

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO

PRESS RELEASE

REGULATED INFORMATION - INSIDE INFORMATION



BONE THERAPEUTICS SUCCESSFULLY RAISES EUR 8.5 MILLION

Gosselies, Belgium, 27 June 2019, 9pm CEST – Bone Therapeutics SA (Euronext Brussels and Paris: BOTHE; the "Company" or "Bone Therapeutics"), the leading biotech company focused on the development of innovative cell and biological therapies to address high unmet medical needs in orthopaedics and bone diseases, today announces that it has successfully raised EUR 8.5 million in gross proceeds through a private placement of 1,351,352 new shares via an accelerated bookbuild offering, launched on 27 June 2019 (the "Private Placement") and a non-dilutive subordinated bond placement (the "Bond Issuance").

Thomas Lienard, Chief Executive Officer of Bone Therapeutics commented: *"The level of support we received from our existing and new investors is a true recognition of our potential to fundamentally change the way patients with bone diseases and orthopaedic conditions are treated. Over the past nine months, we have made substantial progress across our entire business, including the successful completion of three Phase II programmes across multiple indications and the implementation of a proprietary, high-yield, scalable cell therapy manufacturing process. The funds raised today will allow us to further build on this positive momentum and to continue to build significant value for our shareholders and patients. We look forward to reporting on our progress over the next coming period."*

Jean-Luc Vandebroek, Chief Financial Officer of Bone Therapeutics, added: *"We are very pleased with the demand and support from both our existing shareholders as well as new local and international investors, underpinning their confidence in our Company and the unique potential of our innovative product candidates. The associated subordinated bond placement allowed us to diversify our funding sources to strengthen our balance sheet ahead of the anticipated start of the late-stage clinical programmes with ALLOB and JTA-004, while limiting the dilution of our existing shareholders. In line with our financing strategy, we will continue to seek funding to further strengthen our working capital and to fund our operations, including strategic transactions, additional private placement transactions or public share offerings."*

Bone Therapeutics intends to use the net proceeds from the Private Placement and the Bond Issuance to:

- Initiate the Phase II/III programme in Europe and the United States with its proprietary allogeneic cell therapy product, ALLOB, in patients with delayed-union fractures;
- Start the Phase III programme in Europe and the United States with its enhanced viscosupplement, JTA-004, in patients with knee osteoarthritis;

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO

- Fund non-clinical developments of ALLOB and;
- Cover general business expenses and corporate activities.

With the total gross proceeds of EUR 8.5 million raised through the Private Placement and the Bond Issuance, the Company expects to have sufficient cash to carry out its strategic objectives into Q3 2020.

Via the Private Placement, Bone Therapeutics has raised EUR 5.0 million and placed 1,351,352 new shares with current and new institutional investors in Belgium and abroad at a price of EUR 3.70 per share, which represents a 15% discount to yesterday's closing price. The new shares represent 15.1% of the Company's shares currently admitted to trading on Euronext Brussels and Euronext Paris (pre-transaction) and will bring the total number of shares (post-transaction) to 10,303,323. The new shares will be admitted to trading on Euronext Brussels and Paris following their issuance, which is expected to take place on 1 July 2019.

The payment and delivery of the new shares is expected to take place on 1 July 2019, and an application will be made to admit the new shares to trading on the regulated markets of Euronext Brussels and Euronext Paris at the same time. The new shares to be issued will have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of the Company at the moment of their issuance.

Via the Bond Issuance, the Company has raised EUR 3.5 million. The non-dilutive subordinated bonds will be issued in registered form, redeemable at 100% of their principal amount with a maturity of 48 months and a coupon of 8% per annum. The coupon will be payable annually.

The new ordinary shares were offered through an accelerated bookbuild procedure with institutional investors only, outside the United States, in accordance with Regulation S under the Securities Act, and may be subject to restrictions in other jurisdictions.

Belfius Bank NV/SA, in cooperation with Kepler Cheuvreux SA and its affiliates, is acting as Sole Bookrunner (the "**Bookrunner**") in the Private Placement. In relation to the Private Placement, the Company has agreed with the Bookrunner a market customary 180-days standstill period on future share issuances, waivable by the Bookrunner and subject to customary exceptions.

About Bone Therapeutics

Bone Therapeutics is a leading biotech company focused on the development of innovative products to address high unmet needs in orthopaedics and bone diseases. Based in Gosselies, Belgium, the Company has a broad, diversified portfolio of bone cell therapy and other products in later-stage clinical development across a number of disease areas, which target markets with large unmet medical needs and limited innovation.

Bone Therapeutics' core technology is based on its off-the-shelf allogeneic cell therapy platform (ALLOB) which uses a unique, proprietary approach to bone regeneration, which turns undifferentiated stem cells

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO

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 commercial-scale, proprietary, cutting-edge manufacturing process.

The Company's ALLOB product pipeline includes a wholly-owned cell therapy product candidate that successfully completed two Phase II programmes in patients with delayed-union fractures and patients undergoing a lumbar spinal fusion procedure. In addition, the Company is developing a proprietary enhanced viscosupplement, JTA-004, for which a clinical trial application is planned before the end of 2019 to enter Phase III development for the treatment of pain in knee osteoarthritis.

Bone Therapeutics' cell therapy products are manufactured to the highest GMP standards and are protected by a broad IP portfolio covering ten patent families as well as knowhow. Further information is available at www.bonetherapeutics.com.

For further information, please contact:

Bone Therapeutics SA

Thomas Lienard, Chief Executive Officer

Jean-Luc Vandebroek, Chief Financial Officer

Tel: +32 (0) 71 12 10 00

investorrelations@bonetherapeutics.com

For International Media Enquiries:

Consilium Strategic Communications

Marieke Vermeersch

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 Arthur Rouillé

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

bone@newcap.eu

Important information regarding the Private Placement:

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia), Australia, Canada, Japan, South Africa or any jurisdiction into which the publication or distribution would be unlawful.

This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of Bone Therapeutics SA in the United States, Australia, Canada, Japan, South Africa or any jurisdiction in which such offer or solicitation would be unlawful or require preparation of any prospectus or other offer documentation or would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

The new shares that are to be sold in the Private Placement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States.

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO

No public offering of the new shares referred to in this announcement is being made in the United States or elsewhere.

With respect to the member states of the European Economic Area which have implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the shares of Bone Therapeutics SA requiring a publication of a prospectus in any Relevant Member State. As a consequence, the shares of Bone Therapeutics SA may only be offered or sold in any Relevant Member State pursuant to an exemption under the Prospectus Directive.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom to whom it may be lawfully communicated or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, including persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The new shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Belfius Bank NV in cooperation with Kepler Cheuvreux SA are acting exclusively for the Company and no one else in connection with the capital increase. In connection with such matters, they, their affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the capital increase or any other matters referred to in this announcement.

Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the new shares.

This announcement does not, and shall not, in any circumstances, constitute a public offering, nor a public offer to sell or to subscribe for, nor a public solicitation to offer to purchase or to subscribe for, securities in any jurisdiction. No action has been taken by Bone Therapeutics SA, Belfius Bank NV or Kepler Cheuvreux SA or any of their respective affiliates to permit a public offering of the securities described in this announcement or possession or distribution of this announcement in any jurisdiction where action for that purpose is required.

This announcement cannot be used as a basis for any investment agreement or decision. The Company is not liable if the aforementioned restrictions are not complied with by any person.

Forward-looking information

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. Certain of these statements, forecasts and estimates can be recognised by the use of words such as, without limitation, "believes", "anticipates", "expects", "intends", "plans", "seeks", "estimates", "may", "will" and "continue" and similar expressions. They include all matters that are not historical facts. 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. Actual results or events are difficult to predict and may depend upon factors that are beyond the Company's control. 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 and no representations are made as to the accuracy or fairness of such forward-looking statements, forecasts and estimates. 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

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO

of this press release.