

Bone Therapeutics and Kasios to collaborate on novel product for the optimisation of spinal fusion procedures

Companies to develop a novel product combining Bone Therapeutics' cell therapy product ALLOB[®] with Kasios's synthetic bone substitute

Gosselies & Gilly, Belgium and L'Union, France, 17 November 2014- BONE THERAPEUTICS, the regenerative therapy company addressing unmet medical needs in the fields of bone diseases and orthopaedics and KASIOS, the synthetic bone substitute specialist, today announce a two-year collaboration to develop a novel product for spinal fusion procedures. The collaboration combines Bone Therapeutics' allogeneic¹ osteoblastic cell therapy product ALLOB[®] with Kasios's synthetic micro-granules bone substitute. The project is subsidized by the Government of the Walloon Region.

Bone Therapeutics and Kasios believe the combined product offering will create a novel approach to spine fusion, where previous methods have failed to provide the three essential properties required for bone formation² in this specific indication: osteoconduction, when bone graft material serves as a support for new bone growth; osteoinduction, in which immature cells are recruited and stimulated to develop into bone-forming cells or "osteoblasts" and osteogenesis, the production of new bone. Bone Therapeutics' allogeneic osteoblastic cell therapy product ALLOB[®] has already shown bone forming properties including osteoinduction and osteogenicity, as well as excellent safety and efficacy in preclinical studies.

Combining Bone Therapeutics' ALLOB[®] cells with Kasios[®]TCP's osteoconductive micro-granules has the potential to enhance 3D growth and bone growth in spine fusion, bringing advantages in stability and structure. Osteoconduction is particularly key in spine fusion procedures, where larger fracture areas create a need for more structural support, which Kasios' micro-granules can provide.

A number of methods have been developed and proposed to promote spinal fusion, such as ceramics, cadaver bones, osteoinductive growth factors or undifferentiated stem cells. However, non-union of bone and persistent pain following spinal fusion intervention is still common so further improvements in the procedure that improve safety and efficacy are still strongly needed.

Enrico Bastianelli, CEO of Bone Therapeutics commented: *"We are excited by the collaboration with Kasios which positions both companies at the forefront of development into an innovative new approach to spine fusion. Kasios is a leader in synthetic bone substitutes and we look forward to what we hope will be a very fruitful collaboration as we seek to advance novel solutions for spine fusion."*

Nicolas Guéna, CEO of Kasios commented: *"We are delighted to be collaborating with Bone Therapeutics and we believe there are significant synergies between our approaches. By combining our bone substitute with ALLOB[®], we aim to benefit from increased bone regeneration efficacy, while our technology provides superior 3D support for new bone formation."*

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¹Where cells are derived from a healthy, universal donor, rather than the patient.

²Oryan et al., *Journal of Orthopaedic Surgery and Research* 2014, 9:18

● About ALLOB®

ALLOB® is a first-in-class allogeneic osteoblastic cell product with regenerative properties, developed for the treatment of bone diseases. "Allogeneic" means that the cells are harvested from a healthy, universal donor, as opposed to "autologous" where the cells come from the patient him/herself. ALLOB® is currently tested in two Phase I/IIa clinical trials for the treatment of delayed union fractures and lumbar fusion for degenerative disease of the spine. ALLOB® also has the potential to be administered systemically to treat orthopaedic conditions such as osteogenesis imperfecta, a rare genetic bone disease characterized by bone fragility and fractures. ALLOB® has been classified as a tissue engineered product under the ATMP regulation 1394/2007EMA.

● About Bone Therapeutics

Bone Therapeutics is a leading biotechnology company specializing in the development of innovative regenerative therapies for the treatment of bone diseases and orthopaedic conditions. The current standard of care in this field often involves major surgery and long recovery periods. To overcome these problems, Bone Therapeutics is developing a range of innovative products containing regenerative osteoblastic/bone forming cells, administrable via a minimally invasive percutaneous technique; a unique proposition in the market.

PREOB®, Bone Therapeutics' autologous cell product, is currently in pivotal Phase III clinical studies for two indications: osteonecrosis and non-union fractures, and in Phase II for treatment resistant osteoporosis.

ALLOB®, its allogeneic cell product, is in Phase II for the treatment of delayed union fractures and lumbar fusion for degenerative disease of the spine. The Company also runs preclinical research programs and develops unique product candidates.

Founded in 2006, Bone Therapeutics is headquartered in Gosselies (South of Brussels, Belgium). Bone Therapeutics' regenerative products are manufactured to the highest GMP standards and are protected by a rich IP estate covering 9 patent families.

● Kasios

Kasios specializes in the development, manufacture and commercialization of synthetic bone substitutes for use in orthopedics, spine and dental surgery. The Company's expertise in biomaterials comes from its team of calcium phosphate experts, recognized for their knowledge in developing new products designed to this fast growing market. Kasios works in compliance with international quality standards applied to the field of medical devices (ISO 9001: 2008 BS EN ISO 13485 2012) that satisfy the unified regulatory requirements which allows the Company to provide the highest standard of quality to its customers.

Founded in 2001, Kasios is headquartered in Gilly - Belgium and L'Union - France.

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