recognition of warrants as a reduction of the debt was 13.59%.

The non-convertible debt component amounted to €0.9 million as of December 31, 2021 and to €4.4 million as of December 31, 2020.

Issuance of non-convertible bonds and convertible notes to Kreos – 2021 contract

On November 19, 2021, the Company signed a new venture loan agreement and bonds issue agreement which could provide for up to €10 million in financing to the Company through the issuance by the Company to Kreos of non-convertible bonds for €7.75 million (straight bonds) and convertible notes of €2.25 million, plus the issuance of attached warrants to the first tranche.

The loan agreement includes four tranches of respectively €2.5 million, €3.0 million, €2.5 million and €2.0 million. The two first tranches were drawn upon signing of the contract on November 19, 2021, the third tranche limited to €677 thousand was drawn up in December 31, 2021 and the last tranche was not drawn by the Company.

Non-convertible bonds bear a 10% annual interest rate and must be repaid in cash in 36 monthly installments commencing on April 1, 2022. Convertible notes bear a 9.5% annual interest rate.

The Company shall repay the convertible bonds at their principal amount at the latest March 31, 2025, unless they are converted before into shares, at the option of Kreos Capital, at a fixed conversion price of €0,648 for one share (unless dividends are paid by the Company).

Pursuant to the terms of the agreements, the Company has the right, at any time but with no less than 30 days prior notice to Kreos, to prepay or purchase the non-convertible bonds and convertible notes, exclusively in full. The prepayment will be equal to (i) the principal amount outstanding, plus (ii) the sum of all interest repayments which would have been paid throughout the remainder of the term of the relevant tranche discounted by 10% per annum.

Pursuant to the terms of the agreements, in the event conversion occurs on the repayment date, Kreos shall repay to Biophytis, upon issuance of the conversion shares, an amount equal to 10% of the total interest paid by Biophytis. In case of a partial conversion upon that date, the amount shall be reduced accordingly.

Kreos can decide to exercise only part of the warrants, in which case it will receive from Biophytis a cash payment determined based on a formula that takes into account the difference between the strike price of the warrants and the market price (VWAP) of Biophytis shares at the exercise date.

Biophytis issued for the benefit of Kreos Capital 2,218,293 warrants giving the right to subscribe to new Biophytis ordinary shares, on the basis of one share for one BSA. The warrants can be exercised over a 7-year period after being issued. The exercise price of the share warrants has been set at €0.56.

By subscribing to the BSAs, Kreos Capital has expressly waived the right to exercise the 2018 BSAs as held following their detachment from the non-convertible bonds subscribed on September 10, 2018 within the framework of the 2018 loan structure.

As required under the terms of the venture loan agreement, the Company pledged a security interest in the Company's assets for the benefit of Kreos. The Company also granted a security interest in the business as a going concern, including a portion of the Company's patents, to Kreos.

The venture loan agreement and bonds issue agreement with Kreos imposes certain operating and financial restrictions. These covenants may limit our ability and the ability of our subsidiaries, under certain circumstances, to, among other things:

- incur additional indebtedness;
- create or incur liens;
- sell or transfer assets; and
- pay dividends and distributions.

This agreement also contains certain customary affirmative covenants and events of default, including a change of control.

Accounting treatment of the non-convertible bonds

In accordance with IFRS 9, the debt components related to non-convertible bonds were initially recognized at fair value and subsequently measured at amortized cost. The effective interest rate of the debt components was 11.68% for the first two tranches and 9.94% for the third tranche.

The non-convertible bonds amounted to €3,865 thousand as of December 31, 2021.

Accounting treatment of the convertible notes

Due to contractual clauses, the Company determined that the conversion option could not be settled in all circumstances by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instrument. As a result, in accordance with IFRS 9, the convertible notes were considered as an hybrid contract with a debt component and a derivative instrument related to the conversion option.

In accordance with IFRS 9, the convertible notes were initially recognized at fair value and subsequently bifurcated in a debt component recorded at amortized cost and a derivative instrument recorded at fair value through profit or loss. The Company determined that the fair value of the convertible notes and warrants on initial recognition differs from the transation price. A day one loss has been recognized at issuance date as a separate asset under other non-current financial asset and other current financial asset lines items and is amortized over the maturity of the instruments.

The exercise of the right for the Company to prepay or purchase the non-convertible bonds and the occurrence of the conversion on the repayment date have been considered as unlikely in the valuation model as of the issue date and as of December 31, 2021.

The table below summarizes the accounting treatment of the convertible notes:

Fair value of the convertible notes, the debt component and derivative instruments KREOS 2021	**As of the issue date (11/19/2021)**
Number of outstanding convertible notes	2,250,000
Number of shares issuable upon conversion	2,250,000
Share price	€0.451
Conversion price	€0.648
Volatility over 12 months	85%
Risk-free rate	-
Credit spread	10%
Fair value of the convertible notes (in thousands of €) (A)	**3,046**
Fair value of the debt component (in thousands of €) (B)	**2,227**
Fair value of the derivative instruments (in thousands of €) (C = A - B)	**819**
Change in fair value of the derivative instruments (in thousands of €)	

The difference between the fair value of the debt component (€2,227 thousand) and the transaction price after bifurcation of the derivative instrument (€2,250 thousand minus €819 thousand) has been recognized as a "Day one" loss as of the issue date for €795 thousand.

The table below summarizes the valuation of the derivative instrument as of December 31, 2021:

Fair value of the derivative instruments KREOS 2021	**As of December 31, 2021**
Number of outstanding convertible notes	2,250,000
Number of shares issuable upon conversion	2,250,000
Share price	€0.494
Conversion price	€0.648
Volatility over 12 months	85%
Risk-free rate	-
Credit spread	10%
Fair value of the derivative instruments (in thousands of €)	**916**
Change in fair value of the derivative instrument in 2021 (in thousands of €)	**97**

The table below summarizes the sensitivity analysis on the level of the valuation of the convertible notes and the day-one loss performed through the change of inputs in the valuation of volatility and the credit spread:

Sensitivity analysis	**As of the issue date(11/19/2021)**		
Volatility	85% over 12 months	85% over 12 months	61% over 6 months
Credit spread	10%	13%	9.5%
Fair value of the convertible notes (in thousands of €) (A)	**3,045**	**2,883**	**2,814**
Fair value of the debt component (in thousands of €) (B)	**2,227**	**2,043**	**2,259**
Fair value of the derivative instruments (in thousands of €) (C = A - B)	**819**	**839**	**555**
"Day one" loss	**795**	**633**	**564**

The table below summarizes the sensitivity analysis on the level of the valuation of the convertible notes and the day-one loss performed through the change of inputs in the valuation of volatility and the credit spread:

Sensitivity analysis	**As of December 31, 2021**		
Volatility	85% over 12 months	85% over 12 months	61% over 6 months
Credit spread	10%	13%	9.5%
Fair value of the derivative instruments (in thousands of €)	**915**	**938**	**642**

Accounting treatment of the warrants

Due to contractual clauses, the Company determined that the warrants could not be settled in all circumstances by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instrument. As a result, the warrants issued to Kreos in November 2021 at the same time as the loan arrangement with Kreos have been considered as derivative instruments recorded at fair value through profit or loss. Subsequent changes in fair value of the warrants are recognized in the statement of consolidated operations in accordance with IFRS 9. Subsequent changes in fair value of the warrants are recognized in the statement of consolidated operations in accordance with IFRS 9.

The warrants issued to Kreos in 2018 were initially recognized as equity instruments. By subscribing to the 2021 warrants, Kreos Capital has expressly waived the right to exercise the 2018 warrants. As a result, the 2018 warrants were measured at fair value (based on the Black-Scholes valuation model) on November 19, 2021. The cancellation of 2018 warrants was recognized as a reduction of equity.

The table below summarizes the accounting treatment of the derivative instruments:

Warrants – KREOS 2021 Derivative instruments	**As of the issue date (11/19/2021)**	**As of December 31, 2021**
Number of outstanding warrants	2,218,293	2,218,293
Exercise price per share	€0.56	€0.56
Expected term	7 years	6.88 years
Volatility	85.41%	85.41%
Risk-free rate	-0.49%	-0.49%
Fair value of 2021 warrants issued to KREOS (in thousands of €) (1)	**711**	**788**
Change in fair value of the derivative instruments (in thousands of €)		**77**

(1) The Company recognized a day one loss on instruments issued to Kreos at the same time (Convertible bonds and warrants). The initial fair value of the warrants (net of the fair value of the 2018 warrants Kreos cancelled in 2021, see below) was included in the valuation of the day one loss.

The table below summarizes the accounting treatment of the cancellation of the 2018 warrants issued to Kreos:

Warrants – KREOS 2018 Equity instruments	Warrants 2018 As of the cancellation date (11/19/2021)
Number of outstanding warrants	442,477
Exercise price per share	€2.67
Expected term	3.75 years
Volatility	96.40%
Risk-free rate	-0.70%
Fair value of 2018 warrants issued to KREOS (in thousands of €) recorded as a reduction of equity and as a reduction of the day one loss	**62**

The table below summarizes the accounting treatment of the day one loss that has been deferred and amortized on a straight-line basis over the maturity of the instruments:

Change in deferred day one loss (in thousands of €)	As of December 31, 2021
Day one loss as of the issue date (11/19/2021)	1,444
Straight-line amortization of the day one loss through financial expense	(54)
Deferred day one loss recognized as financial asset (see Notes 5 and 6)	**1,390**

Change in financial liabilities

(amounts in thousands of euros)	12/31/2020	Proceeds	Repayment	Effect of amortized costs	New lease obligations	Bifurcation	Fair-value at initial recognition	Change in fair Value through profit or loss	IAS 20 Grant	Transaction costs Interest	Conver—sion in equity	Guarantee deposit	Transfer non current to current	12/31/2021
Conditional advances	893	400	(279)	33					(38)	-			(103)	906
Non-convertible bonds	940	3,718		35						7		104	(1,859)	2,945
Convertible bonds	-	2,217		(10)		(819)	795	-		34				2,217
Non-current financial lease obligations	-		(54)		500					-			(221)	225
Non-current financial liabilities	**1,833**	**6,334**	**(333)**	**58**	**500**	**(819)**	**795**	**-**	**(38)**	**41**	**-**	**104**	**(2,183)**	**6,293**
Non-current financial derivative instrument	**-**					**819**		**97**					**-**	**916**
Conditional advances	274	-											103	377
Non-convertible bonds	3,454	-	(3,550)	96									1,859	1,859
Convertible bonds	7,357	14,550	(910)	-				1,710			(16,082)		-	6,626
CIR prefinancing debt	2,134	3,011	(2252)	43						79		272		3,287
Current financial lease obligations	-												221	221
Current financial liabilities	**13,219**	**17,561**	**(6,712)**	**139**	**-**	**-**		**1,710**		**79**	**(16,082)**	**272**	**2,183**	**12,370**
Current financial derivative instrument	**-**					**-**	**711**	**77**					**-**	**788**

Note 13: Employee benefit obligation

The employee benefit obligation consists of the provision for retirement indemnity, assessed in accordance with the applicable collective bargaining agreement (i.e., the Collective Agreement of the "Pharmaceutical industry").

This commitment only applies to employees under French law. The main actuarial assumptions used for the valuation of the retirement indemnity are as follows:

	AS OF DECEMBER 31,	
	2020	2021
Retirement age	Voluntary retirement between 65 and 67 years old	
Collective agreement	Pharmaceutical industry	Pharmaceutical industry
Discount rate (IBOXX Corporates AA)	0.33%	0.98%
Mortality table	INSEE 2017	INSEE 2017
Salary increases	2.00%	2.00%
Turn-over	Medium	Medium
Social security contributions	43%	43%

The provision for the retirement indemnity has evolved as follows:

(amounts in thousands of euros)	**Employee benefit obligation**
As of January 1, 2020	**142**
Service cost	31
Interests cost	1
Actuarial gains and losses	14
As of December 31, 2020	**188**
Service cost	40
Interests cost	1
Actuarial gains and losses	(23)
As of December 31, 2021	**205**

Note 14: Provisions

(amounts in thousands of euros)	**As of 12/31/2020 (as restated)**	**Additions**	**Reversals**	**Release of surplus provisions**	**As of 12/31/2021**
Provisions for litigation (1)	-	1,508	(1,508)	-	-
Provisions for risks	2	-	(2)	-	-
Total provisions	**2**	**1,508**	**(1,510)**	**-**	**-**

(1) As of June 30, 2021, the Company recorded a provision of €1,508 thousand for the fine for non-performance and penalties following the judgment rendered on July 16, 2021 by the judge of the Paris Court of Justice in charge of overseeing the execution of judgments related to the Negma litigation (see note 12.2.1). This amount has been paid in 2021.

Note 15: Current liabilities

15.1 Trade payables

(amounts in thousands of euros)	**AS OF DECEMBER 31,**	
	2020	**2021**
Research and development suppliers	5,408	6,669
General and administrative suppliers	2,577	937
Total trade payables	**7,985**	**7,606**

The change in trade payables to research and development suppliers is primarily due to the increase in expenses associated with the Company's ongoing clinical trials and research costs (refer to Note 16.1) and in particular, expenses related to the SARA clinical program and the launch of the COVA program.

The decrease in trade payables to general and administrative suppliers is primarily due to due to the costs incurred by the Company in late 2020 as part of the Nasdaq IPO.

15.2 Tax and social liabilities

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020	2021
Personnel expenses	521	658
Social security expenses (1)	790	1,202
Other taxes	136	138
Total tax and social liabilities	**1,446**	**1,998**

Liabilities related to social security expenses include social contribution to be paid upon the issuance of the free shares at the term of the vesting period. This social contribution is recognized on a straight-line basis over the vesting period and amounted to €310 thousand as of December 31, 2021 and €2 thousand as of December 31, 2020.

15.3 Other creditors and miscellaneous liabilities

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020	2021
Attendance fees	242	202
Deferred income (1)	13	175
Other	13	4
Total other creditors and miscellaneous liabilities	**268**	**381**

(1) as part of the BPI France conditional advance “BIO 201” project, the Company was entitled to receive a grant of €380 thousand (see Note 12.1) which has been recorded as deferred income as of December 31, 2021 for €178 thousand (€202 thousand recognized as a grant).

Note 16: Details of expenses and products by function

16.1 Research and Development expenses

(amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2020	2021
Personnel expenses	(2,553)	(4,392)
Purchases and external expenses	(10,459)	(19,345)
Other	(251)	(264)
Research and development expenses	**(13,263)**	**(24,001)**
Research tax credit	3,328	4,080
Subsidies	14	256
Research tax credit and subsidies	**3,342**	**4,336**
Research and development expenses, net	**(9,921)**	**(19,665)**

Research and development expenses relate to activities in connection with conducting clinical trials, non-clinical studies of the drug candidates for the treatment of age-related diseases and the treatment of severe respiratory failure in patients suffering from COVID-19.

The increase of the purchases and external expenses in 2021 compared to 2020 is primarily related to the progression of our COVA Phase 2-3 study as well as the finalization of our SARA-INT phase 2 study. These expenses consisted primarily of the cost of Contract Research Organization (“CROs”) in conducting clinical trials and non-clinical studies, as well as the costs of CDMOs (Contract Distribution Manufacturing Organizaton) for the manufacturing scaling-up of Sarconeos (BIO101) in preparation of a potential filing with Regulatory Authorities upon positive results from COVA.

The increase in personnel expenses in 2021 compared to 2020 is related to the staff reinforcement as part of the COVA clinical study and expenses relating to share-based payment for €2,125 thousand in 2021 compared to €367 thousand in 2020.

As part of the BPI France conditional advance “BIO 201” project, the Company was entitled to receive a grant of €380 thousand, out of which €202 thousand was recognized as a subsidy in 2021 since 53% of the budget of research and development expenses were incurred at the closing date.

16.2 General and administrative expenses

(amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2020	2021
Personnel expenses	(1,796)	(3,107)
Purchases and external expenses	(2,188)	(3,991)
Other expenses	(37)	(52)
General and administrative expenses	**(4,021)**	**(7,150)**

Between 2020 and 2021, personnel expenses, including share-based payments, for general management and administrative staff increased by €1.0 million mainly due to the costs of being listed on Nasdaq, the reinforcement of the Company's staff, mostly for business development and legal compliance, as well as to the impact of the stock based compensation expense related to Founders' warrants and free shares granted in late 2020 and in 2021.

Other purchases and external expenses consisted primarily of administrative expenses associated with being a public listed company in France and in the United States since early 2021, accounting and audit fees, insurance and legal fees.

16.3 Personnel expenses

(amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2020	2021
Wages and salaries	(3,562)	(3,770)
Share-based payments (1)	(787)	(3,730)
Personnel expenses	**(4,349)**	**(7,499)**

(1) the share-based payments expenses include €308 thousand of social contribution recognized on a straight-line basis over the vesting period.

The Company's average headcount is 27 as of December 31, 2021 compared to 20 as of December 31, 2020 and to 21 as of December 31, 2019.

Note 17: Net financial expense

(amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2020 (as restated)	2021
Financial interest and amortized cost of the loan agreement with Kreos(1)	(817)	(555)
Changes in fair value of convertible notes and derivative instruments (1) (2)	(10,080)	(1,875)
NEGMA financial indemnities (3)	-	(1,695)
Other financial expenses	(231)	(166)
Transaction costs related to the issuance of convertible notes	(453)	(125)
Net financial income related to Negma returning to Biophytis damages paid	34	20
Other financial income	1	4
Amortization of the deferred day one losses	-	(54)
Foreign exchange gains (losses)	(29)	14
Total net financial expense	**(11,575)**	**(4,432)**

(1) Refer to Note 12.2 Convertible notes and non-convertible bonds

(2) During the year ended December 31, 2021, the change in fair value of convertible notes and derivative instruments was related to (i) the change in fair value of the ORNANE issued to Negma for €1,306 thousand, (ii) the change in fair value of the ORNANE issued to Atlas for (€3,017) thousand, (iii) the change in fair value of the derivative instruments for (€174) thousand.
During the year ended December 31, 2020, the change in fair value of convertible notes and derivative instruments was related to (i) the change in fair value of the ORNANE issued to Negma for (€5,304) thousand, (ii) the change in fair value of the ORNANE issued to Atlas for (€4,776) thousand.

(3) During the year ended December 31, 2021, the financial indemnities paid to Negma is comprised of the fine for non-performance imposed by the Judgment €1,500 thousand (see Notes 14 and 12.2), (iii) €100 thousand and €8 thousand pursuant to Article 700 of the Code of Civil Procedure and (iv) late payment interest of €87 Thousand. As a result, the Company recorded financial indemnities of €1,695 thousand during the year ended December 31, 2021.

Note 18: Income taxes

The Company has carried-forward tax losses of €130,378 thousand as of December 31, 2021 comprising:

- French tax losses which can be carried forward indefinitely for €128,994 thousand;
- U.S. subsidiary tax losses which can be carried forward were €1,383 thousand (being $1,566 thousand translated using the December 31, 2021 exchange rate), of which:
    - €1 008 thousand indefinitely;
    - €188 thousand expiring in 2037;
    - €144 thousand expiring in 2036; and
    - €43 thousand expiring in 2035.
- Brazilian subsidiary tax losses for €1 thousand which can be carried forward indefinitely.

The tax rate applicable to:

- Biophytis, is the current rate in France, i.e. 26.5%. This rate will decrease gradually to reach 25% in 2022.
- Instituto Biophytis Do Brasil, is the current rate in Brazil, i.e. 34%.
- Biophytis Inc., is the current rate in the United States, i.e. 21%.

In accordance with the accounting principles described in Note 2.23, no deferred tax asset has been recognized in the Financial Statements apart from those to offset deferred tax liabilities for the same tax juridictions and over the same period of recovery.

Reconciliation between theoretical tax and effective tax

(amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2020 (as restated)(1)	2021
Net loss	(25,517)	(31,247)
Income taxes	-	-
Loss before taxes	**(25,517)**	(31,247)
Current tax rate in France	28,00%	26,50%
Theoretical income tax (expense) benefit	**7,145**	**8,280**
Items not subject to tax deduction	788	880
Share based payments	(220)	(907)
Non recognition of deferred tax assets related to tax losses and temporary differences	(7,711)	(8,253)
Tax rate differences	(2)	-
Group income taxes (expense) benefit	**-**	**-**
Effective tax rate	0,0%	0,0%

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

The permanent differences include the impact of the research tax credit (non-taxable operating income).

Nature of deferred taxes

(amounts in thousands of euros)	AS OF DECEMBER 31, 2020 (as restated)(1)	2021
Temporary differences	1,381	421
Losses carried forward	23,505	32,539
Total of items with a nature of deferred tax assets	**24,886**	**32,960**
Temporary differences	(528)	(526)
Total of items with a nature of deferred tax liabilities	**(528)**	**(526)**
Net total of deferred tax assets (liabilities)	**24,358**	**32,434**
Unrecognized deferred tax	(24,358)	(32,434)
Net total of deferred tax	-	-

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

Note 19: Earnings (loss) per share

	FOR THE YEAR ENDED DECEMBER 31, 2020 (as restated)(1)	2021
Weighted average number of outstanding shares	60,022,714	118,332,562
Treasury shares	48,228	49,882
Weighted average number of outstanding shares (without Treasury shares)	59,974,486	118,282,679
Net loss (in thousands of euros)	(25,517)	(31,247)
Basic loss per share (€/share)	**(0.43)**	**(0.26)**
Diluted loss per share (€/share)	**(0.43)**	**(0.26)**

(1) Refer to Note 2.2 "Restatements of previously published financial statements" of the notes to the IFRS accounts

As the inclusion of the Company's awards (warrants, free shares and founders' warrants) creates an anti-dilutive effect, those instruments were not taken into account for the presented years (see Notes 11 and 12.2).

Note 20: Related Parties

20.1 Compensation due to executive officers and directors

	FOR THE YEAR ENDED DECEMBER 31,	
(amounts in thousands of euros)	**2020**	**2021**
Fixed compensation	960	1,125
Variable compensation	272	269
Benefits in kind	34	25
Directors fees	263	301
Share-based payments	581	3,294
Consulting fees	-	30
Total compensation of executive officers	**2,110**	**5,044**

Post-employment benefits have not been granted to our Chief Executive Officer or members of the Board of Directors.

20.2 Intellectual Property Agreement signed with the Company's CEO

The Company's CEO, who is a corporate officer but not an employee of the Company under French law, is involved in our research and development activities. He has developed inventions with the Company for which the Company has submitted patent applications in which the Company's CEO is listed as a co-inventor and other inventions that the Company expects may give rise to patent applications in the future for which the Company expects he will be included as a co-inventor.

As an inventor, the Company's CEO has certain rights under French intellectual property law. These rights are distinct from the statutory rights that usually apply to employee inventors under French law.

In order to define a framework within which any intellectual property resulting from the Company's CEO's research and development activities is properly assigned to the Company, the Company has entered into an agreement, which has been approved by the Company's board of directors pursuant to which he is entitled to the following payments for his contributions:

(a) a first lump sum cash payment of €90 thousand to be paid within 30 days of filing of a patent application based on the assigned rights; and
(b) a second lump sum cash payment of €90 thousand to be paid within 30 days of publication of a patent application based on the assigned rights; and
(c) a 6.5% royalty payment with respect to any license income and/or any net sales by the Company of products manufactured with the patents filed on the basis of the assigned rights.

These three payments will be capped at €2.1 million on a platform per platform basis.

In the event that a third-party pharmaceutical and/or biotech company acquires 100% of the Company's capital and voting rights, payments will be accelerated, so that the cap (€2.1 million per platform), less any amount previously paid in respect of a platform, will become immediately payable.

Following the signature of this agreement, an amount of €450 thousand was due to the Company's CEO, as certain patent applications covered by the agreement had already been filed and therefore triggered payment of the first lump sum. Additional amounts of €180 thousand and €270 thousand were due to the Company's CEO in 2019 and 2020, respectively.

In April 2020, the Company entered into an amendment to the Intellectual Property agreement signed with the Company's CEO to cover two publications of patent applications not included under the existing contract.

This amendment was approved by the Board of Directors on April 3, 2020, under which the Company's CEO is entitled to the payment of a lump sum in cash amounting to €180 thousand.

The total patents rights acquired from the Company's CEO as of December 31, 2021 amounted to €1,350 thousand and are amortized over a 19-year period.

€270 thousand was paid to the Company's CEO in 2019, €180 thousand in 2020 and €270 thousand in 2021. The remaining amount of €630 thousand was used for the subscription and the exercise of the investors warrants by the Company's CEO (see Note 11).

20.3 Consultant contract concluded with Successful Life

On October 1, 2019, the Company entered into a services agreement with Successful Life SAS in which Jean Mariani (Non-employee Director of Biophytis since October 2019), its legal representative, has a controlling interest. This services agreement provides for the preparation of meetings of the Scientific Committee, scientific and strategic advice regarding the biology of aging. The agreement provides for a fixed remuneration of €450 per day within the cap of €32.4 thousand per year and reimbursement of costs and expenses upon presentation of supporting documentation. This agreement was entered into for a period of one year and was renewed by written amendment dated October 1, 2020 for an additional period of one year, tacitly renewable.

On July 7, 2021, the Company entered into a new service agreement with Successful Life for the replacement of the CMO (Chief Medical Officer) position until the arrival of the new CMO. This agreement replaces the previous service agreement until the arrival of the new CMO and provides for a fixed remuneration of €15 thousand per month until September 30, 2021.

20.4 Company's CEO's Share loan agreement with Negma

As part of the implementation of the financing agreement with Negma (see note 12.2), the Company's CEO has entered into a loan agreement for his shares in the Company for the benefit of Negma in order to facilitate the various issuance and conversion transactions.

Following the delivery of the 2,050,000 shares to Negma (see note 14) and the termination of the agreement, the share loan agreement was terminated.

20.5 Escrow Agreement

In order to comply with the requirements of the order of the President of Paris Commercial Court, dated May 7, 2020 by which the Company were ordered to place in escrow 2,050,000 of the Company's shares until their delivery to Negma, and as the Company did not hold a sufficient number of its own shares, the Company asked its CEO, by a letter dated May 19, 2020, to place in escrow some of the shares of the Company he owned. The letter (which was countersigned by the Company's CEO) included a provision for the indemnification by the Company of the Company's CEO for any loss he may suffer as a result of this arrangement. As the delivery of the shares to Negma took place on June 5, 2020, the escrow was released in full, including the shares in escrow owned by the Company's CEO, which were returned to him.

Note 21: Off-balance-sheet commitments

21.1 Commercial Leases

Leases on premises
As part of its activity, the Company signed operating leases for its administrative offices and laboratories, which are summarized below:

France:

Address:	Sorbonne Université (formerly Université Pierre et Marie Curie) 4, place Jussieu - 75005 Paris

Lease arrangement which expired on December 15, 2019
Surface area: 638.15 square meters
Period: December 15, 2018 – December 15, 2019 (which can be renewed twice with a simple amendment)
Annual rent: €215,011.87
Refurbishment costs: Sorbonne Université agreed to contribute to the refurbishment costs up to €100 thousand

Lease arrangement which expired as of December 15, 2021
Surface area: 504 square meters
Period: December 15, 2020 – December 15, 2021
Annual rent: €159,278.23
Refurbishment costs: Sorbonne Université agreed to contribute to the refurbishment costs up to €50 thousand

United States:

The Company does not currently have a lease agreement in this jurisdiction.

Brazil:

The Company does not currently have a lease agreement in this jurisdiction.

21.2 Commitments linked to financial debts

Commitments given

(Amounts in thousands of euros)

Borrowing	Commitments given	Nominal amount	Residual amount as of 12/31/2021
BPI France conditional advance "Sarcob" project	The agreement provides for an annual repayment on March 31 of each year, effective on January 1, 2016, corresponding to 40% of the ex-tax proceeds from the sale or assignment of licenses, patents or know-how relating to all or part of the results of the aided project, received for the previous year and 40% of the ex-tax proceeds generated by the marketing or use by the beneficiary for its own purposes, of prototypes, pre-series or models produced as part of the aided project. These amounts shall be assigned as a priority and by offsetting them against the last payment to BPI France. The application of this mechanism will not lead the Company to pay more than the amount received.	260	59
BPI France conditional advance -"BIO101" project	The agreement provides for an annual repayment on March 31 of each year, effective on January 1, 2018, corresponding to 35.81% of the ex-tax proceeds from the sale or assignment of licenses, patents or know-how relating to all or part of the results of the aided project, received for the previous year and 35.81% of the ex-tax proceeds generated by the marketing or use by the beneficiary for its own purposes, of prototypes, pre-series or models produced as part of the aided project. These amounts shall be assigned as a priority and by offsetting them against the last payment to BPI France. The application of this mechanism will not lead the Company to pay more than the amount received.	1,100	495

Agreements for the exploitation of industrial property	Commitments given
SARCOB commercialization agreement - SATT Lutech Agreement dated January 1, 2016, as amended on April 2, 2019, on November 6, 2020 and on December 17, 2020	This agreement covers the S1 through S9 patent families. The contractual structure of the consideration payable by us is as follows: firstly, in the year after the first marketing of a product and in any event at the latest, from 2023 onwards, we will pay a guaranteed annual minimum amount of €40 thousand, which will be deducted from the amount of royalties effectively due annually to SATT Lutech. With regard to the direct exploitation, the agreement provides for an annual royalty for a figure based on the net sales of products, distinguishing between sales of nutraceutical and medicinal products. With regards to indirect exploitation, the agreement provides for annual double-digit royalties based on income received from licensees, distinguishing: (i) between the sales of nutraceutical products (double-digit royalties) and drug products (two or one-digit royalties) and (ii) the product development phase (Phase 1, 2 or 3) at the time of the conclusion of the licensing agreement. The royalty payments will end upon termination of the agreement.
MACULIA commercialization agreement - SATT Lutech Agreement dated January 1, 2016, as amended on December 17, 2020	This agreement covers the MI through MIV patent families. The contractual structure of the consideration payable by us is as follows: firstly, in the year following the first marketing of a nutraceutical product and in any event no later than in 2020, we will pay an annual guaranteed minimum amount of €15 thousand. In the same way, we will pay a guaranteed minimum amount of €50 thousand in the event of marketing of a drug product and in any event no later than from 2026. These amounts will be deducted from the amount of royalties effectively due annually to SATT Lutech. For direct exploitation, the agreement also provides for an annual royalty of a figure based on net sales of products, distinguishing between sales of nutraceutical and medicinal drugs. For indirect exploitation, it also provides for annual double-digit royalties based on income received from licensees, distinguishing (i) between the sales of nutraceuticals (double-digit royalties) and drug products (one or two-digit royalties) and (ii) the product development phase of these products (Phase 1, 2 or 3) at the time of conclusion of the licensing agreement. The royalty payments will end upon termination of the agreement.

As required under the terms of the venture loan agreements signed with Kreos on September 10, 2018 (see Note 12.2.3) and on November 19, 2021 (see Note 12.2.3), the Company pledged a security interest in the Company's assets for the benefit of Kreos. The Company also granted a security interest in the business as a going concern, including a portion of the Company's patents, to Kreos.

Note 22: Management and assessment of financial risks

Biophytis may find itself exposed to various types of financial risk, including market risk, liquidity risk and credit risk. Biophytis is implementing measures consistent with the size of the Company to minimize the potentially adverse effects of those risks on its financial performance.
Biophytis' policy prohibits the use of financial instruments for speculative purposes.

Market risk

Interest rate risk

Interest rate risk reflects the Company's exposure to fluctuations in interest rates in the market.

Changes in interest rate could affect returns achieved on cash and fixed-term deposits but this risk is not considered material given the current low returns on deposits held by the Company.

Change in interest rate could affect the statement of consolidated operations for financial liabilities but this risk is considered as not significant given the implementation by the Company of debts bearing fixed interest rate.

Foreign exchange risk

The major risks linked to foreign exchange rate are considered not significant due to the low level of activity of its foreign subsidiaries.

The Company currently does not use hedging instruments to protect its activity from exchange rate fluctuations. However, any major development in its activity may result in an increase of its exposure to exchange rate risk. Should such increase materialize, the Company may consider adopting an appropriate policy to hedge such risks.

Equity risk

The Company entered into ORNANE agreement with Atlas and Negma, loan agreement and bonds issue agreement with Kreos providing financing through the issuance of multiple tranches of convertible notes eventually with attached warrants. As part of these agreements, the Company is exposed to changes in the market price of its own shares

Credit risk

Credit risk is linked to deposits with banks and financial institutions.

The Company seeks to minimize the risk related to banks and financial institutions by placing cash deposits with highly rated financial institutions. The maximum level of the credit risk corresponds to the book value of the financial assets. As outstanding receivables consist primarily of Research Tax Credit "CIR" granted by the French government, the Company does not carry significant credit risk.

Liquidity risk

Since its incorporation, the Company has funded its operations and growth by strengthening its shareholders' equity through capital increases (including the capital increase realized during its French IPO in July 2015), bank loans and notes, and obtaining public aid for innovation and reimbursement of CIR receivables, including the prefinancing arrangement initiated in 2020.

Significant research and development expenses have been incurred since inception generating negative cash flows from operating activities of €15,051 thousand and €9,743 thousand (as restated) for the years ended December 31, 2020 and 2021, respectively.

The following table discloses aggregate information about material contractual obligations and periods in which payments were due as of December 31, 2021. Future events could cause actual payments to differ from these estimates.

	Year ended December 31, 2021	2022	2023 / 2024	2025 / 2026	Thereafter
Amounts in thousands of euros)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-convertible bonds issued to Kreos (a)	5,548	2,282	3,015	251	-
Conditional advances	1,354	379	620	195	160
Lease liability	446	221	226	-	-
Licence agreements (d)	180	15	110	55	(d)
Convertible notes issued to Kreos(b)	2,945	214	428	2,303	-
Convertible notes ATLAS (c)	5,600	5,600	-	-	-
Financial liabilities related to the prefinancing of a portion of the research tax credit receivables	3,450	3,450	-	-	-
Derivative instruments	1,704	788	916	-	-
Total	**21,001**	**12,799**	**5,238**	**2,804**	**160**

(a) The contractual obligations related to non-convertible bonds issued to Kreos include the principal repayments and the 10% annual interest payments for the non-convertible bonds.

(b) On November 19, 2021, we signed a new KREOS venture loan agreement with a €2,25 million convertible bonds issuance. The contractual obligations related to convertible notes issued to Kreos include the principal repayments and the 9.5% annual interest payments for the non-convertible bonds.

(c) In April 2020, we signed a new convertible note financing of €24 million from ATLAS to continue the development of Sarconeos (BIO101) through the issuance of multiple convertible notes. Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, we will be able to redeem the ORNANE in cash. At the end of the term, and if the ORNANE have not yet been converted or redeemed, the holder will have to convert them. We issued a first tranche of €3 million on April 29, 2020, a second tranche of €3 million on June 19, 2020, a third tranche of €3 million on August

28, 2020, a fourth and fifth tranches of €6 million on May 27, 2021, a sixth and seventh tranches of €6 million on September 20, 2021 and a eight tranche of €3 million on December 20, 2021. As of December 31, 2021, there are 224 outstanding convertible notes issued to ATLAS.

(d) The Company signed several agreements to license industrial property to further our research and developments efforts with royalties due to the counterparties that are variable starting the year after the first marketing of a product and royalty arrangements (see Note 21). However, there are certain guaranteed annual minimum amounts due starting in various future years. These guaranteed annual minimum amounts are shown in the table above. Other than these minimum guaranteed amounts (as further described below), amounts of royalties to be paid after 2024 cannot be determined precisely and therefore, no royalties amounts are included in the table above.

The Financial Statements have been approved on a going concern basis by the Board of Directors (refer to Note 2.1).

The Company will continue to have major funding requirements in the future to support the development of its drug candidates. The precise extent of funding required is difficult to predict accurately and will depend in part on factors outside the Company's control. Areas subject to significant uncertainty include, but are not limited to:

- The Company's ability to conduct successful clinical trials, including the capacity to recruit patients in a timely-manner for the Company's clinical trials;
- the change in the regulatory landscape; and
- the approval for other drugs on the market that may potentially reduce the attractiveness for the Company's drug candidates.

Should the Company find itself unable to finance its own growth through partnership agreements, the Company would be dependent on other sources of financing, including equity and/or debt funding or research grants.

Note 23: Subsequent events

Approval from ANVISA (Brazil) – February 2022

Biophytis received approval from ANVISA (Brazil) to give access to Sarconeos (BIO101) to hospitalized COVID-19 patients through an Expanded Access Program.

War in Ukraine – February 2022

The war in Ukraine launched by Russia on February 24, 2022 will have significant economic and financial consequences at the global level. Sanctions against Russia are expected to have significant implications for companies with business activities or relationship with Russia.

As of December 31, 2021, the Company has no business activity in Russia. As part of its global intellectual property protection, the Company issued patents and filed patents application in Russia that are currently under examination.

The Company's activities could be impacted directly or indirectly by the consequences of the conflict, which it is not possible to quantify precisely to date.

In particular, the Company could be exposed to increasing costs of its clinical studies due to rising energy prices and medical supplies. As of the date of publication of these Financial Statements, the Company believes that the consequences on its 2022 accounts will be limited.

Atlas – April 2022

The Company announced the issue of 160 ORNANEs for a total of €4 million as part of its 2021 bond financing agreement with Atlas (first tranche of the eight tranches contract).

4 ANNUAL FINANCIAL STATEMENTS OF BIOPHYTIS SA FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

Balance sheet – Assets

BIOPHYTIS Balance sheet – Assets (in thousands of euros)	NOTES	12/31/2021 Amount	12/31/2021 Amortization Provision	12/31/2021 Net book value	12/31/2020 Net book value
Capital subscribed and not paid-in		-	-	-	-
INTANGIBLE ASSETS					
Start-up expenses		-	-	-	-
Development costs		-	-	-	-
Concessions, patents, similar rights	3.1	3,782	1,027	2,755	2,673
Other intangible assets		-	-	-	-
Intangible assets under construction	3.1	-	-	-	787
PROPERTY, PLANT AND EQUIPMENT					-
Land		-	-	-	-
Buildings		-	-	-	-
Plant and technical equipment	3.1	340	232	108	113
Other property, plant and equipment	3.1	194	162	32	24
Assets under construction		-	-	-	-
Advances and deposits		-	-	-	-
FINANCIAL ASSETS					
Other equity investments	3.2	296	296	-	-
Receivables from equity interests	3.2	2,063	2,063	-	-
Other financial assets	3.2	424	-	424	320
TOTAL FIXED ASSETS		**7,100**	**3,780**	**3,320**	**3,916**
INVENTORIES AND WORK-IN-PROGRESS					
Raw materials, supplies		-	-	-	-
Intermediate and finished products		-	-	-	-
Goods		-	-	-	-
Advances, deposits paid/orders		2	-	2	2
RECEIVABLES					
Trade receivables & related accounts	4	-	-	-	-
Other receivables	4	2,388	-	2,388	4,916
Capital subscribed and called, not paid		-	-	-	-
OTHER					
Marketable securities	6	51	-	51	42
Liquid assets	6	23,906	-	23,906	18,324
ACCRUALS					
Prepaid expenses	7	1,416	-	1,416	96
TOTAL CURRENT ASSETS		**27,762**	**-**	**27,762**	**23,380**
Bond redemption premium		168	-	168	-
Currency conversion losses		4	-	4	111
TOTAL ASSETS		**35,034**	**3,780**	**31,254**	**27,407**

Balance sheet – Liabilities

BIOPHYTIS Balance sheet – Liabilities (in thousands of euros)	Notes	12/31/2021	12/31/2020
EQUITY			
Share or individual capital	8	27,191	20,151
Issue, merger and contribution premiums	8	20,422	17,507
Revaluation differences		-	-
Legal reserve		-	-
Statutory or contractual reserves		-	-
Regulated reserves		-	-
Other reserves		-	-
Retained earnings		(10,942)	(12,507)
INCOME FOR THE FINANCIAL YEAR (profit or loss)		(29,460)	**(15,940)**
Investment grants		-	-
Regulated provisions		-	-
TOTAL SHAREHOLDERS' EQUITY		**7,211**	**9,210**
OTHER CAPITAL			
Proceeds from the issuance of participating bonds		-	-
Conditional advances	11	1,354	1,232
TOTAL OTHER CAPITAL		**1,354**	**1,232**
PROVISIONS FOR LIABILITIES AND CHARGES			
Provisions for risks	10	4	-
Provisions for risks	10	310	1,507
TOTAL PROVISIONS		**314**	**1,507**
LIABILITIES			
Convertible notes	12.2	5,600	1,400
Other bonds	12.1	7,120	4,496
Borrowings and debts from credit institutions		-	-
Bank overdrafts	13	-	-
Borrowings, miscellaneous financial debt	13	-	-
Advances and deposits received on orders in progress		-	-
Trade payables	13	7,601	7,981
Tax and social liabilities	13	1,670	1,318
Liabilities in respect of fixed assets	13	-	-
Other liabilities	13	206	246
ACCRUALS			
Deferred income	7	178	16
TOTAL LIABILITIES		**22,375**	**15,457**
Currency conversion gains		-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**31,254**	**27,407**

Income statement

BIOPHYTIS Income statement (in thousands of euros)	Notes	12/31/2021 12 months	12/31/2020 12 months
OPERATING INCOME			
Sale of goods		-	-
Production sold		-	-
NET SALES		**-**	**-**
Production stored		-	-
Operating subsidies		218	14
Reversals of depreciation, amortization and provisions, expense transfers	15	37	36
Other income		3	0
TOTAL OPERATING INCOME		**257**	**50**
OPERATING EXPENSES			
Purchases of goods		-	-
Change in inventory of goods		-	-
Purchases of raw materials, other supplies		1,023	142
Changes in inventories of raw materials and supplies		-	-
Purchases and external expenses		22,880	13,784
Taxes and similar payments		194	151
Wages and salaries		2,506	1,850
Social security charges		1,552	833
OPERATING ALLOWANCES			
Depreciation and amortization of fixed assets	3.1	256	253
Provisions on current assets		-	-
Provisions for risks and charges	10	-	-
Other expenses		327	270
TOTAL OPERATING EXPENSES		**28,738**	**17,282**
OPERATING INCOME		**(28,481)**	**(17,233)**
Financial income	16	8,377	635
Financial expenses	16	14,244	3,097
FINANCIAL RESULT		**(5,867)**	**(2,462)**
CURRENT PROFIT BEFORE TAX		**(34,347)**	**(19,695)**
Non-recurring income	17	809	437
Non-recurring expenses	17	2	10
NON-RECURRING INCOME		**807**	**427**
Employee profit-sharing		-	-
Income tax	18	(4,080)	(3,328)
PROFIT OR LOSS FOR THE FINANCIAL YEAR		**(29,460)**	**(15,940)**

Notes to the annual financial statements

(Unless otherwise indicated, the amounts mentioned in this note are in thousands of euros.)

Note 1: Presentation of the business and major events

The information below constitutes the notes to the annual financial statements forming an integral part of the financial statements for the year ended December 31, 2021.

Each of the financial years presented has a duration of 12 months covering the period from January 1, to December 31.

The financial statements at December 31, 2021 were approved by the Board of Directors at the meeting held on April 4, 2022.

1.1 Information on the Company and its activities

Incorporated in September 2006, Biophytis is a clinical-stage biotechnology company focused on the development of therapeutics that slow the degenerative processes associated with aging and improve functional outcomes for patients suffering from age-related diseases, including respiratory failure in patients with COVID-19.

The Company is based in Paris, France. The Company's ordinary shares are listed on the Euronext Growth Paris market (Ticker: ALBPS ISIN: FR0012816825) The Company's American Depository Shares (ADSs) have been listed on the Nasdaq Capital Market since February 10, 2021 under the symbol BPTS.

Address of the registered office: 14 Avenue de l'Opéra – 75001 PARIS.

Paris Trade and Companies Register number 492 002 225.

Form of the Company: Public Limited Company.

Biophytis is hereinafter referred to as the "Company".

1.2 Impact of the COVID-19 health crisis on the financial statements at December 31, 2021

The Company, like many others, has experienced disruptions due to the COVID-19 pandemic. In light of the rapid changes associated with COVID-19, we have taken and continue to take the necessary precautions to protect our employees, partners and operations. For example, the Company has encouraged its employees in France and the United States to work from home and organize meetings and events virtually wherever possible. The Company has also imposed travel restrictions, which are now limited to business requirements only.

The Company's ongoing and planned clinical studies have been impacted by COVID-19. The Company's SARA-INT trial on sarcopenia was impacted by the emergence of COVID-19 and subsequent lockdowns in Belgium and several US states (California and New York in particular). In view of the various measures adopted by governments and health authorities to restrict travel and protect patient safety, the Company had to adapt its SARA-INT protocol to ensure the continuity of the trial, in particular by closing down all activities on-site, and replacing them with telephone calls, by organizing the delivery of the experimental product to patients' homes, and extending the treatment from six to nine months for certain patients. Despite the interruptions of the on-site study visits and other disruptions caused by the COVID-19 pandemic, the Company was able to retain most of the study participants. The last patient completed their last treatment visit in December 2020. Despite the obstacles, a total of

203 participants completed the SARA-INT study. However, only 106 patients were able to complete the 400 m walk test, which was the primary evaluation criterion for the study.

In addition, our MYODA program in DMD and our MACA program for dry AMD, both scheduled for 2021, may be delayed due to COVID-19.

The full completion of patient recruitment for the Company's COVA trial to treat patients with COVID-19 will be highly dependent on the evolution of the pandemic.

1.3 Subsequent events

ANVISA Approval - February 2022:
Biophytis has received approval from ANVISA (Brazil) to give access to Sarconeos (BIO101) to hospitalized COVID-19 patients, as part of an expanded access program
.
War in Ukraine – February 2022:
The war in Ukraine launched by Russia on February 24, 2022 will have significant economic and financial consequences worldwide. Sanctions against Russia are likely to have major consequences for businesses with commercial activities or business relations with Russia
As of December 31, 2021, the Company had no commercial activity with Russia. As part of its global intellectual property protection strategy, the Company has filed patents and patent applications in Russia which are currently under review.

However, the Company's activities may be directly or indirectly affected by the consequences of the conflict, something which cannot be accurately quantified at the moment.
In particular, the Company may be exposed to increased costs for its clinical studies due to the rising price of energy and medical supplies. To date, the Company believes that the impacts on its financial statements in 2022 are likely to be limited.

ATLAS – April 2022:
The Company announced the issuance of 160 ORNANE bonds for a total amount of €4 million under the 2021 financing agreement entered into with ATLAS (first tranche out of eight tranches provided for in the agreement).

Note 2: Accounting principles, rules and methods

2.1 Principle of preparation of the financial statements

The financial statements of Biophytis have been prepared in accordance with the provisions of the French Commercial Code (Articles L. 123-12 to L. 123-28) and the general rules for the preparation and presentation of annual financial statements (ANC 2018-01 of April 20, 2018), amending ANC Regulation 2016-01 of November 4, 2016 and the regulations issued subsequently by the French Accounting Standards Authority (ANC).

The basic method used to value the items recorded in the accounts is the historical cost method.

The general accounting conventions have been applied, in compliance with the principle of prudence, in accordance with the following assumptions:

- going concern;
- consistency of accounting methods from one financial year to the next;
- independence of financial years.

For a better understanding of the financial statements presented, the main valuation methods and methods used are specified below, in particular when:

- a choice is offered by legislation;
- an exception provided for by the regulations is used;
- the application of an accounting principle is not sufficient to give a true and fair view;

- it does not comply with the accounting requirements.

Going concern

The Board of Directors approved the financial statements on a going concern basis despite the loss of €29.5 million for the 2021 financial year, in view of.

- the level of cash and cash equivalents at December 31, 2021, which amounted to €23.9 million;
- the possible use of the ORNANE financing line set up with Atlas (or "Atlas 2021 Contract"), which may give rise to additional financing of €32 million.

The Company believes that the level of cash and cash equivalents, supplemented by the use of existing financing lines, is sufficient to cover the Company's cash requirements for the next 12 months from the closing date.

2.2 Intangible assets

Intangible assets are mainly composed of patents, purchased brands and the capitalization of the costs of the IPO project.

Intangible assets are measured at acquisition cost or production cost.

Fixed assets with a finite useful life are depreciated on a straight-line basis over the period of their use by the Company, *i.e.*:

Items	Amortization period
Patents purchased	Estimated useful life of patents (19 to 20 years) – Linear
Software	Three to five years – Straight-line

The value of intangible assets is tested as soon as a risk of impairment is identified. The test consists of reconciling the net book value of these assets with future cash flows on the basis of medium-term plans. When the net book value is greater than the value of the discounted cash flows, an impairment loss is recognized corresponding to the difference between the sum of these flows and the net book value.

Expenses related to patent registration and product research and development are expensed.

2.3 Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost (purchase price and ancillary costs) or at their production cost by the Company.

The assets are subject to depreciation schedules determined according to the actual period of use of the asset.

The main depreciation periods and methods used are as follows:

Items	Amortization period
Laboratory equipment	Three to five years – Straight-line
Fixture and fittings	Three to five years – Straight-line
Office and IT equipment	Three to five years – Straight-line
Office furniture	Three to five years – Straight-line

2.4 Financial assets

Equity securities are recognized in the balance sheet at their acquisition cost. Their value is reviewed annually, by reference to their value in use, which takes into account the current and projected profitability of the subsidiary concerned and the share of equity held. Where applicable, a provision is recognized for impairment if the value in use falls below the acquisition cost.

Loans and receivables are valued at their nominal value. These items are, if necessary, written down by means of a provision to reduce them to their value in use at the closing date of the financial year.

2.5 Receivables

Receivables are valued at their nominal value. Where applicable, they are impaired on a case-by-case basis by way of a provision to take into account the collection difficulties to which they are likely to give rise.

Other receivables include the nominal value of the research tax credit, which is recognized as an asset in the year of acquisition corresponding to the year in which the eligible expenses giving rise to the tax credit were incurred.
In December 2021, part of the receivable related to the 2021 research tax credit was pre-financed by the specialized organization NEFTYS. Only the part of the receivable not sold is presented in other receivables.

Research tax credit

Research tax credits are granted to companies by the French State to encourage them to carry out technical and scientific research. Companies whose expenses meet the required criteria receive a tax credit which (i) may be deducted from income tax due for the year in which it was granted, as well as for the following three financial years, or, (ii) in certain circumstances, the part in excess may also be reimbursed to the Company.

If a company meets certain revenue, workforce or asset criteria that enable it to be considered a small or medium-sized company as defined by the European Union, it may request the immediate repayment of the research tax credit. Biophytis meets these criteria.

The research tax credit is presented in the income statement as a credit to the income tax line.

Research tax credit and subsidies

Subsidies received are recognized as soon as the corresponding receivable becomes certain, taking into account the conditions imposed on the grant.

Subsidies are recognized in income, taking into account, where appropriate, the pace of the corresponding expenses in order to comply with the principle of matching expenses with income.

2.6 Marketable securities

Marketable securities are recorded as assets at their acquisition cost.
Provisions for potential impairment are determined by comparing the acquisition cost and the probable realizable value.

Liquidity contract

Treasury shares acquired under the liquidity contract set up by the Company in July 2015 are valued at the purchase price. They are compared to their probable trading value and written down if necessary.

2.7 Foreign currency transactions

Income and expenses in foreign currencies are recorded at their equivalent value on the transaction date.

Receivables and payables in foreign currencies existing at the end of the financial year are translated at the exchange rate in effect at that date.

The difference resulting from the translation of debts and receivables denominated in foreign currencies at the latter rate is recorded in the balance sheet under “translation adjustments” (gains and losses). A provision for contingencies and losses of an equivalent amount is recognized for currency translation differences.

2.8 Capital increase costs

The capital increase and contribution costs are charged directly to the amount of the issue and contribution premiums.

Costs directly related to the proposed IPO of the Company on the Nasdaq in 2021 are recorded as fixed assets under construction. They will be recorded as start-up costs when the transaction is completed.

2.9 Provisions for risks and charges

These provisions, recorded in accordance with CRC Regulation No. 2014-03, are intended to cover the risks and expenses that current or events that have occurred make probable, the amount of which is quantifiable as to their purpose, but whose occurrence, timing or amount is uncertain.

2.10 Retirement benefits

The amounts of future payments corresponding to the benefits granted to employees are valued according to an actuarial method, by making assumptions concerning the evolution of salaries, retirement age and mortality, then these valuations are reduced to their present value.

These commitments are not subject to provisions but are included in off-balance sheet commitments.

2.11 Borrowings

Borrowings are valued at their nominal value.
Loan issuance costs are paid immediately.
Accrued interest is recognized as a liability at the interest rate stipulated in the contract.

2.12 Financial instruments

A financial instrument that does not meet the definition of equity is classified as an intermediate item between equity and liabilities, if, in accordance with the relevant clauses of the contract and the economic conditions of the issue, the redemption of the instrument is under the exclusive control of the issuer.

2.13 Conditional advances

Advances received from public bodies to finance the Company's research activities or for regional commercial prospecting, for which repayments are conditional, are presented in liabilities under "Conditional advances" and their characteristics are detailed in Note 11.

The transaction can be settled either:

- by the success of the project resulting in the repayment of the advances obtained according to a schedule provided for in the contract;
- by a failure of the project resulting in a total or partial waiver of the debt of the organization that granted this repayable advance. In this case, the debt waiver granted constitutes a subsidy.

In the event of a pronounced failure, the debt waiver granted is recorded as a grant.

2.14 Research and development costs

Product research and development costs are expensed in the year in which they are incurred.

2.15 Financial result

Financial income mainly includes:

- provisions for impairment of financial assets;
- provisions and reversals in connection with the Negma dispute;
- interest expenses related to borrowings;
- interest received on term accounts;
- gains and losses on disposals of treasury shares;
- financial compensation paid to Negma in 2020;
- a financial income relating to the repayment of the 2020 penalty;
- a financial income in respect of the cancellation of the Negma bond debt.

Note 3: Intangible assets, property, plant and equipment and financial assets

3.1 Intangible assets and property, plant and equipment

GROSS AMOUNT OF FIXED ASSETS (in thousands of euros)	12/31/2020	Acquisitions	Disposals	12/31/2021
Start-up and development expenses	-	-	-	-
Other intangible assets	3,512	270	-	3,782
Intangible assets under construction	787	-	(787)	-
Total intangible assets	**4,299**	**270**	**(787)**	**3,782**
Plant and technical equipment	297	43	-	340
General equipment, fixtures and fittings	72	-	-	72
Office, IT equipment, furniture	92	29	-	122
Total fixed assets	**462**	**72**	**-**	**534**
TOTAL	**4,761**	**342**	**(787)**	**4,317**

AMORTIZATION AND DEPRECIATION OF FIXED ASSETS (in thousands of euros)	12/31/2020	Additions	Reversals	12/31/2021	Book value at 12/31/2021
Start-up and development expenses	-	-	-	-	-
Other intangible assets	839	187	-	1,027	2,755
Total intangible assets	**839**	**187**	**-**	**1,027**	**2,755**
Plant and technical equipment	184	48	-	232	108
General equipment, fixtures and fittings	60	10	-	70	3
Office, IT equipment, furniture	81	11	-	92	30
Total fixed assets	**326**	**68**	**-**	**394**	**140**
TOTAL	**1,165**	**256**	**-**	**1,421**	**2,896**

The Company co-owns certain patents with state-owned partners.

As part of the Intellectual Property Agreement signed with the Company's CEO (see Note 20.2) and its amendment, the total patents rights acquired from the Company's CEO as of December 31, 2021 amounted to €1,350 thousand and are amortized over a 19-year period.
Of this amount, €270 thousand were paid to the Chief Executive Officer of the Company in 2019, €180 thousand in 2020 and €270 thousand in 2021. The balance was applied to the subscription and exercise of the "investor warrants" by the Chief Executive Officer.

3.2 Financial assets

GROSS AMOUNT OF FIXED ASSETS (in thousands of euros)	12/31/2020	Increase	Decrease	12/31/2021
Other equity investments	296	-	-	296
Receivables from equity interests	1,869	194	-	2,063
Other financial assets	320	104	-	424
Total financial assets	**2,486**	**298**	**-**	**2,784**

AMORTIZATION AND DEPRECIATION OF FIXED ASSETS (in thousands of euros)	12/31/2020	Additions	Reversals	12/31/2021	Book value at 12/31/2021
Other equity investments	296	-	-	296	-
Receivables from equity interests	1,869	194	-	2,063	-
Other financial assets	-	-	-	-	424
Total financial assets	**2,165**	**194**	**-**	**2,359**	**424**

Financial assets consist of:

- equity securities and related receivables of the subsidiary Instituto Biophytis Do Brasil for €295 thousand and €596 thousand respectively, fully impaired given the absence of activity of this subsidiary since 2010;
- investment securities and receivables related to the equity securities of the subsidiary Biophytis Inc., created in September 2015, for €1 thousand and €1,467 thousand respectively, fully impaired;
- a guarantee deposit on the loan taken out with KREOS in 2018 for €320 thousand (see Note 12.1) and a guarantee deposit of €104 thousand with KREOS in 2021.

Note 4: Other receivables

The tables below detail the components of "Receivables" at December 31, 2021 as well as breaking them down into within one year or more than one year:

STATEMENTS OF RECEIVABLES (in thousands of euros)	12/31/2021		
	Gross amount	One year or less	More than one year
Fixed assets			
Receivables from equity interests	2,063	-	2,063
Other financial assets	424	-	424
Total fixed assets	**2,488**	**-**	**2,488**
Current assets			
Customers – Invoice to be issued	-	-	-
French State – Research tax credit[2]	90	90	-
Value added tax[1]	885	885	-
Advances and deposits paid on orders	-	-	-
Other debtors[3]	1,166	1,166	-
Income receivable	124	124	-
Trade credit notes receivable	-	-	-
Debtor suppliers	125	125	-
Total current assets	**2,389**	**2,389**	**-**
Prepaid expenses	1,416	1,416	-
Total	**6,293**	**3,805**	**2,488**

(1) VAT receivables mainly relate to deductible VAT.

(2) In the absence of taxable income, and given its status as a Community SME, the Company may request the reimbursement of the Research tax credit the year following its recognition. The tax credits for the financial years ended December 31, 2020 and December 31, 2021 are:

- 2020: €3,328 thousand;
- 2021: €4,080 thousand.

At December 31, 2021, the receivable relating to the Research tax credit includes the non-prefinanced 2021 tax credit.
In December 2020, part of the receivable related to the 2020 research tax credit was pre-financed by the specialized organization NEFTYS.
In December 2021, part of the receivable related to the 2021 research tax credit was pre-financed by the specialized organization NEFTYS.

The credits that have been pre-financed will be repaid directly to the specialized organization NEFTYS.

(3) Other receivables include an amount of €1,149 thousand in respect of the holdback guarantee as part of the partial pre-financing of tax credit receivables.

Note 5: Breakdown of accrued income

BREAKDOWN OF ACCRUED INCOME (in thousands of euros)	12/31/2021	12/31/2020
Other receivables		
Miscellaneous accrued income	6	43
Total other receivables	**6**	**43**
Total	**6**	**43**

Note 6: Marketable securities and cash

The table below shows the breakdown of marketable securities and cash:

MARKETABLE SECURITIES AND CASH (in thousands of euros)	12/31/2021	12/31/2020
Liquidity contract	122	122
Term deposits	7,000	15,000
Bank accounts and cash	16,834	3,244
Total marketable securities and cash	**23,956**	**18,366**

The liquidity contract consists of:

- a cash reserve of €72 thousand;
- treasury shares for a gross value of €50 thousand.

At December 31, 2021, the Company had two term deposits totaling €7,000 thousand, with an initial maturity of one month:

- a short-term deposit of €2,000 thousand with a maturity on 01/01/2022 and an interest rate of 0.03%;
- a short-term deposit of €5,000 thousand with a maturity on 01/26/2022 and an interest rate of 0.03%.

Liquidity contract

Following its IPO on the Euronext Growth market (formerly Alternext Paris), the Company entered into a liquidity contract with a specialized institution in order to limit the intra-day volatility of the Biophytis share.

In this context, the Company entrusted €300 thousand to this institution to take buy or sell positions on the Company's shares.

The liquidity contract is currently entrusted to Parel bank.

Note 7: Accruals

Prepaid expenses by type break down as follows:

PREPAID EXPENSES (in thousands of euros)	**12/31/2021**	**12/31/2020**
Research services	1,301	-
Fees	-	13
Insurance	115	5
Financial interests	-	79
Total prepaid expenses	**1,416**	**96**

Prepaid expenses only relate to operating expenses.

Deferred income by type breaks down as follows:

PREPAID INCOME (in thousands of euros)	**12/31/2021**	**12/31/2020**
"BIO201" grant from BPI France	178	-
Other	-	16
Total deferred income	**178**	**16**

As part of the BPI France conditional advance "BIO201" project, the Company was entitled to receive a grant of €380 thousand, which has been recorded as deferred income as of December 31, 2021 for €178 thousand (€202 thousand recognized as a grant for the year ended December 31, 2021).

8.1 Change in shareholders' equity

The change in equity in 2020 and 2021 breaks down as follows:

BIOPHYTIS Change in shareholders' equity Amount in thousands of euros	Share capital – *number of shares*	Share capital	Share premiums	Other reserves	Retained earnings	Income	Equity (excluding grants)
At December 31, 2019	***23,963,254***	**4,793**	**44,047**	**–**	**(39,299)**	**(17,255)**	**(7,715)**
Appropriation of 2019 net income		-	-	-	(17,255)	17,255	**–**
Net income 2020		-	-	-	-	(15,940)	**(15,940)**
Share capital increase	*49,295,005*	9,859	10,918	-	-	-	20,777
Conversion of bonds	*22,628,683*	4,526	5,798	-	-	-	10,324
Exercise of Founders' warrants	*2,152*	0	0	-	-	-	1
Subscription of warrants	*4,868,003*	974	341	-	-	-	1,314
Issue of share subscription warrants		-	449	-	-	-	449
Allocation of premiums to retained earnings		-	(44,047)	-	44,047	-	–
At December 31, 2020	***100,757,097***	**20,151**	**17,506**	**-**	**(12,507)**	**(15,940)**	**9,210**
Appropriation of 2020 net income			(15,940)			15,940	**-**
Net income 2021						(29,460)	**(29,460)**
Share capital increase	*16,950,000*	3,390	16,814	-	-	-	20,204
Conversion of bonds	*16,379,256*	3,276	6,124	-	-	-	9,400
Exercise of Founders' warrants	*158,673*	32	33	-	-	-	64
Subscription of warrants	*1,708,631*	342	336	-	-	-	678
Costs paid in relation to equity transactions			(2,885)	-	-	-	(2,885)
Allocation of premiums to retained earnings		-	(1,566)	-	1,566	-	-
At December 31, 2021	***135,953,657***	**27,191**	**20,422**	**-**	**(10,942)**	**(29,460)**	**7,211**

On February 12, 2021, Biophytis announced the closing of the ADS Offering. The gross proceeds from the Offering were $20,100 thousand (€16,584 thousand, using the exchange rate of €1.00 = $1.212 on February 12, 2021, the closing date) and the aggregate net proceeds to Biophytis, after deducting underwriting discounts and commissions, management fee, and other offering expenses payable by the Company, were approximately $16.35 million (€13.49 million, using the exchange rate of €1.00 = $1.212 on February 12, 2021, the closing date). All of the securities sold in the ADS Offering were offered by Biophytis. This transaction generated a share capital increase of €2,400 thousand and an issue premium of €14,184 thousand.

On July 30, 2021, 4,950,000 new shares were issued to Negma, generating a capital increase of €990 thousand and an issue premium of €2,629 thousand (see Note 12.2.1).

During the financial year ended December 31, 2021, 376 bonds held by Atlas were converted into new shares, generating the issuance of 16,379,256 shares at a price of €0.20, representing a capital increase of €3,276 thousand. and an issue premium of €6,124 thousand.

The costs incurred by the Company in connection with the ADS placement in February 2021 were deducted from shareholders' equity for €2,885 thousand.

Following the exercise of warrants during the period, the share capital was increased by €373 thousand through the issuance of 1,867,304 new shares, with a premium of a total amount of €369 thousand.

8.2 Breakdown of share capital and breakdown by share category

COMPOSITION OF SHARE CAPITAL	12/31/2021	12/31/2020
Share capital (in thousands of euros)	27,191	20,151
Number of shares	135,953,657	100,757,097
of which common shares	135,953,657	100,757,097
Nominal value (in thousands of euros)	€0.20	€0.20

The share capital is set at €27,190,731.40. It is divided into 135,953,657 fully subscribed and paid-up shares with a nominal value of €0.20.

This number does not include share subscription warrants (French BSA) and Founders' warrants (French BSPCE) granted to certain investors and natural persons, whether or not they are employees of the Company, and not yet exercised.

Capital management

The Company's policy is to maintain a solid capital base in order to preserve the confidence of investors and creditors and to support the future development of the business.

In this respect, a liquidity contract was signed with the Parel bank.
At December 31, 2021, the Company held 100,793 treasury shares for a net book value of €50 thousand and €72 thousand in cash.

8.3 Dividend distribution

The Company did not distribute any dividends during the financial years presented.

Note 9: Equity instruments

9.1 Share subscription warrants

Type	Grant date	Characteristics		
		Number of warrants granted	Maturity date	Exercise price
Warrants$_{2017}$	07/21/2017	**72,000**	07/21/2021	€3.30

Type	Grant date						Number of shares which can be subscribed
		12/31/2020	Granted	Exercised	Lapsed	12/31/2021	
Warrants$_{2017}$	07/21/2017	72,000	-	-	(72,000)	**-**	72,000
Total		**72,000**	**-**	**-**	**(72,000)**	**-**	**72,000**

The vesting period for the issued plan is as follows:

Type	Vesting period
Warrants$_{2017}$	1/3 to 07/21/2017 1/3 to 07/21/2018 1/3 to 07/21/2019

9.2 Founders' warrants and free shares

Type	Grant date	Characteristics		
		Number of warrants granted	Maturity date	Exercise price
Founders' warrants$_{2017\text{-}1}$	07/21/2017	**227,000**	07/21/2021	€3.30
Founders' warrants$_{2017\text{-}2}$	07/21/2017	**127,000**	07/21/2021	€3.30
Founders' warrants$_{2019\text{-}1}$	04/03/2020	**1,333,333**	04/03/2026	€0.27
Founders' warrants$_{2019\text{-}2}$	04/03/2020	**666,667**	04/03/2026	€0.27
Founders' warrants$_{2020\text{-}1}$	12/22/2020	**999,396**	12/22/2026	€0.47
Founders' warrants$_{2020\text{-}2}$	12/22/2020	**499,696**	12/22/2026	€0.47
Founders' warrants$_{2021\text{-}1}$	09/15/2021	**2,919,415**	09/15/2027	€0.73
Founders' warrants$_{2021\text{-}2}$	09/15/2021	**1,459,707**	09/15/2027	€0.73
Free shares$_{2020}$	12/22/2020	**2,500,911**	N/A	N/A
Free shares$_{2021}$	09/15/2021	**6,631,068**	N/A	N/A

Type	Grant date	12/31/2020	Granted	Exercised	Lapsed	12/31/2021	Number of shares which can be subscribed
Founders' warrants$_{2017-1}$	07/21/2017	148,000	-	-	(148,000)	-	-
Founders' warrants$_{2017-2}$	07/21/2017	62,848	-	-	(62,848)	-	-
Founders' warrants$_{2019-1}$	04/03/2020	1,011,309	-	(35,739)	(99,897)	875,673	875,673
Founders' warrants$_{2019-2}$	04/03/2020	662,363	-	(17,870)	(49,948)	594,545	594,545
Founders' warrants$_{2020-1}$	12/22/2020	999,393	-	(74,346)	(199,797)	725,250	725,250
Founders' warrants$_{2020-2}$	12/22/2020	499,696	-	(37,173)	(99,898)	362,625	362,625
Founders' warrants$_{2021-1}$	09/15/2021	-	2,919,415	-	(45,645)	2,873,770	2,873,770
Founders' warrants$_{2021-2}$	09/15/2021	-	1,459,707	-	(22,823)	1,436,884	1,436,884
Free shares$_{2020}$	12/22/2020	2,500,911	-	-	-	2,500,911	2,500,911
Free shares$_{2021}$	09/15/2021	-	6,631,068	-	-	6,631,068	6,631,068
	Total	**5,884,520**	**11,010,190**	**(165,128)**	**(728,856)**	**16,000,726**	**16,000,726**

**it being specified that the rights to certain warrants are in the process of vesting.*

The vesting period for the rights of the plans issued is as follows:

Type	Vesting period
Founders' warrants$_{2017-1}$	1/3 to 07/21/2017 1/3 to 07/21/2018 1/3 to 07/21/2019
Founders' warrants$_{2017-2}$	1/3 to 07/21/2017 1/3 to 07/21/2018 1/3 to 07/21/2019
Founders' warrants$_{2019-1}$	1/3 to 04/10/2020 1/3 to 04/10/2022 1/3 to 04/10/2024
Founders' warrants$_{2019-2}$	1/3 to 04/10/2020 1/3 to 04/10/2022 1/3 to 04/10/2024
Founders' warrants$_{2020-1}$	1/3 to 12/22/2020 1/3 to 12/22/2022 1/3 to 12/22/2024
Founders' warrants$_{2020-2}$	1/3 to 12/22/2020 1/3 to 12/22/2022 1/3 to 12/22/2024
Founders' warrants$_{2021-1}$	1/3 to 09/15/2021 1/3 to 09/15/2022 1/3 to 09/15/2023
Founders' warrants$_{2021-2}$	1/3 to 09/15/2021 1/3 to 09/15/2022 1/3 to 09/15/2023
Free shares$_{2020}$	Vesting period of two years followed by a holding period of two years
Free shares$_{2021}$	Vesting period of one year followed by a holding period of one year

9.3 Equity instruments granted to executives

	Issuance and allocation decision	Type	Issued granted and subscribed	Granted and likely to be subscribed	Exercised in 2021	Exercisable at closing 12/31/2021	Exercisable under certain conditions	Lapsed
Stanislas Veillet CEO Director	07/21/2017	Founders' warrants	148,000			148,000		(148,000)
	04/03/2020	Founders' warrants	626,833			626,833		-
	12/22/2020	Free shares (AGA)	1,880,500			1,880,500		-
	09/15/2021	Free shares (AGA)	4,986,072			4,986,072		-
	TOTAL		**7,641,405**	**-**	**-**	**7,493,405**		**(148,000)**
Nadine Coulm Director	07/21/2017	Warrants	18,000			-		(18,000)
	04/03/2020	Founders' warrants	103,946			103,946		-
	12/22/2020	Founders' warrants	207,892			207,892		-
	09/15/2021	Founders' warrants	551,218			551,218		-
	TOTAL		**881,056**	**-**	**-**	**863,056**		**(18,000)**
Marie Claire Janailhac Fritsch Former director	07/21/2017	Warrants	18,000			-		(18,000)
	TOTAL		**18,000**			**-**		**(18,000)**
Jean Gérard Galvez Former director	07/21/2017	Warrants	18,000			-		(18,000)
	TOTAL		**18,000**			**-**		**(18,000)**
Jean M. Franchi Former director	07/21/2017	Warrants	18,000			-		(18,000)
	04/03/2020	Founders' warrants	103,946		(34,649)	-		(69,297)
	12/22/2020	Founders' warrants	207,892		(69,297)	-		(138,595)
	TOTAL		**329,838**		**(103,946)**	**-**		**(225,892)**
Jean Mariani Director	04/03/2020	Founders' warrants	103,946			103,946		
	12/22/2020	Founders' warrants	207,892			207,892		
	09/15/2021	Founders' warrants	551,218			551,218		
	TOTAL		**863,056**			**863,056**		**-**
Dimitri Batsis Director	04/03/2020	Founders' warrants	103,946			103,946		
	12/22/2020	Founders' warrants	207,892			207,892		
	09/15/2021	Founders' warrants	551,218			551,218		
	TOTAL		**863,056**			**863,056**		**-**
Claude Allary Director	09/15/2021	Founders' warrants	551,218			551,218		-
	TOTAL		**551,218**			**551,218**		**-**

9.4 Share subscription warrants granted to investors

In April 2020, the Company decided to carry out a public offering of warrants. The main objective of the transaction was to allow existing shareholders to participate in the COVA program and the future development of the Company.

Upon completion of its public offering, the Company issued 7,475,708 share subscription warrants, after full exercise of the extension clause.
The subscription price was €0.06 per warrant. The warrants can be exercised for a period of five years from April 30, 2020, at an exercise price of €0.27 per new share.
Each warrant gives its holder the right to subscribe to one new Biophytis share. The total amount of subscriptions was €449 thousand in 2020. During the periods ended December 31, 2020 and 2021, warrants were exercised for €1,042 thousand and €303 thousand respectively.
In 2020, the Chief Executive Officer took part in the subscription and exercise of the "investor warrants", which was settled by an amount of €630 thousand due to the Chief Executive Officer under the Industrial Property agreement (see Notes 3 and 19.2) (€177 thousand for the subscription of the equity warrants and €453 thousand for the exercise of the equity warrants).

9.5 Other equity warrants

In 2017, the Company issued equity warrants to Bracknor Fund Ltd at an average exercise price of €3.48 per ordinary share as part of financing that was fully repaid and completed. The number of ordinary shares that may be issued in the event of the exercise of the warrants amounted to 431,184 ordinary shares at December 31, 2021.

Note 10: Provisions for risks and charges

PROVISIONS (in thousands of euros)	12/31/2021				
	Amount at the beginning of the financial year	Additions	Reversals (used)	Releases of surplus provisions	Amount at year-end
Provisions for exchange rate losses	111	166	(273)	-	4
Provision for risks	1,394	5,127	(6,521)	-	-
Provisions for charges	2	308	-	-	310
Total provisions for risks and charges	**1,507**	**5,601**	**(6,794)**	**-**	**314**

Litigation and liabilities

The Company may be involved in legal, administrative or regulatory proceedings in the normal course of its business. A provision is recorded by the Company when there is a sufficient probability that such litigation will result in costs borne by the Company.

NEGMA Litigation

Following the termination of the Negma contract on April 6, 2020, Negma undertook legal action in order to claim damages of €910,900 from Biophytis as well as the delivery of 7,000,000 Biophytis shares, that Negma considers it was entitled to pursuant to the only Biophytis ORNANES still held by Negma, issued in consideration for a loan of €1,400,000 in principal.

Pursuant to a summary judgment dated May 7, 2020, Negma obtained a decision partially responding to its claims ordering, under penalty, Biophytis to pay damages in an amount of €378 thousand, excluding any penalties, and deliver 2,050,000 Biophytis shares.

This delivery of 2,050,000 shares valued at €1,394 thousand was considered as a financial indemnity. The indemnity of €385 thousand (including €7 thousand of penalties) was recorded as a financial expense in 2020. The summary judgment does not extinguish the liability due to Negma. Current financial liabilities at December 31, 2020 included a bond of €1,400 thousand (see Note 12).

On November 18, 2020, Paris Court of Appeal ruled in Biophytis' favor and sentenced Negma to return the 2,050,000 shares previously delivered as well as the provision €378 thousand. In 2020, Negma satisfied its obligations by paying €419 thousand to Biophytis (including compensation and legal costs), and returned the 2,050,000 shares in January 2021.

At December 31, 2020, the Company recorded a receivable in respect of the 2,050,000 Biophytis shares to be received (see Notes 4 and 12). Since the judgment of the Paris Court of Appeal on November 18, 2020, Negma initiated proceedings on the merits of its claim in order to obtain 7,000,000 Biophytis shares and €911 thousand of indemnity with late payments interests at the rate LIBOR + 10%.

At December 31, 2020, the Company analyzed its exposure within the context of this litigation. Although the Company believes that it has a serious chance of succeeding in the various legal proceedings, this subject remains complex and there are still uncertainties as to the final decisions of the courts. As such, the Company estimated at December 31, 2020 that its maximum risk would be:

- repay the financial debt of €1.4 million (see Note 12);
- to be ordered to pay compensation equivalent to that of the judgment of May 7, 2020 (without penalties), *i.e.* €1,394 thousand in the event of an unfavorable judgment.

As such, the Company recorded a provision for risks of €1,394 thousand at December 31, 2020.

On March 16, 2021, the Paris Commercial Court rendered a judgment in Negma's favor and ordered Biophytis to:

- pay Negma Group a principal sum of €910 thousand in contractual penalties with late payment interest at the rate LIBOR +10%;
- deliver to Negma 7,000,000 shares, subject to a penalty of €50 thousand per day of delay as from the tenth day after the notification of the judgment and for a period of 30 days;
- pay Negma €100 thousand under article 700 of the French Code of Civil Procedure as well as the expenses and legal costs.

Biophytis petitioned the Paris Commercial Court on the grounds that it had failed to rule on certain claims made by the Company in the proceedings and lodged an appeal with the Paris Court of Appeal.

In addition, with regard to the execution of the judgment, Biophytis served Negma Group with a petition filed with the President of the Paris Court of Appeal requesting the immediate stay of execution of the judgment or, failing that, its modification. The case was heard on September 6, 2021 and the court ruling is still pending.

In the meantime, on June 24, 2021, Negma served Biophytis with a petition filed with the judge of the Paris Court of Justice charged with overseeing the execution of judgments requesting (i) the payment of the fine for non-performance imposed by the judgment in connection with its order to Biophytis to deliver 7,000,000 shares and (ii) that a final fine for non-performance be determined.
Pursuant to a judgment rendered on July 16, 2021, the judge of the Paris Court of Justice in charge of overseeing the execution of judgments partially granted Negma's claims:

- ordered Biophytis to pay the fine for non-performance imposed by the Judgment for €1,500 thousand;
- ordered Biophytis to pay this amount to Negma Group;

- imposed a new provisional fine for non-performance of €50 thousand per day of delay in complying with the Judgment's order against Biophytis, as of the tenth day from service of this judgment, for a period of 30 days;
- ordered Biophytis to pay Negma €8 thousand pursuant to Article 700 of the Code of Civil Procedure; and
- ordered Biophytis to pay costs.

Biophytis has fulfilled all of its obligations under the above two judgments.

Over the period, the Company has paid the indemnities and the fine for non-performance imposed by the judgment.

With regard in particular to the delivery of 7,000,000 shares to Negma Group, Biophytis has:
- in August 2021, delivered to Negma Group the 2,050,000 shares created and delivered to Negma Group in June 2020 and returned by Negma Group to Biophytis under the judgment of the Paris Court of Appeal dated November 18, 2020, which Biophytis had kept in treasury shares; and
- issued 4,950,000 new shares in favor of Negma Group in July 2021 as part of a capital increase reserved for it on the basis of the 13th delegation of the General Meeting of May 10, 2021.

Biophytis appealed this judgment and, more generally, took all measures to safeguard its interests.

During the financial year ended December 31, 2021, the Company:
- reversed the provision made at December 31, 2020 for €1,394 thousand;
- provided a provision for the delivery of 4,950,000 shares for an amount of €3,620 thousand and reversed the provision at the time of the issuance of the shares;
- created a provision for the late payment penalty of €1,500 thousand and €8 thousand in respect of Article 700 of the French Code of Civil Procedure.

Provisions for risks

Provisions for risks are made of the additional contribution to pay when the free shares are granted at the term of the vesting period. This contribution is recognized on a straight-line basis over the vesting period.

Note 11: Conditional advances

CONDITIONAL ADVANCES (in thousands of euros)	BPI France Sarcob	BPI France BIO101 2016	BPI France BIO201 2019	AFM Téléthon	TOTAL
At December 31, 2019	**143**	**825**	**-**	**400**	**1,368**
(+) Proceeds received	-	-	-	-	-
(-) Repayment	(26)	(110)	-	-	(136)
At December 31, 2020	**117**	**715**	**-**	**400**	**1,232**
(+) Proceeds received	-	-	400	-	400
(-) Repayment	(59)	(220)	-	-	(279)
At December 31, 2021	**59**	**495**	**400**	**400**	**1,354**

BPI France repayable advance – "Sarcob" project

On February 4, 2015, the Company obtained a repayable advance of €260 thousand from BPI France, not interest bearing, for the "*in vitro*, *in vivo* and pharmacokinetic characterization of a drug candidate".

The payments were staggered from the date of signature of the contract to the end of the project as follows:

- €100 thousand on the contract signature date;
- €108 thousand upon call for funds;
- the balance of €52 thousand at the completion of the project on June 26, 2017.

Since the signing of this contract, an amendment was signed in 2016 to postpone the end of the program and repayment deadlines.

Following the success of the project, the initial timetable for repayment is as follows:

- €6.5 thousand per quarter from June 30, 2017 to March 31, 2018 (four payments);
- €13 thousand per quarter from June 30, 2018 to March 31, 2021 (12 payments); and
- €19.5 thousand per quarter from June 30, 2021 to March 31, 2022 (four payments).

In view of the COVID-19 health crisis, the Company obtained a postponement of the maturities of the first and second quarters of 2020, which had the effect of extending the initial schedule by two additional quarters.

The timetable for repayment after taking these modifications into account is as follows:

- €13 thousand per quarter from June 30, 2020 to March 31, 2021 (three payments);
- €19.5 thousand per quarter from June 30, 2021 to March 31, 2022 (four payments); and
- €32.5 thousand per quarter from June 30, 2022 to December 30, 2022 (two payments).

In addition, the agreement provides for the payment of a repayment annuity from January 1, 2016 and no later than March 31 of each year corresponding to: 40% of the proceeds excluding taxes, disposals or concessions of licenses, patents or know-how received during the previous calendar year when the aforementioned disposals or concessions relate to all or part of the results of the subsidized program and to 40% of the proceeds excluding tax generated by the marketing and in particular the sale to a third party or the use by the beneficiary for its own needs for prototypes, pre-series and models made under the subsidized program.
The sums due will accordingly be added as a matter of priority to the final instalment due to BPI. The application of this mechanism will not require the Company to pay more than the aid received.

BPI France repayable advance – "BIO101" project

In July 2016, the Company obtained BPI France's agreement for a recoverable advance of €1,100 thousand, not interest bearing, for the "production of clinical batches, regulatory preclinical phase and Phase 1 clinical trial of BIO101 for the treatment of sarcopenic obesity.
The payments were staggered from the date of signature of the contract to the end of the project as follows:

- €600 thousand on the contract signature date. The funds were received by the Company on December 1, 2016, net of administrative costs of €33 thousand;
- the balance of €500 thousand at the completion of the project at the request of the Company. The funds were received on June 5, 2018.

Following the success of the project, the initial timetable for repayment is as follows:

- €55 thousand per quarter from December 31, 2018 to September 30, 2023 (20 payments).

The drawdown for the first repayment took place in early January 2019.

In view of the COVID-19 health crisis, the Company obtained a postponement of the maturities of the first and second quarters of 2020, which had the effect of extending the initial schedule by two additional quarters.

The timetable for repayment after taking these modifications into account is as follows:

- €55 thousand per quarter from June 30, 2020 to March 31, 2024 (11 payments).

In addition, the agreement provides for the payment of a repayment annuity from January 1, 2018 and no later than March 31 of each year until March 31, 2024 corresponding to: 35.81% of the proceeds excluding taxes, disposals or concessions of licenses, patents or know-how received during the previous calendar year when the aforementioned disposals or concessions relate to all or part of the results of the subsidized program and to 35.81% of the proceeds excluding tax generated by the marketing and in particular the sale to a third party or the use by the beneficiary for its own needs of prototypes, pre-series or models made under the subsidized program.

The sums due will accordingly be added as a matter of priority to the final instalment due to BPI. The application of this mechanism will not require the Company to pay more than the aid received.

Collaboration agreement with the AFM-Téléthon – "BIO101" project

Biophytis entered into a collaboration agreement with AFM-Téléthon which came into force on June 3, 2019 and concerns the development of Sarconeos (BIO101), the main drug candidate of Biophytis, for the treatment of Duchenne Muscular Dystrophy (DMD) as part of its MYODA clinical program.

Under the terms of the agreement, the AFM-Téléthon grants €400 thousand in funding to Biophytis, which is intended for certain additional preclinical trials and for the preparation of the MYODA clinical study, and which could be reimbursed under certain conditions.

Repayment of the advance will be spread over a two-year period, from the authorization of the launch of Phase 3 of the MYODA clinical program, with ongoing half-yearly payments.

BPI France repayable advance – "BIO201" project

On August 23, 2019, the Company entered into an agreement with BPI France for an interest-free conditional advance of €600 thousand payable in milestone installments for its MACA program of Macuneos (BIO201) in dry Age-Related Macular Degeneration (AMD). The proceeds were subject to financial conditions that have been met in April 2021.
The Company received €400 thousand in April 2021 in connection with this agreement. The remainder will be received once the Company finalizes the program.

Repayment of the repayable advance depends on the successful completion of the project:

- in the event of technical/economic failure, a minimum repayment of €240 thousand will be owed by the Company at the end of the program (36 months after receipt of the first repayable advances); and

- in the event of technical/economic success, repayment is scheduled over a five-year period from September 2022.

As part of this agreement, the Company was entitled to receive a grant of €380 thousand, out of which €260 thousand was received in April 2021. At December 31, 2021, this grant was recognized in the income statement in the amount of €202 thousand. The balance was recognized in the amount of €178 thousand in deferred income since the Company had incurred expenses representing 53% of the budget for the research and development program at December 31, 2021.

CHANGE IN CONVERTIBLE BONDS (in thousands of euros)	NEGMA ORNANEBSA	ORNANE ATLAS	TOTAL
At December 31, 2019	**2,080**	**-**	**2,080**
(+) Proceeds received	-	8,625	8,625
(+) Security deposit	-	-	-
(+) Commitment fee	-	375	375
(-) Conversion	(680)	(8,250)	(8,930)
(-) Repayment	-	(750)	(750)
At December 31, 2020	**1,400**	**-**	**1,400**
(+) Proceeds received	-	15,000	15,000
(+) Security deposit	-	-	-
(-) Other movements	(1,400)	-	(1,400)
(-) Conversion	-	(9,400)	(9,400)
(-) Repayment	-	-	-
At December 31, 2021	**-**	**5,600**	**5,600**

CHANGE IN OTHER BONDS (in thousands of euros)	KREOS Contract 2018 Tranches A and B	KREOS Contract 2018 Tranche C	KREOS Contract 2018 Tranche D	KREOS Contract 2021 Tranche 1	KREOS Contract 2021 Tranche 2	KREOS Contract 2021 Tranche 3	TOTAL
At December 31, 2019	**3,854**	**1,927**	**1,927**	**-**	**-**	**-**	**7,709**
(+) Proceeds received				-	-	-	-
(+) Security deposit				-	-	-	-
(+) Commitment fee				-	-	-	-
(-) Conversion				-	-	-	-
(-) Repayment	(1,607)	(803)	(802)	-	-	-	(3,212)
At December 31, 2020	**2,247**	**1,124**	**1,125**	**-**	**-**	**-**	**4,496**
(+) Proceeds received				2,250	3,250	677	6,177
(+) Security deposit							-
(+) Commitment fee							-
(-) Conversion							-
(-) Other movements							-
(-) Repayment	(1,775)	(888)	(890)	-			(3,552)
At December 31, 2021	**472**	**236**	**236**	**2,250**	**3,250**	**677**	**7,120**

12.1 Bonds issued to KREOS

Issue of non-convertible bonds to Kreos – 2018 Contract

On September 10, 2018, the Company entered into a venture loan agreement with Kreos Capital V (UK) Ltd ("KREOS") serving as a framework agreement organizing the issue of a bond of an amount up to €10 million, the issue of 442,477 share subscription warrants under tranche A ($BSA_{2018\text{-}KREOS}$) and the pledge of the Company's goodwill for the benefit of KREOS.

Characteristics of the bond issue:

- 10 million bonds with a nominal value of €1 divided into four tranches, which can be subscribed as follows:
  - tranche A in the amount of €2.5 million subscribed on the date of signature of the contract and composed of 2,057,523 bonds and 442,477 bonds with attached warrants,

- tranche B in the amount of €2.5 million and composed of 2,500,000 bonds, subscribed on September 10, 2018,
- tranche C in the amount of €2.5 million and composed of 2,500,000 bonds, subscribed on December 17, 2018,
- tranche D in the amount of €2.5 million and composed of 2,500,000 bonds, subscribed on March 1, 2019;

• interest rate: 10% per annum
• repayment in 36 monthly installments from April 2019.

Characteristics of the warrants:

- number of shares to be issued: 442,477;
- maturity: seven years;
- exercise price: €2.67.

Issue of non-convertible and convertible bonds to Kreos – 2021 Contract

On November 19, 2021, the Company entered into a venture loan agreement with KREOS in lieu of a framework agreement organizing the issue of a bond of up to €10 million by way of issue of €7.75 million non-convertible bonds ("straight bonds") and 2.25 million convertible bonds ("convertible bonds") plus the issuance of bonds attached to the first tranche with a nominal value of €1 each.

The loan agreement comprises four tranches of respectively €2.5 million, €3.0 million, €2.5 million and €2.0 million. The first two tranches were drawn down upon signing of the contract on November 19, 2021, the third tranche, limited to €677 thousand was drawn down before December 31, 2021, and the last tranche may be drawn down until March 31, 2022 if the Company respects the debt ratio.

Non-convertible bonds pay an annual interest rate of 10% and must be redeemed in cash in 36 monthly payments from April 1, 2022. Convertible bonds pay an annual interest rate of 9.5%.

The Company will redeem the convertible bonds for their principal amount by March 31, 2025, at the latest, unless they are converted into shares earlier, at the discretion of Kreos Capital, at a set conversion price of €0.648.

Biophytis issued Kreos Capital with 2,218,293 warrants giving the right to subscribe to new ordinary Biophytis shares at a rate of one share for one warrant. The warrants may be exercised over a seven-year period after their issue. The exercise price of the share subscription warrants was set at €0.56.
By subscribing to the warrants, Kreos Capital expressly waived it right to exercise the 2018 warrants as held following their detachment from the non-convertible bonds subscribed on September 10, 2018, within the context of the 2018 borrowing structure.

The venture loan agreement provides for a security interest in company goodwill, bank account balances and intellectual property rights to be pledged to Kreos. The pledge of a security interest in these three assets was granted on November 19, 2021.

12.2 ORNANEBSA NEGMA bond issue

On August 21, 2019, the Company signed an agreement with Negma Group Limited providing for up to €24 million in financing for the Company through the issue of a number of tranches of convertible bonds with warrants (ORNANEBSA), at the sole discretion of the Company.

Main characteristics of the ORNANE NEGMA note warrants

The 2,400 four-year note warrants require their holder to exercise them, at the Company's request, in tranches of 300 warrants each. Each warrant grants its holder the right to one ORNANEBSA. Note warrants may not be transferred and are not subject to a request for admission to trading on the Euronext Growth market. The warrants will be detached from the ORNANE immediately, once the ORNANEBSA has been issued.

Main characteristics of the ORNANE

ORNANE have a nominal value of €10,000 each and are issued at par. They do not bear interest and have a 12-month maturity from issuance. Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. At the end of the term, and if the ORNANE have not yet been converted, they will be automatically converted.
The holder may ask to convert the ORNANE at any time at the conversion rate determined by the following formula: N = CA/CP, where:

- "N" is the number of shares yielded by the conversion;
- "CA" is the nominal value of the ORNANE (*i.e.* €10,000);
- "CP" is the conversion price (*i.e.* 92% of the lowest volume weighted average price over the 15 trading days preceding the date on which conversion is requested).

On the conversion request date, the Company may redeem the ORNANE in cash using the following formula: V = CA/CP x closing VWAP on the conversion date.
Under the terms of this agreement, when the conversion price is lower than the nominal value of the share, a conversion penalty applies.
ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.
Pursuant to this agreement, the Board of Directors decided to issue the following convertible bonds and warrants during the year ended December 31, 2019:

- a first tranche on August 21, 2019, of 300 ORNANE, plus a commitment fee of 30 ORNANE, with attached warrants to purchase 585,936 shares (BSA_{T1}), resulting in gross proceeds for the Company of €3 million; and
- a second tranche on December 27, 2019, of 300 ORNANE, 50% of which paid for by Negma Group on December 31, 2019, resulting in gross proceeds for the Company of €1.5 million, with attached BSA warrants to purchase 694,444 shares (BSA_{T2}).

On April 6, 2020, as part of the implementation of the Atlas agreement, the Company unilaterally terminated the contract with Negma Group.

Following this termination, Negma Group undertook legal action in order to claim damages of €911 thousand from Biophytis as well as the delivery of 7,000,000 Biophytis shares that Negma Group considers it was entitled to pursuant to the only Biophytis ORNANES still held by Negma Group, issued in consideration for a €1,400 thousand loan (140 warrants with a nominal value of €10 thousand each).

The €911 thousand sought by Negma Group is for alleged indemnities under the terms of the 2019 Negma Contract, which provided for the payment of such indemnities in the event of the conversion of

convertible bonds into shares when the share price is lower than the nominal value of the shares. Biophytis strongly disputed this legal action and its demands for payment and the delivery of shares.

Pursuant to a summary judgment dated May 7, 2020, Negma Group obtained a decision partially responding to its claims ordering, under penalty (which amounted to €7 thousand), Biophytis to pay €378 thousand to settle the claim under the contractual terms of the Negma Group ORNANE agreement for which Negma Group had sent a conversion notice prior to April 6, 2020, and to deliver 2,050,000 Biophytis shares.

Biophytis and Negma Group appealed the decision of the Paris Commercial Court.

On November 18, 2020, the Paris Court of Appeal overruled the May ruling and sentenced Negma Group to return to Biophytis the 2,050,000 shares previously delivered as well as the provision of €378 thousand. Negma Group was also order to pay additional penalties to Biophytis amounting to €41 thousand, recognized in financial income for the year ended 2020.

In 2020, 68 bonds held by Negma were converted into new shares, generating the issuance of 3,400,000 shares according the above formula under tranche 1 and tranche 2.

Negma Group also exercised all BSA_{T2} during the financial year ended on December 31, 2020, generating the issuance of 694,444 shares at a price per share of €0.27.

On March 16, 2021, the Paris Commercial Court rendered a judgment in Negma's favor and ordered Biophytis to:

- pay Negma Group a principal sum of €910 thousand in contractual penalties with late payment interest at the rate LIBOR +10%;
- deliver to Negma 7,000,000 shares, subject to a penalty of €50 thousand per day of delay as from the tenth day after the notification of the judgment and for a period of 30 days;
- pay Negma €100 thousand under article 700 of the French Code of Civil Procedure as well as the expenses and legal costs.

Biophytis petitioned the Paris Commercial Court on the grounds that it had failed to rule on certain claims made by the Company in the proceedings and lodged an appeal with the Paris Court of Appeal.

In addition, with regard to the execution of this judgment, Biophytis has served Negma Group with a petition filed with the President of the Paris Court of Appeal requesting the immediate stay of execution of the judgment or, failing that, its modification. The case was heard on September 6, 2021 and the court ruling is still pending.

In the meantime, on June 24, 2021, Negma served Biophytis with a petition filed with the judge of the Paris Court of Justice charged with overseeing the execution of judgments requesting (i) the payment of the fine for non-performance imposed by the judgment of March 16, 2021 in connection with its order to Biophytis to deliver 7,000,000 shares and (ii) that a final fine for non-performance be determined.

Pursuant to a judgment rendered on July 16, 2021, the judge of the Paris Court of Justice in charge of overseeing the execution of judgments partially granted Negma's claims:

- ordered Biophytis to pay the fine for non-performance imposed by the Judgment for €1,500 thousand;
- ordered Biophytis to pay this amount to Negma Group;
- imposed a new provisional fine for non-performance of €50 thousand per day of delay in complying with the Judgment's order against Biophytis, as of the tenth day from service of this judgment, for a period of 30 days;

- ordered Biophytis to pay Negma €8 thousand pursuant to Article 700 of the Code of Civil Procedure; and
- ordered Biophytis to pay costs.

Biophytis has fulfilled all of its obligations under the above two judgments.

Over the period, the Company has paid the indemnities and the fine for non-performance imposed by the judgment.

With regard in particular to the delivery of 7,000,000 shares to Negma Group, Biophytis has:
- in August 2021, delivered to Negma Group the 2,050,000 shares created and delivered to Negma Group in June 2020 and returned by Negma Group to Biophytis under the judgment of the Paris Court of Appeal dated November 18, 2020, which Biophytis had kept in treasury shares; and
- issued 4,950,000 new shares in favor of Negma Group in July 2021 as part of a capital increase reserved for it on the basis of the 13th delegation of the General Meeting of May 10, 2021.

Biophytis appealed this judgment and, more generally, took all measures to safeguard its interests.

Negma Group also exercised all BSA_{T1} over the 2021 financial year, generating the issuance of 585,936 new shares at a price per share of €0.64.

During the financial ended on December 31, 2021, Biophytis:
- paid the indemnities claimed by NEGMA (€910 thousand);
- paid the fine for non-performance imposed by the Judgment (€1,500 thousand)
- delivered the 2,050,000 shares already created (fair value of €1,521 thousand);
- issued 4,950,000 new shares to Negma Group (fair value of €3,619 thousand).
- late payment interest and €108 thousand in respect of Article 700 of the French Civil Procedure Code.

At December 31, 2021, the financial debt owing to Negma Group was zero.

Main characteristics of the warrants (BSA)

The BSA will be detached from ORNANE immediately. They may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market. They may be exercised over a five-year period from their issue date. Each warrant (BSA) gives the right to subscribe to one new Biophytis share at a fixed price set on the date of issue of the BSA.

12.3 ATLAS convertible bond issue

Issuance of convertible notes to ATLAS – 2020 Atlas Contract

In April 2020, the Company signed a convertible bond financing contract for a maximum of €24 million with Atlas to continue the development of Sarconeos (BIO101) through the issuance of multiple convertible bonds over a three-year period. This contract replaces the contract signed with Negma Group.

The company issued a first €3 million tranche on April 29, 2020, a second €3 million tranche on June 19, 2020 and a third €3 million tranche on August 28, 2020.

On May 27, 2021, the Company issued a fourth and fifth tranche of €3 million each. On September 20, 2021, the Company issued a sixth and seventh tranche of €3 million each. On December 20, 2021, the Company issued an eighth €3 million tranche.

These bonds were issued at a discount of 3% to the nominal value (*i.e.* €450 thousand for the fourth tranche, the fifth tranche, the sixth tranche, the seventh tranche and the eighth tranche combined).
A €375 thousand commitment fee was deducted from the proceeds of the first tranche. Other issue fees were paid by the Company in 2020 of around €66 thousand (for the first, second and third tranches) and €125 thousand in 2021 (for the fourth, fifth, sixth, seventh and eighth tranches).

Main characteristics of the ORNANE note warrants

The 960 three-year note warrants require their holder to exercise them, at the Company's request, in tranches of 120 warrants each. Each warrant grants its holder the right to one ORNANE. Note warrants may not be transferred and are not subject to a request for admission to trading on the Euronext Growth market.

Main characteristics of the ORNANE

The ORNANE have a nominal value of €25 thousand and are issued at a subscription price of 97% of the nominal value. They do not bear interest and have a 24-month maturity from issuance. Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. At the end of the term, and if the ORNANE have not yet been converted or redeemed, the holder will have to convert them.
The holder may ask to convert the ORNANE at any time at the conversion rate determined by the following formula: N = CA/CP, where:

- "N" is the number of shares yielded by the conversion;
- "CA" is the nominal value of the ORNANE, *i.e.* €25 thousand;
- "CP" is the conversion price (*i.e.* 97% of the lowest volume weighted average price over the ten trading days preceding the date on which conversion is requested).

On the conversion request date, the Company may redeem the ORNANE in cash using the following formula V = CA/CP x CPr, or:

- "V" is the amount redeemed to the holder;
- "CPr" is the lowest price between (i) the weighted average closing price prior to the conversion and (ii) the lowest weighted average prices of the previous ten trading days x 1.15.

ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.

At December 31, 2020, 330 convertible bonds had been redeemed in new shares, generating the issuance of 17,178,683 shares under the above formula under tranche 1, tranche 2 and tranche 3.
30 bonds issued under tranche 3 were redeemed in cash for an amount of €750 thousand.

At December 31, 2021, 376 convertible bonds had been converted according to the above formula, resulting in the issuance of 16,379,256 new shares under tranches 4, 5, 6 and 7.

At December 31, 2021, 224 convertible bonds issued to Atlas had not been converted. In accordance with the Atlas 2020 contract, all ORNANEs were delivered to ATLAS.

Issuance of convertible bonds to ATLAS – 2021 Atlas Contract

In June 2021, the Company signed a new convertible bond financing contract for a maximum of €32 million (eight tranches with a nominal value of €4 million each) with Atlas (the "2021 Atlas Contract") to continue the development of Sarconeos (BIO101) through the issuance of multiple convertible bonds.

The new financing instrument allows the issuance of a maximum of 1,280 bonds with an option for exchange in cash and/or conversion into new or existing shares (ORNANE). Subject to the issue of the eighth and last tranche under the 2020 Atlas Contract, the €32 million total financing can be drawn down by Biophytis over the next three years, without obligation, through eight successive tranches of €4 million each.

This facility is intended to secure the Company's cash position in order to continue the development of its clinical activities, in particular the further development of Sarconeos (BIO101).
In April 2022, the Company issued a first tranche of 160 ORNANE bonds for a total amount of €4 million under the 2021 financing agreement entered into with ATLAS.

Main characteristics of the ORNANE

ORNANE have a nominal value of €25 thousand each, issued at par. They do not bear interest and have a 24-month maturity from issuance.

Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. In the event of redemption in cash, the amount will be limited to 110% of the principal.

At the end of the term, and if the ORNANE have not yet been converted or redeemed, the holder will have to convert them.

The holder may ask to convert the ORNANE at any time at the conversion rate determined by the following formula: N = CA/CP, where:

- “N” is the number of shares yielded by the conversion;
- "CA" is the nominal value of the ORNANE (*i.e.* €25 thousand);
- "CP" is the conversion price (*i.e.* 100% of the Tariff Period VWAP during the ten-day Tariff Period prior to receipt of the Conversion Notice).

On the conversion request date, the Company may redeem the ORNANE in cash using the following formula V = CA/CP x CPr, or:

- “V” is the amount redeemed to the holder;
- "CPr" is the revised price.

The revised price is the lowest price between (i) volume weighted average price over the ten trading days preceding the date on which the conversion was requested and (ii) Px1.10.

ORNANE may be transferred by their holders only to Affiliates and will not be subject to a request for admission to trading on the Euronext Growth market.

At December 31, 2021, no convertible bond tranche related to the Atlas 2021 contract had been issued.

Note 13: Maturities of debt at closing

DEBT STATEMENTS (in thousands of euros)	12/31/2021			
	Gross amount	One year or less	One to five years	More than five years
Conditional advances				
Conditional advances	1,354	379	815	-160-
Total conditional advances	**1,354**	**379**	**815**	**-160-**
Financial debt				
Convertible notes	5,600	5,600	-	-
Other bonds	7,120	1,844	5,277	-
Bank overdrafts	-	-	-	-
Total financial debt	**12,720**	**7,444**	**5,277**	**-**
Operating payables				
Trade payables and related accounts	7,601	7,601	-	-
Personnel expenses	665	665	-	-
Social security expenses	869	869	-	-
Value added tax	-	-	-	-
Other taxes	136	136	-	-
Liabilities in respect of fixed assets	-	-	-	-
Other liabilities	206	206	-	-
Total operating payables	**9,477**	**9,477**	**-**	**-**
Total	**23,550**	**17,299**	**6,092**	**-160-**

Note 14: Breakdown of accrued expenses

Accrued expenses break down as follows for the two financial years presented:

DETAILS OF EXPENSES PAYABLE (in thousands of euros)	12/31/2021	12/31/2020
Borrowings from credit institutions		
Accrued interest payable	-	-
Total borrowings from credit institutions	**-**	**-**
Bank overdrafts		
Expenses to be paid	-	-
Total bank overdrafts	**-**	**-**
Trade payables		
Suppliers – Invoices not received	2,443	2,133
Total trade payables and related accounts	**2,443**	**2,133**
Tax and social liabilities		
Staff – provision for paid leave	264	250
Accruals – employee expenses	401	281
Accruals – social security charges	446	274
Accruals – State charges	87	104
Total tax and social security liabilities	**1,198**	**910**
Other liabilities	206	246
Total other liabilities	**206**	**246**
Total	**3,846**	**3,290**

Note 15: Expense transfers

EXPENSE TRANSFERS (in thousands of euros)	12/31/2021	12/31/2020
IJSS social security reimbursement	12	2
Benefits in kind granted to employees	25	34
Total expense transfers	**37**	**36**

Note 16: Financial income and expenses

FINANCIAL INCOME (in thousands of euros)	12/31/2021	12/31/2020
Interest income	31	38
Interest received in the Negma dispute	20	
Income from disposal of treasury shares	37	87
Income from marketable securities	-	1
Reversal of provision for foreign exchange losses	273	-
Reversal of impairment of treasury shares	-	17
Reversal of financial provisions as part of the Negma dispute	6,521	
Reversal of impairment of receivables	95	72
Financial income related to the repayment of penalties by Negma in 2020 and the cancellation of the Negma financial debt in 2021 (see Note 10)	1,400	419
Total financial income	**8,377**	**635**

FINANCIAL EXPENSES (in thousands of euros)	12/31/2021	12/31/2020
Expenses on disposal of treasury shares	35	44
Provisions for exchange rate losses	166	111
Provision for impairment of current accounts	289	8
Amortization of the Atlas redemption premium	282	270
Allocations to provisions for risks in the context of the Negma dispute (see Note 10)	5,127	1,394
Interest expenses	218	96
KREOS financial expenses	383	790
Negma financial penalty (see Note 10)	7,618	385
Total financial expenses	**14,244**	**3,097**

Total financial income	**(5,867)**	**(2,462)**

Note 17: Non-recurring income and expenses

NON-RECURRING INCOME (in thousands of euros)	12/31/2021	12/31/2020
Non-recurring income on management transactions	809	-
Reversal of provision for risks	-	437
Total non-recurring income	**809**	**437**

NON-RECURRING EXPENSES (in thousands of euros)	12/31/2021	12/31/2020
Penalties, fines, donations	**1**	**10**
Net book value of assets sold	-	-
Total non-recurring expenses	**1**	**10**

The non-recurring income corresponds to a payroll tax refund for financial year 2021 relating to financial years 2017 to 2019.

Note 18: Income tax

The amount recognized in the income statement in respect of corporate income tax for the 2021 financial year is income relating to the Research tax credit for €4,080 thousand.

The amount of tax loss carryforwards available to the Company was €128,994 thousand at December 31, 2021.

The tax rate applicable to Biophytis is the rate in force in France, *i.e.* 26.50%. This rate will gradually decrease to 25% from 2022.

Note 19: Related Parties

19.1 Compensation of executives (excluding allocation of equity instruments)

Pursuant to Article 531-3 of the French General Chart of Accounts, the Chairman of the Board of Directors, the Chief Executive Officers and directors who are individuals or legal entities are to be considered as corporate officers of a public limited company with a Board of Directors (and their permanent representatives).

No post-employment benefits are granted to members of the Board of Directors.

The compensation due to Biophytis executives during the financial year 2021 was as follows:

EXECUTIVE COMPENSATION (in thousands of euros)	Function	12/31/2021				
		Fixed compensation	Variable compensation	Benefits in kind	Directors fees	Total
Stanislas Veillet	Chairman and Chief Executive Officer since May 22, 2015	250	75	25	141	**491**
Nadine Coulm	Board member	-	-	-	43	**43**
Jean M. Franchi	Board member	-	-	-	18	**18**
Dimitri Batsis	Board member	-	-	-	40	**40**
Claude Allary	Board member	-	-	-	15	**15**
Jean Mariani	Board member	-	-	-	45	**45**
Total compensation of executive officers		**250**	**75**	**25**	**301**	**652**

The terms and conditions for allocating variable components are based on performance criteria.

For allocations of equity instruments intended for executives, see Note 9.3.

Variable compensation and directors' attendance fees are paid in the year following their recognition.

Intellectual Property Agreement signed with the Company's CEO

The Company's CEO, who is a corporate officer but not an employee of the Company under French law, is involved in our research and development activities. He has developed inventions with the Company for which the Company has submitted patent applications in which the Company's CEO is listed as a co-inventor and other inventions that the Company expects may give rise to patent applications in the future for which the Company expects he will be included as a co-inventor.

As an inventor, the Company's CEO has certain rights under French intellectual property law. These rights are distinct from the statutory rights that usually apply to employee inventors under French law.

In order to define a framework within which any intellectual property resulting from the Company CEO's research and development activities is properly assigned to the Company, in May 2019 the Company and the CEO entered into an agreement, which was approved by the Company's Board of Directors on May 13, 2019, pursuant to which he is entitled to the following payments for his contributions:

a) a first lump sum cash payment of €90 thousand to be paid within 30 days of filing of a patent application based on the assigned rights; and
b) a second lump sum cash payment of €90 thousand to be paid within 30 days of publication of a patent application based on the assigned rights; and
c) a 6.5% royalty payment with respect to any license income and/or any net sales by the Company of products manufactured with the patents filed on the basis of the assigned rights.

These three payments will be capped at €2.1 million on a platform per platform basis.

In the event that a third-party pharmaceutical and/or biotech company acquires 100% of the Company's capital and voting rights, payments will be accelerated, so that the cap, less any amount previously paid in respect of a platform, will become immediately payable.

Following the signature of this agreement, an amount of €450 thousand was due to the Company's CEO, as certain patent applications covered by the agreement had already been filed and therefore triggered payment of the first lump sum. Additional amounts of €180 thousand, €450 thousand and €270 thousand were also considered due to the Company's CEO for 2019, 2020 and 2021, respectively.

The total patents rights acquired from the Company's CEO at December 31, 2021 amounted to €1,350 thousand and are amortized over a 19-year period. Of this amount, €270 thousand were paid to the Chief Executive Officer of the company in 2019, €180 thousand in 2020 and €270 thousand in 2021. The balance was allocated to the subscription and exercise of "investor warrants" by the Chief Executive Officer in 2020.

19.3 Consultancy contract concluded with Successful Life

On October 1, 2019, the Company entered into a services agreement with Successful Life SAS in which Jean Mariani (non-salaried Director of Biophytis since October 2019), its legal representative, holds a majority stake. This services agreement provides for the preparation of meetings of the Scientific Committee, scientific and strategic advice in particular in biology of aging. The agreement provides for a fixed remuneration of €450 per day within the cap of €32.4 thousand per year and reimbursement of costs and expenses upon presentation of supporting documentation. This agreement was entered into for a period of one year and was renewed by written amendment dated October 1, 2020 for an additional period of one year, tacitly renewable.

On July 7, 2021, the Company signed a new service agreement with Successful Life to replace the CMO position until the arrival of the new CMO, or Chief Medical Officer. This agreement replaces the previous service agreement until the arrival of the new CMO and provides for a fix remuneration of €15 thousand per month.

19.4 Share loan agreement between the Company's CEO and Negma

As part of the implementation of the financing agreement with Negma (see Note 12.3), the Chief Executive Officer of the Company entered into a loan agreement for his shares in the Company for the benefit of Negma in order to facilitate the various issuance and conversion transactions.
Following the delivery of the 2,050,000 shares to Negma (see Note 14) and the termination of the agreement, the share loan agreement was terminated.

19.5 Escrow agreement

In order to comply with the requirements of the order of the President of the Paris Commercial Court, dated May 7, 2020, by which the Company was ordered to sequester 2,050,000 Company shares until their delivery to Negma, and as the Company did not hold a sufficient number of its own shares, the Company requested its Chief Executive Officer, by letter dated May 19, 2020, to sequestrate a portion of the Company's shares that he held. The letter (which was countersigned by the CEO of the Company) included a provision for the Company to indemnify the CEO of the Company for any loss he may suffer as a result of this arrangement. The delivery of the shares to Negma having taken place on June 5, 2020, the escrow was fully paid up, including the securities in escrow held by the CEO of the Company, which were returned to him.

Note 20: Off-balance-sheet commitments

20.1 Retirement benefits

Calculation methodology
The purpose of the actuarial valuation is to produce an estimate of the present value of Biophytis' obligations in terms of retirement benefits provided for in the collective agreement.

These indemnities are not recognized as a provision in the Company's financial statements but constitute an off-balance sheet commitment.
This amount is determined at the various closing dates on the basis of an actuarial valuation based on the use of the projected unit credit method, taking into account staff turnover and mortality probabilities.

During the financial year 2021, the Company made a change in the valuation of the pension obligation.

Recommendation No. 2013-02 of November 7, 2013 of the ANC, amended on November 5, 2021 offers the possibility of distributing the rights for a defined benefit plan, conditioning the granting of a benefit according to seniority, for a capped maximum amount and the fact that a member of staff is employed by the entity upon reaching retirement age, from:

- either the date from which each year of service counts towards the acquisition of benefit rights;
- or the date on which the employee took up his or her service.

In order to use a method for valuing pension commitments similar to the provisions of the IFRS IC decision of April 2021 for the preparation of the consolidated financial statements, the Company has decided to use the option of allocating benefits from the date from which each year of service counts towards the vesting of benefit rights.

At December 31, 2020, the Company used the date on which the employee took office to distribute the benefits.
This change in the valuation method resulted in a reduction on January 1, 2021 in the amount of the off-balance sheet commitment in respect of retirement benefits of €30 thousand to reach €158 thousand (compared to €188 thousand at December 31, 2020).

Actuarial assumptions

The main actuarial assumptions used for the valuation of the retirement indemnity are as follows:

ACTUARIAL ASSUMPTIONS	12/31/2021	12/31/2020
	Managers	Managers
Retirement age	Voluntary retirement between 65 and 67 years old	
Collective agreement	Pharmaceutical industry	Pharmaceutical industry
Discount rate (IBOXX Corporates AA)	0.98%	0.34%
Mortality table	INSEE 2017	INSEE 2017
Salary increases	2%	2%
Turn-over	Medium	Medium
Social security contribution rate	43%	43%

Calculated commitments

Commitments calculated for retirement benefits break down as follows:

RETIREMENT BENEFITS (in thousands of euros)	12/31/2021	12/31/2020
Amount of commitments	205	188

20.2 Commercial leases

Real estate leases

Contract in progress at December 31, 2021
Address: Sorbonne University (formerly Pierre et Marie Curie)
4 place Jussieu – 75005 Paris

Surface area: 504 m²
Duration: December 15, 2021 – December 14, 2022 (renewable once by addendum)
Annual fee: €227 thousand excl. VAT

20.3 Financial debt commitments

Commitments given (in thousands of euros)

Loan	Commitments given	Nominal	Residual amount at 12/31/2021
BPI repayable advance – "Sarcob" project	The agreement provides for the payment of a repayment annuity from January 1, 2016 and no later than March 31 of each year corresponding to 40% of the proceeds excluding tax, from the disposals or concessions of patents or know-how received during the course of the previous calendar year when the above disposals or concessions relate to all or part of the results of the subsidized program and to 40% of the proceeds excluding tax generated by the marketing and in particular the sale to a third party or use by the beneficiary for its own needs for prototypes, pre-series and models made under the subsidized program. The sums due will accordingly be added as a matter of priority to the final instalment due to BPI. The application of this mechanism will not require the company to pay more than the aid received.	260	59
Repayable advance BPI France – "BIO101"	The agreement provides for the payment of a repayment annuity from the January 1, 2018 and no later than March 31 of each year until September 30, 2023 corresponding to: 35.81% of the proceeds excluding taxes, from disposals or concessions of licenses, patents or know-how received during the previous calendar year when said disposals or concessions relate to all or part of the results of the subsidized program and 35.81% of the proceeds excluding tax, generated by the marketing and in particular the sale to a third party or the use by the beneficiary for its own needs of prototypes, pre-series or models made under the subsidized program. The sums due will accordingly be added as a matter of priority to the final instalment due to BPI. The application of this mechanism will not lead the Company to pay more than the aid received.	1,100	495

20.4 Commitments given in respect of the exploitation of industrial property

Commitments given

Agreements on the exploitation of industrial property	Commitments given
SARCOB marketing agreement – SATT Lutech Agreements of January 1, 2016, amended by the addendums of April 2, 2019, November 6, 2020 and December 17, 2020.	This agreement covers patent families from S1 to S9. The consideration payable by the Company is as follows: firstly, the year following the first marketing of a product, and in any case no later than 2023, the Company will pay a minimum guaranteed amount of €40 thousand, which will be deducted from the amount of fees due annually to SATT Lutech. On this point, for direct use, the agreement calls for an annual one-digit royalty based on net sales, while distinguishing between sales of nutraceutic and medicinal products. For indirect use, the agreement calls for an annual two-digit royalty, calculated on the income from licenses while distinguishing between (i) sales of nutraceutic products (two-digit royalty rate) and medicinal products (one- or two-digit royalty rate) and (ii) the phase of development (Phase 1, 2 and 3) at the time of signing the license agreement. The payment of royalties shall cease as of the end of the agreement.
MACULIA marketing agreement – SATT Lutech Agreements of January 1, 2016 amended by the addendum of December 17, 2020.	This contract covers the patent families from M1 to M4. The consideration payable by the Company is as follows: firstly, the year following the first marketing of a product, and in any event no later than 2020, the Company will pay a guaranteed minimum amount of €15 thousand. In the same way, the company will pay a minimum guaranteed royalty of €50 thousand from the time a drug is marketed and, in any case, no later than 2026. These amounts will be deducted from the annual fees due to SATT Lutech. On this point, for direct use, the agreement calls for an annual one-digit royalty based on net sales, while distinguishing between sales of nutraceutic and medicinal products. For indirect use, the agreement calls for an annual two-digit royalty, calculated on the income from licenses while distinguishing between (i) sales of nutraceutic products (two-digit royalty rate) and medicinal products (one- or two-digit royalty rate) and (ii) the phase of development (Phase 1, 2 and 3) at the time of signing the license agreement. The payment of royalties shall cease as of the end of the agreement.

20.5 Other commitments given

As provided for by the terms of the venture loan agreements entered into with Kreos on September 10, 2018 and November 19, 2021 (see Note 12.1), the Company pledged its assets (including a portion of the Company's intellectual property) for the benefit of Kreos.

Note 21: Workforce

The average workforce of Biophytis over the last two financial years was as follows:

AVERAGE HEADCOUNT	2021 financial year	2020 financial year
Managers	21.9	17.8
Total average headcount	**21.9**	**17.8**

Note 22: Subsidiaries and equity investments

TABLE OF SUBSIDIARIES AND EQUITY INVESTMENTS (in thousands of euros)	Share capital	Reserves and retained earnings before appropriation of income	Share of capital held	Book value of shares held		Loans and advances granted by the Company (gross amount)	Profit or loss for the last financial year	Dividends	Observations
				Gross	Net				
INSTITUTO BIOPHYTIS DO BRASIL (Brazil)	142	(175)	94.6%	295	-	596	(3)	-	Impairment on equity securities: €295 thousand Impairment on related receivables: €596 thousand Closing rate: 6.3101 Average rate: 6.3779
BIOPHYTIS INC (United States)	0	(1,382)	100%	1	-	1,467	-	-	Impairment on equity securities: €1 thousand Impairment on related receivables: €1,467 thousand Closing rate: 1.1326 Average rate: 1.1827

Note 23: Statutory Auditors' fees

Amount excl. VAT (in thousands of euros)	12/31/2021		12/31/2020	
	GRANT THORNTON	ERNST & YOUNG	GRANT THORNTON	ERNST & YOUNG
Statutory audit	74	300	58	200
Services other than certification of financial statements	32	32	33	228
Sub-total	**106**	**332**	**91**	**428**
Other services rendered				
- Fiscal	-	-	-	-
- Other	-	-	-	-
Sub-total	**-**	**-**	**-**	**-**
Total	**106**	**332**	**91**	**428**

5 VERIFICATION OF FINANCIAL INFORMATIONS

a. Statutory auditors' report on the consolidated financial statements as of and for the year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as verification of the information concerning the Group presented in the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

GRANT THORNTON
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632 013 843 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Biophytis

Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of Biophytis,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Biophytis for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2021 to the date of our report.

Emphasis of Matters

We draw your attention to:

- the "Going concern" paragraph of Note 2.1 to the consolidated financial statements, which sets out the information taken into account by the Board of Directors to approve the financial statements, based on the going concern assumption;
- paragraph "2.2 Restatement of previously published financial statements" of Note 2.2 to the consolidated financial statements, which sets out the corrections recorded as at December 31, 2020 relating to the accounting treatment of convertible bonds.

Our opinion is not modified in respect of these matters.

Justification of Assessments

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

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 specific items of the consolidated financial statements.

As indicated in Note 2.4 "Use of judgements and estimates" to the consolidated financial statements, Management is required to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Accounts that are subject to significant accounting estimates include, in particular, share-based payments and financial instruments, the accounting rules and methods of which are described respectively in Notes 2.19 and 12.2 to the consolidated financial statements.

As part of our assessment of the accounting rules and principles applied by your company, we have evaluated the appropriateness of the accounting methods referred above and of the information disclosed in the notes to the consolidated financial statements, and we have examined the correctness of the information provided in the notes to the consolidated financial statements and we have examined their correct application.

In addition, we appreciated the assumptions used to estimate the fair value of the various share-based payments. We also appreciated the data and assumptions used to estimate the valuation of the financial instruments.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' Group management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company'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 it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management'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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, April 21, 2022

The Statutory Auditors
French original signed by

GRANT THORNTON	ERNST & YOUNG et Autres
Membre français de Grant Thornton International	
Olivier Bochet	Frédéric Martineau

b. Statutory auditors' report on the statutory accounts as of and for the year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as the verification of the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Biophytis

Year ended December 31, 2021

Statutory auditors' report on the financial statements

To the Annual General Meeting of Biophytis,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Biophytis for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

- **Audit Framework**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

- **Independence**

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2021 to the date of our report.

Emphasis of Matters

We draw your attention to the "Going concern" paragraph of Note 2.1 to the financial statements, which sets out the information taken into account by the Board of Directors to approve the financial statements, based on the going concern assumption. Our opinion is not modified in respect of this matter.

Justification of Assessments

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you that, in our professional judgment, the most significant assessments we made were related to the appropriateness of the accounting policies used, to the reasonableness of the significant accounting estimates and to the overall presentation of the financial statements.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Specific vérifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

- **Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

■ Information relating to Corporate Governance

We attest that the section of the Board of Directors' management report on Corporate Governance sets out the information required by Article L. 225-37-4 of the French Commercial Code (*Code de commerce*).

■ Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company'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 it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 made on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains 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 internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management'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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine and Paris-La Défense, April 21, 2022

The Statutory Auditors
French original signed by

GRANT THORNTON	ERNST & YOUNG et Autres
Membre français de Grant Thornton International	
Olivier Bochet	Frédéric Martineau