

Zacks Small-Cap Research

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Bone Biologics

(BBLG-NASDAQ)

BBLG: Earnings Show Positive Picture

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 3Q earnings that showed improved expense discipline and good cash on hand.

Current Price (10/26/26) \$0.38
Valuation \$12.20

SUMMARY DATA

52-Week High \$2.24
52-Week Low \$0.38
One-Year Return (%) -85.55
Beta 0.90
Average Daily Volume (sh) 34,172

Shares Outstanding (mil) 3
Market Capitalization (\$mil) \$1
Short Interest Ratio (days) N/A
Institutional Ownership (%) 34
Insider Ownership (%) 5

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 A	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	-0.17 E	-0.15 E	-1.18 E

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

COMPANY UPDATE

Bone Biologics Corporation (NASDAQ: BBLG) continues to make encouraging progress toward developing a potentially differentiated bone regeneration technology for the spinal fusion market. The company's third-quarter 2026 financial results reinforce an improving financial picture, with declining operating expenses, a narrowing net loss, and a substantially stronger cash position than it maintained in earlier stages of development. Combined with recent advances in clinical trial enrollment and manufacturing readiness, these developments, in our view, provide investors with additional reasons to be optimistic about the company's longer-term prospects.

Bone Biologics is a clinical-stage medical technology company developing regenerative treatments designed to improve bone formation, initially targeting patients undergoing spinal fusion surgery. Its lead product candidate, NB1, combines recombinant human NELL-1 (rhNELL-1), a protein involved in regulating bone formation, with demineralized bone matrix (DBM), a material that provides a framework for new bone growth. Together, these components are designed to promote controlled bone regeneration, potentially improving fusion success while providing surgeons with an alternative to existing bone graft products.

The technology originated from research associated with the University of California, Los Angeles, and the company holds an exclusive worldwide license covering the NELL-1 platform. Importantly, preclinical studies involving sheep and nonhuman primates have demonstrated the technology's ability to facilitate bone formation, providing the scientific foundation for its current human clinical development program. Although these findings do not establish clinical effectiveness in humans, they support continued investigation of NB1 as a potential new approach to spinal fusion.

Third-Quarter Financial Results Demonstrate Improving Cost Discipline

The quarterly results released provide evidence to us of management's efforts to control costs while continuing to advance its principal development program.

For the third quarter ended September 30, 2026, Bone Biologics reported a net loss of approximately \$618,000, compared with \$667,000 in the corresponding quarter of 2025, representing a 7.4% year-over-year improvement. The company reported a loss per share of \$0.17, compared with \$0.37 in the prior-year quarter. Total operating expenses declined approximately 6.8%, from \$715,000 to \$666,000.

Even more encouraging to us is the composition of the company's spending. Research and development expenditures increased approximately 29%, from \$188,000 to \$243,000, reflecting continued investment in the company's technology, including efforts to extend the shelf life of its NELL-1 protein. Meanwhile, general and administrative expenses declined nearly 20%, from \$527,000 to \$424,000. Although much of the administrative reduction reflected the timing of director compensation expenses rather than permanent savings, the combination of increased development spending and lower overall operating costs is nevertheless constructive.

For the first nine months of 2026, Bone Biologics reported a net loss of \$2.16 million, compared with \$2.42 million during the corresponding period of 2025, an 11% improvement. These results suggest to us that the company is keeping overall expenditures relatively contained while allocating resources toward advancing its lead product. That is particularly important for a development-stage medical technology business, where maximizing the effectiveness of available capital can have a significant impact on shareholder value.

The balance sheet also provides an important element of support. Bone Biologics ended September 2026 with approximately \$6.09 million in cash, and management believes existing funds can support operations through the second quarter of 2027. The company used approximately \$1.85 million in operating cash during the first nine months of 2026.

Although the company remains pre-revenue and will ultimately require additional financing to complete development and pursue commercialization, its current liquidity provides an opportunity to advance clinical development without the same degree of immediate financial pressure faced by many smaller medical technology companies.

Expanding Clinical Trial Capabilities Could Accelerate Development

Beyond the financial results, one of the most significant positive developments for Bone Biologics has been the expansion of its Australian clinical trial program. In September, the company announced that it had doubled the number of participating hospital sites from three to six, a development that could meaningfully accelerate the enrollment of patients in its first-in-human NB1 pilot trial.

The study is a prospective, randomized, multicenter trial designed to evaluate NB1 in up to 30 patients undergoing transforaminal lumbar interbody fusion surgery to treat degenerative disc disease. Investigators are evaluating safety, fusion success, changes in pain, functional improvement, and adverse events. Important endpoints include fusion success at 12 and 24 months, along with changes in the Oswestry Disability Index, a widely used measure of disability associated with lower back problems.

The addition of three clinical centers increases the number of potential patients accessible to the study while reducing dependence on enrollment at any individual hospital. Management continues to target completion of enrollment by the end of 2026, which would represent an important milestone in the company's transition toward a larger pivotal clinical program.

Importantly, the FDA's Division of Orthopedic Devices previously reviewed the pilot study design through a pre-submission process. This provides a useful foundation for the company's regulatory strategy, although it does not constitute approval of NB1 or guarantee agreement on a future pivotal trial.

We believe the significance of the expanding trial network extends beyond enrollment numbers. Successful completion of the pilot study, supported by favorable safety and preliminary efficacy findings, could substantially strengthen the company's position as it seeks to advance NB1 into a U.S. pivotal study. Clinical results could also attract greater interest from potential commercial and strategic partners in the orthobiologics industry.

Manufacturing Milestones Increase the Commercial Potential of NB1

Another encouraging development occurred in August, when Bone Biologics announced that it had achieved a validated shelf life of 32 months for its rhNELL-1 protein, extending the previous 29-month milestone reached in May.

Although extending the shelf life of a protein might not initially appear as significant as a successful clinical trial, we believe it represents an important accomplishment in preparing a biologically based technology for larger-scale production and eventual commercialization.

A longer validated shelf life offers greater flexibility in manufacturing schedules, inventory management, distribution, and storage. It may also help reduce product waste and support more efficient production planning. These characteristics could become increasingly important as Bone

Biologics progresses from a relatively small pilot study toward a much larger pivotal trial requiring a consistent and reliable supply of clinical materials.

The achievement also provides evidence of the company's ability to make measurable technical progress toward commercialization. Having progressively extended the validated shelf life through 12, 18, 24, 29, and now 32 months, Bone Biologics is addressing an important practical requirement for developing a scalable commercial product.

A Potentially Significant Opportunity in Spinal Fusion

The longer-term investment opportunity for Bone Biologics rests on the possibility that NB1 could emerge as a differentiated product in the spinal fusion market.

Spinal fusion is a widely performed orthopedic procedure used to treat conditions such as degenerative disc disease, spinal instability, and certain deformities. Successful procedures depend on achieving durable bone fusion between adjacent vertebrae, creating demand for graft materials and biologically active products that support reliable bone formation.

Existing alternatives include autografts, which use bone harvested from the patient's own body; allografts, which use donor tissue; synthetic bone graft materials; and products incorporating biologically active growth factors.

Each approach involves trade-offs relating to effectiveness, cost, availability, surgical complexity, and possible complications.

Bone Biologics' competitive advantage is the biological activity of NELL-1, which is intended to promote bone formation in a targeted manner. By combining this protein with DBM, the company hopes to develop a product that provides both a structural framework and biological stimulation for new bone growth.

If human clinical studies demonstrate that NB1 achieves reliable fusion with an acceptable safety profile, as we believe it will, the technology could become an attractive alternative for surgeons seeking additional treatment options. Importantly, the company also holds rights covering potential applications in trauma and osteoporosis, suggesting that the NELL-1 platform could eventually support opportunities beyond spinal fusion.

These additional indications remain longer-term possibilities rather than established commercial programs. Nevertheless, they contribute to our view of the broader strategic value of the technology and provide opportunities for future development or potential licensing agreements.

Investment Outlook: Several Potential Catalysts Ahead

For investors, Bone Biologics appears to be approaching a meaningful period in its development. Management has established a broader clinical trial network, achieved a significant manufacturing milestone, and reported another quarter of comparatively well-controlled operating spending. The most important near-term catalyst is the anticipated completion of pilot trial enrollment by year-end 2026. Achieving this objective would allow the company to focus increasingly on patient follow-up, clinical outcomes, and preparations for the next stage of development. Subsequent 12-month fusion and functional data could represent an especially important valuation milestone, although the timing of those data will depend on actual enrollment and follow-up schedules.

The combination of improving financial discipline and continued investment in product development is encouraging because it suggests that management remains focused on advancing the company's most valuable asset rather than expanding spending indiscriminately.

The third-quarter results add another positive element to the Bone Biologics investment story. While the company remains several steps away from regulatory approval and commercial revenue, its narrowing losses, expanded clinical infrastructure, and improving manufacturing readiness provide tangible evidence of progress.

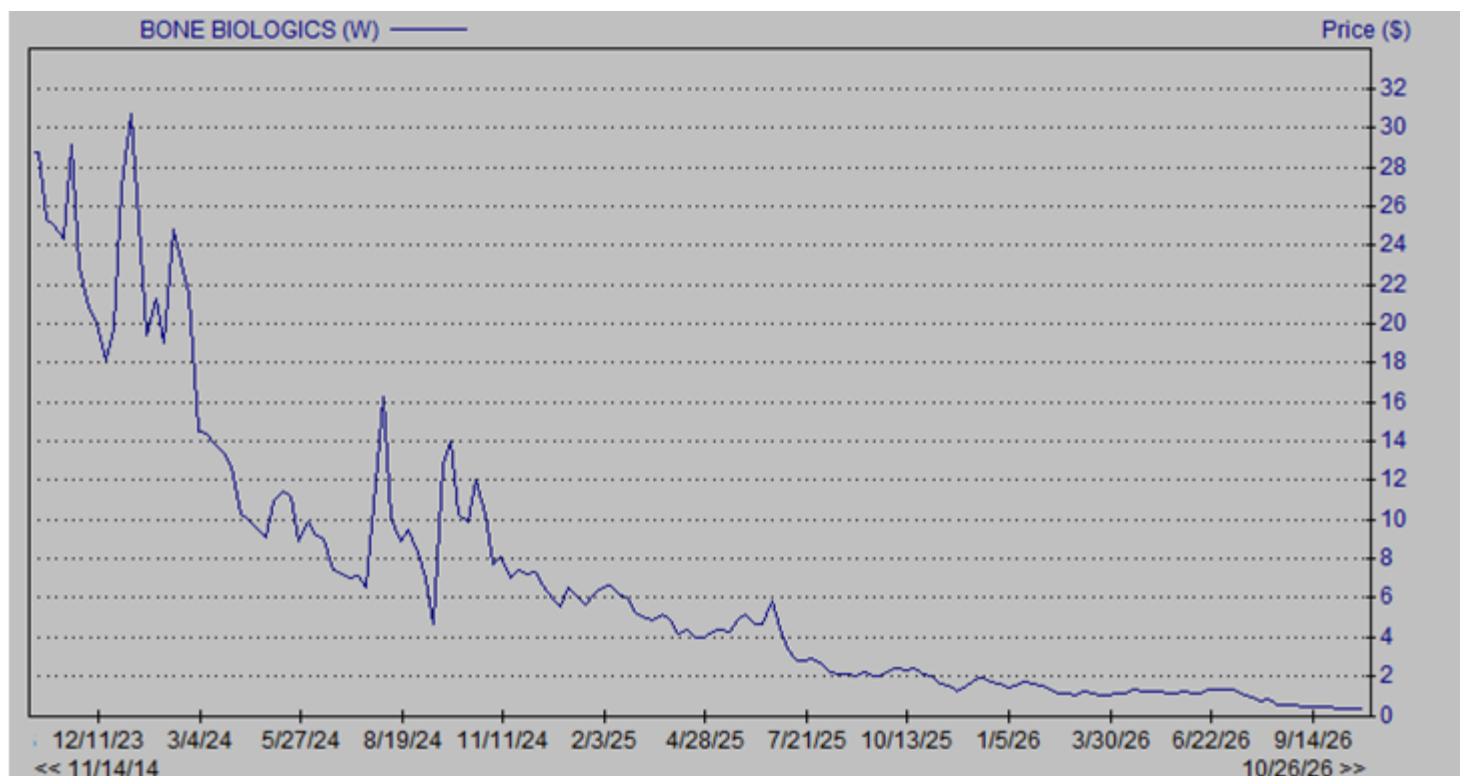
For investors willing to accept the clinical, financing, and regulatory risks inherent in an early-stage medical technology company, BBLG offers exposure to a potentially valuable regenerative medicine platform and we urge investors with a higher risk tolerance to take a look at BBLG.

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INCOME STATEMENT AND BALANCE SHEET

Bone Biologics Income Statement and Balance Sheet										
		1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026A	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	242,569	247,420	989,682
	Gen. and Admin.	614,910	556,467	527,466	475,908	663,457	499,359	423,771	428,009	1,712,035
Total Operating Expenses		1,038,486	748,075	715,274	733,107	805,054	808,106	666,340	675,429	2,701,716
Loss From Operations		(1,038,486)	(748,075)	(715,274)	(733,107)	(805,054)	(808,106)	(666,340)	(675,429)	(2,701,716)
	Interest income (expense)	20,039	6,654	47,325	47,966	38,801	34,512	48,341	45,924	26,616
	Other income/(expenses)	1,355	902	1,212	498	265	(108)	348	383	3,608
Loss before provision for income taxes		(1,017,092)	(740,519)	(666,737)	(684,643)	(765,988)	(773,702)	(617,651)	(629,122)	(2,671,492)
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)	(617,651)	(629,122)	(2,671,492)
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)	(\$0.17)	(\$0.15)	(\$0.59)
Wtd Avg Shares Outstanding		3,183,191	557,787	1,795,097	1,174,869	1,795,260	1,796,755	3,737,327	4,111,060	4,522,166
Assets										
Current Assets										
	Cash	2,746,555	6,640,468	6,049,084	5,334,322	4,530,040	4,031,780	6,088,085	5,479,277	4,931,349
	Advances on R&D contract services	208,888	208,972	220,286	208,972	208,972	208,972	208,972	204,793	200,697
	Prepaid Expenses and other assets	109,394	152,776	81,429	252,841	240,293	195,916	135,388	108,310	86,648
Total Assets		3,064,837	7,002,216	6,350,799	5,796,135	4,979,305	4,436,668	6,432,445	5,792,379	5,218,694
Liabilities and Stockholders Equity										
Current Liabilities										
	Accounts Payable	247,843	403,729	333,081	417,884	308,948	511,472	480,577	485,383	490,237
	Notes Payable	0	0	0	0	0	0	0	0	0
	Other liabilities	3,315	2,413	1,201	703	438	546	198	204	210
Total Liabilities		251,158	406,142	334,282	418,587	309,386	512,018	480,775	485,587	490,447
Stockholders Equity										
	Common Stock	3,270	1,685	1,795	1,795	1,795	1,810	3,389	1,810	1,810
	Additional Paid-in Capital	99,142,318	93,373,378	93,460,448	93,506,122	93,564,481	93,592,899	96,235,991	97,198,351	98,170,334
	Accumulated Deficit	(87,235,817)	(86,778,990)	(87,445,726)	(88,130,370)	(88,896,357)	(89,670,059)	(90,287,710)	(91,893,368)	(93,443,898)
Total Stockholders Equity		11,909,771	6,596,073	6,016,517	5,377,547	4,669,919	3,924,650	5,951,670	5,306,793	4,728,246
Total Liabilities and Stockholders Equity		12,160,930	7,002,216	6,350,799	5,796,135	4,979,305	4,436,668	6,432,445	5,792,380	5,218,694

HISTORICAL STOCK PRICE



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