

Zacks Small-Cap Research

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Bone Biologics

(BBLG-NASDAQ)

BBLG: Now is the Time to Look at BBLG

BBLG continues to pursue a way to make bone regeneration more efficient and with better outcomes for patients. We value BBLG at \$22.50 per share using the discounted cash flow method.

Outlook

Bone Biologics is pursuing a better and more effective way of dealing with back pain requiring surgery by developing bone regeneration in spinal fusion using the recombinant human protein known as NELL-1/DBX, or NB1.

The company continues with human trials, and we are looking forward to the initial results and suggest investors consider investing ahead of the result release.

Current Price (06/10/25) \$5.56
Valuation \$22.50

SUMMARY DATA

52-Week High \$16.32
52-Week Low \$3.96
One-Year Return (%) -34.73
Beta 0.75
Average Daily Volume (sh) 67,429

Shares Outstanding (mil) 1
Market Capitalization (\$mil) \$3
Short Interest Ratio (days) N/A
Institutional Ownership (%) 34
Insider Ownership (%) 6

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

Risk Level High
Type of Stock Small-Value
Industry Med-Biomed/Gene

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	0 A	0 A	0 A	0 A	0 A
2023	0 A	0 A	0 A	0 A	0 A
2024	0 A	0 A	0 A	0 A	0 A
2025	0 A	0 E	0 E	0 E	0 E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	-0.07 A	-0.05 A	-0.12 A	-0.02 A	-0.13 A*
2023	-0.23 A	-1.69 A	-0.61 A	-5.89 A	-34.01 A
2024	-1.31 A	-0.67 A	-2.37 A	-1.00 A	-4.83 A
2025	-0.32 A	-1.93 E	-1.79 E	-1.66 E	-7.30 E

* Quarterly numbers don't add to annual due to share issuance and reverse split.

COMPANY UPDATE

Bone Biologics is a company developing products for spine fusion market and is entering an exciting and crucial time period as human trials have begun and results should be available, at least preliminary data, in the coming year. Given the preclinical studies that we've reported on extensively, we are optimistic that exciting results will be forthcoming that will positively impact the lives of thousands of spinal injury patients.

In order to continue the testing process, BBLG has to make financial moves much like many other companies at this stage of development. BBLG management recently announced that they were implementing a 1:6 reverse stock split. Company leaders have shown a commitment to running a lean company and preserving shareholders' positions as much as possible, although at least modest dilution should be expected with a company at this stage. We continue to view the stock of BBLG as undervalued and believe investors should consider the stock before the positive results from the ongoing test start coming in.

As for why we are gaining optimism in BBLG, we have been discussing the promising initial results of the BBLG treatment known as NB1, and late last year the company has announced an important milestone—the first two human patients have been treated in the company's NB1 bone graft device. This marks the start of the pilot clinical study that will evaluate NB1 in 30 adult subjects who undergo transforaminal lumbar interbody fusion (TLIF) to treat degenerative disc disease (DDD) and will evaluate safety and effectiveness, fusion success, pain, function improvement and adverse events. According to the company, in order to be enrolled in the study, patients must have DDD at one level from L2-S1 and may also have up to Grade 1 spondylolisthesis or Grade 1 retrolisthesis at the involved level. These two initial patients were treated in Australia. As we've noted before, the study design was previously reviewed and agreed upon by the U.S. Food and Drug Administration's Division of Orthopedic Devices in a Pre-submission to support progression to a pivotal clinical trial in the United States.

There are approximately 350,000 spinal fusion surgeries done in the US every year with varying degrees of success in alleviating often debilitating back pain. The existing dominant technology, known as rhBMP, has been quite successful in advancing the spinal fusion procedure but there are also challenges that can come along with using that technology. Patients can experience such impacts as rapid, uncontrolled bone growth that causes an unsound structure and unwanted bone formation where bone will grow where it is not intended. Back pain impacts 65 million Americans, with 16 million of those having what would be considered chronic back pain, leading to an estimated \$12 billion per year in health care and indirect cost according to the Georgetown Policy Institute. While spinal fusion surgery isn't the appropriate treatment for every kind of back pain, it can help to relieve the pain associated with a variety of conditions.

The NELL-1 technology at the heart of NB1 is the centerpiece of what Bone Biologics is developing. It was developed by UCLA TDG and Bone holds the exclusive worldwide rights to that technology. NELL-1 has been reviewed positively in over 45 peer reviewed publications demonstrating technological viability. NELL-1 has shown spine fusion effectiveness across three animal species—rodent, sheep and nonhuman primate and has competed two clinically relevant sheep studies that demonstrated NELL-1 increases the fusion rate and quantity of bone compared to the control group.

Summary

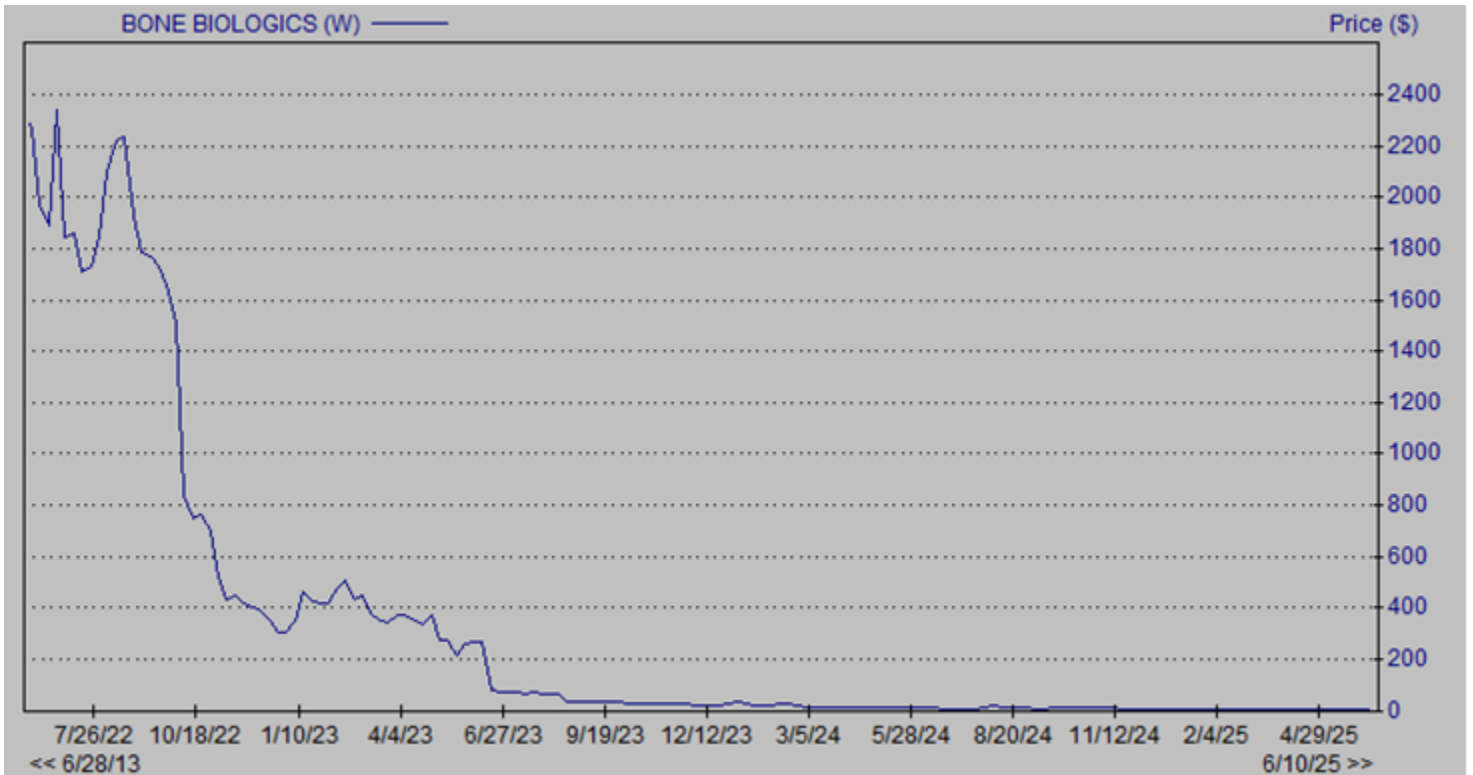
We have written before about the market opportunity that BBLG has, and it continues to grow. Investors have been slow to recognize the potential in our view but now, as human trials begin, is the opportunity to get in at what we view as a discounted price. If trial results are positive, as we believe

they will be, the positive reaction in the investing community will likely be swift. We continue to be excited about the opportunity and the science behind NELL-1 and are looking forward to the results from the human trials ongoing this year. BBLG has what we believe is a product with great potential, addressing a market with seemingly insatiable demand and a solid funding situation, which is vital in this environment. As such, we believe investors with a longer-term investing horizon should take a look at BBLG.

INCOME STATEMENT AND BALANCE SHEET

Bone Biologics Income Statement and Balance Sheet										
	1Q2024A	2Q2024A	3Q2024A	4Q2024A	1Q2025A	2Q2025E	3Q2025E	4Q2025E	2026E	
Revenues	0	0	0	0	0	0	0	0	0	0
Cost of Good Sold	0	0	0	0	0	0	0	0	0	0
Gross Profit	0	0	0	0	0	0	0	0	0	0
Operating Expenses										
Research and Dev.	245,625	350,442	429,747	1,104,571	423,576	432,048	440,688	449,502	1,728,190	
Gen. and Admin.	657,911	459,223	521,274	450,368	614,910	614,910	627,208	639,752	2,459,640	
Total Operating Expenses	903,536	809,665	951,021	1,554,939	1,038,486	1,046,958	1,067,897	1,089,255	4,187,830	
Loss From Operations	(903,536)	(809,665)	(951,021)	(1,554,939)	(1,038,486)	(1,046,958)	(1,067,897)	(1,089,255)	(4,187,830)	
Interest income (expense)	255	15,147	19,993	15,686	20,039	20,039	20,440	20,849	80,156	
Other income/(expenses)	37,311	10,785	(9,974)	17,538	1,355	1,355	1,382	1,410	5,420	
Loss before provision for income taxes	(865,970)	(783,733)	(941,002)	(1,521,715)	(1,017,092)	(1,025,564)	(1,046,075)	(1,066,996)	(4,102,254)	
Provision for Income taxes	0	0	0	0	0	0	0	0	0	
Net loss	(865,970)	(783,733)	(941,002)	(1,521,715)	(1,017,092)	(1,025,564)	(1,046,075)	(1,066,996)	(4,102,254)	
Deemed dividend on warrant inducements	0	0	(3,212,504)	0	1	1	0	0	0	
Net loss per share	(\$1.31)	(\$0.67)	(\$2.37)	(\$1.00)	(\$0.32)	(\$1.93)	(\$1.79)	(\$1.66)	(\$5.81)	
Wtd Avg Shares Outstanding	660,928	1,168,423	1,753,409	1,517,235	3,183,191	530,532	583,585	641,944	706,138	
Assets										
Current Assets										
Cash	3,227,634	2,332,068	3,566,426	3,325,131	2,746,555	2,801,486	2,661,412	2,528,341	12,401,924	
Advances on R&D contract services	328,844	650,275	385,742	258,059	263,220	268,485	273,854	279,331	284,918	
Prepaid Expenses	283,096	211,121	113,650	278,179	280,961	283,770	286,608	289,474	292,369	
Total Assets	3,839,574	3,193,464	4,065,818	3,861,369	3,290,736	3,353,741	3,221,874	3,097,147	12,979,211	
Liabilities and Stockholders Equity										
Current Liabilities										
Accounts Payable	146,186	231,872	190,057	373,042	247,843	250,321	252,825	255,353	257,906	
Notes Payable	0	0	0	0	0	0	0	0	15,000,000	
Other liabilities	18,440	52,635	83,345	4,670	3,315	3,348	3,382	3,415	3,450	
Total Liabilities	164,626	284,507	273,402	377,712	251,158	253,670	256,206	258,768	15,261,356	
Stockholders Equity										
Common Stock	1,016	1,315	2,096	2,953	3,270	3,107	2,951	2,804	2,663	
Additional Paid-in Capital	85,448,860	85,466,303	87,289,983	88,502,082	90,272,124	92,077,566	93,919,117	95,797,500	97,713,450	
Accumulated Deficit	(81,774,928)	(82,558,661)	(83,499,663)	(85,021,378)	(87,235,817)	(88,980,602)	(86,038,471)	(92,961,926)	(99,998,259)	
Total Stockholders Equity	3,674,948	2,908,957	3,792,416	3,483,657	3,039,577	3,100,071	2,965,667	2,838,377	(2,282,146)	
Total Liabilities and Stockholders Equity	3,839,574	3,193,464	4,065,818	3,861,369	3,290,736	3,353,741	3,221,874	3,097,147	12,979,211	

HISTORICAL STOCK PRICE



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