

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2018**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. **000-53078**

**Bone Biologics Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or formation)

**42-1743430**

(I.R.S. employer  
identification number)

**2 Burlington Woods Drive, Ste 100, Burlington, MA 01803**

(Address of principal executive offices and Zip Code)

**(781) 552-4452**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

[X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

[ ] Yes [X] No

As of August 2, 2018, there were 8,323,799 shares of the issuer's common stock, \$0.001 par value, outstanding.

---

---

**Bone Biologics Corporation**  
**- INDEX -**

	<u>Page</u>
<b><u>PART I – FINANCIAL INFORMATION:</u></b>	
<u>Item 1.</u>	F-1
Unaudited Condensed Consolidated Financial Statements	
<u>Unaudited Condensed Consolidated Balance Sheets</u>	F-1
<u>Unaudited Condensed Consolidated Statements of Operations</u>	F-2
<u>Consolidated Statement of Stockholders’ Deficit</u>	F-3
<u>Unaudited Condensed Consolidated Statements of Cash Flows</u>	F-4
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	F-5
<u>Item 2. Management’s Discussion and Analysis or Plan of Operation</u>	4
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	8
<u>Item 4. Controls and Procedures</u>	8
<b><u>PART II – OTHER INFORMATION:</u></b>	
<u>Item 1. Legal Proceedings</u>	9
<u>Item 1A. Risk Factors</u>	9
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	9
<u>Item 3. Defaults Upon Senior Securities</u>	9
<u>Item 4. Mine Safety Disclosures</u>	9
<u>Item 5. Other Information</u>	9
<u>Item 6. Exhibits</u>	10
<u>Signatures</u>	11

## NOTE ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Form 10-Q”) contains forward-looking statements. Such forward-looking statements include those that express plans, anticipation, intent, contingency, goals, targets or future development and/or otherwise are not statements of historical fact. These forward-looking statements are based on our current expectations and projections about future events and they are subject to risks and uncertainties known and unknown that could cause actual results and developments to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. For a more detailed listing of some of the risks and uncertainties facing the Company, please see our Current Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the Securities and Exchange Commission (“SEC”) on April 2, 2018.

All statements other than historical facts contained in this report, including statements regarding our future financial position, capital expenditures, cash flows, business strategy and plans and objectives of management for future operations are forward-looking statements. The words “anticipated,” “believe,” “expect,” “plan,” “intend,” “seek,” “estimate,” “project,” “could,” “may,” and similar expressions are intended to identify forward-looking statements. These statements include, among others, information regarding future operations, future capital expenditures, and future net cash flow. Such statements reflect our management’s current views with respect to future events and financial performance and involve risks and uncertainties, including, without limitation, our ability to raise additional capital to fund our operations, obtaining Food and Drug Administration (“FDA”) and other regulatory authorization to market our drug and biological products, successful completion of our clinical trials, our ability to achieve regulatory authorization to market our lead product NELL-1, our reliance on third party manufacturers for our drug products, market acceptance of our products, our dependence on licenses for certain of our products, our reliance on the expected growth in demand for our products, exposure to product liability and defect claims, development of a public trading market for our securities, and various other matters, many of which are beyond our control.

Should one or more of these risks or uncertainties occur, or should underlying assumptions prove to be incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated or otherwise indicated. Consequently, all of the forward-looking statements made in this Annual Report are qualified by these cautionary statements and accordingly there can be no assurances made with respect to the actual results or developments. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context requires otherwise, the terms “Company,” “we,” “us,” and “our” in this document refer to Bone Biologics Corporation, a Delaware corporation, and, its wholly owned subsidiary as defined under the heading “Management’s Discussion and Analysis” in this Form 10-Q.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Bone Biologics Corporation

Condensed Consolidated Balance Sheets

	<u>June 30, 2018</u> (unaudited)	<u>December 31, 2017</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 304,564	\$ 690,279
Prepaid expenses	73,082	105,234
Total current assets	<u>377,646</u>	<u>795,513</u>
Property and equipment, net	<u>98</u>	<u>146</u>
Total assets	<u>\$ 377,744</u>	<u>\$ 795,659</u>
<b>Liabilities and Stockholders' Deficit</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 328,850	\$ 720,128
Note payable – related party	600,000	-
Deferred compensation	341,667	241,667
Total current liabilities	<u>1,270,517</u>	<u>961,795</u>
Note payable – related party, net of debt discount of \$436,979 and \$770,313, respectively	<u>8,563,021</u>	<u>8,229,687</u>
Total liabilities	<u>9,833,538</u>	<u>9,191,482</u>
<b>Commitments and Contingencies</b>		
<b>Stockholders' deficit</b>		
Preferred Stock, \$0.001 par value per share; 20,000,000 shares authorized; none issued or outstanding at June 30, 2018 and December 31, 2017	-	-
Common stock, \$0.001 par value per share; 100,000,000 shares authorized; 4,453,740 and 4,328,080 shares issued and outstanding at June 30, 2018 and December 31, 2017	4,454	4,328
Additional paid-in capital	50,619,663	48,961,794
Common stock to be issued to related parties; 115,384 shares at June 30, 2018 and December 31, 2017	1,823,077	1,823,077
Accumulated deficit	<u>(61,902,988)</u>	<u>(59,185,022)</u>
Total stockholders' deficit	<u>(9,455,794)</u>	<u>(8,395,823)</u>
Total liabilities and stockholders' deficit	<u>\$ 377,744</u>	<u>\$ 795,659</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**Bone Biologics Corporation**

**Condensed Consolidated Statements of Operations**

	<b>Three Months Ended June 30, 2018</b>	<b>Three Months Ended June 30, 2017</b>	<b>Six Months Ended June 30, 2018</b>	<b>Six Months Ended June 30, 2017</b>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Cost of revenues</b>	-	-	-	-
<b>Gross profit</b>	-	-	-	-
<b>Operating expenses</b>				
Research and development				
Trade	192,446	423,929	604,309	826,079
Related party (includes Founders stock-based compensation of -0- and \$(3,539,274) for the three months and -0- and \$(2,744,749) for the six months ended June 30, 2018 and 2017, respectively)	-	(3,529,274)	-	(2,744,749)
General and administrative	667,704	1,130,382	1,352,564	2,103,881
<b>Total operating expenses</b>	<b>860,150</b>	<b>(1,974,963)</b>	<b>1,956,873</b>	<b>185,211</b>
<b>Income (Loss) from operations</b>	<b>(860,150)</b>	<b>1,974,963</b>	<b>(1,956,873)</b>	<b>(185,211)</b>
Other expenses				
Interest expense, net – related party	(401,576)	(957,062)	(759,493)	(1,719,413)
<b>Income (Loss) before provision for income taxes</b>	<b>(1,261,726)</b>	<b>1,017,901</b>	<b>(2,716,366)</b>	<b>(1,904,624)</b>
<b>Provision for income taxes</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b>Net Income (Loss)</b>	<b>\$ (1,263,326)</b>	<b>\$ 1,016,301</b>	<b>\$ (2,717,966)</b>	<b>\$ (1,906,224)</b>
<b>Weighted average shares outstanding – basic</b>	<b>4,421,247</b>	<b>3,882,861</b>	<b>4,384,330</b>	<b>3,882,861</b>
<b>Weighted average shares outstanding – diluted</b>	<b>4,421,247</b>	<b>4,074,726</b>	<b>4,384,330</b>	<b>3,882,861</b>
<b>Net Income (Loss) per share – basic</b>	<b>\$ (0.29)</b>	<b>\$ 0.26</b>	<b>\$ (0.62)</b>	<b>\$ (0.49)</b>
<b>Net Income (Loss) per share – diluted</b>	<b>\$ (0.29)</b>	<b>\$ 0.25</b>	<b>\$ (0.62)</b>	<b>\$ (0.49)</b>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**Bone Biologics Corporation**

**Consolidated Statement of Stockholders' Deficit**  
**For the six months ended June 30, 2018**  
**(unaudited)**

	<i>Common Stock</i>		Additional Paid-in Capital	Common Stock to be Issued	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount				
<b>Balance at December 31, 2017</b>	<b>4,328,080</b>	<b>\$ 4,328</b>	<b>\$ 48,961,794</b>	<b>\$ 1,823,077</b>	<b>\$(59,185,022)</b>	<b>\$ (8,395,823)</b>
Fair value of vested stock options issued to employees	-	-	709,495	-	-	709,495
Shares issued for cash	25,000	25	492,475	-	-	492,500
Fair value of shares issued in settlement of bonus payable	23,146	23	455,977	-	-	456,000
Shares issued to related party upon net settlement of warrants	30,847	31	(31)	-	-	-
Shares issued to related party under anti-dilution provision	46,667	47	(47)	-	-	-
<b>Net Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,717,966)</b>	<b>(2,717,966)</b>
<b>Balance at June 30, 2018 (unaudited)</b>	<b>4,453,740</b>	<b>\$ 4,454</b>	<b>\$ 50,619,663</b>	<b>\$ 1,823,077</b>	<b>\$(61,902,988)</b>	<b>\$ (9,455,794)</b>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**Bone Biologics Corporation**

**Condensed Consolidated Statements of Cash Flows**

	<b>Six Months Ended June 30, 2018 (unaudited)</b>	<b>Six Months Ended June 30, 2017 (unaudited)</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (2,717,966)	\$ (1,906,224)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	48	48
Debt discount amortization	313,745	1,222,834
Debt issuance costs amortization	19,589	19,588
Stock-based compensation	391,590	1,038,239
Options issued to consultants	317,905	(2,444,369)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	24,652	(4,658)
Accounts payable and accrued expenses	64,722	172,181
Deferred issuance costs	-	(35,000)
Deferred compensation	100,000	100,000
<b>Net cash used in operating activities</b>	<b>(1,485,715)</b>	<b>(1,837,361)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	500,000	-
Proceeds from issuance of notes payable	600,000	2,000,000
<b>Net cash provided by financing activities</b>	<b>1,100,000</b>	<b>2,000,000</b>
<b>Net increase (decrease) in cash</b>	<b>(385,715)</b>	<b>162,639</b>
<b>Cash, beginning of period</b>	<b>690,279</b>	<b>620,375</b>
<b>Cash, end of period</b>	<b>\$ 304,564</b>	<b>\$ 783,014</b>
<b>Supplemental non-cash information</b>		
Interest paid	\$ 392,000	\$ 436,192
Taxes paid	\$ 1,600	\$ 1,600
<b>Supplemental non-cash investing and finance activities:</b>		
Beneficial conversion feature of notes payable	\$ -	\$ 2,000,000
Prepaid offering costs netted against proceeds from issuance of common stock	\$ 7,500	\$ -
Shares issued in settlement of bonus payable	\$ 456,000	\$ -

*See accompanying notes to unaudited condensed consolidated financial statements.*

**Bone Biologics Corporation**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
**For the six months ended June 30, 2018**

**1. The Company**

Bone Biologics Corporation (the “Company”) was incorporated under the laws of the State of Delaware on October 18, 2007 as AFH Acquisition X, Inc. Pursuant to a Merger Agreement, dated September 19, 2014, by and among the Company, its wholly-owned subsidiary, Bone Biologics Acquisition Corp., a Delaware corporation (“Merger Sub”), and Bone Biologics, Inc. Merger Sub merged with and into Bone Biologics Inc., with Bone Biologics Inc. remaining as the surviving corporation in the merger. Upon the consummation of the merger, the separate existence of Merger Sub ceased. On September 22, 2014, the Company officially changed its name to “Bone Biologics Corporation” to more accurately reflect the nature of its business and Bone Biologics, Inc. became a wholly owned subsidiary of the Company. Bone Biologics, Inc. was incorporated in California on June 9, 2004.

We are a medical device company that is currently focused on bone regeneration in spinal fusion using the recombinant human protein, known as NELL-1/DBX®. The NELL-1/DBX® combination product is an osteostimulative recombinant protein that provides target specific control over bone regeneration. The protein, as part of the UCB-1 technology platform has been licensed exclusively for worldwide applications to us through a technology transfer from UCLA Technology Development Group on behalf of UC Regents (“UCLA TDG”). UCLA TDG and the Company received guidance from the FDA that NELL-1/DBX® will be classified as a combination product with a device lead.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, which we refer to as the JOBS Act. We would cease to be an emerging growth company upon the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues are \$1.07 billion or more; (ii) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded \$700.0 million as of the end of the second quarter of that fiscal year; or (iii) the date on which we have, during the previous three-year period, issued more than \$1.07 billion in non-convertible debt securities. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. We have elected to take advantage of these reduced disclosure obligations, and may elect to take advantage of other reduced reporting obligations in the future.

The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to irrevocably “opt out” of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted.

The production and marketing of the Company’s products and its ongoing research and development activities will be subject to extensive regulation by numerous governmental authorities in the United States. Prior to marketing in the United States, any combination product developed by the Company must undergo rigorous preclinical (animal) and clinical (human) testing and an extensive regulatory approval process implemented by the FDA under the Food, Drug and Cosmetic Act. There can be no assurance that the Company will not encounter problems in clinical trials that will cause the Company or the FDA to delay or suspend clinical trials.

The Company’s success will depend in part on its ability to obtain patents and product license rights, maintain trade secrets, and operate without infringing on the proprietary rights of others, both in the United States and other countries. There can be no assurance that patents issued to or licensed by the Company will not be challenged, invalidated, or circumvented, or that the rights granted thereunder will provide proprietary protection or competitive advantages to the Company.

## ***Going Concern and Liquidity***

The Company has no significant operating history and since inception to June 30, 2018 has generated a net loss of approximately \$61.9 million. The Company will continue to incur significant expenses for development activities for their lead product NELL-1/DBX®. Operating expenditures for the next twelve months are estimated at \$8.2 million. The accompanying condensed consolidated financial statements for the period ended June 30, 2018 have been prepared assuming the Company will continue as a going concern. As reflected in the condensed consolidated financial statements, the Company had a stockholders' deficit of \$9,455,794 at June 30, 2018, and incurred a net loss of \$2,717,966, and used net cash in operating activities of \$1,485,715 during the six-month period ended June 30, 2018. As of June 30, 2018, the Company had a working capital deficit of \$892,871 and cash of \$304,564. These factors raise substantial doubt about the Company's ability to continue as a going concern. In addition, our independent accounting firm, in its audit report to the financial statements included in our Annual Report for the year ended December 31, 2017, expressed substantial doubt about our ability to continue as a going concern. The condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company will continue to attempt to raise additional debt and/or equity financing to fund future operations and to provide additional working capital. However, there is no assurance that such financing will be consummated or obtained in sufficient amounts necessary to meet the Company's needs. If cash resources are insufficient to satisfy the Company's on-going cash requirements, the Company will be required to scale back or discontinue its product development programs, or obtain funds if available (although there can be no certainties) through strategic alliances that may require the Company to relinquish rights to its technology, substantially reduce or discontinue its operations entirely. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing, or cause substantial dilution for our stockholders, in the case of equity financing.

The Company closed on \$500,000 of equity financing in March 2018 and \$600,000 promissory note in May 2018. On July 16, 2018, the Company closed a Rights Offering ("Rights Offering") to existing shareholders and a securities purchase agreement with Hankey Capital LLC ("Hankey Capital") in the aggregate amount of \$3,869,979 and secured a credit facility with Hankey Capital for \$2,000,000. In the Rights Offering the Company issued 330,325 shares to four shareholders (the "Rights Shares") and issued 3,539,654 shares to Hankey Capital (the "Hankey Shares") pursuant to the Securities Purchase Agreement. As of August 1, 2018, the Company had cash of \$3,140,734.

Pursuant to our October 2016 and February 2017 Convertible Notes, which were subsequently converted into shares of common stock on December 31, 2017, the Company may only use the proceeds from the issuance of these Convertible Notes to focus on prioritizing operations on essential research and development activities. Also pursuant to the October 2016 Note Purchase Agreement, the Company's management has agreed to defer 20% of earned compensation and the Board of Directors has authorized a change in director compensation to defer 50% of the directors' cash compensation until at least \$5,000,000 has been received in cumulative funding from non-current stockholders.

The proceeds from the sale of the Rights Shares and the Hankey Shares of \$3,869,979 will be used for working capital, protein development, animal testing, regulatory and clinical expenses, as well as for other purposes not presently contemplated herein but which are related directly to growing the Company's current business, research and development activities and the repayment of a secured bridge note issued to Hankey Capital in the principal amount of \$600,000.

### **Reverse Stock Split**

On June 11, 2018 and effective July 24, 2018, the directors of the Company approved a resolution to undertake a reverse split of the common stock of the Company on a basis of 1 new common share for 10 old common share. All references in these financial statements to number of common shares, price per share and weighted average number of shares outstanding prior to the 1 for 10 reverse split have been adjusted to reflect the stock split on a retroactive basis as of the earliest period presented, unless otherwise noted.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Presentation***

The interim condensed consolidated financial statements included herein reflect all material adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) which, in the opinion of management, are ordinary and necessary for a fair presentation of results for the interim periods. Certain information and footnote disclosures required under the accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). The Company believes that the disclosures are adequate to make the information presented not misleading. The condensed consolidated balance sheet information as of December 31, 2017 was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K filed with the SEC on April 2, 2018 (the "2017 Annual Report"). These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2017 and notes thereto included in the 2017 Annual Report.

The results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the results to be expected for the entire fiscal year ended December 31, 2018 or for any other period.

### ***Reclassification***

Certain accounts in the prior-year and prior-quarter financial statements related to research and development expense and general and administrative expense totaling \$16,220 have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

### ***Use of Estimates***

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Significant estimates include the assumptions used in the accrual for potential liabilities, the valuation of stock options and warrants issued for services, and deferred tax valuation allowances. Actual results could differ from those estimates.

### ***Stock Based Compensation***

ASC 718, *Compensation – Stock Compensation*, prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the consolidated financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, *Equity – based Payments to Non-Employees*. Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of the performance commitment date or the performance completion date.

In light of the very limited trading of our common stock, the fair value of the shares was determined based on the then most recent price per share at which we sold common stock to unrelated parties in a private placement during the periods then ended. Pursuant to ASU No. 2016-09 – *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, the Company accounts for forfeitures when they occur.

### ***Loss per Common Share***

The Company utilizes FASB ASC Topic No. 260, *Earnings per Share*. Basic loss per share is computed by dividing loss available to common shareholders by the weighted-average number of common shares outstanding. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted loss per common share reflects the potential dilution that could occur if convertible debentures, options and warrants were to be exercised or converted or otherwise resulted in the issuance of common stock that then shared in the earnings of the entity.

Since the effects of outstanding options, warrants, and the conversion of convertible debt are anti-dilutive in during the six months ended June 30, 2018 and 2017 and the three months period ended June 30, 2018, shares of common stock underlying these instruments have been excluded from the computation of loss per common share.

The following sets forth the number of shares of common stock underlying outstanding options, warrants, and convertible debt as of June 30, 2018 and 2017:

	June 30,	
	2018	2017
Warrants	862,182	1,039,082
Stock options	844,954	859,102
Convertible promissory notes	569,620	889,620
	<u>2,276,756</u>	<u>2,787,804</u>

### *New Accounting Standards*

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (ASU 2016-02), Leases (Topic 842). ASU 2016-02 requires a lessee to record a right-of-use asset and a corresponding lease liability, initially measured at the present value of the lease payments, on the balance sheet for all leases with terms longer than 12 months, as well as the disclosure of key information about leasing arrangements. ASU 2016-02 requires recognition in the statement of operations of a single lease cost, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. ASU 2016-02 requires classification of all cash payments within operating activities in the statement of cash flows. Disclosures are required to provide the amount, timing and uncertainty of cash flows arising from leases. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. The Company has not yet evaluated the impact of the adoption of ASU 2016-02 on the Company's financial statement presentation or disclosures.

In July 2017, the FASB issued ASU No. 2017-11, "Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features; (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception" ("ASU 2017-11"). ASU 2017-11 allows companies to exclude a down round feature when determining whether a financial instrument (or embedded conversion feature) is considered indexed to the entity's own stock. As a result, financial instruments (or embedded conversion features) with down round features may no longer be required to be accounted for as derivative liabilities. A company will recognize the value of a down round feature only when it is triggered, and the strike price has been adjusted downward. For equity-classified freestanding financial instruments, an entity will treat the value of the effect of the down round as a dividend and a reduction of income available to common stockholders in computing basic earnings per share. For convertible instruments with embedded conversion features containing down round provisions, entities will recognize the value of the down round as a beneficial conversion discount to be amortized to earnings. ASU 2017-11 is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The guidance in ASU 2017-11 can be applied using a full or modified retrospective approach. The Company is currently evaluating the impact of the adoption of ASU 2017-11 on the Company's financial statement presentation or disclosures.

In June 2018, the FASB issued ASU No. 2018-07, Compensation - Stock Compensation (Topic 718): Improvements to nonemployee share-based payment accounting. This ASU simplifies the accounting and reporting for share-based payments issued to nonemployees by expanding the scope of ASC 718, Compensation - Stock Compensation, which currently only includes share-based compensation to employees, to also include share-based payments to nonemployees for goods and services. The standard is effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Early adoption is permitted, but no earlier than a company's adoption date of ASC 606. Management is currently in the process of evaluating the impact of the standard on its consolidated financial statements and disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

### **3. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following:

	June 30, 2018	December 31, 2017
Accounts payable	\$ 259,967	\$ 216,903
Accrued bonus	-	456,000
Accrued interest – related party	6,658	-
Deferred Directors' fees	62,225	47,225
	<u>\$ 328,850</u>	<u>\$ 720,128</u>

#### 4. Commitments and Contingencies

##### Contingencies

The Company is subject to claims and assessments from time to time in the ordinary course of business. The Company's management does not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

#### 5. Notes Payable - Related Parties

Note Type	Issue Date	Maturity Date	Interest Rate	June 30, 2018	December 31, 2017
(A) First Secured Convertible Note	10/24/14	12/31/19	9.0%	\$ 5,000,000	\$ 5,000,000
(A) Second Secured Convertible Note	5/4/15	12/31/19	9.0%	2,000,000	2,000,000
(B) Third Secured Convertible Note	2/24/16	2/23/19	9.0%	2,000,000	2,000,000
(C) Promissory Note	5/14/18	12/31/18	8.5%	600,000	-
				9,600,000	9,000,000
Less: Current portion				(600,000)	-
Less: Debt discount				(410,851)	(724,606)
Less: Debt issuance costs				(26,128)	(45,707)
Net Notes payable				\$ 8,563,021	\$ 8,229,687

##### First and Second Secured Convertible Notes and Warrants

(A) On October 24, 2014 and May 4, 2015, the Company issued two convertible promissory notes in the aggregate amount of \$7,000,000 to Hankey Capital. Don Hankey, the CEO and Chairman of Hankey Group, is our non-independent Chairman of the Board and a significant shareholder. Bret Hankey, the president of Hankey Capital, is a non-independent board member. The Convertible Notes mature on December 31, 2019 and bear interest at an annual rate of interest of the "prime rate" plus 4.0%, with a minimum rate of 8.5% per annum until maturity, with interest payable monthly in arrears. Prior to the Maturity Date, Hankey Capital has a right, in its sole discretion, to convert the Convertible Notes into shares of the Company's Common Stock, at a conversion rate equal to the greater of (i) \$15.80 per share or (ii) 70% of the average daily price for the Common Stock as measured over the course of the 60 day period prior to the conversion. The Company also issued warrants to Hankey Capital for 585,443 shares of Common Stock at an exercise price per share of \$15.80 that expire three years from the date of issuance. In connection with the Convertible Notes, the Company issued 886,076 common shares as collateral shares and paid commitment fees in the amount of 3.0% of the original principal amount of the loans (\$210,000) to Hankey Capital and other aggregate offering costs of \$594,550. The relative fair value of the 585,443 warrants issued to Hankey was determined to be \$2,086,859 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.82% - 0.96%; dividend yield of 0%; volatility rate of 96.77% - 96.83%; and an expected life of three years (statutory term). As of October 24, 2014 and May 4, 2015, the effective conversion price was greater than the market price of shares of the Company's common stock; therefore, a beneficial conversion feature was not recognized. The aggregate value of the warrants and offering costs totaling \$2,891,409 was considered to be a debt discount upon issuance of the notes and was amortized as interest over the terms of the notes or in full upon the conversion of the notes.

The Convertible Notes are secured by 585,443 collateral shares of Common Stock issued by the Company in the name of Hankey Capital, in such amount so as to maintain a loan to value ratio of no greater than 50% (the "Collateral"). The number of shares in the Collateral shall be adjusted on a yearly basis. The Convertible Notes are further secured by collateral assignments of all the Company's license agreements. The principal amount of the loan is pre-payable in whole or in part at any time, without premium or penalty. Upon any voluntary partial prepayment of outstanding principal, Hankey Capital will return Collateral shares to the Company in the amount necessary, if any, to maintain the loan to value ratio at no less than 50%. Upon a full payment of the outstanding principal, all Collateral shares shall be returned and cancelled. Hankey Capital will also return Collateral shares under the same terms in case of partial or full conversion of the Convertible Notes. The Notes and Warrants contain provisions limiting the exercise/conversion thereof.

On February 24, 2016, the First and Second Secured Convertible Notes were modified to extend the maturity date to December 31, 2019 and fix the conversion price at \$15.80 and the warrants were amended to extend their expiration date by two years. The Company determined that the extension of the convertible notes' maturity dates and the warrants' expiration dates resulted in a debt extinguishment for accounting purposes since the change in fair value of the warrants as a result of the extension of their expiration dates was more than 10% of the original value of the convertible notes. As such, the Company recorded the notes at their aggregate fair value of \$7,000,000. The Company recorded a loss on extinguishment of debt totaling \$2,842,580 of which \$1,005,646 represented the increased fair value of the warrants and \$1,836,934 related to write off the remaining valuation discount on that date.

### ***Third Convertible Secured Term Note and Warrants***

(B) On February 24, 2016, the Company issued a convertible promissory note in the amount of \$2,000,000 to Hankey Capital. The Third Convertible Note matures on February 23, 2019 (the "Maturity Date") and bears interest at an annual rate of interest at the "prime rate" (as quoted in the "Money Rates" section of The Wall Street Journal) plus 4.0%, with a minimum rate of 8.5% per annum until maturity, with interest payable monthly in arrears. Prior to the Maturity Date, Hankey Capital has a right, in its sole discretion, to convert the Convertible Note into shares of the Company's common stock (the "Conversion Shares"), at a conversion rate equal to \$15.80 per share and issued a warrant to Hankey Capital for 146,342 shares of Common Stock at an exercise price per share of \$20.50. The Warrant will expire on February 23, 2021. The Note and Warrant contain provisions limiting the exercise/conversion thereof. The Convertible Note is secured by 146,342 collateral shares of Common Stock issued by the Company in the name of Hankey Capital, in such amount so as to maintain a loan to value ratio of no greater than 50%. The number of Collateral Shares will be adjusted on a yearly basis. The Convertible Note is further secured by all of the Company's personal property, including collateral assignments of all the Company's license agreements and the MTF Signal Option Agreement. The principal amount of the loan is prepayable in whole or in part at any time, without premium or penalty. Upon any voluntary partial prepayment of outstanding principal, Hankey Capital will return Collateral Shares to the Company in the amount necessary, if any, to maintain the loan to value ratio at no less than 50%. Upon a full payment of the outstanding principal, all Collateral Shares will be returned and cancelled. Hankey Capital will also return Collateral Shares under the same terms in case of partial or full conversion of the Convertible Note. In connection with the Convertible Note, on February 24, 2016 the Company issued 253,165 common shares as collateral and paid a commitment fee in the amount of \$40,000 (2% of the original principal amount of the Loan) and other offering costs totaling \$77,532. The relative fair value of the 146,342 warrants issued to Hankey was determined to be \$1,103,817 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.90%; dividend yield of 0%; volatility rate of 119%; and an expected life of five years (statutory term). As of February 24, 2017, the effective conversion price was less than the market price of shares of the Company's common stock. As such, the Company recognized a beneficial conversion feature of \$778,651. The aggregate value of the warrants, beneficial conversion feature and offering costs of \$2,000,000 was considered to be a debt discount upon issuance of the note and will be amortized as interest over the term of the note or in full upon the conversion of the note.

In connection with the Third Convertible Note with Hankey Capital, during 2016 Hankey Capital exercised warrants to purchase an aggregate of 79,114 shares resulting in gross proceeds to the Company of \$1,250,000, and the parties agreed to extend the maturity date of the first two convertible secured notes to December 31, 2019 and fix the conversion rate at \$15.80. The Company also agreed to extend the term of the warrants issued with the first two convertible notes to five years from issuance.

### ***Bridge Note***

(C) On May 14, 2018, pursuant to a Note Purchase Agreement, the Company issued to Hankey Capital a secured promissory note in the amount of \$600,000 (the "Note"). The Note matures on December 31, 2018 (the "Maturity Date") and bears interest at an annual rate of interest of 8.5% per annum until maturity.

A portion of the proceeds from the sale of the Rights Shares and the Hankey Shares were used for the repayment of the Note. (See Note 9).

The total debt discount amortization related to our outstanding debt for the periods ended June 30, 2018 and 2017, was \$313,745 and \$1,222,834, respectively. The unamortized debt discount at June 30, 2018 was \$410,851. The discount is expected to be recognized over a period of 1.23 years. The unamortized debt discount at December 31, 2017 was \$724,606.

The total debt issuance amortization related to our outstanding debt for the periods ended June 30, 2018 and 2017, was \$19,589 and \$19,588, respectively. The unamortized debt issuance costs at June 30, 2018 was \$26,128. The cost is expected to be recognized over a period of 1.23 years. The unamortized debt issuance costs at December 31, 2017 was \$45,707.

## **6. Stockholders' Deficit**

### ***Preferred Stock***

The Company's amended and restated certificate of incorporation authorizes the Company to issue a total of 20,000,000 shares of preferred stock. No shares have been issued.

### ***Common Stock***

The Company's amended and restated certificate of incorporation authorizes the Company to issue a total of 100,000,000 shares of common stock. As of June 30, 2018 and December 31, 2017, the Company had an aggregate of 4,453,740 and 4,328,080 shares of common stock outstanding, respectively.

In February 2018, 32,289 warrants were exercised on a cashless basis resulting in the issuance of 16,706 shares of common stock. In May 2018, 28,719 warrants were exercised on a cashless basis resulting in the issuance of 14,141 shares of common stock.

In February 2018, management was issued 23,146 shares of restricted common stock with a fair value of \$456,000 in settlement of bonuses payable.

On March 26, 2018, the Company entered into a share purchase agreement pursuant to which an aggregate of 25,000 shares of common stock of the Company at a price per share equal to \$20.00 (\$2.00 pre-split) for total proceeds of \$500,000.

In May 2018, the Company closed a private placement offering and in accordance with the terms of the anti-dilution provision of the subscription agreement with Musculoskeletal Transplant Foundation ("MTF"), issued to MTF 46,667 shares of common stock.

## Common Stock Warrants

A summary of warrant activity for the period ended June 30, 2018 is presented below:

<b>Subject to Exercise</b>	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Life (Years)</b>
<b>Outstanding as of December 31, 2017</b>	1,026,424	\$ 15.17	2.23
<b>Granted – 2018</b>	-	-	-
<b>Forfeited/Expired – 2018</b>	(103,234)	-	-
<b>Exercised – 2018</b>	(61,008)	9.74	3.15
<b>Outstanding as of June 30, 2018</b>	<u>862,182</u>	<u>\$ 15.51</u>	<u>1.88</u>

As of June 30, 2018, the Company had outstanding vested and unexercised Common Stock Warrants as follows:

<b>Date Issued</b>	<b>Exercise Price</b>	<b>Number of Warrants</b>	<b>Expiration date</b>
2009	\$ 4.40	11,839	March 16, 2019
2010	\$ 4.40	22,659	February 4, 2020
April 2013	\$ 10.00	5,000	April 28, 2020
September 2013	\$ 10.00	5,000	September 4, 2020
September 2013	\$ 10.00	2,500	September 20, 2020
November 2013	\$ 10.00	7,500	November 14, 2020
July 2014	\$ 10.00	50,000	September 30, 2018
July 2014	\$ 10.00	4,667	July 2, 2018
July 2014	\$ 0.00	1,263	July 10, 2018
September 2014	\$ 16.20	62,500	August 31, 2021
September 2014	\$ 10.00	11,800	September 18, 2021
September 2014	\$ 10.00	8,959	September 29, 2021
October 2014	\$ 15.80	316,456	October 23, 2019
May 2015	\$ 15.80	189,874	May 4, 2020
October 2015	\$ 15.80	15,823	October 27, 2018
February 2016	\$ 20.50	146,342	February 23, 2021
<b>Total warrants at June 30, 2018</b>		<u><b>862,182</b></u>	

An aggregate of 61,008 common stock warrants were exercised on a non-cash basis and 103,234 warrants expired during the period ended June 30, 2018. The intrinsic value of the outstanding warrants on June 30, 2018 is \$3,948,200.

## 7. Stock-based Compensation

### 2015 Equity Incentive Plan

The Company has 14,000,000 shares of Common Stock authorized and reserved for issuance under our 2015 Equity Incentive Plan for option awards. This reserve may be increased by the Board each year by up to the number of shares of stock equal to 5% of the number of shares of stock issued and outstanding on the immediately preceding December 31. Appropriate adjustments will be made in the number of authorized shares and other numerical limits in our 2015 Equity Incentive Plan and in outstanding awards to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in our capital structure. Shares subject to awards granted under our 2015 Equity Incentive Plan which expire, are repurchased or are cancelled or forfeited will again become available for issuance under our 2015 Equity Incentive Plan. The shares available will not be reduced by awards settled in cash. Shares withheld to satisfy tax withholding obligations will not again become available for grant. The gross number of shares issued upon the exercise of stock appreciation rights or options exercised by means of a net exercise or by tender of previously owned shares will be deducted from the shares available under our 2015 Equity Incentive Plan.

Awards may be granted under our 2015 Equity Incentive Plan to our employees, including officers, director or consultants, and our present or future affiliated entities. While we may grant incentive stock options only to employees, we may grant non-statutory stock options, stock appreciation rights, restricted stock purchase rights or bonuses, restricted stock units, performance shares, performance units and cash-based awards or other stock based awards to any eligible participant.

The 2015 Equity Incentive Plan will be administered by our compensation committee. Subject to the provisions of our 2015 Equity Incentive Plan, the compensation committee determines, in its discretion, the persons to whom, and the times at which, awards are granted, as well as the size, terms and conditions of each award. All awards are evidenced by a written agreement between us and the holder of the award. The compensation committee has the authority to construe and interpret the terms of our 2015 Equity Incentive Plan and awards granted under our 2015 Equity Incentive Plan.

A summary of stock option activity for the period ended June 30, 2018, is presented below:

Subject to Exercise	Number of Options	Weighted Average Exercise Price	Weighted Average Life (Years)	Aggregate Intrinsic Value
<b>Outstanding as of December 31, 2017</b>	839,732	\$ 16.41	7.55	\$ 4,373,120
<b>Granted – 2018</b>	5,222	19.70	10.00	-
<b>Forfeited – 2018</b>	-	-	-	-
<b>Exercised – 2018</b>	-	-	-	-
<b>Outstanding as of June 30, 2018</b>	<u>844,954</u>	<u>\$ 17.98</u>	<u>7.07</u>	<u>\$ 2,884,239</u>

As of June 30, 2018, the Company had unexercised stock options as follows:

Date Issued	Exercise Price	Number of Options	Expiration date
September 2014	\$ 15.90	58,307	December 27, 2025
November 2014	\$ 15.90	17,492	December 27, 2025
August 2015	\$ 15.90	312,180	December 27, 2025
September 2015	\$ 15.90	20,000	December 27, 2025
November 2015	\$ 15.90	122,464	December 27, 2025
December 2015	\$ 15.90	80,275	December 27, 2025
January 2016	\$ 15.90	127,581	January 9, 2026
March 2016	\$ 20.50	5,400	February 24, 2021
May 2016	\$ 20.50	80,744	May 26, 2026
June 2016	\$ 20.50	9,933	May 31, 2026
January 2017	\$ 20.50	5,356	January 1, 2027
January 2018	\$ 19.70	5,222	January 1, 2028
<b>Total options at June 30, 2018</b>		<u><b>844,954</b></u>	

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value ( *i.e.* , the difference between our closing stock price on the respective date and the exercise price, times the number of shares) that would have been received by the option holders had all option holders exercised their options. No options exercised or cancelled during the period ended June 30, 2018.

There were 5,222 options granted with a fair value of \$100,000 during the period ended June 30, 2018. Vesting of options differs based on the terms of each option. The Company has valued the options at their date of grant utilizing the Black-Scholes option pricing model. As of the issuance of these condensed consolidated financial statements, there was no active public market for the Company's shares. Accordingly, the fair value of the options was determined based on the historical volatility data of similar companies, considering the industry, products and market capitalization of such other entities. The risk-free interest rate used in the calculations is based on the implied yield available on U.S. Treasury issues with an equivalent term approximating the expected life of the options as calculated using the simplified method. The expected life of the options used was based on the contractual life of the option granted. Stock-based compensation is a non-cash expense because we settle these obligations by issuing shares of our common stock from our authorized shares instead of settling such obligations with cash payments.

During the periods ended June 30, 2018 and 2017, the Company had stock-based compensation expense of \$709,495 and \$(1,406,130), respectively, related to the vesting of stock options granted to the Company's employees, directors, and consultants included in our reported net loss. During the six months ended June 30, 2017, there were 4,125,306 options cancelled in conjunction with the termination of the Founders Professional Services Agreement. There were 20,085 options forfeited upon the resignation of one of our directors. Our policy is to account for forfeitures when they occur; therefore these forfeitures are recorded as a reversal to expense. Forfeiture reversals for the six months ended June 30, 2018 and 2017 were \$-0- and \$3,650,419, respectively.

The Company utilized the Black-Scholes option pricing model. The assumptions used for the periods ended June 30, 2018 and 2017 are as follows:

	June 30, 2018	June 30, 2017
Risk free interest rate	2.302%-2.790%	1.99%-2.306%
Expected life (in years)	6.24-7.75	5.5-9.0
Expected Volatility	169.33%-173.79%	135.94%-142.69%
Expected dividend yield	0%	0%

A summary of the changes in the Company's non-vested options during the period ended June 30, 2018, is as follows:

	Number of Non-vested Options	Weighted Average Fair Value at Grant Date
Non-vested at January 1, 2018	265,304	\$ 15.01
Granted in 2018	5,222	\$ 19.15
Forfeited – 2018	-	\$ -
Vested in 2018	(3,950)	\$ 18.99
Non-vested at June 30, 2018	<u>266,576</u>	<u>\$ 15.03</u>
Exercisable at June 30, 2018	578,378	\$ 14.43
Outstanding at June 30, 2018	<u><b>844,954</b></u>	<u><b>\$ 16.32</b></u>

As of June 30, 2018, total unrecognized compensation cost related to unvested stock options was \$949,826. The cost is expected to be recognized over a weighted average period of 0.94 years.

## 8. Related Party Transactions

### *Hankey Capital LLC (Hankey Capital)*

Hankey Capital holds certain convertible notes of the Company as discussed in Note 5. Don Hankey, the CEO and Chairman of Hankey Group, is our non-independent Chairman of the Board and a significant shareholder. Bret Hankey, the president of Hankey Capital, is a non-independent board member. The Hankey Group is an affiliate of Hankey Capital.

## **Founders**

The Company entered into a Letter Agreement effective October 2, 2015, with each of Dr. Chia Soo, Dr. Eric Kang Ting and Dr. Ben Wu (collectively, the “Founders”). The Founders were three of the original shareholders of the Company. Pursuant to the Letter Agreement, the Founders agrees to deliver to the Company all past work product and past data related to NELL-1 (the “Data”) for use by the Company in its sole discretion, within the applicable licensing rights granted under the UCLA license and in exchange the Company agreed to the future issuance of an aggregate of 115,385 shares of the Company’s common stock. The Shares are to be equally distributed between the Founders upon the earlier of (i) the third anniversary of the Agreement and (ii) the occurrence of a Liquidity Event (as defined in the Letter Agreement) and are currently reported as Shares to be Issued.

## **9. Subsequent Events**

On June 11, 2018 and effective July 16, 2018, the Company and Hankey Capital executed a Securities Purchase Agreement (the “Purchase Agreement”) whereby Hankey Capital agreed to purchase up to 3,869,979 shares of the Company’s Common Stock (the “Shares”) at a purchase price of \$1.00 (after giving effect to the reverse split referred to below) and up to \$2,000,000 in principal amount of a convertible secured note (the “Note”). The maturity date of the note is December 31, 2019 and the Note will bear interest at the greater of the Prime Rate plus 4% or 8.5% per annum. The Note (principal and interest) is convertible into shares of the Company’s Common Stock at the option of the holder at \$1.00 per share and is secured by a security interest in all assets of the Company and a pledge of collateral shares in an amount sufficient to maintain a loan to value ratio of no greater than 50%. Pursuant to the Purchase Agreement, the Company was obligated to effect a Rights Offering (“Offering”) to its stockholders with respect to the Shares and the Note, and the number of Shares and principal amount of the Note shall be reduced to the extent that the Company’s stockholders participate in the Rights Offering. The closing of the Purchase Agreement was conditioned on the completion of a reverse split of a ratio of 1 for 10 of the Company’s outstanding common shares.

In connection with the financing on June 11, 2018 the Company and Hankey Capital executed amendments (the “Amendments”) to the convertible promissory notes (the “Existing Convertible Notes”) issued by the Company on October 24, 2014, May 4, 2015 and February 24, 2016. The Amendments change Hankey Capital’s conversion price from \$15.80 per share to \$1.00 per share on the Existing Convertible Notes and extend the maturity date of the February 24, 2016 note from February 24, 2019 to December 31, 2019. The Amendments became effective on the closing of the Offering, July 16, 2018.

On July 16, 2018, the Company and Hankey Capital entered into an amendment (the “Amendment”) to the Purchase Agreement dated as of June 11, 2018. Pursuant to the Amendment, in lieu of loaning the Company \$2,000,000 at the closing, Hankey Capital will provide a credit facility to the Company of \$2,000,000 to be drawn down by the Company upon notice to Hankey Capital. Each draw will be evidenced by a convertible secured note on the same terms as described above except each note will be dated the date of the applicable draw and will bear interest from the date of the draw. The purpose of the Amendment is to reduce the interest expense to the Company. On July 16, 2018, the Company issued to four stockholders of the Company an aggregate of 330,325 shares of the Company’s Common Stock (the “Rights Shares”).

On July 16, 2018, the Company issued to Hankey Capital 3,539,654 shares of the Company’s Common Stock (the “Hankey Shares”). The Hankey Shares were issued pursuant to the Purchase Agreement.

The proceeds from the sale of the Rights Shares and the Hankey Shares of \$3,869,979 will be used for working capital, protein development, animal testing, regulatory and clinical expenses, as well as for other purposes not presently contemplated herein but which are related directly to growing the Company’s current business, research and development activities and the repayment of a secured bridge note issued to Hankey Capital in the principal amount of \$600,000.

As a result of the issuance of the Hankey Shares on July 16, 2018, Don Hankey, as the beneficial owner of the Hankey Shares, acquired control of the Company. Mr. Hankey is the Manager of Hankey Capital. Mr. Hankey is the beneficial owner of 14,061,483 shares of the Company consisting of 3,867,868 shares owned by Hankey Capital, 1,139,240 shares held by Hankey Capital as collateral for the repayment of convertible notes, 361,640 shares owned by the Don Hankey Trust (the “Trust”) of which Mr. Hankey is the Trustee, 274,240 shares held by H&H Funding LLC of which Mr. Hankey is the sole manager, 7,860,760 shares issuable upon conversion of convertible notes held by Hankey Capital and 557,735 shares issuable upon exercise of warrants issued to Hankey Capital. Hankey Capital is owned by Hankey Investment Company LP (“HIC”) of which the Trust owns a 66.09% interest, HIG is owned by Knight Services Inc. of which the Trust is the sole owner.

Effective July 16, 2018, the Board of Directors of the Company appointed Don Hankey to the Company’s Board of Directors and elected Mr. Hankey as Chairman of the Board replacing Bruce Stroever. Mr. Stroever will continue as a director of the Company.

On August 3, 2018, a shareholder derivative complaint was filed against the Company, as nominal defendant, The Musculoskeletal Transplant Foundation, Inc., one of our stockholders, and certain of our directors. The complaint alleges, among other things, violation of Section 14(c) of the Securities Exchange Act and Rule 14c-6 and breach of fiduciary duty. The complaint also seeks rescission of the reverse split which was effective as July 24, 2018.

The Company intends to vigorously defend against the allegations in the complaint. Based on the very early stage of the litigation, it is not possible to estimate the amount or range of any possible loss arising from the expenditure of defense fees, a judgment or settlement of the matter.

## Item 2. Management’s Discussion and Analysis.

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and audited consolidated financial statements for the years ended December 31, 2017 and 2016 and the related notes included in our Annual Report on Form 10-K filed for the fiscal year ended December 31, 2017, with the SEC on April 2, 2018. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. See “Note Regarding Forward-Looking Statements” for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results and the timing of events could differ materially from those discussed in our forward-looking statements as a result of many factors.*

### Overview

We are a medical device company that is currently focused on bone regeneration in spinal fusion using the recombinant human protein, known as NELL-1/DBX®. The NELL-1/DBX® combination product is an osteostimulative recombinant protein that provides target specific control over bone regeneration. The protein, as part of the UCB-1 technology platform has been licensed exclusively for worldwide applications to us through a technology transfer from UCLA Technology Development Group on behalf of UC Regents (“UCLA TDG”). UCLA TDG and the Company received guidance from the FDA that NELL-1/DBX® will be classified as a combination product with a device lead.

The Company was founded by University of California professors in collaboration with an Osaka University professor and a University of Southern California surgeon in 2004 as a privately-held company with proprietary, patented technology that has been validated in sheep and non-human primate models to facilitate bone growth. Our platform technology has application in delivering improved outcomes in the surgical specialties of spinal, orthopedic, general orthopedic, plastic reconstruction, neurosurgery, interventional radiology, and sports medicine. Lead product development and clinical studies are targeted on spinal fusion surgery, one of the larger segments in the orthopedic market.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, which we refer to as the JOBS Act. We would cease to be an emerging growth company upon the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues are \$1.07 billion or more; (ii) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded \$700.0 million as of the end of the second quarter of that fiscal year; or (iii) the date on which we have, during the previous three-year period, issued more than \$1.07 billion in non-convertible debt securities. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. We have elected to take advantage of these reduced disclosure obligations, and may elect to take advantage of other reduced reporting obligations in the future.

The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to irrevocably “opt out” of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted.

Our success will depend in part on our ability to obtain patents and product license rights, maintain trade secrets, and operate without infringing on the proprietary rights of others, both in the United States and other countries. There can be no assurance that patents issued to or licensed by us will not be challenged, invalidated, or circumvented, or that the rights granted thereunder will provide proprietary protection or competitive advantages to us.

### ***UCLA TDG Exclusive License Agreement***

Effective August 18, 2017, the Company entered into an Amended and Restated Exclusive License Agreement (the “Restated License Agreement”) with the UCLA Technology Development Group on behalf of UC Regents (“UCLA TDG”). The Restated License Agreement amends and restates the Exclusive License Agreement, effective March 15, 2006, between the Company and UCLA TDG, as amended by ten amendments. Under the terms of the Restated License Agreement, the Regents have continued to grant the Company exclusive rights to develop and commercialize NELL-1 (the “Licensed Product”) for spinal fusion applications. The Licensed Product is a recombinant human protein growth factor that is essential for normal bone development.

Following the completion of several key milestones, Bone Biologics has expanded its Field of Use definition beyond spine fusion within the NELL-1 license agreement with UCLA TDG. Consistent with that expansion, Bone Biologics has entered into an exclusive license agreement with UCLA TDG for the worldwide application of the NELL-1 protein for both osteoporosis and trauma through a technology transfer.

We have agreed to pay an annual maintenance fee to UCLA TDG of \$10,000 as well as to pay certain royalties to UCLA TDG under the Restated License Agreement at the rate of 3.0% of net sales of licensed products. We must pay the royalties to UCLA TDG on a quarterly basis. Upon a first commercial sale, we also must pay between \$50,000 and \$250,000, depending on the calendar year which is after the first commercial sale. If we are required to pay any third party any royalties as a result of us making use of UCLA TDG patents, then we may reduce the royalty owed to UCLA TDG by 0.333% for every percentage point paid to a third party. If we grant sublicense rights to a third party to use the UCLA TDG patent, then we will pay to UCLA TDG 10% to 20% of the sublicense income we receive from such sublicense.

We are obligated to make the following milestone payments to UCLA TDG for each Licensed Product or Licensed Method:

- \$100,000 upon enrollment of the first subject in a Feasibility Study;
- \$250,000 upon enrollment of the first subject in a Pivotal Study;
- \$500,000 upon Pre-Market Approval of a Licensed Product or Licensed Method; and
- \$1,000,000 upon the First Commercial Sale of a Licensed Product or Licensed Method.

We are also obligated to pay UCLA TDG a cash milestone payment within thirty (30) days of a Liquidity Event (including a Change of Control Transaction and a payment election by UCLA TDG exercisable after December 22, 2017, such payment to equal the greater of:

- \$500,000; or
- 2% of all proceeds in connection with a Change of Control Transaction.

We are obligated to diligently proceed with developing and commercializing licensed products under UCLA patents set forth in the Restated License Agreement. UCLA TDG has the right to either terminate the license or reduce the license to a non-exclusive license if we do not meet certain diligence milestone deadlines set forth in the Restated License Agreement.

We must reimburse or pre-pay UCLA TDG for patent prosecution and maintenance costs incurred during the term of the Restated License Agreement. We have the right to bring infringement actions against third party infringers of the Restated License Agreement, UCLA TDG may join voluntarily, at its own expense, or, at our expense, be joined involuntarily to the action. We are required to indemnify UCLA TDG against any third party claims arising out of our exercise of the rights under the Restated License Agreement or any sublicense.

## Results of Operations

Since our inception, we devoted substantially all of our efforts and funding to the development of the NELL-1 protein and raising capital. We have not yet generated revenues from our planned operations.

### *Three Months ended June 30, 2018 compared to the Three Months ended June 30, 2017*

	Three Months ended June 30, 2018	Three Months ended June 30, 2017	% Change
Operating expenses			
Research and development			
Trade	\$ 192,446	\$ 423,929	(54.60)%
Related party	-	(3,529,274)	(100.00)%
General and administrative	<u>667,704</u>	<u>1,130,382</u>	<u>(40.93)%</u>
Total operating expenses	<u>860,150</u>	<u>(1,974,963)</u>	<u>(143.55)%</u>
Net Income (Loss) from operations	<u>(860,150)</u>	<u>1,974,963</u>	<u>(143.55)%</u>
Interest expense, net	<u>(401,576)</u>	<u>(957,062)</u>	<u>(58.04)%</u>
Net Income (Loss) before provision for income taxes	<u>(1,261,726)</u>	<u>1,017,901</u>	<u>(223.95)%</u>
Provision for income taxes	<u>1,600</u>	<u>1,600</u>	<u>-%</u>
Net Income (Loss)	<u>\$ (1,263,326)</u>	<u>\$ 1,016,301</u>	<u>(224.31)%</u>

### *Research and Development*

Our research and development related party expenses decreased from \$(3,529,274) during the three months ended June 30, 2017 to \$-0- during the three months ended June 30, 2018. The \$3,529,274 decrease was due to the options forfeited with the termination of the Professional Services Agreements with each of the Founders in April 2017. Our trade research and development decreased between June 30, 2018 and 2017 based on the timing of our large animal pivotal study. We will continue to incur significant expenses for development activities for NELL-1.

### *General and Administrative*

Our general and administrative expenses decreased from \$1,130,382 during the three months ended June 30, 2017 to \$667,704 during the three months ended June 30, 2018. The \$462,678 decrease was primarily due to a decrease in the required amortization of the fair value of management options.

### *Interest Expense*

Our net interest expense decreased from \$957,062 for the three months ended June 30, 2017 to \$401,576 during the three months ended June 30, 2018. The decrease in interest of \$555,486 resulted from the conversion of \$3,900,000 of notes and decreased amortization of debt discount costs.

*Six Months ended June 30, 2018 compared to the Six Months ended June 30, 2017*

	Six Months ended June 30, 2018	Six Months ended June 30, 2017	% Change
Operating expenses			
Research and development			
Trade	\$ 604,309	\$ 826,079	(26.85)%
Related party	-	(2,744,749)	(100.00)%
General and administrative	<u>1,352,564</u>	<u>2,103,881</u>	<u>(35.71)%</u>
Total operating expenses	<u>1,956,873</u>	<u>185,211</u>	<u>956.56%</u>
Net Loss from operations	<u>(1,956,873)</u>	<u>(185,211)</u>	<u>956.56%</u>
Interest expense, net	<u>(759,493)</u>	<u>(1,719,413)</u>	<u>(55.83)%</u>
Net Loss before provision for income taxes	<u>(2,716,366)</u>	<u>(1,904,624)</u>	<u>42.62%</u>
Provision for income taxes	<u>1,600</u>	<u>1,600</u>	<u>-%</u>
Net Income (Loss)	<u>\$ (2,717,966)</u>	<u>\$ (1,906,224)</u>	<u>42.58%</u>

*Research and Development*

Our research and development related party expenses decreased from \$(2,744,749) during the six months ended June 30, 2017 to \$-0- during the six months ended June 30, 2018. The \$2,744,749 decrease was due to the options forfeited with the termination of the Professional Services Agreements with each of the Founders in April 2017. Our trade research and development decreased between June 30, 2018 and 2017 based on the timing of our large animal pivotal study. We will continue to incur significant expenses for development activities for NELL-1.

*General and Administrative*

Our general and administrative expenses decreased from \$2,103,881 during the six months ended June 30, 2017 to \$1,352,564 during the six months ended June 30, 2018. The \$751,317 decrease was primarily due to a decrease in the required amortization of the fair value of management options.

*Interest Expense*

Our net interest expense decreased from \$1,719,413 for the six months ended June 30, 2017 to \$759,493 during the six months ended June 30, 2018. The decrease in interest of \$959,920 resulted from the conversion of \$3,900,000 of notes and decreased amortization of debt discount costs.

## Liquidity and Capital Resources

We have no significant operating history and since inception to June 30, 2018, we have generated a net loss of approximately \$61.9 million. We will continue to incur significant expenses for development activities for our lead product NELL-1/DBX®. Operating expenditures for the next twelve months are estimated at \$8.2 million. The Company has required monthly interest payments of approximately \$65,875. The accompanying condensed consolidated financial statements for the period ended June 30, 2018 have been prepared assuming the Company will continue as a going concern. As reflected in the condensed consolidated financial statements, the Company had a stockholders' deficit of \$9,455,794 at June 30, 2018, and incurred a net loss of \$2,717,966, and used net cash in operating activities of \$1,485,715 during the six-month period ended June 30, 2018. As of June 30, 2018, the Company had a working capital deficit of \$892,871 and cash of \$304,564. These factors raise substantial doubt about the Company's ability to continue as a going concern. In addition, our independent accounting firm, in its audit report to the financial statements included in our Annual Report for the year ended December 31, 2017, expressed substantial doubt about our ability to continue as a going concern. The condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company will continue to attempt to raise additional debt and/or equity financing to fund future operations and to provide additional working capital. However, there is no assurance that such financing will be consummated or obtained in sufficient amounts necessary to meet the Company's needs. If cash resources are insufficient to satisfy the Company's on-going cash requirements, the Company will be required to scale back or discontinue its product development programs, or obtain funds if available (although there can be no certainties) through strategic alliances that may require the Company to relinquish rights to its technology, substantially reduce or discontinue its operations entirely. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing, or cause substantial dilution for our stockholders, in the case of equity financing.

The Company closed on \$500,000 of equity financing in March 2018 and \$600,000 term note in May 2018. On July 16, 2018, the Company closed a Rights Offering to existing shareholders for 330,325 shares and a securities purchase agreement with Hankey Capital for 3,539,654 shares in the aggregate amount of \$3,869,979 and secured a credit facility with Hankey Capital for \$2,000,000. As of August 1, 2018, the Company had cash of \$3,140,734.

As of June 30, 2018 and December 31, 2017, we had cash of \$304,564 and \$690,279, respectively.

## Cash Flows

### *Operating activities*

During the six months ended June 30, 2018 and 2017, cash used in operating activities was \$1,485,715 and \$1,837,361 respectively. Cash expenditures the six months ended June 30, 2018 decreased primarily due to the timing of our development activities with our Contracted Manufacturing Organization ("CMO") and management's cash conservation efforts. Management continues a 20% deferral of wages and the Board a 50% deferral of cash compensation.

### *Financing activities*

During the six months ended June 30, 2018, cash provided by financing activities of \$1,100,000 resulted from the March 2018 equity purchase of common stock and the May 2018 promissory note. Cash provided during the six months ended June 30, 2017, of \$2,000,000 resulted from the February 2017 convertible notes.

## Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

## Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

## Item 4. Controls and Procedures.

### *Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of our management, including our Chief Financial Officer and Chief Executive Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of June 30, 2018. Based upon that evaluation, our Chief Financial Officer and Chief Executive Officer concluded that as of June 30, 2018, our disclosure controls and procedures were not effective.

### *Changes in Internal Controls*

Management has been actively engaged in developing remediation plans to address the material weakness disclosed on our Form 10K for the year ended December 31, 2017. The remediation efforts in process or expected to be implemented include the implementation of procedures requiring a third-party review of all non-routine transactions.

We believe that the controls that we are implementing will improve the effectiveness of our internal control over financial reporting. As we continue to

evaluate and work to improve our internal control over financial reporting, we may determine to take additional measures to address the material weakness or determine to supplement or modify certain of the remediation measures described above.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

On August 3, 2018, a shareholder derivative complaint was filed against the Company, as nominal defendant, The Musculoskeletal Transplant Foundation, Inc., one of our stockholders, and certain of our directors. The complaint alleges, among other things, violation of Section 14(c) of the Securities Exchange Act and Rule 14c-6 and breach of fiduciary duty. The complaint also seeks rescission of the reverse split which was effective as July 24, 2018.

The Company intends to vigorously defend against the allegations in the complaint. Based on the very early stage of the litigation, it is not possible to estimate the amount or range of any possible loss arising from the expenditure of defense fees, a judgment or settlement of the matter.

In the normal course of our business, we may periodically become subjected to various lawsuits. However, there are currently no legal actions pending against us or, to our knowledge, are any such proceedings contemplated.

### Item 1A. Risk Factors.

Not applicable.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None

### Item 3. Defaults Upon Senior Securities.

None

### Item 4. Mine Safety Disclosures.

Not Applicable

### Item 5. Other Information.

None

**Item 6. Exhibits.**

(a) Exhibits required by Item 601 of Regulation S-K.

<b>Exhibit</b>	<b>Description</b>
10.1	<a href="#"><u>Note Purchase Agreement with Hankey Capital, LLC dated as of May 14, 2018 (incorporated herein by reference to Exhibit 10.1 to current report on Form 8-K, File No. 000-53078, filed May 15, 2018)</u></a>
10.2	<a href="#"><u>Bone Biologics Corporation Note issued to Hankey Capital, LLC (incorporated herein by reference to Exhibit 10.2 to current report on Form 8-K, File No. 000-53078, filed May 15, 2018)</u></a>
10.3	<a href="#"><u>Securities Purchase Agreement with Hankey Capital, LLC dated as of June 11, 2018 (incorporated herein by reference to Exhibit 10.1 to current report on Form 8-K, File No. 000-53078, filed June 12, 2018)</u></a>
10.4	<a href="#"><u>Form of Convertible Secured Note (incorporated herein by reference to Exhibit 10.2 to current report on Form 8-K, File No. 000-53078, filed June 12, 2018)</u></a>
10.5	<a href="#"><u>Second Amendment to Convertible Secured Term Note (October 24, 2014 Note) with Hankey Capital, LLC dated as of June 11, 2018 (incorporated herein by reference to Exhibit 10.3 to current report on Form 8-K, File No. 000-53078, filed June 12, 2018)</u></a>
10.6	<a href="#"><u>Second Amendment to Convertible Secured Term Note (May 4, 2015 Note) with Hankey Capital, LLC dated as of June 11, 2018 (incorporated herein by reference to Exhibit 10.4 to current report on Form 8-K, File No. 000-53078, filed June 12, 2018)</u></a>
10.7	<a href="#"><u>First Amendment to Convertible Secured Term Note (February 24, 2016 Note) with Hankey Capital, LLC dated as of June 11, 2018 (incorporated herein by reference to Exhibit 10.5 to current report on Form 8-K, File No. 000-53078, filed June 12, 2018)</u></a>
10.8	<a href="#"><u>Amendment to Securities Purchase Agreement dated as of July 16, 2018 between the Company and Hankey Capital. (incorporated herein by reference to Exhibit 10.1 to current report on Form 8-K, File No. 000-53078, filed June 19, 2018)</u></a>
31.1	<a href="#"><u>Certification of the Company's Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Report on Form 10-Q for the quarter ended June 30, 2018.*</u></a>
31.2	<a href="#"><u>Certification of the Company's Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Report on Form 10-Q for the quarter ended June 30, 2018.*</u></a>
32.1	<a href="#"><u>Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u></a>
32.2	<a href="#"><u>Certification of the Company's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u></a>
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

\* Filed Herewith

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BONE BIOLOGICS CORPORATION**

Dated: August 14, 2018

By: /s/ Stephen R. LaNeve

Name: Stephen R. LaNeve

Title: Chief Executive Officer

**Certification of Principal Executive Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**  
**and Securities and Exchange Commission Release 34-46427**

I, Stephen R. LaNeve, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bone Biologics Corporation
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. As the registrant's Principal Financial Officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and I have:
  - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2018

*/s/ Stephen R. LaNeve*

Stephen R. LaNeve

Principal Executive Officer

---

**Certification of Principal Financial Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**  
**and Securities and Exchange Commission Release 34-46427**

I, Deina H. Walsh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bone Biologics Corporation
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. As the registrant's Principal Financial Officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and I have:
  - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2018

*/s/ Deina H. Walsh*

Deina H. Walsh

Principal Financial Officer

---

**Certification of Principal Executive Officer**  
**Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to**  
**Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Report of Bone Biologics Corporation (the "Company") on Form 10-Q for the period ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen R. LaNeve, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ Stephen R. LaNeve*

Stephen R. LaNeve  
Principal Executive Officer

August 14, 2018

---

**Certification of Principal Financial Officer**  
**Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to**  
**Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Report of Bone Biologics Corporation (the "Company") on Form 10-Q for the period ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Deina H. Walsh, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ Deina H. Walsh*

Deina H. Walsh  
Principal Financial Officer

August 14, 2018

---