

Bone Therapeutics strengthens its financial structure with the implementation of its financing agreement with the European Investment Bank and the reception of a disbursement offer for the first tranche of €8.0 million

Disbursement offer for the first tranche of €8.0 million, with payment expected in September.

Issuance of warrants to the EIB and Patronale Life.

Renegotiation of the loan with Patronale Life.

Gosselies, Belgium, August 27, 2021, at 9:00 p.m. CEST - BONE THERAPEUTICS (Euronext Brussels and Paris: BOTHE), a biotechnology company focused on the development of innovative cell-based therapies addressing unmet medical needs in orthopedics and other diseases, announced today that it has received a disbursement offer from the European Investment Bank (EIB) for the first €8.0 million tranche of the €16.0 million financing agreement signed in July 2021. The first tranche of €8.0 million will be released in early September 2021.

The receipt of the disbursement offer from the EIB for this first tranche follows the approval of the associated warrants issued by the Extraordinary General Meeting ("**Extraordinary General Meeting**") of Bone Therapeutics held on August 23, 2021. It results in the issuance of 800,000 warrants to the EIB.

As part of this agreement, Bone Therapeutics also announces the renegotiation of the 800 convertible bonds issued on May 7, 2020 (for an amount of €2 million) to Patronale Life into a loan subject to the same repayment terms as the agreement with the EIB, and the issuance of 200,000 additional warrants unconditionally subscribed by Patronale Life under the terms and conditions decided by the Extraordinary General Meeting. The 800 convertible bonds held by Patronale Life will be cancelled as soon as the first tranche of €8.0 million has been paid out by the EIB. The 800 convertible bonds issued on May 7, 2020 towards Intégrale remain unchanged.

Each warrant will entitle the holder to subscribe for one share of Bone Therapeutics with an exercise price of €2.52. The warrants will be exercisable from the redemption date of the relevant tranche.

"We are very pleased to receive the first tranche of our financing agreement with the European Investment Bank. The alignment of the repayment terms of the convertible bonds issued in 2020 with the terms of this financing agreement is an additional asset to strengthen our cash position," said Jean-Luc Vandebroek, CFO of Bone Therapeutics. "This support provides us with increased financial visibility to pursue our development. We sincerely thank the EIB and our shareholders, whose confidence has enabled us to reach these decisive steps in our development."

The specific terms and conditions applicable to the warrants associated with the EIB loans can be found in the Minutes of the Extraordinary General Meeting of August 23, 2021, in the Investors section of Bone Therapeutics' website.

About the EIB

The European Investment Bank (EIB) is the long-term lending institution of the European Union, owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

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 has initiated patient recruitment for 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 (Good Manufacturing Practices) 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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