

Bone Therapeutics Provides First Quarter 2022 Business Update

Mont-Saint-Guibert, Belgium, 1 June 2022, 7am CEST – BONE THERAPEUTICS (Euronext Brussels and Paris: BOTHE), the cell therapy company addressing unmet medical needs in orthopedics and other diseases, today announces its business update for the first quarter, ended 31 March 2022.

“Bone Therapeutics is now concentrating fully on the development of our allogeneic cell therapy product, ALLOB. We remain on target for delivery of topline results for the Phase IIb study ALLOB, in patients with difficult tibial fractures. We firmly believe that ALLOB has the highest potential of near-term value creation and are focused on completing the current Phase IIb study. This is based on Bone Therapeutics successfully completing two clinical studies showing promising safety profile and efficacy signals in more than 60 patients,” said Miguel Forte, MD, PhD, CEO of Bone Therapeutics. “In addition, Bone Therapeutics has now signed a non-binding term sheet to explore an exclusive reverse merger with Medsenic.”

Key highlights

- Bone Therapeutics continues to advance the patient recruitment of the Phase IIb study with its allogeneic cell therapy product, ALLOB, in patients with high-risk tibial fractures. This randomized, double-blind, placebo-controlled study assesses and compares against placebo, in association with standard of care stabilization surgery, the potential for ALLOB to accelerate fracture healing after 3-months follow-up and prevent late-stage complications.
- In March 2022, Bone Therapeutics realigned its strategic priorities to fully concentrate on the clinical development of its most advanced asset, ALLOB.
- In April 2022, Bone Therapeutics signed a binding term sheet for a EUR 5 million convertible bonds (CBs) facility arranged by ABO Securities. The proceeds of the financing will be used to advance the clinical development of Bone Therapeutics' lead asset, ALLOB. At the end of May 2022, Bone Therapeutics signed the definitive subscription agreement for a maximum EUR 5 million CBs facility with ABO Securities. The CBs will be issued and subscribed in ten tranches. A first tranche of 10 CBs with an aggregate principal amount of EUR 0.5 million will be subscribed to in early June 2022.
- In May 2022, Bone Therapeutics has entered into a non-binding term sheet and exclusive discussions for a period of three months with the shareholders of Medsenic, a privately held, clinical stage biopharmaceutical company incorporated in France and specialized in the development of optimized formulations of arsenic salts and their application in inflammatory conditions and other potential new indications.

Financial highlights

- Net cash at the end of March 2022 amounted to €6.0 million ⁽¹⁾.
- Disciplined cost and cash management will remain a key priority. The net cash burn for the full year 2022 is expected to be in the range of €8-10 million, assuming normal operation as the effect of the ongoing COVID-19 epidemic still cannot be entirely excluded. The situation continues to be actively and closely monitored. The company anticipates having sufficient cash to carry out its business objectives into Q1 2023, assuming, amongst other, full issuance of the new convertible bond facility.

Outlook for the remainder of 2022

- In the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, Bone Therapeutics expects to report topline results as scheduled by the first quarter of 2023. However, a delay still cannot be excluded. Should the pandemic continue to have impact on patient availability, Bone Therapeutics may have to re-evaluate this timeline and, in that

eventuality, will communicate again to the market.

- The negotiations for ALLOB, with one of Bone Therapeutics' current Chinese partners, for the global rights agreement are still ongoing but are taking longer than originally anticipated. The potential completion of a final binding agreement is anticipated in Q2 2022.
- Bone Therapeutics and Medsenic aim to reach an agreement in the course of Q2/Q3 2022, subject to regulatory control clearance, the outcome of due diligence, shareholders' approval and other customary conditions precedent.

(1) Unaudited number

About Bone Therapeutics

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

Bone Therapeutics' core technology is based on its cutting-edge allogeneic cell and gene therapy platform with differentiated bone marrow sourced Mesenchymal Stromal Cells (MSCs) which can be stored at the point of use in the hospital. Its 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 Louvain-la-Neuve Science Park in Mont-Saint-Guibert, Belgium. Further information is available at www.bonetherapeutics.com.

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