

Bone Therapeutics Reports Full Year 2016 Results

- Streamlined strategic priorities with primary focus on allogeneic pipeline
- Strong progress in clinical development of allogeneic platform ALLOB®
- Further demonstration of efficacy of autologous PREOB® in osteonecrosis
 - Cash at end of 2016: EUR 20.3 million
- Management team strengthened with appointments of Thomas Lienard (CEO), Benoît Champluvier (CTMO) and Miguel Forte (CMO)

Thomas Lienard, CEO, and Wim Goemaere, CFO, will host a conference call today at 10:00 CET / 09:00 GMT. To access the conference call, please dial one of the appropriate numbers below quoting the conference ID:

Belgium: +32 (0)81 70 00 61

France: +33 (0) 805 63 20 56

US: +1 (866) 966 9439

UK: +44 (0) 1452 555 566

Conference ID: 81483630

The presentation for the call will be made available on the [Investors section](#) of the Bone Therapeutics website shortly before the call. A replay will be available through dialling the following number +44 (0)1452 550 000 / +33 (0) 805 11 13 37 and by using the conference ID: 81483630#

Gosselies, Belgium, 16 March 2017, 7am CET – BONE THERAPEUTICS (Euronext Brussels and Paris: BOTHE), the bone cell therapy company addressing high unmet medical needs in orthopaedic and bone diseases, today reports its full year results for the year ending 31 December 2016, prepared in accordance with IFRS as adopted by the European Union.

Thomas Lienard, CEO of Bone Therapeutics, commented: *“Over the past year Bone Therapeutics has undergone an important transition, during which we have seen a growing body of encouraging data around the safety and efficacy of our allogeneic bone cell therapy product ALLOB®, underpinning our confidence in the technology. Following a review of our portfolio and priorities, we have decided to focus our clinical strategy around our allogeneic platform, which we think offers significant commercial advantages due to its clinical benefits, scalability, cost-effectiveness and relevance for large addressable markets with high unmet need. During the year, the Company has maintained its strong focus on cash burn, ending 2016 with EUR 20.3 million, slightly ahead of expectations.”*

“With the appointment of Benoît Champluvier as Chief Technology and Manufacturing Officer last year, we are also focusing on strengthening our in-house manufacturing expertise, ensuring that the Company is ready to take its products to market in the future. Together with the recent appointment of Miguel Forte as the new Chief Medical Officer to strengthen the leadership of our development capabilities, we believe we have the right team in place to focus on advancing our unique bone cell therapy programmes into late-stage trials and towards commercialisation.”

“For 2017, we are expecting potential value inflection points in the second half of this year from our delayed-union fractures and spinal fusion clinical programmes. We look forward to moving ahead to bring this unique technology to patients and to deliver value for investors.”

Key Highlights:

- Streamlining of strategic priorities following a review of the portfolio, to intensify focus on the development of the allogeneic pipeline. This strategy offers the most promising commercial opportunities and the greatest potential for partnerships, based on clinical benefits, scalability, cost-effectiveness and large addressable markets with unmet need
- Significant progress in clinical development of ALLOB[®], our flagship allogeneic bone cell therapy technology, underpinning the potential of Bone Therapeutics' approach:
 - Positive safety and preliminary efficacy data reported in Phase IIA spinal fusion trial on first 8 patients treated
 - Completion of recruitment of the first 16 patients for the ALLOB[®] spinal fusion trial allowing for the completion of the interim analysis during late summer 2017
 - Positive safety and preliminary efficacy data reported for the first 8 patients treated in the delayed-union fractures Phase I/IIA trial. Seven out of eight patients met the primary endpoint at six months
 - Completion of recruitment of the first 16 patients for the ALLOB[®] delayed union trial post period
 - After the period end, the Safety Monitoring Committee confirms the safety of treatment for the 16 delayed-union patients. ALLOB has now been safely administered to over 40 patients across multiple programs with no clinical adverse effects
- Complete positive data from the proof-of-concept Phase IIB study of PREOB[®] in osteonecrosis presented at the Annual European Congress for Rheumatology (EULAR) conference

Financial and Corporate Highlights:

- Operating income of EUR 4.0 million for the full year 2016, compared to EUR 3.8 million in full year 2015
- Operating loss for the period amounted to EUR 12.8 million, compared to EUR 12.2 million in full year 2015
- EUR 20.3 million at 31 December in cash and cash equivalents
- Appointment of Thomas Lienard, as Chief Executive Officer and Benoit Champluvier as Chief Technology and Manufacturing Officer, ensuring that the Company has the right expertise to support the business as it strengthens its commercial manufacturing capabilities
- Miguel Forte, post the period end, appointed as Chief Medical Officer, completing the leadership team to focus on driving the business toward commercialisation

Key Financials

(€ million)	FY 2016	FY 2015
Operating income	4.01	3.82
Operating expenses	(16.81)	(16.05)
R&D	(13.65)	(12.91)
G&A	(3.16)	(3.14) ¹
Operating result	(12.80)	(12.22)
Net financial result	(0.28)	(1.80)
Net result	(13.02)	(14.09)
Net cash flow	(13.31)	22.04
Operating activities	(11.37)	(11.77)
Investing activities	(0.58)	(2.98)
Financing activities	(1.36)	36.78
Cash position at 31 December	20.30	33.61

¹ Including € 1.06 million of IPO costs

● About Bone Therapeutics

Bone Therapeutics is a leading cell therapy company addressing high unmet needs in orthopaedic 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.

Our 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.

Our 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 and non-union fractures.

Bone Therapeutics’ cell therapy products are manufactured to the highest GMP standards and are protected by a rich IP estate covering 9 patent families. Further information is available at: www.bonetherapeutics.com.

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

Thomas Lienard, Chief Executive Officer
Wim Goemaere, Chief Financial Officer

Tel: +32 (0)2 529 59 90

investorrelations@bonetherapeutics.com

For Belgium and International Media Enquiries:**Consilium Strategic Communications**

Amber Fennell, Jessica Hodgson and Hendrik Thys

Tel: +44 (0) 20 3709 5701

bonetherapeutics@consilium-comms.com

For French Media and Investor Enquiries:**NewCap Investor Relations
& Financial Communications**

Pierre Laurent, Louis-Victor Delouvrier and Nicolas Merigeau

Tel: + 33 (0)1 44 71 94 94

bone@newcap.eu

Certain statements, beliefs and opinions in this press release are forward-looking, which reflect the Company or, as appropriate, the Company directors’ current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Forward looking statements contained in this press release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither the Company nor its advisers or representatives nor any of its subsidiary undertakings or any such person’s officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release.
