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 2016

Encouraging positive safety and efficacy results across Phase II studies

Transition to allogeneic strategy for osteoporosis

Dr Enrico Bastianelli, Chief Executive Officer and Wim Goemaere, Chief Financial Officer, will host a conference call today at 14:00 CEST / 13:00 BST / 08:00 EDT.
The call will be conducted in English and a replay will be available for 30 days.

To access the conference call, please dial one of the appropriate number below quoting the conference ID.
BE: +32 (0) 80 04 08 64
FR: +33 (0) 805 63 20 56
US: +1 (0) 8669 669 439
Standard International Dial-In: +44 (0) 1452 555566
Conference ID 71646893

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)

Gosselies, Belgium, 30 August 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 provides a business update and its financial results for the six-month period ended 30 June 2016, prepared in accordance with IFRS as adopted by the European Union.

Enrico Bastianelli, Chief Executive Officer of Bone Therapeutics, commented: *"Over the past six months we have made significant progress across our pipeline, with important safety and efficacy results from the ongoing Phase II programs in delayed-union fractures, spinal fusion and osteoporosis and the final results of the Phase IIB osteonecrosis study, underpinning confidence in our platforms.*

"Following the promising results of the first patient group in the PREOB® Phase IIA severe osteoporosis trial, we made the important strategic decision to transition the osteoporosis program to allogeneic development. This reflects our belief that ALLOB® has the potential to deliver a better solution for patients and enhance the value of this programme from a future partnership.

"In the second half of 2016, we look forward to communicating efficacy results from the ALLOB® spinal fusion trial and completing recruitment for the interim analysis in the Phase I/IIA delayed-union trial."

Operational Highlights

In the first half of 2016, the Company made important progress across its pipeline:

Osteoporosis:

- Positive effects on pain and osteoporosis blood markers after a single intravenous administration of PREOB® in the first patient cohort in the Phase IIA severe osteoporosis trial.
- The strategic decision was made to transition the program for severe osteoporosis to allogeneic development. The initiation of a controlled Phase IIB study with ALLOB® is currently being prepared.

Spinal fusion:

- Presentation of positive 12-month efficacy results of the first patient in the ALLOB® Phase IIA spinal fusion trial at the Clinical Applications of Stem Cells conference.
- Completion of recruitment for the ALLOB® Phase IIA spinal fusion trial without any treatment-related safety concerns, with extension of the study due to high clinical demand and to investigate the detailed dynamics of the fusion.

Impaired fracture healing:

- Primary endpoints met in seven out of eight patients in the Phase I/IIA ALLOB® delayed-union trial, with overall 77% radiological and 68% clinical improvement six months after treatment.
- Expansion of the delayed-union program with ALLOB® into multiple fractures. Twelve patients, diagnosed with multiple delayed-union fractures of long bones, will be enrolled into the study.

Osteonecrosis:

- Demonstration of superiority of a single PREOB® administration over standard of care in Phase IIB osteonecrosis study. Data presented at EULAR in June showed that at 24 months, 70% of PREOB®-treated patients responded to treatment, compared to only 37% of patients in the standard of care group.

Corporate Highlights

The Company further strengthened its ability to deliver its growth strategy with the appointment of Benoît Champluvier as Chief Technology and Manufacturing Officer. Mr Champluvier joins from GlaxoSmithKline Vaccines, where he has more than 20 years' experience of driving innovative and complex bioprocesses, supporting the development and launch of a number of new products. He will be responsible for production and quality control, playing a key role in gearing up Bone Therapeutics' capacity to manufacture both commercial-scale and clinical trial batches at its specialist facility in Gosselies. Mr Champluvier's nomination follows the appointment of Thomas Lienard as Chief Business Officer in November 2015 with responsibility for business development, business operations and strategic planning.

Bone Therapeutics celebrated its 10-year anniversary together with guests from the industry and the government, as well as from the international scientific community. Strong testimonials were given by representatives from the medical community involved in Bone Therapeutics' clinical programs: Click here to view the videos.

Financial Highlights

- During the first six months of 2016, the operating income amounted to EUR 1.95 million, in line with revenues realized during the first half of 2015 (EUR 1.98 million).
- The operating loss for the period amounted to EUR 5.74 million, compared with EUR 5.36 million in H1 2015.
- The Company ended the first six months of 2016 with EUR 26.60 million in cash and cash equivalents. Cash burn for the period amounted to EUR 7.01 million, in line with cash used over the same period last year excluding the revenues and expenses related to the IPO.

Outlook for the remainder of 2016

In the second half of 2016, Bone Therapeutics will continue its promising Phase II proof-of-concept trials with ALLOB® and plans to communicate important efficacy results of the spinal fusion trial. The Company also expects to complete recruitment for the interim analysis in the Phase I/IIA delayed-union trial. The outcome of this interim analysis, expected in Q2 2017, will determine whether the trial can be stopped at this point and already proceed towards the next phase of development.

An important focus in the second half of 2016 will be the preparation of Bone Therapeutics' first US clinical trial.

Careful cash management will remain a key priority for the Company, with a strong focus on net cash burn. The Company has sufficient cash to carry out its strategic objectives until early 2018. Cash burn for the full year 2016 is expected to be in order of EUR 14.5-16.0 million.

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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Pierre Laurent, Louis-Victor Delouvrier and Nicolas Merigeau

Consolidated Statement of Comprehensive Income

(in thousands of euros)	For the six-month period ended June 30, 2016	2015
Revenue	0	0
Other operating income	1,953	1,984
Total operating income	**1,953**	**1,984**
Research and development expenses	(6,014)	(5,271)
General and administrative expenses	(1,681)	(2,071)
Operating profit/(loss)	**(5,742)**	**(5,358)**
Interest income	191	130
Financial expenses	(314)	(1,897)
Exchange gains/(losses)	(5)	(2)
Share of profit/(loss) of associates	1	5
Result Profit/(loss) before taxes	**(5,870)**	**(7,122)**
Income taxes	60	0
PROFIT/(LOSS) FOR THE PERIOD	**(5,809)**	**(7,122)**
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	**(5,809)**	**(7,122)**
Basic and diluted loss per share (in euros)	**(0.85)**	**(1.07)**
Profit/(loss) for the period attributable to the owners of the Company	(5,638)	(7,051)
Profit/(loss) for the period attributable to the non-controlling interests	(171)	(71)
Total comprehensive income for the period attributable to the owners of the Company	(5,638)	(7,051)
Total comprehensive income for the period attributable to the non-controlling interests	(171)	(71)

Consolidated Balance Sheet

ASSETS *(in thousands of euros)*	30/06/2016	31/12/2015
Non-current assets	**9,575**	**8,682**
Intangible assets	63	69
Property, plant and equipment	6,320	5,793
Investments in associates	283	282
Financial assets	269	205
Deferred tax assets	2,639	2,333
Current assets	**33,809**	**41,701**
Trade and other receivables	7,038	7,912
Other current assets	167	178
Cash and cash equivalents	26,604	33,611
TOTAL ASSETS	**43,384**	**50,383**

EQUITY AND LIABILITIES *(in thousands of euros)*	30/06/2016	31/12/2015
Equity		
Equity attributable to owners of the parent	**22,415**	**28,147**
Share capital	20,708	20,708
Share premium	42,670	42,670
Retained earnings	(41,561)	(35,752)
Other reserves	597	520
Non-controlling interests	**0**	**0**
Total equity	**22,415**	**28,147**
Non-current liabilities	**11,713**	**11,693**
Financial liabilities	10,101	10,118
Deferred tax liabilities	0	0
Other non-current liabilities	1,612	1,575
Current liabilities	**9,256**	**10,543**
Financial liabilities	2,799	2,313
Trade and other payables	2,251	2,579
Other current liabilities	4,206	5,590
Total liabilities	**20,969**	**22,236**
TOTAL EQUITY AND LIABILITIES	**43,384**	**50,383**

Consolidated Cash Flow Statement

(in thousands of euros)	For the six-month period ended June 30, 2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/(loss)	(5,742)	(5,358)
Adjustments for:		
Depreciation, Amortisation and Impairments	282	163
Share-based compensation	86	243
Grants income related to recoverable cash advances	(1,218)	(1,279)
Grants income related to patents	(36)	(83)
Grants income related to tax credit	(306)	(299)
Other	(15)	34
Movements in working capital:		
Trade and other receivables (excluding government grants)	222	(422)
Trade and Other Payables	(384)	(1,156)
Cash generated from operations	**(7,117)**	**(8,158)**
Cash received from grants related to recoverable cash advances	438	32
Cash received from grants related to patents	59	12
Cash received from grant tax credit	37	0
Net cash used in operating activities	**(6,583)**	**(8,114)**
CASH FLOW FROM INVESTING ACTIVITIES		
Interests received	21	25
Purchases of property, plant and equipment	(786)	(996)
Purchases of intangible assets	(17)	(7)
Payments to acquire financial investments	(0)	(1)
Net cash used in investing activities	**(782)**	**(978)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from government loans	188	14
Repayment of government loans	(402)	(250)
Proceeds from loans from related parties	300	0
Reimbursements of financial lease liabilities	(116)	(20)
Proceeds from other financial loans	476	491
Interests paid	(186)	(119)
Proceeds from issue of equity instruments of the Company (net of issue costs)	0	34,622
New financial lease liabilities	98	0
Net cash provided by financing activities	**358**	**34,737**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(7,007)**	**25,646**
CASH AND CASH EQUIVALENTS at beginning of period	**33,611**	**11,577**
CASH AND CASH EQUIVALENTS at end of period	**26,604**	**37,222**

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent					
(in thousands of euros)	***Share capital***	***Share premium***	***Retained earnings***	***Total equity attributable to owners of the parent***	***Non-controlling interests***	***TOTAL EQUITY***
Balance at 1 January 2015	**10,466**	**1,671**	**(21,622)**	**(9,486)**	**0**	**(9,485)**
Total comprehensive income of the period	0	0	(7,051)	**(7,051)**	(70)	(7,121)
Issue of share capital	6,990	30,390	0	**37,380**	0	37,380
Transaction costs for equity issue	0	(2,788)	0	**(2,788)**	0	(2,788)
Conversion of convertible bonds	3,253	13,397	0	**16,650**	0	16,650
Share-based payment	0	0	243	**243**	0	243
Movement non-controlling interests	0	0	(70)	**(70)**	70	0
Other	0	0	1	**1**	0	1
Balance at 30 June 2015	**20,708**	**42,670**	**(28,497)**	**34,879**	**0**	**34,882**
Balance at 1 January 2016	**20,708**	**42,670**	**(35,232)**	**28,146**	**0**	**28,146**
Total comprehensive income of the period	0	0	(5,638)	**(5,638)**	(171)	(5,809)
Issue of share capital	0	0	0	**0**	0	0
Transaction costs for equity issue	0	0	0	**0**	0	0
Share-based payment	0	0	86	**86**	0	86
Movement non-controlling interests	0	0	(171)	**(171)**	171	0
Other	0	0	(9)	**(9)**	0	(9)
Balance at 30 June 2016	**20,708**	**42,670**	**(40,964)**	**22,415**	**0**	**22,415**