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Bone Therapeutics announces pricing of private placement

Gosselies, Belgium, 11 December 2020, 8am CET – BONE THERAPEUTICS SA (Euronext Brussels and Paris: **BOTHE**; or “**Bone Therapeutics**”), the cell therapy company addressing unmet medical needs in orthopedics and other diseases, today announces that it has entered into subscription agreements with investors to purchase up to 4,408,881 new shares at an issue price of EUR 2.25 per share resulting in gross proceeds of approximately EUR 10 million (the “**Private Placement**”).

*“Achieving this successful private placement will enable Bone Therapeutics to firmly advance therapies from our cutting-edge allogeneic MSC platform in orthopedics towards commercialization. It also allows us to continue to use this platform to expand to other therapeutic areas and develop novel technologies to further enhance the capabilities of Bone Therapeutics’ unique MSC platform,” said **Jean-Luc Vandebroek, Chief Financial Officer, Bone Therapeutics**. “This fundraising is a milestone for Bone Therapeutics as this is the first time we have actively achieved support from US investors to add to our existing shareholders and new investors from Europe. The strong support and a high level of interest from both the US and EU demonstrates that investors internationally appreciate the potential of Bone Therapeutics’ clinical pipeline namely with the ongoing JTA clinical study which should complete the recruitment well before the end of the year as committed.”*

Bone Therapeutics intends to use the net proceeds from the Private Placement to:

- complete the Phase III clinical trial of its next generation intra-articular injectable JTA-004 for the treatment of patients with osteoarthritic pain in the knee. The study is currently conducted in Europe and Hong Kong. It will also prepare for a clinical study in the United States;
- recruit patients for a Phase IIb clinical trial with its allogeneic bone cell therapy product ALLOB in patients with difficult-to-heal tibial fractures in Europe;
- further develop expertise in differentiated Mesenchymal Stromal Cell (MSC) biology in order to expand its portfolio from orthopedics and bone diseases to inflammatory and other conditions and
- cover general business expenses and corporate activities.

With the total gross proceeds raised through the Private Placement, Bone Therapeutics expects to have sufficient cash to carry out its strategic objectives until end Q4 2021.

Via this Private Placement, Bone Therapeutics expects to raise approximately EUR 10 million and place 4,408,881 new shares with current and new institutional investors both in Belgium and internationally at a price of EUR 2.25 per share. The new shares represent approximately 37% of Bone Therapeutics’ total shares currently admitted to trading on Euronext Brussels and Euronext Paris (pre-transaction) and are expected to bring the total number of shares (post-transaction) to 16,478,168.

The payment and delivery of the new shares are expected to take place on 15 December 2020. An application will be made to admit the new shares to trading on the regulated markets of Euronext Brussels and Euronext Paris at the same time. The new shares to be issued will have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of Bone Therapeutics at the moment of their issuance.

Maxim Group LLC acted as exclusive placement agent in the U.S. and Belfius Bank NV/SA, in cooperation with Kepler Cheuvreux SA and its affiliates, acted as exclusive placement agent in Europe. In relation to the Private Placement, Bone Therapeutics has agreed with the placement agents a market customary 180-days standstill period on future share issuances, waivable by the placement agents and subject to customary exceptions.

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.

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Important information regarding the Private Placement

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Within the EEA the New Shares are being offered only to (i) qualified investors as defined in Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated

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market and repealing Directive 2003/71/EC (the "Prospectus Regulation") and, as the case may be, (ii) a maximum of 149 natural or legal persons per member state of the EEA, other than qualified investors, or (iii) natural or legal persons other than qualified investors, who can only acquire New Shares for a total consideration of at least EUR 100,000 per investor, for each separate offer. Within the United States, the New Shares are being offered solely to qualified institutional buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act.

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