

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 announces H1 results for 2018

**Patient recruitment completed for Phase I/IIA spinal fusion study with ALLOB®**

**Strengthening of Company's Board with the appointments of Jean Stéphane as Chairman, and Claudia D'Augusta and Jean-Luc Vandebroek as new Board members**

**€ 19.45 million of commitment secured following successful private placement of convertible bonds**

*Conference call to be held at 12:00 noon CEST / 11:00am BST today -details below*

**Gosselies, Belgium, 30 August 2018, 7am CEST – BONE THERAPEUTICS** (Euronext Brussels and Paris: BOTHE), the bone cell therapy company addressing 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 2018, prepared in accordance with IFRS as adopted by the European Union.

**Thomas Lienard, Chief Executive Officer of Bone Therapeutics, commented:** *"We have made significant progress over the first half of 2018 towards our goal of creating efficacious and commercially scalable bone cell therapy products to address large underserved patient populations. We have made advances clinically, secured significant depth of experience at the Board level and have the funds to ensure continued pace across our development programmes in the future. Looking to the second half of the year, we look forward to providing further data on our allogeneic and autologous programmes and our further clinical development plans."*

### Operational and Corporate Highlights

- In February 2018, Bone Therapeutics completed patient recruitment in the ALLOB® Phase IIA spinal fusion study. Efficacy and safety data for the full set of 32 patients are expected mid-2019, post a follow-up period of 12 months.
- The Company appointed Jean Stéphane as Chairman and Claudia D'Augusta as an independent director to its Board of Directors. Their vast experience in biotech leadership and manufacturing excellence will greatly support the progress of the clinical and commercial development of the Company's promising cell therapy pipeline.
- Following his nomination at the Annual General Assembly held in June 2018, Chief Financial Officer, Jean-Luc Vandebroek also joined the Board as an Executive Director.

### Financial Highlights

- In March, Bone Therapeutics secured via a private placement of convertible bonds and associated bond warrants € 19.45 million in committed capital. The exercise of warrants by part of the investors resulted in total gross proceeds for the period of € 9.09 million, made up of initial gross proceeds of € 6.58 million and the exercise of additional 1,002 bond warrants have been exercised resulting in supplementary proceeds of € 2.51 million in the second quarter. The remaining warrants will be exercised over a maximum period of 16 months ending in October 2019, providing additional proceeds of € 10.36 million. (For additional details regarding the convertible bonds and the impact of the related transactions on the financial statements, we refer to note 5 concerning the Financial Liabilities in the H1 2018 Report.)

- During the first six months of 2018, total operating income amounted to € 1.88 million, a slight decrease compared to the same period in 2017 (€ 1.92 million).
- Operating loss for the period amounted to € 6.08 million, compared to € 6.16 million in H1 2017
- The Company ended the first six months of 2018 with € 9.10 million in cash and cash equivalents. Cash used for the period amounted to € 7.90 million excluding net proceeds obtained from the private placement and exercise of bond warrants, is in line with cash used over the same period last year (€ 7.70 million).

**Outlook for the remainder of 2018**

- Bone Therapeutics plans to report the final results from the ALLOB® Phase I/IIA delayed-union study, provide an update on the optimisation of its allogeneic manufacturing process and the next steps of clinical development in September.
- The Company expects to present the conclusions of the interim analysis after a one-year follow-up period of the first 44 patients in the Phase III study of PREOB® in osteonecrosis of the hip in Q4 2018.
- The Company confirms the expected cash burn (excluding proceeds from financing) for the full year 2018 to be in the range of € 15-16 million in line with previous guidance. Based on its current priorities, the Company expects to have sufficient cash to carry out its objectives until the end of Q3 2019.

**Conference call**

Thomas Lienard, Chief Executive Officer, and Jean-Luc Vandebroek, Chief Financial Officer, will host a conference call and Q&A at 12:00 noon CEST / 11:00am BST. The call will be conducted in English and a replay will be available for 30 days via the Company's website.

To access the conference call, please dial one of the appropriate number below quoting the conference ID.

Belgium: +32 (0)24 00 98 74

France: +33 (0) 176 70 07 94

US: +1 (866) 966 1396

UK: +44 (0) 2071 928 000

Conference ID: 5184256

The presentation will be made available on the Investors section of the Bone Therapeutics website shortly before the call (<http://bonetherapeutics.com/en/investors/presentations>)

**Key opinion leader event**

On the morning of the 14 September, the Company will host a Key Opinion Leader Event in Paris at 12.30pm CEST. Presentations will be given by Prof. Dr. Frédéric Dubrana, Orthopaedic Surgeon at the University Hospital of Brest and Professor at the University of Western Brittany and Thomas Lienard, Chief Executive Officer. The event in Paris will be held in French with an English language webcast of the same presentations at 3.30pm CEST. For more information please contact [investorrelations@bonetherapeutics.com](mailto:investorrelations@bonetherapeutics.com).

**● 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<sup>®</sup>, 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<sup>®</sup>, 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](http://www.bonetherapeutics.com).*

**● For further information, please contact:****Bone Therapeutics SA**

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**Regulated information**
**30 August 2018**
**Interim Condensed Consolidated Statement of Comprehensive Income**

<i>(in thousands of euros)</i>	For the six-month period ended	
	30-06-2018	30-06-2017
Revenues	0	0
Other operating income	1,880	1,922
<b>Total revenues and operating income</b>	<b>1,880</b>	<b>1,922</b>
Research and development expenses	(6,218)	(6,430)
General and administrative expenses	(1,737)	(1,656)
<b>Operating profit/(loss)</b>	<b>(6,076)</b>	<b>(6,164)</b>
Interest income	78	120
Financial expenses	(2,442)	(316)
Exchange gains/(losses)	(4)	(5)
Share of profit/(loss) of associates	0	(2)
<b>Result Profit/(loss) before taxes</b>	<b>(8,444)</b>	<b>(6,368)</b>
Income taxes	(10)	0
<b>TOTAL COMPREHENSIVE INCOME OF THE PERIOD</b>	<b>(8,454)</b>	<b>(6,368)</b>
<b>Basic loss per share (in euros)</b>	<b>(1.17)</b>	<b>(0.93)</b>
<b>Diluted loss per share (in euros)</b>	<b>(0.95)</b>	<b>(0.91)</b>
Profit/(loss) for the period attributable to the owners of the Company	(8,452)	(6,352)
Profit/(loss) for the period attributable to the non-controlling interests	(2)	(16)
Total comprehensive income for the period attributable to the owners of the Company	(8,452)	(6,352)
Total comprehensive income for the period attributable to the non-controlling interests	(2)	(16)

**Regulated information**
**30 August 2018**
**Interim Condensed Consolidated Statement of Financial Position**

<b>Consolidated Assets IFRS per:</b> <i>(in thousands of euros)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>
<b>Non-current assets</b>	<b>10,379</b>	<b>10,558</b>
Intangible assets	16	30
Property, plant and equipment	6,216	6,302
Investments in associates	298	297
Financial assets	299	317
Deferred tax assets	3,549	3,611
<b>Current assets</b>	<b>14,055</b>	<b>14,615</b>
Trade and other receivables	4,810	5,938
Other current assets	147	266
Cash and cash equivalents	9,098	8,411
<b>TOTAL ASSETS</b>	<b>24,433</b>	<b>25,173</b>
<b>Consolidated Liabilities IFRS per:</b> <i>(in thousands of euros)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>
<b>Equity</b>		
Equity attributable to owners of the parent	<b>4,023</b>	<b>2,383</b>
<i>Share capital</i>	16,338	14,663
<i>Share premium</i>	48,869	42,665
<i>Retained earnings</i>	(61,774)	(55,501)
<i>Other reserves</i>	590	557
Non-controlling interests	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>4,023</b>	<b>2,383</b>
<b>Non-current liabilities</b>	<b>11,406</b>	<b>12,192</b>
Financial liabilities	9,737	10,551
Other non-current liabilities	1,669	1,641
<b>Current liabilities</b>	<b>9,005</b>	<b>10,598</b>
Financial liabilities	3,615	1,251
Trade and other payables	2,609	3,583
Other current liabilities	2,780	5,764
<b>Total liabilities</b>	<b>20,411</b>	<b>22,791</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,433</b>	<b>25,174</b>

**Regulated information**
**30 August 2018**
**Interim Condensed Consolidated Cash Flow Statement**

<i>(in thousands of euros)</i>	<b>For the six-month period ended</b>	
	<b>30-06-2018</b>	<b>30-06-2017</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit/(loss)	(6,076)	(6,165)
Adjustments for:		
Depreciation, Amortisation and Impairments	283	253
Share-based compensation	26	17
Grants income related to recoverable cash advances	(1,147)	(1,063)
Grants income related to patents	(79)	(112)
Grants income related to tax credit	(281)	(360)
Other	(6)	9
Movements in working capital:		
Trade and other receivables (excluding government grants)	111	(431)
Trade and Other Payables	(979)	(437)
Other current liabilities (excluding government grants)	(2)	(2)
<b>Cash generated from operations</b>	<b>(8,150)</b>	<b>(8,294)</b>
Cash received from grants related to recoverable cash advances	820	1,368
Cash received from grants related to patents	0	19
Cash received from grants related to tax credit	232	0
Income taxes paid	(10)	0
<b>Net cash used in operating activities</b>	<b>(7,107)</b>	<b>(6,908)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interests received	1	(2)
Purchases of property, plant and equipment	(183)	(334)
Purchases of intangible assets	0	(9)
<b>Net cash used in investing activities</b>	<b>(183)</b>	<b>(346)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from government loans	352	586
Repayment of government loans	(495)	(480)
Dividend paid	0	(60)
Reimbursements of financial lease liabilities	(197)	(236)
Reimbursements of other financial loans	(125)	(125)
Interests paid	(133)	(133)
Transaction costs related to private placement	(512)	0
Proceeds from issue of equity instruments of the Company (net of issue costs)	7,880	0
Proceeds received from convertible loan	1,208	0
<b>Net cash provided by financing activities</b>	<b>7,976</b>	<b>(447)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>686</b>	<b>(7,700)</b>
<b>CASH AND CASH EQUIVALENTS at beginning of period</b>	<b>8,411</b>	<b>20,300</b>
<b>CASH AND CASH EQUIVALENTS at end of period</b>	<b>9,098</b>	<b>12,598</b>

**Regulated information**
**30 August 2018**
**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 1 January 2017</b>	<b>20,708</b>	<b>42,670</b>	<b>(48,108)</b>	<b>15,270</b>	<b>0</b>	<b>15,270</b>
Total comprehensive income of the period	0	0	(6,352)	<b>(6,352)</b>	(16)	(6,368)
Issue of share capital	0	0	0	<b>0</b>	0	0
Allocation to the legal reserve	0	0	(3)	<b>(3)</b>	0	(3)
Share-based payment	0	0	17	<b>17</b>	0	17
Movement non-controlling interests	0	0	(16)	<b>(16)</b>	16	0
Other	0	0	(18)	<b>(18)</b>	0	(18)
<b>Balance at 30 June 2017</b>	<b>20,708</b>	<b>42,670</b>	<b>(54,481)</b>	<b>8,897</b>	<b>0</b>	<b>8,897</b>
<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	<b>1,501</b>	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)	<b>(8,452)</b>	(2)	(8,452)
Issue of share capital	1,676	6,205	0	<b>7,881</b>	0	7,881
Specific reserve for convertible bonds and warrants	0	0	685	<b>685</b>	0	685
Allocation to the legal reserve	0	0	5	<b>5</b>	0	5
Share-based payment	0	0	26	<b>26</b>	0	26
Movement non-controlling interests	0	0	(2)	<b>(2)</b>	2	0
Other	0	0	(3)	<b>(3)</b>	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>