

Zacks Small-Cap Research

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Bone Biologics

(BBLG-NASDAQ)

BBLG: Annual Report Shows Company Well Positioned

BBLG continues to pursue a way to make bone regeneration more efficient and with better outcomes for patients. We value BBLG at \$22.20 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 that will prove critical to the success of the company, and we believe will result in a rerating of BBLG. Just released annual financials reveal the company is in solid shape for the important year ahead.

Current Price (03/02/26) \$1.19
Valuation \$22.20

SUMMARY DATA

52-Week High \$6.20
52-Week Low \$1.12
One-Year Return (%) -75.85
Beta 0.78
Average Daily Volume (sh) 17,929

Shares Outstanding (mil) 2
Market Capitalization (\$mil) \$2
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)
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 A	0 A	0 A	0 A
2026	0 E	0 E	0 E	0 E	0 E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	-1.33 A	-0.37 A	-0.58 A	-2.65 A
2025	-0.54 E	-0.50 E	-0.46 E	-0.43 E	-1.93 E

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

COMPANY UPDATE

Bone Biologics is a clinical-stage biotechnology company focused on transforming the multibillion-dollar spine fusion and bone regeneration market through its proprietary orthobiologic technology. At the heart of its platform is a novel recombinant human protein known as **NELL-1**, which the company has exclusively licensed for worldwide therapeutic applications from the UCLA Technology Development Group. NELL-1 is not just another bone growth factor; it has been extensively studied and positively reviewed in more than 45 peer-reviewed scientific publications, demonstrating strong biological activity in promoting bone formation across multiple animal models, including rodents, sheep, and nonhuman primates. These preclinical results suggest that NELL-1 has the potential to increase both the rate and quantity of bone fusion compared with control treatments, a meaningful advantage in orthopedic and spinal surgery settings where robust and reliable bone healing can be elusive.

The lead product candidate built around this technology, known as NB1, combines the NELL-1 protein with demineralized bone matrix to create a biologically active bone graft substitute designed to address unmet needs in spinal fusion procedures. Successful fusion is critical for patients with degenerative disc disease and other spinal disorders, and the market demand for improved graft materials continues to grow as surgeons and healthcare systems seek solutions that can improve outcomes and reduce the need for revision surgeries. The company's choice to pursue human clinical evaluation — with pilot studies underway in Australia comparing NB1 to autograft controls — marks a pivotal inflection point as it seeks to move beyond decades of preclinical validation into data that could unlock regulatory progression and broader commercial interest.

The company just released full-year 2025 financial data, which showed a solid cash balance \$5.3 million, which the company says is sufficient to fund operations for fiscal year 2026. We believe it's a good sign for a clinical stage company to have sufficient cash on hand for the year that stands to be an inflection point for the company.

Late last year, the company 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.

NELL-1's established scientific foundation, combined with the company's exclusive rights and strengthening intellectual property — such as recent patent filings covering proprietary polypeptide compositions — positions BBLG to capture value if early human data align with preclinical promise. Such outcomes could trigger a significant re-rating from today's valuation, which remains modest relative to the size of the potential addressable market. Additionally, operational strides like extending the validated shelf life of the NELL-1 product to 24 months enhance manufacturing readiness and commercial viability, making the company's platform more attractive to partners, acquirers, or strategic investors.

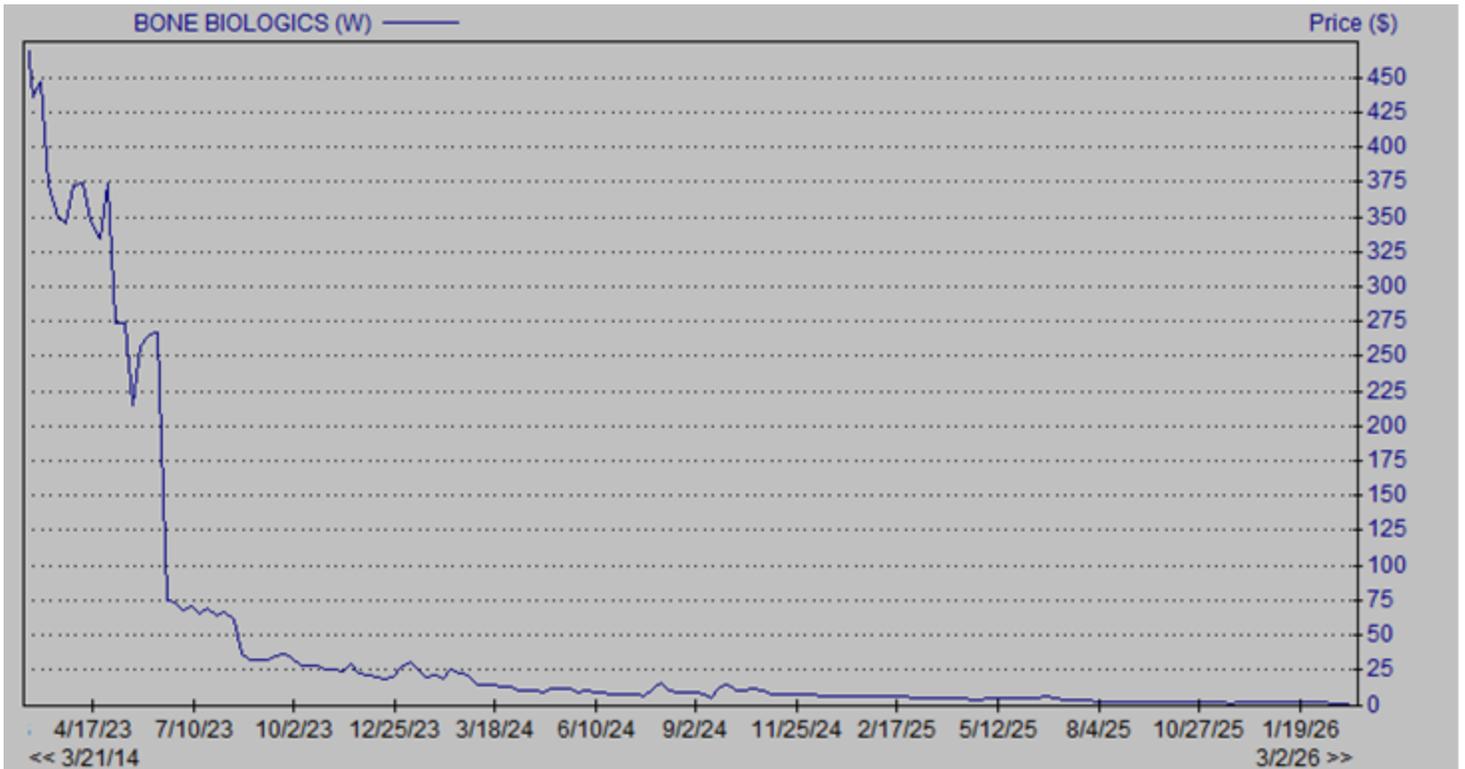
Summary

It's important to acknowledge that BBLG remains a small micro-cap biotechnology with typical development-stage risks, including ongoing cash burn and the need for financing to support pivotal clinical activities. However, for investors with a long time horizon and appetite for high-risk, high-reward biotech investing, Bone Biologics represents exposure to a technology with genuine scientific differentiation in a market where better bone healing solutions are consistently demanded. The combination of exclusive technology rights, positive scientific validation, early clinical momentum, and strategic IP development creates a compelling case for why BBLG might be an attractive investment poised for meaningful upside should the NB1 program advance successfully through clinical and regulatory milestones.

INCOME STATEMENT AND BALANCE SHEET

Bone Biologics Income Statement and Balance Sheet										
	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026E	2Q2026E	3Q2026E	4Q2026E	2027E	
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.	423,576	191,608	187,808	257,199	262,343	267,590	272,942	278,400	1,113,602	
Gen. and Admin.	614,910	556,467	527,466	475,908	480,667	485,474	490,328	495,232	1,980,927	
Total Operating Expenses	1,038,486	748,075	715,274	733,107	743,010	753,064	763,270	773,632	3,094,529	
Loss From Operations	(1,038,486)	(748,075)	(715,274)	(733,107)	(743,010)	(753,064)	(763,270)	(773,632)	(3,094,529)	
Interest income (expense)	20,039	6,654	47,325	47,966	45,568	43,289	41,125	39,069	26,616	
Other income/(expenses)	1,355	902	1,212	498	548	603	663	729	3,608	
Loss before provision for income taxes	(1,017,092)	(740,519)	(666,737)	(684,643)	(696,895)	(709,172)	(721,482)	(733,835)	(3,064,305)	
Provision for Income taxes	0	0	0	0	0	0	0	0	0	
Net loss	(1,017,092)	(740,519)	(666,737)	(684,643)	(696,895)	(709,172)	(721,482)	(733,835)	(3,064,305)	
Deemed dividend on warrant inducements	1	0	0	0	0	0	0	0	0	
Net loss per share	(\$0.32)	(\$1.33)	(\$0.37)	(\$0.58)	(\$0.54)	(\$0.50)	(\$0.46)	(\$0.43)	(\$1.62)	
Wtd Avg Shares Outstanding	3,183,191	557,787	1,795,097	1,174,869	1,292,356	1,421,591	1,563,751	1,720,126	1,892,138	
Assets										
Current Assets										
Cash	2,746,555	6,640,468	6,049,084	5,334,322	4,800,890	4,320,801	3,888,721	3,499,849	3,149,864	
Advances on R&D contract services	196,604	208,972	220,286	208,972	204,793	200,697	196,683	192,749	188,894	
Prepaid Expenses	104,599	152,776	81,429	252,841	202,273	161,818	129,455	103,564	82,851	
Total Assets	3,047,758	7,002,216	6,350,799	5,796,135	5,207,955	4,683,316	4,214,858	3,796,161	3,421,609	
Liabilities and Stockholders Equity										
Current Liabilities										
Accounts Payable	247,843	403,729	333,081	417,884	422,063	426,283	430,546	434,852	439,200	
Notes Payable	0	0	0	0	0	0	0	0	0	
Other liabilities	3,315	2,413	1,201	703	724	746	768	791	815	
Total Liabilities	251,158	406,142	334,282	418,587	422,787	427,029	431,314	435,643	440,015	
Stockholders Equity										
Common Stock	3,270	1,685	1,795	1,795	1,016	1,315	2,096	2,953	1,705	
Additional Paid-in Capital	99,248,902	93,373,378	93,460,448	93,506,122	94,441,183	95,385,595	96,339,451	97,302,846	98,275,874	
Accumulated Deficit	(87,235,817)	(86,778,990)	(87,445,726)	(88,130,370)	(89,657,031)	(91,130,623)	(92,558,003)	(93,944,381)	(95,295,987)	
Total Stockholders Equity	12,016,355	6,596,073	6,016,517	5,377,547	4,785,168	4,256,287	3,783,544	3,361,418	2,981,592	
Total Liabilities and Stockholders Equity	12,267,514	7,002,216	6,350,799	5,796,135	5,207,955	4,683,316	4,214,858	3,797,061	3,421,609	

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