

Bone Therapeutics receives positive ruling on Belgian Patent Income Deduction

Gosselies, Belgium, 15 September 2016 – BONE THERAPEUTICS (Euronext Brussels and Paris: BOTHE), the bone cell therapy company addressing high unmet medical needs in bone fracture repair, fracture prevention and spinal fusion, today announces that it has received a positive ruling regarding the application of the Belgian Patent Income Deduction (PID).

Under this favourable regime, 80% of all revenues from patents relating to its products PREOB® and ALLOB® plus two other earlier-stage products, MXB™ and JTA™, will be exempt from Belgian income tax. PREOB® and ALLOB® are currently in phase II and phase III clinical trials for a variety of indications including osteoporosis, delayed-union, spinal fusion and osteonecrosis. The 80% exemption results in a net effective tax rate of 6.8% before incorporation of losses carried forward and tax credits.

The PID regime allows for exemption of 80% of revenues resulting from:

- Licensing income received through license agreements under the form of upfront payments, milestone payments, royalties or other payments relating to the granting of a license on the patents for which the ruling was obtained.
- Technology embedded royalties integrated into the sales price of products covered by patents for which a ruling was obtained.

Following the notification of a positive ruling on the application of the Belgian PID regime, the Belgian Parliament subsequently approved a new law which has the effect of guaranteeing that Bone Therapeutics would be eligible to benefit from this regime up to 30 June 2021. New legislation is pending that will further align Belgian Law with current OECD directives. This new legislation will apply to patent income resulting from patents requested after 30 June 2016.

Wim Goemaere, Chief Financial Officer of Bone Therapeutics, said: *“We welcome this ruling which enables Bone Therapeutics to benefit from the highly advantageous PID regime potential licensing revenues received up to 30 June 2021. The Belgian PID regime recognises the importance of encouraging and rewarding innovation by Belgian companies like Bone Therapeutics. We believe schemes such as this are of major benefit to our shareholders and to our ability to continue to invest in the discovery and development of ground-breaking technologies and products which can meet the needs of patients around the world.”*

● About Bone Therapeutics

Bone Therapeutics is a leading biotechnology company specializing in the development of cell therapy products intended for bone fracture repair and fracture prevention. The current standard-of-care in this field involves major surgeries and long recovery periods. To overcome these problems, Bone Therapeutics is developing a range of innovative regenerative products containing osteoblastic/bone-forming cells, administrable via a minimally invasive percutaneous technique; a unique proposition in the market.

PREOB®, Bone Therapeutics' autologous bone cell product, is currently in pivotal Phase IIB/III clinical studies for two indications: osteonecrosis and non-union fractures, and in Phase II for severe osteoporosis. ALLOB®, its allogeneic “off-the-shelf” bone cell product, is in Phase II for the treatment of delayed-union fractures and lumbar fusion for degenerative disease of the spine, including a minimally invasive therapy for failed spinal fusions. The Company also runs preclinical research programs and develops novel product candidates.

Founded in 2006, Bone Therapeutics is headquartered in Gosselies (South of Brussels, Belgium). Bone Therapeutics' regenerative products are manufactured to the highest GMP standards and are protected by a rich IP estate covering 11 patent families. Further information is available at: www.bonetherapeutics.com.

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