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Zacks Small-Cap Research

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Bone Biologics (BBLG-NASDAQ)

BBLG: Entering Crucial Stage in Good Shape

BBLG continues to pursue a way to make bone regeneration more efficient and with better outcomes for patients. We value BBLG at $12.20 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 announced 2Q earnings that showed expense discipline and good cash.

Current Price (8/14/26)	$1.47
Valuation	**$12.20**

SUMMARY DATA

52-Week High	**$2.85**
52-Week Low	**$0.65**
One-Year Return (%)	**-70.23**
Beta	**0.93**
Average Daily Volume (sh)	**835,397**
Shares Outstanding (mil)	**2**
Market Capitalization ($mil)	**$1**
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 A	0 A	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
2026	-0.43 A	-0.43 A	-0.19 E	-0.18 E	-1.23 E

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

COMPANY UPDATE

Bone Biologics Corporation (NASDAQ: BBLG) is entering an increasingly important stage in its development, as the company moves its lead NB1 bone graft candidate through its first human clinical study while demonstrating greater discipline on the corporate expense side. The recently reported second quarter of 2026 provides an encouraging snapshot of that transition: spending is increasingly directed toward product development, general and administrative expenses declined meaningfully year over year, and a financing completed shortly after quarter-end extended the company's expected cash runway into the second quarter of 2027.

A More Focused Cost Structure

For an early-stage medical technology company such as Bone Biologics, the composition of spending can be as important as the absolute level of expenses. The second-quarter numbers showed a favorable shift toward development activities rather than overhead.

General and administrative expenses declined 10.3% year over year, falling to approximately $499,000 in the three months ended June 30, 2026 from approximately $556,000 a year earlier. At the same time, research and development spending increased 61% to approximately $309,000 from $192,000. Management attributed the increase primarily to development work designed to extend the shelf life of its protein.

We view that combination positively. Bone Biologics is reducing administrative costs while increasing expenditures associated with advancing its core technology. Total operating expenses increased approximately 8% to $808,000 during the quarter, but the increase was driven by R&D rather than administrative overhead. The quarterly net loss was approximately $774,000 compared with $741,000 in the prior-year quarter.

The six-month comparison is even more favorable. Operating expenses declined 9.7% to $1.61 million from $1.79 million, while the net loss narrowed 12.4% to approximately $1.54 million from $1.76 million. Cash used in operations was approximately $1.32 million during the first half, slightly below $1.39 million in the comparable 2025 period.

Bone Biologics finished June with approximately $4.03 million in cash. Importantly, that figure does not include the subsequent July private placement, which generated approximately $2.7 million of net proceeds. Management now believes its available capital can support operations into the second quarter of 2027, giving the company additional time to achieve inportant clinical milestones.

NB1 and the NELL-1 Opportunity

The investment case for BBLG ultimately rests on NB1 and the underlying NELL-1 technology. Bone Biologics is developing NB1 initially as a bone graft product for lumbar spinal fusion. NB1 combines recombinant human NELL-1, or rhNELL-1, with demineralized bone matrix, or DBM. The goal is to provide targeted stimulation of bone regeneration at the site where new bone is needed. The company has exclusive worldwide rights from UCLA to develop and commercialize NELL-1 technology for spinal fusion, osteoporosis and trauma applications.

What makes NELL-1 particularly interesting is its targeted mechanism. Rather than broadly stimulating bone formation, NELL-1 is designed to act on cells already committed to the bone-forming pathway. In principle, this could provide a more controlled approach to bone growth while reducing the risk of unwanted bone formation in surrounding tissue.

The eventual commercial product is expected to combine purified NELL-1 with an already 510(k)-cleared DBM putty. The protein would be freeze-dried onto DBM and supplied in a kit that allows the surgeon to prepare the material immediately before implantation. Importantly, the company believes NB1 could be incorporated into existing surgical workflows without requiring significant changes in how surgeons prepare or implant an orthobiologic product.

While spinal fusion represents the immediate target, NELL-1 potentially offers a much broader platform opportunity. Bone Biologics' UCLA license covers spinal fusion, osteoporosis and trauma, and management believes the technology ultimately could have applications across multiple orthopedic and bone-regeneration procedures.

Encouraging Preclinical Evidence

The scientific foundation for NB1 has been built over a lengthy period. NELL-1 has been evaluated in laboratory studies and large-animal models, including sheep studies designed to approximate human spinal fusion.

Bone Biologics completed two preclinical sheep studies in which rhNELL-1 promoted bone formation and was reported to be well tolerated without findings of inflammation. Particularly encouraging was the company's pivotal sheep study evaluating rhNELL-1 plus DBM in lumbar interbody fusion. At 26 weeks, the NELL-1 combination demonstrated a 37.5% increase in the frequency of fusion compared with the control group.

Those results do not guarantee success in humans, but they provide an important biological rationale for the current clinical program. The technology has progressed from laboratory work through large-animal testing and has now reached the critical stage of determining whether those results translate into human spinal-fusion patients.

The Human Clinical Trial Could Be the Major Inflection Point

Bone Biologics began treating patients in 2024 in its first-in-human pilot study of NB1. The multicenter, prospective, randomized study in Australia is designed to enroll up to 30 adult patients undergoing transforaminal lumbar interbody fusion for degenerative disc disease. The study evaluates safety and effectiveness, including fusion success, pain, functional improvement and adverse events.

Importantly for the eventual U.S. development pathway, the study design was previously reviewed and agreed upon by the FDA's Division of Orthopedic Devices through the agency's pre-submission process, with the intention that the Australian results support progression to a larger U.S. pivotal trial. The primary endpoint includes fusion success at 12 months along with change from baseline in the Oswestry Disability Index, a widely used measure of disability associated with lower-back pain. Bone Biologics has indicated that the pilot trial should be completed approximately 12 months after enrollment of the 30th patient. The company has been targeting completion of enrollment by the end of 2026 and has indicated that interim updates may be provided when appropriate.
This creates a potentially important sequence of catalysts. Completion of enrollment would substantially de-risk the operational side of the pilot study. Subsequent safety and fusion data could provide the first meaningful indication of whether the encouraging animal results translate into humans. Positive results would then support the planned larger U.S. pivotal study.

The company has also made progress on manufacturing readiness. Extending the validated shelf life of rhNELL-1 has been an important operational objective because longer stability provides greater flexibility around manufacturing lots, inventory and clinical-trial supply. By July, management said the validated shelf life had reached 29 months, up from 24 months at the end of 2025.

Investment Perspective

Bone Biologics remains a speculative clinical-stage investment, with no commercial revenue and the normal financing, clinical and regulatory risks associated with a small development company. We see the underlying investment story improving. The company has moved NELL-1 from extensive preclinical work into human testing; its pivotal animal study produced encouraging fusion results; the FDA has already reviewed the design of the ongoing pilot study in connection with the path toward a U.S. pivotal trial; and management expects enrollment in the first-in-human study to be completed by year-end. Meanwhile, the latest quarter showed a 10.3% year-over-year reduction in administrative expenses even as R&D spending increased substantially—a combination that suggests capital is increasingly being directed toward advancing the asset that ultimately determines shareholder value. The July financing further strengthens that setup by extending the expected runway into the second quarter of 2027. That additional capital should give Bone Biologics more time to progress the NB1 clinical program without an immediate financing requirement.

Given the company's relatively early stage and focused capital structure, successful human data followed by advancement into a U.S. pivotal trial could represent a meaningful valuation inflection point and investors should take a look at BBLG ahead of these potential catalysts.

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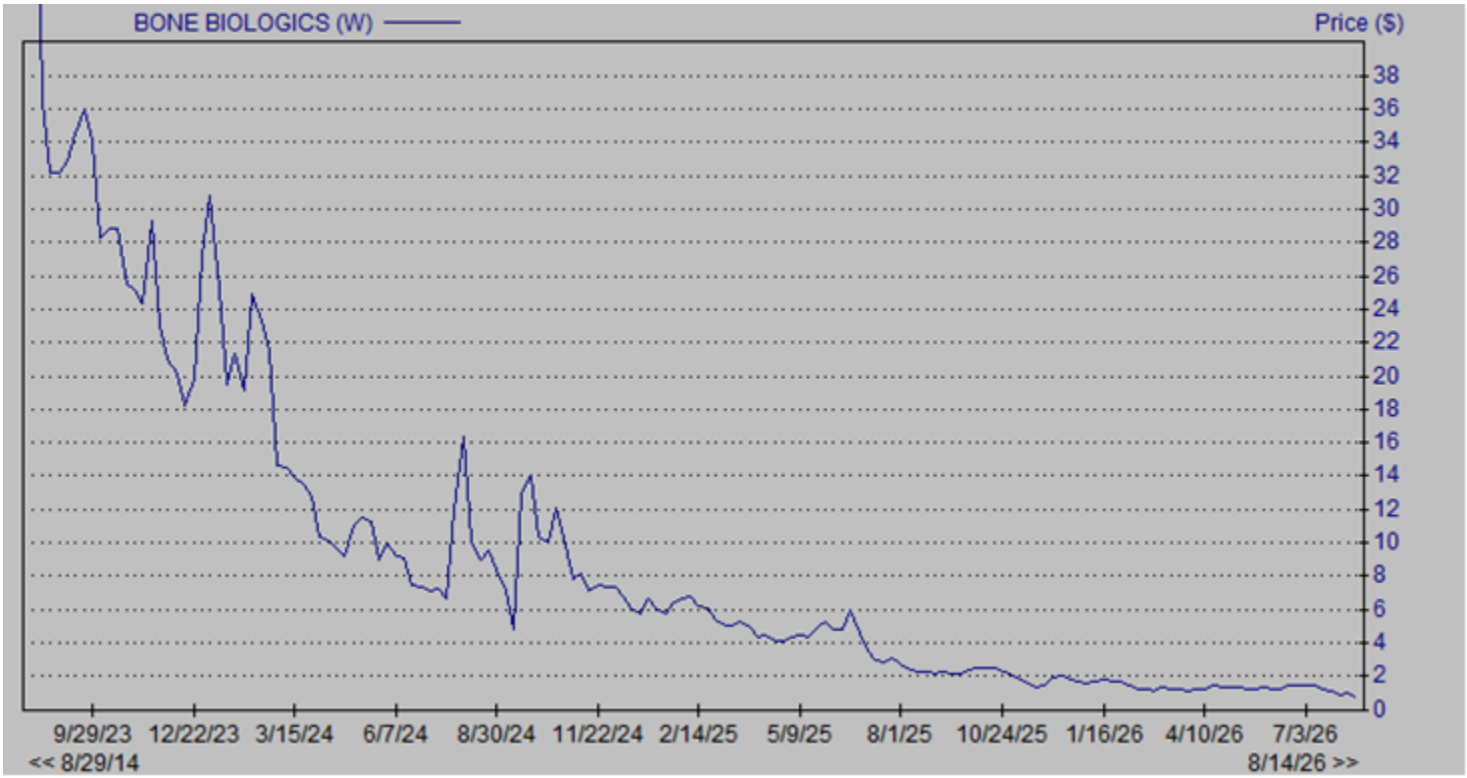
INCOME STATEMENT AND BALANCE SHEET

Bone Biologics Income Statement and Balance Sheet										
		1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026E	4Q2026E	2027E
Revenues		0	0	0	0	0	0	0	0	0
Cost of Good Sold		0	0	0	0	0	0	0	0	0
Gross Profit		0	0	0	0	0	0	0	0	0
Operating Expenses										
	Research and Dev.	423,576	191,608	187,808	257,199	141,597	308,747	314,922	321,220	1,284,882
	Gen. and Admin.	614,910	556,467	527,466	475,908	663,457	499,359	504,353	509,396	2,037,584
Total Operating Expenses		1,038,486	748,075	715,274	733,107	805,054	808,106	819,275	830,616	3,322,466
Loss From Operations		(1,038,486)	(748,075)	(715,274)	(733,107)	(805,054)	(808,106)	(819,275)	(830,616)	(3,322,466)
	Interest income (expense)	20,039	6,654	47,325	47,966	38,801	34,512	32,786	31,147	26,616
	Other income/(expenses)	1,355	902	1,212	498	265	(108)	(119)	(131)	3,608
Loss before provision for income taxes		(1,017,092)	(740,519)	(666,737)	(684,643)	(765,988)	(773,702)	(786,607)	(799,600)	(3,292,242)
Provision for Income taxes		0	0	0	0	0	0	0	0	0
Net loss		(1,017,092)	(740,519)	(666,737)	(684,643)	(765,988)	(773,702)	(786,607)	(799,600)	(3,292,242)
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)	($0.43)	($0.43)	($0.19)	($0.18)	($0.67)
Wtd Avg Shares Outstanding		3,183,191	557,787	1,795,097	1,174,869	1,795,260	1,796,755	4,089,108	4,498,018	4,947,820
Assets										
Current Assets										
	Cash	2,746,555	6,640,468	6,049,084	5,334,322	4,530,040	4,031,780	6,128,602	5,515,742	4,964,168
	Advances on R&D contract services	204,711	208,972	220,286	208,972	208,972	208,972	204,793	200,697	196,683
	Prepaid Expenses and other assets	126,640	152,776	81,429	252,841	240,293	195,916	156,733	125,386	100,309
Total Assets		3,077,906	7,002,216	6,350,799	5,796,135	4,979,305	4,436,668	6,490,127	5,841,825	5,261,159
Liabilities and Stockholders Equity										
Current Liabilities										
	Accounts Payable	247,843	403,729	333,081	417,884	308,948	511,472	516,587	521,753	526,970
	Notes Payable	0	0	0	0	0	0	0	0	0
	Other liabilities	3,315	2,413	1,201	703	438	546	562	579	597
Total Liabilities		251,158	406,142	334,282	418,587	309,386	512,018	517,149	522,332	527,567
Stockholders Equity										
	Common Stock	3,270	1,685	1,795	1,795	1,795	1,810	1,810	1,810	1,810
	Additional Paid-in Capital	97,383,599	93,373,378	93,460,448	93,506,122	93,564,481	93,592,899	94,528,828	95,474,116	96,428,857
	Accumulated Deficit	(87,235,817)	(86,778,990)	(87,445,726)	(88,130,370)	(88,896,357)	(89,670,059)	(88,557,660)	(90,156,433)	(91,697,076)
Total Stockholders Equity		10,151,052	6,596,073	6,016,517	5,377,547	4,669,919	3,924,650	5,972,978	5,319,493	4,733,591
Total Liabilities and Stockholders Equity		10,402,211	7,002,216	6,350,799	5,796,135	4,979,305	4,436,668	6,490,127	5,841,825	5,261,159

HISTORICAL STOCK PRICE



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