

The interim financial report is prepared in accordance with article 13 of the Royal Decree on the obligations of issuers of financial instruments admitted to trading on a regulated market and can be accessed on the website of Bone Therapeutics in the section 'Financial information'.

Bone Therapeutics publishes its interim financial report in English. A French translation of the report will also be made available. In the event of differences between the English and the French version of the report, the original English version will prevail.

## Bone Therapeutics reports half year 2019 results

**Strong Phase IIa safety and efficacy results for ALLOB in patients undergoing a lumbar spinal fusion procedure**

**Successfully raised €8.5 million through private placement of new shares and non-dilutive subordinated bonds**

**Development and progress of pipeline assets on track**

*Management to host conference call today at 11:00 am CEST today - details provided below*

**Gosselies, Belgium, 30 August 2019, 7am CEST – BONE THERAPEUTICS** (Euronext Brussels and Paris: BOTHE), the leading biotech company focused on the development of innovative cell and biological therapeutics to address high unmet medical needs in orthopaedics and bone diseases, today provides a business update and its financial results for the six-month period ended 30 June 2019, prepared in accordance with IFRS as adopted by the European Union, and the outlook for the remainder of the year.

**Thomas Lienard, Chief Executive Officer of Bone Therapeutics, commented:** *“The recently reported strong Phase IIa efficacy and safety results for our allogenic cell therapy product, ALLOB, in a second indication, together with our optimised, scalable proprietary cell manufacturing process, further underscore the potential of our technology to address high unmet needs in orthopaedics. The new funds recently raised allow us to execute on our business strategy focused on the further development of our innovative proprietary product pipeline. We are on track to submit two clinical trial applications by year-end to allow the start of late-stage clinical development for ALLOB in patients with delayed union fractures and JTA-004 to treat pain in patients with osteoarthritis of the knee. We continue to further build on the progress we made and look forward to reporting on the upcoming value inflection milestones.”*

### Operational and Corporate Highlights

- In [June](#), Bone Therapeutics announced the successful completion of the Phase IIa study of its allogeneic cell therapy product, ALLOB, in patients undergoing a lumbar spinal fusion procedure. The results demonstrated that treatment with ALLOB resulted in significant clinical and radiological improvements and that ALLOB was generally well-tolerated, consistent with previous reported results.
- In [June](#), the Company significantly strengthened its Board of Directors with the appointment of Gloria Matthews, DVM, PhD, DACVS, an American citizen, as Independent Director. Gloria has more than 20 years of research and clinical experience in orthopaedics, osteoarthritis, rheumatology and cartilage repair with extensive expertise in medical devices, biologicals, and regenerative medicine. She has built an impressive business and medical network over the years and her knowledge will be invaluable as the Company is entering a next stage in its corporate development.
- In [March](#), Olivier Godeaux, MD and Benoît Moreaux, PhD were appointed as Chief Medical Officer and Chief Scientific and Technology Officer respectively. Dr. Olivier Godeaux is a seasoned biopharmaceutical industry executive with a proven track record in advancing drug candidates through to regulatory approval and commercial launch. With 20 years of experience, Benoît Moreaux brings extensive industry expertise in strategic operations planning and execution, as well as global quality assurance.

**Financial Highlights**

- On [27 June](#), Bone Therapeutics announced that it successfully raised € 8.5 million in gross proceeds through a private placement of new shares via an accelerated bookbuild offering, and a non-dilutive subordinated bond placement.
- During the first six months of 2019, total operating income amounted to € 1.68 million, a slight decrease compared to the same period in 2018 (€ 1.88 million).
- Operating loss for the period amounted to € 5.44 million, compared to € 6.08 million in H1 2018.
- The Company ended the first six months of 2019 with € 13.16 million in cash and cash equivalents. Cash used for the period amounted to € 5.12 million, excluding net proceeds obtained from financing activities, compared to € 7.90 million over the same period of 2018.

(€ million)	H1 2019	H1 2018
<b>Operating income</b>	<b>1.68</b>	<b>1.88</b>
<b>Operating expenses</b>	<b>(7.12)</b>	<b>(7.96)</b>
R&D expenses	(5.47)	(6.22)
G&A expenses	(1.64)	(1.74)
<b>Operating result</b>	<b>(5.44)</b>	<b>(6.08)</b>
<b>Net financial result and taxes</b>	<b>(0.16)</b>	<b>(2.38)</b>
<b>Net result</b>	<b>(5.59)</b>	<b>(8.45)</b>
<b>Net cash flow</b>	<b>4.99</b>	<b>0.69</b>
Operating activities	(4.87)	(7.11)
Investing activities	(0.27)	(0.18)
Financing activities	10.12	7.98
<b>Net cash position (at end of period)</b>	<b>13.16</b>	<b>9.10</b>

**Outlook for the remainder of 2019**

- In the second half of 2019, the Company plans to submit a clinical trial application (CTA) with the regulatory authorities to start a Phase II/III programme with its allogeneic cell therapy product, ALLOB, in patients with delayed-union fractures, using its proprietary, optimised production process.
- Also, in the second half of 2019, the Company plans to submit a CTA with the regulatory authorities to start a Phase III programme with its off-the-shelf product for osteoarthritis pain, JTA-004.
- Good cost and cash management will remain a key priority, as already reflected in our operating expenses. Cash used in H2 2019 is expected to amount to € 6-7 million largely driven by external costs associated with increased clinical development activities due to the preparation of new clinical studies and partially offset by decreased internal costs, resulting in an anticipated net cash burn of € 12-13 million for the full year 2019. Taking into account the total gross proceeds of € 8.5 million raised through the Private Placement and the Bond Issuance in June, the convertible bonds and the recoverable cash advances granted by the Walloon Region, the Company anticipates having sufficient cash to carry out its business objectives into Q3 2020.

- The Company will be presenting pre-clinical and clinical results at the World Congress on Rheumatology & Orthopedics (WCRO) (26-27 September, Paris, France) and at the European Orthopaedic Research Society (EORS) Annual Meeting (2-4 October, Maastricht, the Netherlands).
- Management will attend the following upcoming investor and partnering conferences:
  - Sachs Associates Biotech in Europe Forum (25-26 September, Basel, Switzerland)
  - KBC Securities Life Sciences Conference (26 September, Brussels, Belgium)
  - VFB Expert Tips Day (28 September, Ghent, Belgium)
  - Investir Day (3 October, Paris, France)
  - BioJapan (9-11 October, Yokohama, Japan)
  - Bio-Europe (11-13 November, Hamburg, Germany)
  - Bryan, Garnier & Co European Healthcare Conference (12-13 November, Paris, France)
  - Finance Avenue (16 November, Brussels, Belgium)
  - BioCentury & Bayhelix China Healthcare Summit (18-20 November, Shanghai, China)

#### Conference call

Thomas Lienard, Chief Executive Officer, and Jean-Luc Vandebroek, Chief Financial Officer, will host a conference call today at 11:00 am CEST. To participate in the conference call, please select your phone number below and use the conference ID **2868386**:

Belgium:	+32 (0)2 400 98 74
France:	+33 (0)1 76 700 794
United Kingdom:	+44 (0) 844 571 8892
United States:	+1 631 1510 7495

The presentation will be made available on the [Investors section - Presentations](#) of the Bone Therapeutics website shortly prior the call.

To ensure a timely connection, it is recommended that users register at least 10 minutes prior to the scheduled start timing.

#### ● **About Bone Therapeutics**

*Bone Therapeutics is a leading biotech company focused on the development of innovative products to address high unmet needs in orthopaedics and bone diseases. Based in Gosselies, Belgium, the Company has a broad, diversified portfolio of bone cell therapy and an innovative biological product in later-stage clinical development across a number of disease areas, which target markets with large unmet medical needs and limited innovation.*

*Bone Therapeutics' core technology is based on its allogeneic cell therapy platform (ALLOB) which uses a unique, proprietary approach to bone regeneration, which turns undifferentiated stem cells from healthy donors into bone-forming cells. These cells can be administered via a minimally invasive procedure, avoiding the need for invasive surgery, and are produced via a proprietary, cutting-edge manufacturing process.*

*The Company's ALLOB product pipeline includes a cell therapy product candidate that is expected to enter Phase II/III clinical development for the treatment of delayed-union fractures and a Phase II asset in patients undergoing a spinal fusion procedure. In addition, the Company is also developing an off-the-shelf protein solution, JTA-004, which is expected to enter Phase III development for the treatment of pain in knee osteoarthritis.*

*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. Further information is available at [www.bonetherapeutics.com](http://www.bonetherapeutics.com).*

**Regulated information**

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**Interim Condensed Consolidated Statement of Comprehensive Income**

<i>(in thousands of euros)</i>	For the six-month period ended	
	30-06-2019	30-06-2018
Revenues	0	0
Other operating income	1,679	1,880
<b>Total revenues and operating income</b>	<b>1,679</b>	<b>1,880</b>
Research and development expenses	(5,472)	(6,218)
General and administrative expenses	(1,643)	(1,737)
<b>Operating profit/(loss)</b>	<b>(5,436)</b>	<b>(6,076)</b>
Interest income	31	78
Financial expenses	(162)	(2,442)
Exchange gains/(losses)	(3)	(4)
Share of profit/(loss) of associates	(3)	0
<b>Result Profit/(loss) before taxes</b>	<b>(5,572)</b>	<b>(8,444)</b>
Income taxes	(20)	(10)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) OF THE PERIOD</b>	<b>(5,592)</b>	<b>(8,454)</b>
<b>Basic and diluted loss per share (in euros)</b>	<b>(0.65)</b>	<b>(1.17)</b>
Profit/(loss) for the period attributable to the owners of the Company	(5,536)	(8,452)
Profit/(loss) for the period attributable to the non-controlling interests	(55)	(2)
Total comprehensive income/(loss) for the period attributable to the owners of the Company	(5,536)	(8,452)
Total comprehensive income/(loss) for the period attributable to the non-controlling interests	(55)	(2)

**Regulated information**

30 August 2019

**Interim Condensed Consolidated Statement of Financial Position**

<b>Consolidated Assets IFRS per:</b> <i>(in thousands of euros)</i>	<b>30/06/2019</b>	<b>31/12/2018</b>
<b>Non-current assets</b>	<b>10,592</b>	<b>10,754</b>
Intangible assets	16	22
Property, plant and equipment	6,405	6,203
Investments in associates	323	326
Financial assets	117	323
Deferred tax assets	3,731	3,881
<b>Current assets</b>	<b>17,347</b>	<b>15,000</b>
Trade and other receivables	4,030	6,724
Other current assets	158	102
Cash and cash equivalents	13,159	8,174
<b>TOTAL ASSETS</b>	<b>27,939</b>	<b>25,753</b>
<b>Consolidated Equity &amp; Liabilities IFRS per:</b> <i>(in thousands of euros)</i>	<b>30/06/2019</b>	<b>31/12/2018</b>
<b>Equity attributable to owners of the parent</b>	<b>5,958</b>	<b>4,491</b>
<i>Share capital</i>	15,541	12,532
<i>Share premium</i>	57,306	53,478
<i>Accumulated losses</i>	(67,535)	(62,136)
<i>Other reserves</i>	647	618
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>5,958</b>	<b>4,491</b>
<b>Non-current liabilities</b>	<b>12,755</b>	<b>11,925</b>
Financial liabilities	12,755	10,247
Other non-current liabilities	0	1,678
<b>Current liabilities</b>	<b>9,226</b>	<b>9,337</b>
Financial liabilities	3,248	2,606
Trade and other payables	2,790	3,996
Current tax liabilities	11	11
Other current liabilities	3,178	2,725
<b>Total liabilities</b>	<b>21,981</b>	<b>21,262</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,939</b>	<b>25,753</b>

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**30 August 2019**
**Interim Condensed Consolidated Cash Flow Statement**

<i>(in thousands of euros)</i>	<b>For the six-month period ended</b>	
	<b>30-06-2019</b>	<b>30-06-2018</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit/(loss)	(5,436)	(6,076)
Adjustments for:		
Depreciation, Amortisation and Impairments	389	283
Share-based compensation	21	26
Grants income related to recoverable cash advances	(1,075)	(1,147)
Grants income related to patents	(8)	(79)
Grants income related to tax credit	(250)	(281)
Other	1	(6)
Movements in working capital:		
(Increase)/Decrease in Trade and other receivables (excluding government grants)	28	111
Increase/(Decrease) in Trade and Other Payables	(1,049)	(979)
Increase/(Decrease) in Other current liabilities (excluding government grants)	2	(2)
<b>Cash used by operations</b>	<b>(7,378)</b>	<b>(8,150)</b>
Cash received from licensing agreement	900	0
Cash received from grants related to recoverable cash advances	1,273	820
Cash received from grants related to patents	14	0
Cash received from grants related to tax credit	344	232
Income taxes paid	(20)	(10)
<b>Net cash used in operating activities</b>	<b>(4,866)</b>	<b>(7,107)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interests received	1	1
Purchases of property, plant and equipment	(271)	(183)
Purchases of intangible assets	(2)	0
<b>Net cash used in investing activities</b>	<b>(272)</b>	<b>(183)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from government loans	546	352
Repayment of government loans	0	(495)
Reimbursements of financial lease liabilities	(255)	(197)
Reimbursements of other financial loans	(125)	(125)
Interests paid	(147)	(133)
Transaction costs related to private placement	(620)	(512)
Proceeds from issue of equity instruments of the Company (net of issue costs)	7,282	7,880
Proceeds received from convertible loan	(57)	1,208
Proceeds received from subordinated bonds	3,500	0
<b>Net cash provided by financing activities</b>	<b>10,124</b>	<b>7,976</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,985</b>	<b>687</b>
<b>CASH AND CASH EQUIVALENTS at beginning of period</b>	<b>8,174</b>	<b>8,411</b>
<b>CASH AND CASH EQUIVALENTS at end of period</b>	<b>13,159</b>	<b>9,098</b>

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**Interim Condensed Consolidated Statements of Change in Shareholder's Equity**

<i>(in thousands of euros)</i>	<i>Attributable to owners of the parent</i>			<i>Total equity attributable to owners of the parent</i>	<i>Non-controlling interests</i>	<i>TOTAL EQUITY</i>
	<i>Share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>			
<b>Balance at 31 December 2017</b>	<b>14,662</b>	<b>42,665</b>	<b>(54,944)</b>	<b>2,382</b>	<b>0</b>	<b>2,382</b>
Impact of restatement based on IFRS 15	0	0	1,501	1,501	0	1,501
<b>Balance at 1 January 2018</b>	<b>14,662</b>	<b>42,665</b>	<b>(53,443)</b>	<b>3,883</b>	<b>0</b>	<b>3,883</b>
Total comprehensive income of the period	0	0	(8,452)	(8,452)	(2)	(8,452)
Issue of share capital	1,676	6,205	0	7,881	0	7,881
Specific reserve for convertible bonds and warrants	0	0	685	685	0	685
Allocation to the legal reserve	0	0	5	5	0	5
Share-based payment	0	0	26	26	0	26
Movement non-controlling interests	0	0	(2)	(2)	2	0
Other	0	0	(3)	(3)	0	(3)
<b>Balance at 30 June 2018</b>	<b>16,338</b>	<b>48,869</b>	<b>(61,184)</b>	<b>4,023</b>	<b>0</b>	<b>4,023</b>
<b>Balance at 1 January 2019</b>	<b>12,532</b>	<b>53,478</b>	<b>(61,518)</b>	<b>4,492</b>	<b>0</b>	<b>4,492</b>
Total comprehensive income of the period	0	0	(5,536)	(5,536)	(55)	(5,592)
Issue of share capital	3,009	4,273	0	7,282	0	7,282
Transaction costs for equity issue	0	(445)	0	(445)	0	(445)
Specific reserve for convertible bonds	0	0	198	198	0	198
Allocation to the legal reserve	0	0	6	6	0	6
Share-based payment	0	0	21	21	0	21
Movement non-controlling interests	0	0	(55)	(55)	55	0
Other	0	0	(6)	(6)	0	(6)
<b>Balance at 30 June 2019</b>	<b>15,541</b>	<b>57,306</b>	<b>(66,888)</b>	<b>5,958</b>	<b>0</b>	<b>5,958</b>