

Bone Therapeutics announces 2020 full year results

Ongoing clinical progress across pipeline, including Phase III and IIb clinical trials

Multiple new collaborations and partnerships to enhance development, manufacturing and commercialization capabilities

Product portfolio broadening from orthopedics into inflammatory conditions, leveraging Bone Therapeutics' allogeneic MSC platform

Three successful funding operations, licensing agreement and optimization of manufacturing assets

Management to host conference call today at 2pm CEST / 8am EST - details provided below

Gosselies, Belgium, 29 April 2021, 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 and full year financial results for the year ending 31 December 2020, prepared in accordance with IFRS as adopted by the European Union.

“Bone Therapeutics has made significant clinical progress in the last year, in spite of the pandemic. This includes completing the recruitment phase of its Phase III clinical study with JTA for knee osteoarthritis, initiating treatment of patients in its Phase IIb study with ALLOB for difficult tibial fractures, and reporting positive efficacy in a Phase IIa study with ALLOB in spinal fusion. Bone Therapeutics also considerably strengthened its capabilities with a major licensing agreement for ALLOB in China and the Southeast Asia region, signed a manufacturing collaboration agreement including the sale of its manufacturing subsidiary, and a process development partnership with an MSC specialist. Furthermore, Bone Therapeutics strengthened its leadership team by appointing Stefanos Theoharis as Chief Business Officer and Tony Ting as Chief Scientific Officer,” said Miguel Forte, MD, PhD, CEO of Bone Therapeutics. “As a result of this ongoing re-engineering, Bone Therapeutics is putting in place the resources, management and expanding partnerships to deliver clinical success and expansion of the platform. Bone Therapeutics is now able to expand the potential of its therapies from orthopedics into inflammatory conditions, leveraging Bone Therapeutics’ allogeneic Mesenchymal Stromal Cell platform through a clear focus on the ‘professionalization’ of MSC biology with cells primed for specific therapeutic targets.”

Clinical and operational highlights (including post-period events)

- Completed the patient recruitment in the pivotal Phase III clinical study with the improved viscosupplement, JTA-004, in patients with knee osteoarthritis on schedule. Topline results are expected in the third quarter of 2021.
- Initiated treatment of first patients in the Phase IIb study of its allogeneic cell therapy product, ALLOB, in patients with difficult tibial fractures. There has been a slow start and slight delay in recruitment due to the pandemic, but topline results are still expected as planned in H2 2022 in view of early stage of the study conduct and recruitment together with successful initial mitigation actions.
- Reported positive efficacy and safety results for the Phase IIa study with the allogeneic off-the-shelf cell therapy platform, ALLOB in patients undergoing lumbar spinal fusion procedures at 24 months post-treatment.

Corporate highlights (including post-period events)

- Signed exclusive licensing agreement with Link Health and Pregene to develop and commercialize ALLOB in China and Southeast Asia, with up to €55 million total in upfront and milestone payments in addition to tiered double-digit royalties.

- Signed a manufacturing collaboration and share purchase agreement with Catalent, Inc. to streamline the production of ALLOB and to sell manufacturing subsidiary, Skeletal Cell Therapy Support SA (SCTS), for gross proceeds of €12 million, generating net proceeds of approximately €6 million after deduction of SCTS' debt, cash adjustments and part of Bone Therapeutics' existing liabilities.
- Signed a process development partnership with the mesenchymal stromal cell (MSC) specialist, Rigenrand.
- Received in total €1.6 million in grants and non-dilutive funding from the Walloon Region, Belgium, to advance Phase III clinical study with JTA-004 as well as for research and preparation of clinical development of BT-20, a new allogeneic and off-the-shelf cell therapy product, targeting inflammatory conditions.
- Awarded €3 million in funding supported by the Walloon Health Association, BioWin to develop personalized, tissue engineered bone implants with industry and academic partners.
- Strengthened leadership team with the appointments of Stefanos Theoharis, PhD as Chief Business Officer and Antony Ting, PhD as Chief Scientific Officer.

Financial highlights

- Raised total gross proceeds of €16.2 million through three financial operations in the second and fourth quarter with current and new institutional investors both in Europe and in the US.
- Revenues and operating income of €3.7 million.
- Due to increased clinical activities, operating loss for the period amounted to €15.0 million, compared to €8.0 million for the full year 2019.
- Cash used for operating activities amounted to €16.3 million for the full year 2020 in line with company's guidance of €15-16 million.
- Year-end cash position of €14.7 million compared to €8.6 million year-end 2019.

Outlook for the remainder of 2021

- Bone Therapeutics aims to report topline results for the 3-month primary endpoint and 6-month follow-up period in the third quarter of 2021 for its pivotal Phase III clinical study with the improved viscosupplement, JTA-004, in patients with knee osteoarthritis.
- For the ongoing Phase IIb ALLOB clinical study in difficult tibial fractures, to compensate the impact of the pandemic on site activities due to staff availability and patient recruitment due to less accidents, Bone Therapeutics and its partners will continue to take action to intensify the recruitment through training, information, best practices sharing and close monitoring of progress. The initial result of these activities has already impacted positively patient recruitment.
- Bone Therapeutics will continue to hold discussions with potential partners to explore business opportunities as JTA-004 is approaching the announcement of pivotal Phase III topline results and ALLOB is being evaluated in a double-blind, placebo-controlled, proof-of-concept Phase IIb study.
- Bone Therapeutics will continue its discussions with the US FDA (Food and Drug Administration) in preparation for the next steps in the clinical development of JTA-004 and ALLOB in the US.
- Bone Therapeutics plans to continue to expand its allogeneic differentiated MSC based cell therapy platform, beyond ALLOB, into other therapeutic indications.
- Disciplined cost and cash management will remain a key priority. The net cash burn for the full year 2021 is expected to be in the range of €16-17 million, assuming normal operation as the effect of the ongoing COVID-19 epidemic cannot be excluded. The situation will be actively and closely monitored. The company anticipates having sufficient cash to carry out its business objectives into November 2021.

Detailed clinical and operational review

In October 2020, Bone Therapeutics announced positive 24-month results for the Phase IIa study with the allogeneic cell therapy product, ALLOB, in patients undergoing lumbar spinal fusion procedures. 90% of patients showed bone fusion as well as strong clinical improvements in function and pain at 24 months follow-up period with a good product safety profile. The next development steps for ALLOB in this indication are planned to be considered after the results of the ongoing ALLOB clinical study in tibial fractures.

In December 2020, Bone Therapeutics succeeded in completing the patient recruitment and treatment in the pivotal Phase III clinical study with the improved viscosupplement, JTA-004, in patients with knee osteoarthritis on schedule. Patients are currently being monitored in follow up. Patient study compliance and retention remains high despite pandemic effects. The study is on schedule to have top line efficacy data available in Q3 2021 with continued monitoring until year end and full results available in 2022.

In January 2021, Bone Therapeutics treated the first patient in the Phase IIb study of its allogeneic cell therapy product, ALLOB, in patients with difficult tibial fractures, following receiving regulatory approval in all seven European countries designated for the trial. The study is expected to enroll 178 patients in over 40 sites. Early recruitment rates were very promising but in March and April the rate of recruitment has slowed slightly. The current recruitment is 12 patients instead of the planned 20 at this stage. This is due to pandemic-related factors that have affected operational activities including site opening, material availability and patient availability. Bone Therapeutics' clinical team, in partnership with the clinical research organization, has already instituted corrective actions to mitigate these issues, including training, information, sharing of best practices and will continue to actively monitor study progress. At this stage we do not expect these delays to have a material effect on the expected completion of recruitment in H1 2022 and the planned top line results date in H2 2022.

Detailed corporate highlights

In March 2020, the company appointed Stefanos Theoharis, PhD as Chief Business Officer, further strengthening its management team. With more than 15 years of business development experience in the pharma and biotech industry, specifically in the cell and gene therapy space, Stefanos will be responsible for the company's corporate development activities and the execution of its business strategy.

In August 2020, Bone Therapeutics was granted EUR 1.0 million in non-dilutive funding under the form of recoverable cash advances from the Walloon Region, Belgium. This funding will provide additional financial support to advance its current Phase III clinical study with JTA-004.

Also in August 2020, the Company received two additional grants with a total value of EUR 0.6 million from the Belgian Walloon Region for research and initial preparatory steps towards clinical development of BT-20, its new allogeneic and off-the-shelf cell therapy product, leveraging its expertise in Mesenchymal Stromal Cell (MSC) biology to expand its portfolio from orthopedics and bone diseases to inflammatory conditions.

In October 2020, Bone Therapeutics signed an exclusive license agreement with Link Health Pharma Co., Ltd and Shenzhen Pregene Biopharma Company, Ltd for the manufacturing, clinical development and commercialization of ALLOB in Greater China, Taiwan, Singapore, South Korea, and Thailand. Terms of the agreement included up to €55 million total in upfront and milestone payments, with €10 million expected in the next 2 years as well as tiered double-digit royalties on net sales.

Subsequently, Bone Therapeutics signed a manufacturing collaboration with Catalent, Inc. to streamline the production of ALLOB. Under the terms of the share purchase agreement, Catalent acquired Bone Therapeutics' cell therapy manufacturing subsidiary, Skeletal Cell Therapy Support SA (SCTS), for gross proceeds of €12 million. The equity purchase price, net of SCTS's debt (€3 million), cash adjustments, and taking into account the restructuring of some Bone Therapeutics' existing liabilities (€3 million), generated net proceeds of approximately €6 million.

In November 2020, Bone Therapeutics joined a research collaboration with expert industry and academic partners to develop biologically active, patient-tailored, 3D printed, bioresorbable implants enriched with Bone Therapeutics' allogeneic bone forming cells, ALLOB. Established under the "Competitiveness Clusters" framework of the Belgian Walloon Health Association, BioWin, the consortium received €3 million non-dilutive funding, of which €400k are allocated to Bone Therapeutics, from the Walloon Government in Belgium.

In December 2020, Bone Therapeutics successfully raised €10 million through a private placement with current and new institutional investors both in Europe and in the US and welcomed CPH Banque as new cornerstone investor to support its long-term growth.

Post period, in January 2021, Bone Therapeutics signed a first agreement for a process development partnership with the mesenchymal stromal cell (MSC) specialist, Rigenrand. This first collaboration will focus on further developing and enhancing Bone Therapeutics' bone-forming cells with the potential to broaden their therapeutic targets and explore new mechanisms of action with potential gene modifications for Bone Therapeutics' therapeutic portfolio.

At the end of March 2021, Bone Therapeutics appointed the stem cell therapy industry veteran, Anthony Ting, PhD, as Chief Scientific Officer. Backed by two decades of expertise in translational clinical development with adult stem cell therapies, Dr. Ting will be responsible for Bone Therapeutics' research activities. His immediate focus will be the further expansion of Bone Therapeutics' pipeline, leveraging internal know-how and external collaborations on novel, specialized cell therapy products with enhanced efficacy, using differentiated and modified MSCs.

Detailed financial review 2020

Income statement

In 2020, the Company recognized an upfront payment for an amount of €1.00 million from licensee Link Health & Pregene, after signing a license agreement in October 2020. The Company grants exclusive license to Link Health and Pregene for the development and commercialization of ALLOB in Greater China and a number of other major Asian countries.

The total revenues and operating income for 2020 amounted to €2.67 million compared to €2.49 million in 2019. Other operating income is mainly as a result of grants from the Walloon Region ("Recoverable Cash Advances - RCAs") which in total amounted to €1.20 million in 2020 (compared to €1.25 million in 2019). In addition, the company benefited from the special regime employing scientific staff through the recovery of company withholding tax for an amount of €0.33 million, an investment tax credit for an amount of €0.86 million and €0.28 million in patent, invoicing and other subsidies.

R&D expenses in 2020 were at €15.42 million compared to €7.50 million in 2019. The increase is mainly related to the increase in R&D operating expenses from clinical operations with the "CRO" for the Clinical trial for JTA in Phase III and ALLOB in Phase IIB for the difficult fractures.

General and administrative expenses for the full year 2020 amounted to €3.27 million compared to €2.94 million over the same period last year. The increase is mainly the result of the non-recurrent fees related to the deals happened during the year.

The operating loss in 2020 was at €15.02 million. Last year, the company reported an operating loss of €7.95 million.

In 2020, the Company presented a net financial loss of €0.74 million compared with a net financial profit of €0.42 million in 2019. In 2019, on one hand, the Company recognized an impact of €1.04 million for the stop of PREOB development (which corresponds to the part for which reimbursement is turnover-independent) and on the other hand, the financial expenses were mainly impacted by the interests paid for €0.34 million and by the adaptation of the valuation of the PUT option for €0.28 million. In 2020, the net financial loss was mainly impacted by the recognition of the interest paid during the year.

In 2020, the Company presented profit for an amount €3.89 million compared to a loss of €2.81 million in 2019 in relation of the discontinued activities. In November 2020, the Company sold its subsidiary Skeletal Cell Therapy Support SA ("SCTS") to Catalent Gosselies SA. Under the terms of the transaction, Catalent acquired Bone Therapeutics' cell therapy manufacturing subsidiary, SCTS, for gross proceeds of €12 million. The equity purchase price, net of SCTS's debt (€3.00 million), cash adjustments, and taking into account the restructuring of some Bone Therapeutics' existing liabilities (€3.00 million), generates net proceeds of approximately €6.30 million. The recognized profit is explained by the capital gain realized on the sale of SCTS' shares.

The reported net loss in 2020 amounted to €11.94 million or €1.35 loss per share for the continuing operations and a reported profit per share of 0.33 for the discontinued operations (on an undiluted basis). In 2019, the Company had a net loss of €10.34 million, equivalent to a total loss per share of €1.08 (on an undiluted basis).

Balance sheet

Total assets at the end of December 2020 amounted to €24.84 million compared to €22.39 million at the end of December 2019, mainly impacted by the current assets.

The current assets increased from €11.73 million to €18.82 million at the end of December 2020. The increase is mainly related to the variation of the cash and cash equivalents which showed an increase of €6.02 million compared to last year (mainly following the capital raise in December 2020 with a total gross amount of €9.92 million).

The trade and other receivables also increased mainly explained by:

- The upfront payment from Link Health & Pregene to be received in early 2021 for an amount of €0.93 million net of taxes (increase);
- New grants conventions signed in 2020 for a total amount of €2.37 million and amounts received during the course of 2020 for RCAs in progress (upfront amounts and amounts received following expense declarations in function of the progress of the works) for a total of €2.49 million which result in a net decrease of €0.13 million.

The non-current assets decreased from €10.66 million to €6.02 million at the end of December 2020. The decrease is mostly related to the property, plant and equipment and partly offset by the financial assets (recognition of the bank warranty of €1.20 million in relation with the deal with Catalent) and the deferred tax assets. The building and most of the laboratory equipment have been sold in the context of the transaction with Catalent in October 2020. Deferred tax assets totaling €4.46 million represent a tax credit on investment in R&D reimbursable in the foreseeable future (spread over the next seven years).

Equity increased from €2.05 million at the end of December 2019 to €3.33 million at the end of December 2020, as a result of the share capital and share premium's increase (amounting €13.50 million) and recognition of the transaction costs for the equity transaction for an amount of €0.97 million, by the loss of 2020 for an amount of €11.94 million, for the allocation of the share-based payment reserve for €0.27 million and by the recognition of a specific reserve linked to the convertible bonds and warrants and other reserves for €0.47 million.

Liabilities amounted to €21.51 million in 2020 compared to €20.34 million at the end of December 2019, representing an increase of €1.17 million.

Current liabilities remained stable compared to last year. The increase in trade and other payables is mostly offset by the decrease of the other current liabilities, with the buyback of the non-controlling interest of SCTS (the PUT option) in order for the Company to buy-back the shares of the minority shareholders of SCTS.

The non-current liabilities slightly increased compared to last year and amounted to €11.72 million the end of December 2020. The non-current liabilities are impacted by the recognition of the fair value of the convertible bond placement of May 2020 for an amount of €3.60 million, offset by the reimbursement of all the financial liabilities of SCTS for an amount of €2.76 million (and €0.34 million in current liabilities).

Cash flow statement

Cash used for operating activities amounted to €16.08 million for the full year 2020 compared to €10.40 million for the full year 2019.

Total operating loss for the period amounted to a loss of €17.45 million compared to a loss of €11.17 million over the same period in 2019. The increase of the net loss in 2020 is mainly explained by an increase of the clinical expenses for the JTA-004 clinical trial Phase III and ALLOB clinical trial Phase IIB in tibial fractures.

Adjustments for non-cash items amounted to €1.58 million compared to €2.29 million during the previous year relating to depreciation, share-based payments and recognition of grant income from RCA's, patent subsidies and tax credit. Working capital was positively impacted for the full year 2020 for an amount of €0.80 million mainly explained by an increase of trade payables and of the trade receivables.

Actual cash received in 2020 for the grants and regulatory milestones amounted to €2.31 million compared to €3.29 million in 2019.

Cash flow from investing activities is mainly impacted by the proceed obtained from Catalent Gosselies SA for the sale of SCTS for an amount of €12.00 million.

Cash flow from financing activities amounted to €10.19 million for 2020 compared with €11.16 million in 2019.

Financial cash inflows during 2020 are as follows:

- Net cash in from private placement (convertible bonds and related warrants) and from non-dilutive subordinated loan for a total amount of €14.60 million;
- Net cash in from banks and related parties (Sambrinvest/Sofipôle) for an amount of €5.55 million;
- Recoverable cash advances provided to the Company by the Walloon Region (R&D project financing) for an amount of €0.75 million in 2020 which corresponds to the part for which reimbursement is turnover-independent.

Financial cash outflows during 2020 are as follows:

- Acquisition of 50.1% of the shares of Skeletal Cell Therapy Support SA for €1.96 million. Bone Therapeutics SA held 100% of SCTS SA before the sale of the subsidiary to Catalent Gosselies SA.
- Guarantee deposit of €1.20 million in relation with the sale of the subsidiary (corresponding to 10% of the total deal);
- Reimbursements of bank loans, related parties' loans and recoverable cash advances for an amount of €7.56 million in 2020

Based on annual 2021 projected cash burn in a range of €16.00 million to €17.00 million and considering a cash position end of 2020 of about €14.65 million, the Company anticipates having sufficient cash to carry out its business objectives until November 2021

The Directors remain focused on the Company's liquidity and expect to manage business operations in the next 12 months whilst maintaining adequate liquidity.

In view of the Company significant progress in its clinical programs leading to collection of milestones payment from our partners, combined with ongoing discussions with business and financial partners to obtain sufficient funds, the Board is of the opinion that it is appropriate to prepare the financial statements of the Company under the assumption of going concern.

Conference call

Miguel Forte, MD, PhD, Chief Executive Officer, and Jean-Luc Vandebroek, Chief Financial Officer, will host a conference call today at 2:00 pm CEST / 8:00 am EST. To participate in the conference call, please select your dial-in number from the list below quoting the conference ID 958 8247 7967#:

Belgium: +32 2 290 9360
France: +33 1 7095 0103
United Kingdom: +44 208 080 6592
United States: +1 646 876 9923

The presentation will be made available on the Investors section - Presentations of the Bone Therapeutics website shortly prior to the call.

Consolidated statement of comprehensive income

<i>(in thousands of euros)</i>	2020	2019
Revenues	1,000	0
Other operating income	2,666	2,491
Total revenues and operating income	3,666	2,491
Research and development expenses	(15,416)	(7,501)
General and administrative expenses	(3,267)	(2,936)
Operating profit/(loss)	(15,017)	(7,946)
Interest income	24	1,041
Financial expenses	(747)	(602)
Exchange gains/(losses)	(13)	(15)
Share of profit/(loss) of associates	0	0
Result Profit/(loss) before taxes	(15,754)	(7,522)
Income taxes	(78)	0
Net Income (Loss) from continuing operations	(15,832)	(7,522)
Net Income (Loss) from discontinued operations	3,891	(2,813)
TOTAL COMPREHENSIVE INCOME/(LOSS) OF THE PERIOD	(11,940)	(10,336)
Basic and diluted loss per share (in euros) – continuing operations	(1.35)	(0.79)
Basic and diluted loss per share (in euros) – discontinued operations	0.33	(0.29)
Profit/(loss) for the period attributable to the owners of the Company	(11,940)	(10,461)
Profit/(loss) for the period attributable to the non-controlling interests	0	125
Total comprehensive income/(loss) for the period attributable to the owners of the Company	(11,940)	(10,461)
Total comprehensive income/(loss) for the period attributable to the non-controlling interests	0	125

Consolidated Balance Sheet

Consolidated Assets IFRS per: <i>(in thousands of euros)</i>	31/12/20	31/12/19
Non-current assets	6,019	10,660
Intangible assets	28	28
Property, plant and equipment	226	6,100
Investments in associates	12	332
Financial assets	1,296	140
Deferred tax assets	4,456	4,059
Current assets	18,817	11,733
Trade and other receivables	3,840	3,025
Other current assets	328	75
Cash and cash equivalents	14,648	8,633
TOTAL ASSETS	24,835	22,393

Consolidated Equity & Liabilities IFRS per: <i>(in thousands of euros)</i>	31/12/20	31/12/19
Equity attributable to owners of the parent	3,325	2,048
Share capital	8,415	5,454
Share premium	67,594	58,026
Accumulated losses	(73,080)	(61,586)
Other reserves	396	154
Non-controlling interests	0	0
Total Equity	3,325	2,048
Non-current liabilities	11,720	11,006
Interest bearing borrowings	11,720	11,006
Other non-current liabilities	0	0
Current liabilities	9,790	9,339
Interest bearing borrowings	3,077	2,709
Trade and other payables	5,514	3,841
Other current liabilities	1,199	2,788
Total liabilities	21,509	20,344
TOTAL EQUITY AND LIABILITIES	24,835	22,393

Consolidated Cash Flow Statement

<i>(in thousands of euros)</i>	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/(loss)	(17,448)	(11,174)
Adjustments for:		
Depreciation, Amortization and Impairments	601	753
Share-based compensation	266	(472)
Grants income related to recoverable cash advances	(1,450)	(1,908)
Grants income related to patents	(52)	(6)
Grants income related to tax credit	(853)	(578)
Other	(88)	(77)
Movements in working capital:		
Trade and other receivables (excluding government grants)	(1,014)	(5)
Trade and other Payables	1,723	(183)
Cash used by operations	(18,315)	(13,650)
Cash received from licensing agreement	0	900
Cash received from grants related to recoverable cash advances	1,745	1,901
Cash received from grants related to patents	56	141
Cash received from other grants	117	0
Cash received from grants related to tax credit	394	344
Income taxes paid	(78)	(38)
Net cash used in operating activities	(16,082)	(10,400)
CASH FLOW FROM INVESTING ACTIVITIES		
Interests received	2	8
Purchases of property, plant and equipment	(78)	(226)
Purchases of intangible assets	(15)	(21)
Proceed from the stake of SCTS	12,000	0
Net cash used in investing activities	11,909	(302)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from government loans	748	815
Repayment of government loans	(122)	(736)
Proceeds from loans from related parties	1,550	0
Reimbursements of loan from related parties	(1,864)	(229)
Reimbursements of loan from lease liabilities	(267)	(203)
Proceeds from bank loans	4,000	0
Reimbursements of other financial loans	(4,625)	(250)
Interests paid	(679)	(228)
Guarantee facilities	(1,200)	0
Payments to acquire financial investments	(1,956)	0
Transaction costs	(1,180)	(632)
Proceeds from issue of equity instruments of the Company	11,793	8,520
Proceeds received from convertible loan	4,000	605
Proceeds received from subordinated loan	0	3,500
Net cash generated from financing activities	10,187	11,162
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,132	459
CASH AND CASH EQUIVALENTS at beginning of the year	8,633	8,174
CASH AND CASH EQUIVALENTS at end of the year	14,648	8,633

Consolidated statement of changes in equity

<i>(in thousands of euros)</i>	Attributable to owners of the parent				Non-controlling interests	TOTAL EQUITY
	Share capital	Share premium	Accumulated Losses & other reserves	Total equity attributable to owners of the parent		
BALANCE AT 1 JANUARY 2019	14,662	42,665	(53,443)	3,883	0	3,883
Total comprehensive income of the period	0	0	(10,461)	(10,461)	125	(10,336)
Issue of share capital	3,514	5,006	0	8,520	0	8,520
Decrease of share capital	(10,592)	0	10,592	0	0	0
Transaction costs for equity issue	0	(457)	0	(457)	0	(457)
Specific reserve for convertible bonds	0	0	306	306	0	306
Allocation to the legal reserve	0	0	6	6	0	6
Share-based payment	0	0	(472)	(472)	0	(472)
Movement non-controlling interests	0	0	125	125	(125)	()
Other	0	0	(11)	(11)	0	(11)
BALANCE AT 31 DECEMBER 2019	5,454	58,027	(61,432)	2,048	0	2,048
BALANCE AT 1 JANUARY 2020	5,454	58,027	(61,432)	2,048	0	2,048
Total comprehensive income of the period	0	0	(11,940)	(11,940)	0	(11,940)
Issue of share capital	2,961	10,534	0	13,495	0	13,495
Transaction costs for equity issue	0	(966)	0	(966)	0	(966)
Equity component for Convertible Bonds	0	0	199	199	0	199
Specific reserve for convertible bonds	0	0	267	267	0	267
Allocation to the legal reserve	0	0	3	3	0	3
Share-based payment	0	0	266	266	0	266
Movement non-controlling interests	0	0	0	0	0	0
Other	0	0	(48)	(48)	0	(48)
BALANCE AT 31 DECEMBER 2020	8,415	67,594	(72,684)	3,325	0	3,325

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.

For further information, please contact:

Bone Therapeutics SA

Miguel Forte, MD, PhD, Chief Executive Officer
Jean-Luc Vandebroek, Chief Financial Officer
Tel: +32 (0)71 12 10 00
investorrelations@bonetherapeutics.com

For Belgian Media and Investor Enquiries:

Bepublic

Catherine Haquenne
Tel: +32 (0)497 75 63 56
catherine@bepublic.be

International Media Enquiries:

Image Box Communications

Neil Hunter / Michelle Boxall
Tel: +44 (0)20 8943 4685
neil.hunter@ibcomms.agency / michelle@ibcomms.agency

For French Media and Investor Enquiries:

NewCap Investor Relations & Financial Communications

Pierre Laurent, Louis-Victor Delouvrier and Arthur Rouillé
Tel: +33 (0)1 44 71 94 94
bone@newcap.eu

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