

Bone Therapeutics Invests in Cell Therapy Manufacturing Facility

State-of-the-art facility to support the manufacture of Bone Therapeutics' cell therapy products on a commercial scale

Production facility expected to be fully operational in 2015

Gosselies, Belgium, 25th February 2013 - BONE THERAPEUTICS, the leading international biopharmaceutical company focused on innovative cell therapy products for the treatment of bone diseases, announces that it has secured its future manufacturing requirements, allowing it to produce its unique bone cell therapy products on a commercial scale.

Bone Therapeutics has made an investment in Skeletal Cell Therapy Support S.A (SCTS), alongside the Walloon region and private investors, to fund the €10 million construction of a new manufacturing facility based in the Gosselies Scientific Park near Brussels, Belgium. The financing of the building cost is fully secured in equal parts in equity, loans from ING and BNP Paribas Fortis and subsidies from the Walloon Region. Bone Therapeutics is now a 49.9% shareholder in SCTS. Skeletal Cell Therapy Support S.A will manage the construction and will run the site once operational.

This investment will allow Bone Therapeutics to manufacture its lead product PREOB[®], an autologous bone cell therapy product currently in Phase III clinical trials for the treatment of osteonecrosis, under GMP conditions.

The construction of the new facility will also provide SCTS customers with state-of-the-art facilities tailored to meet the specific demands of the cell therapy industry and deliver long-term operational and financial efficiencies, with an improved manufacturing process at an increased scale. The completed production unit will initially include six class B production cells across 1.950m² and will be able to produce up to 5.000 batches per annum at full capacity. In addition, 1.300m² will be dedicated to quality control and research activities.

Upon completion of construction in 2015, Bone Therapeutics will be headquartered at the facility.

Enrico Bastianelli, Chief Executive Officer of Bone Therapeutics, commented: "We are delighted to be collaborating on this local venture to build a dedicated cell therapy industrial manufacturing facility in Wallonia. Securing access to these state of the art facilities is in line with Bone Therapeutics' strategy to become a successful commercial stage company and to support the potential commercialization of our lead product PREOB[®], which is now ready for manufacturing and scale up. This is a great opportunity for Bone Therapeutics and we look forward to moving our operations into the brand new state-of-the-art facilities."

About Bone Therapeutics

Bone Therapeutics is a leading international biopharmaceutical company focused on innovative cell therapy products for the treatment of bone diseases. Utilizing the Company's unique knowledge of the bone/joint physiology and long-standing expertise in cell therapy and cell transplantation, Bone Therapeutics has created a fully integrated business with an advanced product pipeline comprising novel bone cell products, tailored in-house production methods, and minimally invasive treatment techniques.

Bone Therapeutics' lead product, PREOB[®], is an autologous bone cell product, currently in Phase III clinical trials for the treatment of osteonecrosis and non-union fractures. Bone Therapeutics is also developing an allogeneic bone cell therapy product, ALLOB[®], which is expected to enter the clinic in 2013, and MXB, a combined cell-matrix product for the treatment of large bone defects, currently in preclinical development. All of Bone Therapeutics' cell therapy products are manufactured to the highest GMP standards and protected by a rich IP estate.

The bone disease and reconstruction market is one of the largest healthcare markets in the world, with more than 4 million procedures requiring bone grafts performed annually in Europe and the USA alone. Bone Therapeutics is operating in areas where demand for new products is high and competition is low. Founded in 2006, Bone Therapeutics is privately held and headquartered in Gosselies (south of Brussels), Belgium. Further information is available at: bonetherapeutics.com

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