

Bone Therapeutics and Catalent sign agreements to streamline production of the allogeneic cell therapy product, ALLOB

Catalent to acquire Bone Therapeutics' cell therapy manufacturing facility for EUR 12 million

Bone Therapeutics and Catalent shall enter into a supply agreement for the further development of ALLOB

Gosselies, Belgium, 29 October 2020, 7am CET – BONE THERAPEUTICS (Euronext Brussels and Paris: BOTHE), the cell therapy company addressing unmet medical needs in orthopedics and other diseases, and Catalent Pharma Solutions, Inc. ("Catalent"), the leading global provider of advanced delivery technologies, development, and manufacturing solutions for drugs, biologics, cell and gene therapies, and consumer health products, today announce the signing of share purchase and supply agreements. The agreements will streamline and economize the manufacturing operations of ALLOB, Bone Therapeutics' allogeneic cell therapy product and will enable Bone Therapeutics to focus its strategy on the development of products from its differentiated MSC (Mesenchymal Stromal Cell) platform of cell and gene therapeutic targets for orthopedics and other indications.

Under the terms of the share purchase agreement, Catalent will acquire Bone Therapeutics' cell therapy manufacturing subsidiary, Skeletal Cell Therapy Support SA (SCTS), for gross proceeds of EUR 12 million. The transaction is expected to close in November 2020. The equity purchase price, net of SCTS's debt (EUR 3 million), cash adjustments, and taking into account the restructuring of some Bone Therapeutics' existing liabilities (EUR 3 million), will generate net proceeds of approximately EUR 6 million. This will help support activities furthering Bone Therapeutics' product development for its clinical assets and the expansion of its differentiated MSC platform. SCTS possesses a GMP (Good Manufacturing Practices)-certified manufacturing site, based in the Brussels South Charleroi Biopark, in Belgium. The facility is equipped with lab space for research and quality control as well as clean rooms for production. Bone Therapeutics' ALLOB is currently produced at this site. Following completion of the transaction, the SCTS manufacturing infrastructure and production operating teams will become part of Catalent's Cell & Gene Therapy division.

Bone Therapeutics and Catalent additionally signed an associated supply agreement. Under this agreement, the acquired manufacturing entity will continue to service the production of ALLOB for Bone Therapeutics and its partners. This will grant Bone Therapeutics access to Catalent's global network of clinical and commercial manufacturing facilities, and will ensure ongoing optimization, sustainability and a global reach for the production of ALLOB, as the product heads through clinical development and anticipated commercialization. The transaction excludes any IP rights, thus Bone Therapeutics will retain the know-how and ability to tech transfer ALLOB production.

"This agreement with Catalent is an important strategic step for Bone Therapeutics and is the result of our continuous effort to optimize our operations," said Miguel Forte, CEO, Bone Therapeutics. "The integration of our manufacturing subsidiary into Catalent, one of the premier contract manufacturers in the cell therapy space, significantly increases our operational flexibility. It enables Bone Therapeutics to maximize the efficient use of our manufacturing assets by combining the manufacturing facility and specialist operators with Catalent's global network of clinical and commercial manufacturing facilities and safeguards the employment level at the manufacturing facility. This will ensure the most efficient ongoing global production of ALLOB. It also allows us to further focus on our core activity: developing innovative cell-based treatments for conditions with high unmet medical needs."

"The state-of-the-art cell therapy facility at Bone Therapeutics' SCTS site and the highly skilled and qualified operators are a direct result of the creation of Bone Therapeutics, and its leading position in MSC-based cell therapies," said Dr. Manja Boerman, President, Cell & Gene Therapy, Catalent. "Bone Therapeutics' GMP manufacturing facility is an excellent strategic and operational fit. The new team from Bone Therapeutics' SCTS will make a significant contribution to our existing talent. Their extensive experience in MSC-based cell therapies will further expand our service portfolio and allow us to best support ALLOB's progress towards commercialization."

Bone Therapeutics will provide its third quarter 2020 business update on Friday 30 October 2020 at 7am CET.

About Bone Therapeutics

Bone Therapeutics is a leading biotech company focused on the development of innovative products to address high unmet needs in orthopedics and other diseases. The Company has a diversified portfolio of cell and biologic therapies at different stages ranging from pre-clinical programs in immunomodulation to mid-to-late stage clinical development for orthopedic conditions, targeting markets with large unmet medical needs and limited innovation.

Bone Therapeutics is developing an off-the-shelf next-generation improved viscosupplement, JTA-004, which is currently in Phase III development for the treatment of pain in knee osteoarthritis. Consisting of a unique combination of plasma proteins, hyaluronic acid - a natural component of knee synovial fluid, and a fast-acting analgesic, JTA-004 intends to provide added lubrication and protection to the cartilage of the arthritic joint and to alleviate osteoarthritic pain and inflammation. Positive Phase IIb efficacy results in patients with knee osteoarthritis showed a statistically significant improvement in pain relief compared to a leading viscosupplement.

Bone Therapeutics' core technology is based on its cutting-edge allogeneic cell therapy platform with differentiated bone marrow sourced Mesenchymal Stromal Cells (MSCs) which can be stored at the point of use in the hospital. Currently in pre-clinical development, BT-20, the most recent product candidate from this technology, targets inflammatory conditions, while the leading investigational medicinal product, ALLOB, represents a unique, proprietary approach to bone regeneration, which turns undifferentiated stromal cells from healthy donors into bone-forming cells. These cells are produced via the Bone Therapeutics' scalable manufacturing process. Following the CTA approval by regulatory authorities in Europe, the Company is ready to start the Phase IIb clinical trial with ALLOB in patients with difficult tibial fractures, using its optimized production process. ALLOB continues to be evaluated for other orthopedic indications including spinal fusion, osteotomy, maxillofacial and dental.

Bone Therapeutics' cell therapy products are manufactured to the highest GMP standards and are protected by a broad IP (Intellectual Property) portfolio covering ten patent families as well as knowhow. The Company is based in the BioPark in Gosselies, Belgium. Further information is available at www.bonetherapeutics.com.

About Catalent

Catalent is the leading global provider of advanced delivery technologies, development, and manufacturing solutions for drugs, biologics, cell and gene therapies, and consumer health products. With over 85 years serving the industry, Catalent has proven expertise in bringing more customer products to market faster, enhancing product performance and ensuring reliable global clinical and commercial product supply. Catalent employs approximately 14,000 people, including around 2,400 scientists and technicians, at more than 45 facilities, and in fiscal year 2020 generated over \$3 billion in annual revenue. Catalent is headquartered in Somerset, New Jersey. For more information, visit www.catalent.com

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