This summary note (the "**Summary Note**") has been prepared by Bone Therapeutics SA (the "**Company**" or "**Bone Therapeutics** following the creation of more than 20% of new shares due to bond conversions since the private placement of convertible bonds in March 2018. This Summary Note has been approved by Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers*, the "**FSMA**") on 27 December 2018, and subsequently notified to the French Financial Markets Authority (*Autorité des Marchés Financiers*, the "**AMF**"), and should be read in conjunction with the following documents:

- the Company's registration document as approved by the FMSA on 27 December 2018 (the "**Registration Document**"); and
- the Company's securities note following the creation of more than 20% of new shares due to bond conversions since the private placement of convertible bonds in March 2018, as approved by the FSMA on 27 December 2018 and as subsequently notified to the AMF (the "**Securities Note**").

The Registration Document and the Securities Note, together with this Summary Note, constitute a prospectus within the meaning of article 28, §1 of the Prospectus Act. This Summary Note contains the minimum disclosure requirements for a summary in accordance with Annex XXII of the Prospectus Regulation.

Investing in the Offered Shares involves a high degree of risk. An investor is exposed to the risk to lose all or part of his/her investment. Bone Therapeutics is a biotech company which undertakes clinical trials that have not led to the commercialisation of any products yet and which has never been profitable. Previous positive phase II results are no guarantee for success in subsequent studies, for regulatory approval and for market acceptance. It is emphasized that, at the date of this Summary Note, the Issuer is of the opinion that it does not have sufficient working capital to cover its working capital needs for the next 12 months. Investors are advised to carefully consider the information contained in the whole prospectus and, in particular, the risks described in the Part "Risk factors". Investors must be able to bear the economic risk of an investment in shares and should be able to sustain a partial or total loss of their investment.

Contents

Summary of the Prospectus

*This Summary Note is to be read together with the Registration Document and the Securities Note, which, together, constitute a prospectus (the "**Prospectus**") within the meaning of article 28, §1 of the Prospectus Act.*

*This Summary Note is prepared in accordance with Annex XXII of Commission Regulation (EC) NO 809/2004 of 29 April 2004 (as amended) implementing Prospectus Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereinafter the "**Prospectus Regulation**").*

*In accordance with the relevant provisions of the Prospectus Regulation, summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary Note contains all of the Elements required to be included in a summary for this type of securities and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary Note because of the type of the securities and company, it is possible that no relevant information can be given regarding the element. In this case, a short description of the Element is included in the summery, mentioning "Not applicable".*

Introductions and warnings

Element	Disclosure requirement
A.1	**Introduction and warnings** This Summary Note must be read as an introduction to the Prospectus and includes certain important information included in the Prospectus, but does not include all the information that may be important or relevant to investors. This Summary Note must be read in conjunction with the more detailed information included in the Prospectus (including the information incorporated by reference). It should also be read together with the matters included in the section "Risk Factors" of the Prospectus. Any decision to invest in the securities of Bone Therapeutics should be based on the investor's consideration of the Prospectus as a whole. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC), no civil liability will attach to the persons responsible for this Summary Note, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares. Where a claim relating to this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.
A.2	**Consent for use of the Prospectus for subsequent resale** Not applicable. The Company does not consent to the use of the Prospectus for the subsequent resale or final placement of securities by financial intermediaries.

Issuer

Element	Disclosure requirement
B.1	**Legal and commercial name of the Company** The legal and commercial name of the Company is Bone Therapeutics SA.
B.2	**Registered office and legal form of the Company**

	The Company is a limited liability company incorporated in the form of a *société anonyme* in and under the laws of Belgium. Bone Therapeutics is registered with the legal entities register (Charleroi) under number 0882.015.654. The Company's registered office is located at rue Auguste Piccard 37, 6041 Gosselies (Charleroi), Belgium (+32 71 12 10 00).
B.3	Current operations and principal activities of the Company and the principal markets in which it competes The Company is a biotechnology company with an advanced clinical pipeline of cell products including viscosupplement addressing high unmet needs in orthopaedics and bone diseases (currently three indications), founded in 2006, with a unique approach to the discovery, development and commercialisation of bone cell products for delayed union fractures and spinal fusion procedures. The Company is creating a new and unique treatment approach using differentiated bone-forming cells administered via a minimally invasive percutaneous procedure, expected to offer significant benefits over the current standard-of-care. Solid preclinical foundations and clinical results support the Company's research and development programs. The Company has extensive knowledge of bone physiology and pathophysiology and collaborates closely with prestigious academic and medical institutions. The Company has worldwide exclusive rights for a series of patents and technologies related to bone cell products, production methods and their applications The Company aims to be a leading regenerative company providing innovative cell products for conditions with high unmet medical needs (i.e., medical conditions that are not addressed adequately by an existing therapy) in the fields of bone fracture repair, spinal fusion and fracture prevention. In line with the strategy outlined in the business updates of 4 May and 7 November 2018, the Annual Report 2017 and the financial report of H1 2018, Bone Therapeutics is focussing on the development of it allogeneic product ALLOB, currently being evaluated for: • Delayed-union fractures: In September 2018, the Company reported positive final results for its Phase I/IIA study in 21 patients, supporting the future clinical development of this indication. A Phase IIB is currently in preparation. • Lumbar spinal fusion: In September 2017, the Company reported positive interim data for its Phase IIA study. The recruitment for the study was finalized in February 2018. Final results are expected in mid-2019. Simultaneously, the Company is also optimising the manufacturing process for its allogeneic platform to improve consistency, scalability, cost effectiveness and ease of use, which are critical for development and commercialisation in cell therapy. The Company plans to implement this optimised process for all future clinical development programmes involving ALLOB and recently received positive feedback on the quality control programme and non-clinical strategy for ALLOB from a Regulatory Agency for the optimisation of the manufacturing process. The Company's immediate focus is on submitting a new clinical trial application ("CTA") with the regulatory authorities to allow the start of a Phase IIB trial in delayed union, utilising the optimized production process. The Company is currently generating the non-clinical data required for the application and expects to submit the CTA for a multi-centre, randomized, controlled study in H2 2019. In addition, in October 2018, Bone Therapeutics also announced results for a first efficacy study in knee osteoarthritis with the enhanced viscosupplement JTA-004. The study showed that a single intra-articular injection of JTA-004 delivered higher pain reduction than the reference product, a leading viscosupplement. The results support the move to registration studies, broadening the Company's advanced clinical pipeline. Based on these results, the Company has initiated the preparation of a JTA-004 Phase III study with an anticipated start in H2 2019. The ongoing Phase IIA clinical trial for lumbar spinal fusion concerns an European trial. As the Phase IIB study for delayed-union fractures and the Phase III study for knee osteoarthritis are currently in preparation, no decision has been made on pursuing these clinical trials in the US.
B.4a	**Significant recent trends affecting the Company and the industries in which it operates**

Cell therapy in general

Regenerative medicine is a fast growing domain, with cell-based therapies representing the most mature sub-sector. This area has since several years been characterized by intense academic research and these programmes have recently reached the industry. The larger number of Phase I/II trials compared to more advanced trials demonstrates the start of the move from preclinical research into the clinic. The Alliance for Regenerative Medicine reported in its 2017 Annual Data Report that there are more than 854 regenerative medicine companies worldwide with 946 ongoing clinical trials at the end of 2017. In the area of stem cell-based treatments, 14 products are currently approved by the FDA (compared to 9 in 2014, 7 in 2012 and five in the three years before). The worldwide stem cell therapy market is estimated to grow at a CAGR of 20% from 2018 to 2024.

Interest in regenerative medicine and cell therapy is reflected in the amount invested in companies in the field. In 2017, a total amount of $7.5 billion dollar was globally invested in the sector (IPOs, VC/PE, Follow-ons, Corporate partnerships, excluding M&A), comparable to peak investments noted during 2015 of about $9 billion or a 75% increase compared to 2016 (ARM Annual data report - 2015, 2016, 2017).

The increasing funding from various governments and private organizations, the focus on stem cell research by the growing industry and the rising global awareness of stem cell therapies further sustain the growth of the stem cell therapy market.

The increase in legislative guidance and support for diseases targeted by regenerative medicine is also fuelling the industrial development by bringing a clear regulatory path to market and incentives for clinical development. A recent example is Japan, where a new legislation, which allows for conditional marketing approval after Phase II clinical trials, has been passed in order to accelerate the development of new regenerative medicine therapies that could help address areas of significant unmet medical need. The introduction of regulations, such as regulation (EC) 1394/2007 defining tissue-engineered products, demonstrates the growing importance of the regenerative medicine field.

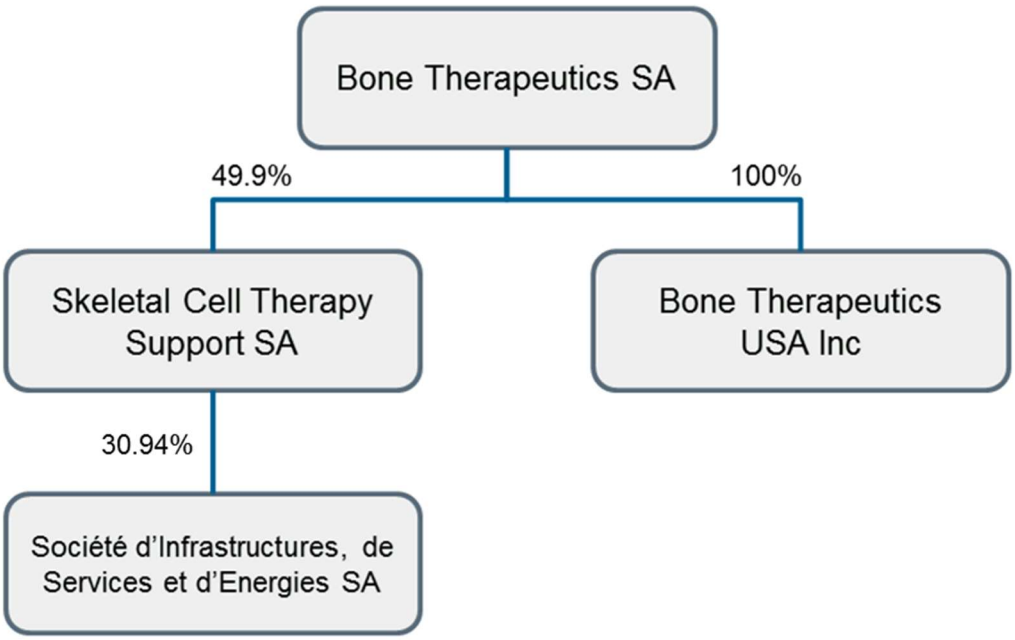
Despite the continued interest for regenerative medicine from academia, regulators and the industry, and the increasing number of regenerative products being approved and marketed, the development of cell-based therapies still remains an uncertain endeavour. This process is subject to risks such as unanticipated problems related to product development, insufficient efficacy of the product, unwanted side effects, as well as regulatory compliance and financing risk, amongst others.

Orthopaedics

The treatment of bone defects and bone diseases has since long involved the use of bone grafts and implants. These approaches have known little innovation over the past years and require highly invasive surgeries including a very painful secondary harvest surgery for autologous bone graft with a substantial risk of complications. The introduction of tissue engineering over the past few decades has generated considerable interest in exploiting the potential of cell-based therapy in orthopaedics. Consequently, we have seen the initiation of several research projects and 'pilot' studies. According to the Alliance for Regenerative Medicine, in 2014 15 stem cell-based products were in preclinical and Phase I trials and 13 products were in Phase II and III clinical trials in the field of musculoskeletal diseases, with the majority (11 out of 13) targeting joint conditions such as cartilage and tendon lesions and arthritis, and only Mesoblasts being active in the field of bone regeneration, the same as the Company is in. Early-stage initiatives by companies such as Xcelia, Novadip Biosciences or Epibone show however the interest of the industry in regenerative medicine in orthopaedics. According to the Company, Bone Therapeutics is the only clinical-stage company developing bone cell products using differentiated bone cells for the treatment of orthopaedic conditions.

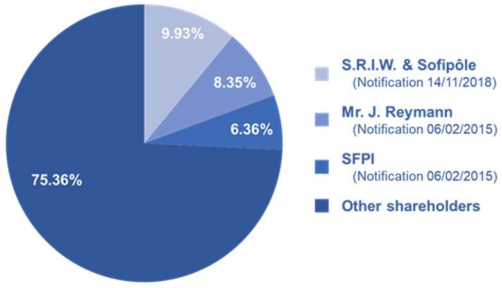
Minimally invasive approach

Minimally invasive approaches are performed with minimal incision in the patient's body and facilitate lower hospitalisation and recovery times and ensure minimal trauma and blood loss. These advantages in addition to the increased awareness regarding minimally invasive surgeries, have increased its use by physicians. The trend towards minimally invasive surgery is also attributed to the increasing incidence of various diseases that usually require surgical treatment, the ageing of the global population (elderly people carry a high risk in terms of success of the surgery) and the introduction of technologically advanced products (e.g. visualization and monitoring technologies). The global market for minimally invasive surgery has been estimated to grow at the rate of 10.9% from 2018 to 2025

	Osteoarthritis Due to the aging population, the increasing number of obesity cases, number of patients suffering from osteoarthritis are on the rise. According to the WHO, around 10% to 15% of all adults aged over 60 have some degree of osteoarthritis, with high prevalence among women than men. The UN estimated that, by 2050, people aged over 60 will account for more than 20% of the world population. Of this 20% a conservatively estimated 15% will have symptomatic osteoarthritis, and one-third of this population will be severely disabled. As a consequence, about 130 million people globally will suffer from osteoarthritis by 2050. Osteoarthritis accounts for more than 50% of the entire musculoskeletal diseases. The Global Burden of Disease 2010 study ranked osteoarthritis as 11th highest contributor to global disability. As a result, the global osteoarthritis treatment market is expected to witness a CAGR of 4.2% over the period 2018-2023 according to a recent rapport from Mordor Intelligence.
B.5	**Description of the Group and the Company's position within the Group** At the date of this Summary Note, the Company has the following affiliates: Belgium • Skeletal Cell Therapy Support SA ("SCTS"), incorporated on 5 December 2011. • Société d'Infrastructure, de Services et d'Energies SA ("SISE"), incorporated on 12 December 2011. United States of America • Bone Therapeutics USA Inc., incorporated on 26 March 2015.  The Company's main business is conducted through the Company (as described in B.3) itself and through its affiliate SCTS (Skeletal Cell Therapy Support SA). SCTS is a service company dedicated to provide infrastructure, logistics and manufacturing services to the Company. SCTS is part of the Walloon Cell Therapy Platform ("PWTC").

B.6 **Relationship with major shareholders**

To the best knowledge of the Company, its shareholders' structure is as follows on the date of this Summary Note (based on the transparency declarations received by the Company):



B.7 **Selected key historical financial information (consolidated IFRS)**

The following table includes information relating to the Company's statement of comprehensive income for the financial years ended 30 June 2018, 31 December 2017, 31 December 2016 and 2015:

(in thousands of euros)	**Period ended 30/06/18**	**Year ended 31/12/17**	**Year ended 31/12/16**	**Year ended 31/12/15**
Revenue	0	41	0	0
Other operating income	1,880	4,172	4,007	3,824
Total revenue and operating income	**1,880**	**4,213**	**4,007**	**3,824**
Research and development expenses	(6,218)	(13,122)	(13,649)	(12,910)
General and administrative expenses	(1,737)	(3,385)	(3,157)	(3,138)
Operating profit/(loss)	**(6,075)**	**(12,294)**	**(12,799)**	**(12,224)**
Interest income	78	197	173	194
Financial expenses	(2,442)	(489)	(448)	(1,966)
Exchange gains/(losses)	(4)	(12)	(15)	(26)
Share of profit/(loss) of associates	0	7	9	(1)
Result Profit/(loss) before taxes	**(8,443)**	**(12,591)**	**(13,080)**	**(14,025)**
Income taxes	(10)	(178)	60	(61)
Profit/(loss) for the period	**(8,453)**	**(2,769)**	**(13,020)**	**(14,085)**
Other comprehensive income	0	0	0	0
Total comprehensive income of the period	**(8,453)**	**(12,769)**	**(13,020)**	**(14,085)**

The table below shows the balance sheet on 1 January 2016, on 31 December 2016, On December 2017 and on 30 June 2018:

ASSETS *(in thousands of euros)*	**Year ended 30/06/18**	**Year ended 31/12/17**	**Year ended 31/12/16**	**Opening balance 01/01/16**
Non-current assets	**10,378**	**10,557**	**10,114**	**8,682**
Intangible assets	16	30	56	69
Property, plant and equipment	6,216	6,302	6,385	5,793
Investments in associates	298	297	291	282
Financial assets	299	317	299	205
Deferred tax assets	3,549	3,611	3,083	2,333
Current assets	**14,055**	**14,615**	**28,471**	**41,707**

Trade and other receivables	4,810	5,938	8,013	7,912
Other current assets	147	266	158	178
Cash and cash equivalents	9,098	8,411	20,300	33,611
Total assets	**24,433**	**25,173**	**38,585**	**50,383**

EQUITY AND LIABILITIES *(in thousands of euros)*	**Year ended 30/06/18**	**Year ended 31/12/17**	**Year ended 31/12/16**	**Opening balance 01/01/16**
Equity attributable to owners of the Company	4,023	2,383	15,270	28,147
Share capital	16,338	14,663	20,708	20,708
Share premium	48,869	42,665	42,670	42,670
Retained earnings	(61,774)	(55,501)	(48,773)	(35,752)
Reserves	590	557	665	520
Non-controlling interests	0	0	0	0
Total equity	**4,023**	**2,383**	**15,270**	**28,147**
Non-current liabilities	**11,406**	**12,192**	**12,802**	**11,693**
Financial liabilities	9,737	10,551	11,167	10,118
Other non-current liabilities	1,669	1,641	1,635	1,575
Current liabilities	**9,004**	**10,598**	**10,512**	**10,543**
Financial liabilities	3,615	1,251	1,242	2,313
Trade and other payables	2,609	3,583	3,120	2,579
Current tax liabilities	0	0	0	61
Other current liabilities	2,780	5,764	6,150	5,590
Total liabilities	**20,410**	**22,790**	**23,314**	**22,236**
Total equity and liabilities	**24,433**	**25,173**	**38,585**	**50,383**

The following table sets forth the Company's consolidated cash flow statement for the period ended 30 June 2018 and 31 December 2017, 2016 and 2015:

(in thousands of euros)	**Period ended 30/06/18**	**Year ended 31/12/17**	**Year ended 31/12/16**	**Year ended 31/12/15**
Net cash used in operating activities	(7,107)	(11,018)	(11,369)	(11,765)
Net cash used in investing activities	(183)	(415)	(578)	(2,982)
Net cash used in financing activities	7,976	(456)	(1,363)	36,781
Net increase/decrease in cash and cash equivalents	**686**	**(11,889)**	**(13,310)**	**22,034**
Cash and cash equivalents at beginning of year	**8,412**	**20,301**	**33,611**	**11,577**
Cash and cash equivalents at end of period	**9,098**	**8,412**	**20,301**	**33,611**

Significant change in the financial or trading position of Bone Therapeutics since 30 June 2018:

From 30 June 2018 till the date of this Document, the total number of new shares issued represent 392,305 shares. At the date of this Document, the share capital of the Company amounts to € 12,531,511.76, represented by 8,310,546 shares, without nominal value, each representing 1/8,310,546th of the share capital.

Following the exercise of the remaining part of the bond warrants, the Company is subject to receive € 5.70 million until Q3 2019.

	On 6 November 2018, post period, the Company announced that the Data and Safety Monitoring Board recommended the discontinuation of the PREOB Phase III trial in osteonecrosis of the hip, as the interim results suggested that it is unlikely that the primary objective will be achieved at the final analysis. The discontinuation of the PREOB study is not indicative for the outcome of the ongoing ALLOB clinical trials. Although PREOB and ALLOB are both bone forming cell products, ALLOB has inherent characteristics that are superior from a clinical and commercial perspectives, differentiating it from the autologous product, PREOB. Clinically, ALLOB has been extensively characterized and has shown superior osteogenic (i.e. direct bone formation) abilities compared to PREOB. ALLOB cells are produced from the marrow of a healthy donor, and not from the patient, therefore resulting in consistent quality, making it possible to inject several times more bone-forming cells compared to PREOB. Commercially, ALLOB can be produced in large quantities and as ALLOB is a cryopreserved product, it can be easily transported and stored making it a ready-to-use product. These factors allow ALLOB to be produced more economically and easy to use, therefore increasing the possibility of reimbursement. The early conclusion of the Phase III osteonecrosis study has no major impact on Company's cash use. Although patient recruitment has been halted, operations related to the study will continue since the termination has generated additional activities (database final locks, final statistical analyses, safety follow-up of currently enrolled patients, site closures, etc.). Therefore, the Company estimates that there would be no major change in its monthly cash burn related to the osteonecrosis study in the months following the study's discontinuation. The termination of the PREOB studies has also no impact on further investments concerning the scaling up the manufacturing capabilities. Licenses concerning intellectual property rights for PREOB from third parties, such as ULB-028, remain in place as it also covers the allogeneic platform. As the Company remains owner of PREOB data, funding agreements (RCA) with the Walloon Region will not be impacted. The license agreement between the Company and Asahi Kasei is currently under discussion.
B.8	**Selected key pro forma financial information** Not applicable. No pro forma information has been included in this Prospectus.
B.9	**Profit forecast or estimate** Not applicable. No profit forecast has been included in this Prospectus.
B.10	**Description of the nature of any qualifications in the audit reports on the historical financial information** Not applicable. There are no qualifications to the audit report on the historical financial information.
B.11	**If the issuer's working capital is not sufficient for the issuer's present requirements an explanation should be included** The Company is of the opinion that it has sufficient working capital to cover the working capital needs for a period until end of Q3 2019. At the date of this Securities Note, the Issuer is of the opinion that it does not have sufficient working capital to cover its working capital needs for the next 12 months following the date of publication of the Prospectus. From the private placement of March 2018, the Company has been able to collect € 13.75 million in cash and expect to collect € 5.70 million until the end of Q3 2019. Furthermore, the Company will need to plan another financing operation to continue its operations. Nevertheless, if the Company is not able to raise additional funds to finance the full development plan, it can reduce the scope or timing of its development path in order to match financial resources with expected expenses. The Company could also decide to focus on partnerships in order to share some development costs for the next clinical trials.

Securities

Element	Disclosure requirement
C.1	**Type and class of the securities being admitted to trading** On 7 March 2018, the Company has successfully placed senior, unsecured Convertible Bonds (CBs) with a total commitment of EUR 19.45 million via a private placement whereby the Board of Directors conditionally increased the share capital of the Company, using the authorised capital, through the conditional issuance of up to 6,849,654 new shares at a subscription price of no less than the accounting par value (pair comptable) (ie € 2.14), subject to and to the extent of subscription of these new shares in the framework of the private placement. The CBs are in registered form, denominated EUR 2,500 each. The CBs do not bear any coupon and have a maturity date of twelve months after issuance. The CBs are convertible to ordinary shares at CB holders' convenience before maturity or are automatically converted at maturity date at the conversion price. The conversion price will be equal to 92% of the Volume-Weighted-Averaged-Price of the Company's shares as provided by Bloomberg LP of the day immediately preceding CB holder's request of conversion or maturity date, but not lower than the par value (EUR 2.14) of the Company's share (the "**Conversion Price**"). Upon conversion of the CBs, the new shares issued shall immediately bear the same rights of all other existing shares and could be traded on the Euronext stock exchanges in Brussels and in Paris. The Company has the right to redeem the CB at a price of EUR 2,577.31 instead of issuing new shares. Each subscribed CB is accompanied by 19 Bond Warrants in registered form with a warrant term of 19 months. Each Bond Warrant entitles its holder to subscribe to one CB and can be exercised at an exercise price of EUR 2,500 per CB at the request of the Bond Warrant holder at any time during the Bond Warrant term. The Bond Warrant holders are obliged to exercise at least one of the 19 Bond Warrants each 30 calendar days. A total amount of EUR 19.45 million in committed capital has been subscribed in the context of the private placement. Part of the investors have decided to immediately exercise Bond Warrants resulting in an immediate gross proceed of about EUR 6.58 million and 565,773 new shares to be created, increasing the total outstanding shares from 6,849,654 to 7,415,427 ordinary shares. At the date of this Summary Note in total, 294 CBs have been converted into Company's shares, of which 1,448,706 have been admitted to Euronext Brussels and Euronext Paris, applying the exemption for admission to trading provided for in Article 1(5) of the EU Regulation 2017/1129. 95 CBs and 2,280 Bond Warrants are still outstanding. As a result of the exercise of the Bond Warrants and the conversion of the CBs, the Company will issue up to 1,047,825 New Shares, based on a conversion price which is 92% of the VWAP of Bone Therapeutics' shares on 12 December 2018. The Prospectus has been prepared for the purpose of the admission to trading of the New Shares on Euronext Brussels pursuant to and in accordance with Article 20 and following of the Prospectus Act. The New Shares will be issued in dematerialised form and are of the only existing class in the capital of the Company. An application has been made for the admission to trading of the New Shares on Euronext Brussels and Euronext Paris. The New Shares will be traded as are the existing shares of the Company under international code number ISIN BE0974280126 and symbol "BOTHE" on Euronext Brussels and Euronext Paris.
C.2	**Currency of the securities** The currency of the securities is euro.
C.3	**Number of shares issued** Immediately prior to the issuance of the New Shares, the share capital of the Company amounted to € 12,531,511.76, represented by 8,310,546 shares, without nominal value, each representing 1/8,310,546 th of the share capital.

	In addition, the Company has issued 524,760 warrants which give right to subscribe to an equal number of Shares. On the date of this Prospectus, 167,300 warrants are outstanding.
C.4	**Rights attached to the securities** • **Dividend rights**: All shares, including the New Shares, participate in the same manner in the Company's profits (if any). • **Voting rights**: Each shareholder is entitled to one vote per share. In certain circumstances, voting rights can be suspended. • **Right to attend shareholders' meetings**: Subject to compliance with certain requirements, each shareholder is entitled to attend the Company's shareholders meetings. Subject to compliance with certain requirements, one or more shareholders representing 3% of the Company's share capital may request for new items to be added to the agenda and submit proposed resolutions in relation to the existing agenda items. In general, there are no quorum requirements for the Company's shareholders' meetings and decisions are generally passed with a simple majority of the votes present or represented. Special quorum and majority requirements apply to amongst others, modifications to the provisions of the Company's articles of association, capital increases outside of the scope of the authorised capital, dissolution, redemption or sale of the Company's own shares and certain reorganisations of the Company. • **Preferential subscription rights**: In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or warrants exercisable in cash, the shareholders have a preferential right to subscribe for the new shares, convertible bonds or warrants, pro rata to the part of the share capital represented by the shares that they already hold. The shareholders' meeting may decide to limit or cancel such preferential subscription right, subject to specific substantive and reporting requirements. The shareholders can also decide to authorise the Board of Directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Company Code. • **Dissolution and liquidation**: The Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented. If, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian GAAP) to share capital is less than 50%, the Board of Directors must convene a shareholders' meeting within two months from the date the Board of Directors discovered or should have discovered this undercapitalisation. If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in such event shareholders representing 25% of the votes validly cast at the shareholders' meeting can decide to dissolve the Company. If the amount of the Company's net assets fall below € 61,500 (the minimum amount of share capital of a Belgian public limited liability company (*société anonyme*)), each interested party is entitled to request the competent court to dissolve the Company. • **Acquisition of the Company's shares**: In accordance with the Belgian Company Code, the Company can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the shareholders is not required if the Company purchases its own shares to offer them to its personnel. A company can only acquire its own shares with funds that would otherwise be available for distribution to the company's shareholders pursuant to Article 617 of the Belgian Company Code. The total amount of own shares held by a company can at no time be higher than 20% of its share capital. At the date of this Prospectus, the Board of Directors of the Company was not authorised by the shareholders' meeting to purchase its own shares and neither do the articles of association authorise the Board of Directors to purchase own shares in case of imminent serious harm to the Company in accordance with Article 620, §1, paragraph 3 of the Belgian Company Code.
C.5	**Restrictions on the free transferability of the shares** Not applicable

C.6	**Application for admission to trading on a regulated market and identity of all the regulated markets where the New Shares are or are to be traded** An application has been made to have the New Shares listed on the regulated market of Euronext Brussels and the regulated market of Euronext Paris under the symbol "BOTHE". Trading of the New Shares on Euronext Brussels and Euronext Paris is expected to commence on or about [•] 2019.
C.7	**Dividend policy** The Company does not intend to pay dividends for the foreseeable future.

Risk Factors

Element	Disclosure requirement
D.1	**Key Risk Factors related to the Company's business** Investing in securities involves a high degree of risk. Any prospective investor should carefully consider the following risks and all other information contained in the Prospectus before making an investment decision regarding the Company's securities. The risks and uncertainties described below are significant risk factors, currently known and specific to the Company, which the Company believes are relevant for an investment in its securities. If any of these risks actually occurs, the business, financial condition or results of operations of the Company would likely be materially and/or adversely affected. In such case, the price of the securities could decline and an investor could lose all or part of its investment. These risks and uncertainties include the following: • **The Company is at an early stage of its development and has not yet commercialised any of its products.** Successful products require significant development and investment, including testing to demonstrate their safety, their efficacy and their cost-effectiveness prior to commercialisation. Furthermore, problems encountered in connection with the development and utilisation of new technologies and the competitive environment in which the Company operates, might limit the Company's ability to develop commercially successful products. In addition, The Company does not anticipate generating revenue from sales of commercially successful products for the foreseeable future. • **The absence of similar cell therapy products on the market generates a number of unknown factors.** The existing treatments (for which the Company aims to develop an alternative through cell technology-based product(s) candidates) are often old techniques, which are painful and invasive. Cell therapy however, is an emerging medical technology, in which few products have yet been proven beneficial, safe and efficient and have obtained marketing authorisation. In general, the early stage of the technology, and consequently the lack of established practices and benchmarks, create uncertainty about prospects and come with inherent risk of unanticipated problems in every stage of the product life, including development, regulations, approvals, reimbursement, market acceptance and operations. • **Research programmes and product candidates of the Company must undergo rigorous pre-clinical tests and clinical trials,** of which the start, timing of completion, number and results are uncertain and could substantially delay or prevent the products from reaching the market. Clinical trials may be delayed for a variety of reasons, including, but not limited to, delays in obtaining regulatory approval to commence a trial, in reaching agreement on acceptable terms with prospective clinical research organisations, contract manufacturing organisations and clinical trial sites, in obtaining approval of the Competent Authority, in recruiting suitable patients to participate in a trial, in having patients complete a trial, in obtaining sufficient supplies of clinical trial materials or clinical sites dropping out of a trial and in the availability to the Company of appropriate clinical trial insurances. In particular, the clinical trials related to orthopaedics require longer follow-up periods of up to 24 months. • **Uncertain outcome of clinical trials.** The Company's cell products are highly innovative and are based on the *ex vivo* differentiation of human bone marrow cells with a view to producing bone-forming cells. Although the Phase II clinical results for the use of these differentiated cells in the treatment of delayed-union fractures and in lumbar spinal

procedures showed statistically and clinically relevant benefits and demonstrated satisfying safety and efficacy, success in subsequent studies cannot be guaranteed as demonstrated by the osteonecrosis Phase III study with PREOB and may not lead to successful therapy products. A similar statement can be made for the viscosupplement in development, JTA-004, as the promising results of the Phase IIB study for knee osteoarthritis do not warrant a positive outcome for the follow up Phase III study.

If serious adverse side effects are identified for any product candidate, the Company may need to abandon or limit its development of that product candidate, which may delay, limit or prevent marketing approval, or, if approval is received for the product candidate, require it to be taken off the market, require it to include safety warnings or otherwise limit its sales. Important unpredicted side effects from any of the Company's product candidates could arise either during clinical development or, if approved by the Competent Authorities, after the approved product has been commercialised.

- **The changing competitive landscape is a main issue facing the healthcare industry.** The Company competes with other companies based on technology, product offering, therapeutic area, intellectual property, geographic area and time to market or other factors. The Company's success depends on, inter alia, the ability to establish a competitive position with respect to all of these factors. The Company believes that its main competitive advantages are its expertise and know-how in cell therapy in general and in cell therapy for bone diseases. However, the Company's competitors may have greater financial, human and other resources than the Company does. If the Company fails to comply with its obligations under the agreement pursuant to which it licenses intellectual property rights from third parties, or otherwise experiences disruptions to its business relationships with its licensors, the Company could lose the rights to intellectual property that is important to its business. The Company's activities are dependent - at least in part - on the use of intellectual property rights which are for some projects not owned by it, but have been granted to it pursuant to license agreements and which are important to the business.
- **The future commercial success of the Company's product candidates will depend on the degree of** market **acceptance of its products among third party payers, doctors, patients and the medical community in general.** To date, the Company has no product authorised for commercialisation, the Company's products candidates are at different stages of development (in different phases of clinical trials) and the Company may never have a product that is commercially successful.
- **The Company has obtained significant grants and subsidies.** The terms of certain of these agreements may hamper the Company in its flexibility to choose a convenient location for its activities. The subsidies granted to the Company may prohibit the granting, by way of license, transfer or otherwise, any right to use the results, respectively the patents without the prior consent of the Walloon Region. In addition, under the patent subsidies the Company may lose all or part of its right to any further funding in the event that the Company ceases to qualify as a "small or medium-sized enterprise". Changes in regional financing and grant policies or a shift in regional investment priorities may reduce or jeopardise the Company's ability to obtain non-dilutive financing and grants. Also, future growth of the Company, whether or not including geographical expansion, could limit the Company's eligibility to obtain similar non-dilutive financing or grants.
- **The Company is subject to competition for its skilled personnel and challenges in identifying and retaining key personnel could impair the Company's ability to conduct and grow its operations effectively.** The services of the Company's executive committee are critical to the successful implementation of its business, research, product development and regulatory strategies. Members of the Company's executive committee may terminate their employment or services with the Company at any time with relatively short notice. In general, conflicts between key managers may result in the Company losing the services of a manager or otherwise affect the cohesion within the management team.
- **The Company may not be able to protect and/or enforce its intellectual property rights in all key countries or territories.** Competitors may use the Company's technologies in jurisdictions where the Company or its licensors have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Company has patent protection but where enforcement is not as well developed as in the European Union, United States or Japan. These products may compete with the Company's products in jurisdictions where the Company or its licensors do not have

	any issued patents and the Company's patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing. Moreover, it cannot be excluded that the debate on the patentability of elements of the human body could lead to a situation whereby the technology developed by or licensed to the Company can no longer be protected by patents or that such patents cannot be enforced against third parties. • **The Company has a history of operating losses and an accumulated deficit and may never become profitable.** The Company does not anticipate generating revenue from sales for the foreseeable future. It has incurred significant losses since its inception in 2006. There can be no assurance that the Company will earn revenues or achieve profitability, which could impair the Company's ability to sustain operations or obtain any required additional funding. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. • **The Company may need substantial additional funding which may not be available on acceptable terms when needed if at all.** These future financing needs will depend on many factors, including the progress, costs and timing of its clinical trials, the costs and timing of obtaining regulatory approval, the costs of obtaining, maintaining and enforcing its patents and other intellectual property rights, the costs and timing of maintaining or obtaining manufacturing approval for its products and product candidates, the costs and timing of establishing sales and marketing capabilities. If the necessary funds are not available, the Company may need to seek funds through collaborations and licensing arrangements, which may require it to reduce or relinquish significant rights to its research programmes and product candidates, to grant licences on its technologies to partners or third parties or enter into new collaboration agreements, the terms could be less favourable to the Company than those it might have obtained in a different context. ***Other risk factors*** *Pre-clinical programs* • Failure to successfully identify, develop and commercialise additional products or product candidates could impair the Company's ability to grow. *Authorisation and certification* • Nearly all aspects of the Company's activities are subject to substantial regulation. • The Company will be subject to market surveillance by the EMA, FDA and other Competent Authorities for compliance with regulations that prohibit the promotion of the Company's products for a purpose of indication other than those for which approval has been granted. • If the Company obtains regulatory approval for a product candidate, the product will remain subject to on-going regulatory obligations. • Maintenance of high standards of manufacturing in accordance with Good Manufacturing Practices and other manufacturing regulations and scale-up of manufacturing. *Reimbursement, commercialisation and market risk factors* • The price setting, the availability and level of adequate reimbursement by third parties, such as insurance companies, governmental and other healthcare payers is uncertain and may impede the Company's ability to generate sufficient operating margins to offset operating expenses. • The Company has no experience in sales, marketing and distribution. • The Company might not find suitable industrial partners to pursue the development, the commercialisation or the distribution of its products candidates. *Operational risk factors* • The terms of certain grants and subsidies may hamper the Company in the organisation of its activities and its efforts to partner part or all of its products. • Manufacturing of the Company's products requires human or derived raw materials to be obtained from third parties. • The Company may not have or be able to obtain adequate insurance cover in particular in connection with product liability risk. • If any product liability claims are successfully brought against the Company or its collaborators, the Company may incur substantial liabilities and may be required to limit the commercialisation of it product candidates.

	• The Company's employees, principal investigators, consultants and collaborative partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards. • The Company's manufacturing and research and development activities may involve the use and disposal of potentially harmful biological materials, hazardous materials and chemicals which create the risk of contamination or injury from these materials, chemicals or agents. • The Company has a strong collaborative relationship with its affiliate SCTS through a Group of Economic Interest (Groupement d'Interêt Economique), a service provider for cell product manufacturing. • The manufacturing of the Company's products may be more costly than expected. • Recently the composition of the Company's board of directors has changed considerably. *Intellectual property* • The Company's patents and other intellectual property rights portfolio is relatively young and may not adequately protect its research programmes and other product candidates, which may impede the Company's ability to compete effectively. • The Company may infringe on the patents or intellectual property rights of others and may face patent litigation, which may be costly and time consuming and could result in the Company having to pay substantial damages or limit the Company's ability to commercialise its product candidates. • Obtaining and maintaining patent protection depends on compliance with various procedural, documentary, fee payment and other similar requirements imposed by governmental patent agencies, and the Company's or its licensor's patent protection could be reduced or eliminated for non-compliance with these requirements. • If the Company is not able to prevent disclosure of its trade secrets, know-how, or other proprietary information, the value of its technology and product candidates could be significantly diminished. *Financial risk factors* • Fluctuation in interest rates could affect the Group's results and financial position.
D.2	**Key Risk Factors related to the shares** • The market price of the shares may fluctuate widely in response to various factors. • Future issuances of shares or warrants may affect the market price of the shares and could dilute the interests of existing shareholders. • Holders of the shares outside Belgium and France may not be able to exercise pre-emption rights. • The market price of the shares could be negatively impacted by sales of substantial numbers of shares in the public markets. • The Company does not intend to pay dividends for the foreseeable future. • Certain significant shareholders of the Company after the Offering may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes.

Offering

Element	Disclosure requirement
E.1	**Net proceeds and expenses of the issue of the New Shares** The total net proceeds of the issue of the New Shares amount to approximately € 19.00 million. The costs and expenses incurred by the Company in relation to the issue and the admission to trading of the New Shares on Euronext Brussels and Euronext Paris (consisting of mainly underwriting fees and of other fees, including accounting and legal fees) amount to approximately 2.57% of the gross proceeds of the Transaction.
E.2	**Use of proceeds**

	The net proceeds resulting for the Company from the private placement of the CBs in March 2018 is approximately amount to € 19.0 million. At 12 December 2018, the Company still need to receive an amount of € 5.70 million. The Company intends to use the net proceeds over a time horizon up to end of Q3 2019 for the following purposes: • Completion of the Phase IIA spine fusion trial (ALLOB) and preparation of the Phase IIB (5% of the net proceeds); • Completion of the Phase I/IIA delayed-union trial (ALLOB) and start of the new the Phase IIB (40% of the net proceeds); • Initiation of the preparation of the registration study JTA-004 (15% of the net proceeds); • Optimization and scale-up for the new allogeneic product (20% of the net proceeds); • To cover general business expenses up to Q3 2019 (20% of the net proceeds). The net requirement in cash is expected to amount to approximately € 15.0 million in 2018. For the following year, the net requirement in cash in 2019 is expected to amount to € 15.00 million. Annual expenditure is further expected to increase in the following years.
E.3	**Terms and conditions** Not applicable.
E.4	**Material interests** Not applicable.
E.5	**Entity offering to sell shares and lock-ups** Not applicable.
E.6	**Amount and percentage of immediate dilution** The admission to trading of the New Shares does, as such, not cause any additional dilution nor has it had any other direct consequences for the shareholders of the Company. At the date of this Securities Note, 5,405 CBs have been converted into a total of 1,460,892 shares of the Company. Of these shares, 1,448,706 shares are already admitted to trading 95 CBs are and 2,280 Bond Warrants are still outstanding. As a result, the Company may have to issue upon conversion thereof, maximum 1,047,825 New Shares, based on a conversion price which is 92% of the VWAP of Bone Therapeutics' shares on 12 December 2018.
E.7	**Estimated expenses to be charged to the investor by the Company** Not applicable.