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OSTEOARTHRITIS (“OA”) PATIENTS FACE HIGHER COSTS, ACCORDING TO SAMUMED AND IHS MARKIT***Samumed and IHS Markit Present Analysis of Medicare Claims Data for Knee OA***

San Diego, CA—July 20, 2017—Samumed, a leader in osteoarthritis research, and IHS Markit have jointly analyzed the health care resource use of Medicare patients with primary OA of the knee compared to similar patients without this condition.

In 2014, the total expense per patient (including Medicare payments, third-party insurance coverage and out-of-pocket contributions) with and without a primary diagnosis of OA of the knee was \$15,558 and \$10,194, respectively, indicating that the economic burden of patients with knee OA is significant, with approximately 50% greater costs than those without the disease.

“As part of our commercialization efforts for our OA program, we have been evaluating the financial data on the burden of this disease. OA is a chronic and debilitating disease that constitutes a significant and increasing cost factor for both payers and patients, particularly when considering the aging demographics of the United States population,” said Erich Horsley, the Chief Business Officer of Samumed. By 2014, the total expense associated with this Medicare patient population OA in the U.S. alone had increased to \$33 billion according to the study.

The methodology of the analysis and the topline results were presented at the 22nd Annual Meeting of the International Society for Pharmacoeconomics and Outcomes Research in Boston, MA. The presentations can be accessed at the following links:

Methodology of the analysis: <http://bit.ly/2hIHmVn>

Topline results: <http://bit.ly/2vDu8W4>

Samumed’s investigational drug for knee osteoarthritis, SM04690, has demonstrated potential for cartilage regeneration, as well as improvements in pain and function associated with OA of the knee. Given the heavy financial burden of this disease on the healthcare system, new medication with the potential to halt the progression of the disease while providing relief of symptoms is needed.

About Samumed, LLC

Based in San Diego, CA, Samumed (www.samumed.com) is a pharmaceutical platform company focused on advancing regenerative medicine and oncology applications through research and innovation. Samumed has discovered new targets and biological processes in the Wnt pathway, allowing the team to develop small molecule drugs that potentially address numerous degenerative conditions as well as many forms of cancer.

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