

Regulated Information – Inside Information – 7 March 2018 – 4 pm CET

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Bone Therapeutics Successfully Raises EUR 19.45 Million of Commitments in Convertible Bond Placement

Gosselies, Belgium, 7 March 2018, 4 pm CET – Bone Therapeutics (Euronext Brussels and Paris: BOTHE), the bone cell therapy company addressing high unmet medical needs in orthopaedics and bone diseases (the "Company"), today announces that it has successfully placed senior, unsecured Convertible Bonds (the "CBs") with a total commitment of EUR 19.45 million via a private placement.

Thomas Lienard, Chief Executive Officer of Bone Therapeutics, commented: *"I am very pleased to announce this successful placing today which will support us in the development of our unique pipeline of cell therapy products. We are delighted by the level of interest and support we have received from international and local investors, further validating the potential of our novel cell therapy platform. Following the positive interim data from our trials with our allogeneic product ALLOB[®] for delayed union fractures and spinal fusion, we are increasingly confident about the potential of our products to address these large markets and make a real difference to the lives of patients. We will continue to fully focus on delivering on our clinical development strategy and look forward to further value inflection points later in 2018."*

Bone Therapeutics intends to use the net proceeds of the Offering for:

- Finalising the Phase I/IIA delayed-union trial (ALLOB[®]) and beginning recruitment of the next phase (approx. 20% of the net proceeds);
- Finalising the Phase IIA lumbar spinal fusion trial (ALLOB[®]) and initiating the groundwork for the next phase (*in vivo*, EU & US clinical and regulatory preparation) (approx. 20% of the net proceeds);
- Further patient enrolment of the Phase III osteonecrosis trial (PREOB[®]) with completion of the interim analysis and continued follow-up (approx. 20% of the net proceeds);
- Optimization and scale-up for the allogeneic product (approx. 20% of the net proceeds); and
- Other and general corporate expenses

As a result of the successful completion of the Offering, the Company expects to have sufficient cash to meet its present requirements and to carry out its strategic objectives and cover its working capital needs for a period until the end of Q3 2019.

The CBs will be in registered form, denominated EUR 2,500 each. The CBs will not bear any coupon and have a maturity date of twelve months after issuance. The CBs are convertible to ordinary shares at CB holders' convenience before maturity or are automatically converted at maturity date at the Conversion Price. The Conversion Price will be equal to 92% of the Volume-Weighted-Averaged-Price of the Company's shares as provided by Bloomberg LP of the day immediately preceding CB holder's request of conversion or maturity date, but not lower than the par value (EUR 2.14) of the Company's share. Upon conversion of the CBs, the new shares issued shall immediately bear the same right of all other existing shares and could be traded on the Euronext stock exchanges in Brussels and in Paris. The Company has the right to redeem the CB at a price of EUR 2,577.31 instead of issuing new shares.

Each subscribed CB is accompanied by 19 bond warrants (the "Bond Warrants") in registered form with a warrant term of 19 months. Each Bond Warrant entitles its holder to subscribe to one CB and can be exercised at an exercise price of EUR 2,500 per CB at the request of the warrant holder at any time during the warrant

term. The warrant holders are obliged to exercise at least one of the 19 Bond Warrants each 30 calendar days.

A total amount of EUR 19.45 million in committed capital has been subscribed during the Offering. Part of the investors have decided to immediately exercise warrants resulting in an immediate gross proceed of about EUR 6.58 million and 565,773 new shares to be created, increasing the total outstanding shares from 6,849,654 to 7,415,427 ordinary shares. The remaining warrants will be exercised providing an additional proceed of EUR 12.87 million over a maximum period of 19 months.

The Convertible Bonds were offered through an accelerated bookbuilding offering, open to institutional investors and such other investors as permitted under applicable private placement exceptions only. Bryan, Garnier & Co. acted as Sole Bookrunner for the Offering.

● **About Bone Therapeutics**

Bone Therapeutics is a leading cell therapy company addressing high unmet needs in orthopaedics and bone diseases. Based in Gosselies, Belgium, the Company has a broad, diversified portfolio of bone cell therapy products in clinical development across a number of disease areas targeting markets with large unmet medical needs and limited innovation.

Bone Therapeutics' technology is based on a unique, proprietary approach to bone regeneration, which turns undifferentiated stem cells into "osteoblastic", or bone-forming cells. These cells can be administered via a minimally invasive procedure, avoiding the need for invasive surgery.

The Company's primary clinical focus is ALLOB[®], an allogeneic "off-the-shelf" cell therapy product derived from stem cells of healthy donors, which is in Phase II studies for the treatment of delayed-union fractures and spinal fusion. The Company also has an autologous bone cell therapy product, PREOB[®], obtained from patient's own bone marrow and currently in Phase III development for osteonecrosis of the hip.

Bone Therapeutics' cell therapy products are manufactured to the highest GMP standards and are protected by a rich IP estate covering nine patent families. Further information is available at: www.bonetherapeutics.com.

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statements, which speak only as of the date of this press release.

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This announcement is not a prospectus within the meaning of Directive 2003/71/EC, as implemented in each member state of the European Economic Area, and amendments thereto, including Directive 2010/73/EU to the extent implemented in the relevant member State of the European Economic Area (together, the "Prospectus Directive") nor within the meaning of Regulation EU 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/CE (the "Prospectus Regulation").

This announcement does not, and shall not, in any circumstances, constitute a public offering, nor a public offer to sell or to subscribe for, nor a public solicitation to offer to purchase or to subscribe for, securities in any jurisdiction. No action has been taken by Bone Therapeutics SA or Bryan, Garnier & Co. or any of their respective affiliates to permit a public offering of the securities described in this announcement or possession or distribution of this announcement in any jurisdiction where action for that purpose is required.

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