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Bone Therapeutics secures EUR 11.0 million financing

Gosselies, Belgium, 29 April 2020, 7am CET – BONE THERAPEUTICS (Euronext Brussels and Paris: BOTHE), the bone cell therapy company addressing high unmet medical needs in orthopaedics and bone diseases, today announces that it secured EUR 11.0 million financing. The financing will be used to advance both of its key assets, ALLOB and JTA-004, through late stage clinical development. The financing operation consists of EUR 4.75 million bridge loans, EUR 1,26 million in equity private placement (immediate conversion of CBs) by existing shareholders and, on an as-needed basis, a EUR 4.99 million in private placement of convertible bonds (CBs). The bridge loans are still subject to obtaining a credit assurance, which is pending regulatory approvals expected in May 2020.

“This current financing will allow us to continue the strong progress of the late stage development of our innovative treatment solutions. It will additionally provide support for our wider activity during the measures taken by international governments to combat the global COVID-19 pandemic,” said **Miguel Forte, MD, PhD, Chief Executive Officer of Bone Therapeutics**. *“This support results from the potential of our allogeneic cell therapy platform and enriched protein solution to transform the lives of patients with debilitating bone conditions. We will continue our preparations for when the sites selected for the approved clinical studies with ALLOB and JTA-004 can resume their normal operations on a country per country basis.”*

“We are delighted by the continued support we have received from our current and reference shareholders, including SFPI and S.R.I.W. Their commitment is instrumental for the development of our innovative products,” said **Jean-Luc Vandebroek, Chief Financial Officer of Bone Therapeutics**. *“The present fundraise allows us to retrieve funds on an as-needed basis rather than an immediate important dilution of a traditional share issuance. Conforming to our financing strategy, we will continue to explore funding options to further strengthen our cash position and to ensure a successful completion of the upcoming clinical trials.”*

Subject to the completion of the current financing operation, supporting the company’s further development and strengthen its balance sheet, Bone Therapeutics expects to have a runway into Q1 2021. The secured 11.0 million financing combines:

- EUR 4.75 million bridge loans provided by commercial banks and Sambrinvest, conditional upon obtaining a credit assurance which is pending regulatory approvals expected in May;
- EUR 1.26 million equity by existing shareholders and;
- Flexible¹ EUR 4.99 million of convertible bonds to be used if and when necessary.

Bone Therapeutics intends to pursue a capital raise when favorable market conditions are met. Existing shareholders have already taken a pre-commitment to participate.

The specific terms of the CBs can be found in the [Investor section](#) of Bone Therapeutics’ website.

¹ The Company may at any time stop the program without penalty.

● 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 bone diseases. The Company has a broad, diversified portfolio of bone cell therapies and an innovative biological product in later-stage clinical development, which target markets with large unmet medical needs and limited innovation.

Bone Therapeutics is developing an off-the-shelf protein solution, JTA-004, which is entering Phase III development for the treatment of pain in knee osteoarthritis. Positive Phase IIb efficacy results in patients with knee osteoarthritis showed a statistically significant improvement in pain relief compared to a leading viscosupplement. The clinical trial application (CTA) for the pivotal Phase III program has been approved by the relevant authorities allowing the start of the study.

Bone Therapeutics' other core technology is based on its cutting-edge allogeneic cell therapy platform (ALLOB) which can be stored at the point of use in the hospital, and 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, scalable cutting-edge manufacturing process. Following the CTA approval by the Belgian regulatory authority, the Company is ready to start the Phase IIb clinical trial with ALLOB in patients with difficult tibial fractures, using its optimized production process.

The ALLOB platform technology has multiple applications and will continue to be evaluated in other indications including spinal fusion, osteotomy and maxillofacial and dental applications.

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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