xintelling

Newsletter from Xintela AB

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This edition of Xintelling is mainly devoted to EQSTEM, our stem cell product for horses which is receiving extra attention right now through ongoing collaboration and licensing discussions. We start our newsletter by reporting from two conferences, BIO International and the European orthopaedics conference ESSKA.

Conferences for partnering and for cartilage regeneration

At the **BIO International** in San Diego, our CEO Evy Lundgren-Åkerlund and our business development consultant participated with partnering meetings as main activity. This time, we focused mainly on companies with an interest in cancer and ADCs (Antibody-Drug Conjugates) and presented our subsidiary Targinta's cancer projects. We have expanded our presentation with new results on our unique cancer target on aggressive and difficult-to-treat cancers, such as glioblastoma and triple-negative breast cancer, and on our therapeutic antibodies and ADCs. We had really good responses from the companies we met. Our results show the unique role of our target molecule integrin α10β1 on cancer cells, which makes it particularly interesting as a target molecule for cancer therapy and diagnostics. We have what many companies are looking for: a novel target molecule which is expressed in aggressive, invasive and difficult-to-treat cancers and is not found in most normal tissues, which reduces the risk of negative side effects of, for example, an ADC treatment. In addition, we have first-in-class antibodies and ADCs that bind specifically to the target molecule and that have shown therapeutic effect on tumor growth and metastasis in various cancer models. We also have a strong and comprehensive patent portfolio that protects both our target molecule and our antibodies in the major markets. Given the industry's great interest in new target molecules and antibodies in the hot and fast-growing ADC area, where several deals are already being made at the preclinical phase, we believe it is possible for us to land a commercial agreement at an early stage.

We also had very good meetings with companies interested in our stem cell product XSTEM, both companies that we already have a dialogue with and companies that we have not previously presented XSTEM to. All in all, it was a rewarding conference and now follow-ups and continued dialogues are ongoing with potential partners and licensees.

ESSKA (European Society for Sports Traumatology, Knee surgery and Arthroscopy) brings together orthopaedic surgeons, clinicians and scientists in Europe and is Europe's largest association of musculoskeletal specialists. The ESSKA congress is held every two years and the 2024 congress in Milan was attended by 4.500 participants. Our CSO Lucienne Vonk, presented on the disease modifying effects of XSTEM that were found in our preclinical osteoarthritis studies. She showed our findings that after injection in a joint, XSTEM moves to the locations where there is cartilage damage and makes new cartilage tissue. She also presented our research that when an inflammatory environment is mimicked, XSTEM responds by secreting factors that resolve ongoing inflammation and by regulating immune cells. Lucienne was also Scientific Advisor for the ESSKA-Orthobiologics Initiative (ORBIT) formal consensus on the use of injectable orthobiologics for knee osteoarthritis Part 2: cell-based therapy. The consensus was presented and published on the conference. Lucienne presented one of the sections of the consensus on behalf of the consensus group.

EQSTEM – a unique stem cell therapy for horses

EQSTEM® is our stem cell product for the treatment of joint disease in horses. The product is developed in the same way and with the same selection technology as our stem cell product XSTEM® for humans. We isolate the stem cells from adipose tissue of healthy horse donors and during the production process, Xintela's patented stem cell marker integrin α10β1 is used to purify mesenchymal stem cells (MSCs) from other cell types. EQSTEM has been the frontrunner in our development of stem cell-based therapies and has built the foundation for our development of the human product XSTEM. With EQSTEM, we have conducted two preclinical studies on horses with post-traumatic osteoarthritis, the first in collaboration with Cornell University in the US and the second in collaboration with the University of Copenhagen. The results from these studies have shown that treatment with EQSTEM reduces lameness (pain) and damage to cartilage and underlying bone and improves joint function in horses with post-traumatic osteoarthritis. These results were central to bringing XSTEM into human clinical studies on knee osteoarthritis patients.

Osteoarthritis in horses - high medical need and large market

As in humans, many horses develop osteoarthritis later in life. Besides progressive cartilage loss, the affected joint often becomes inflamed, which can lead to swelling and pain and impaired function of the joint. However, in many competition horses osteoarthritis can occur early in life which compromises the equine industry due to the high cost of treatments and a delay in return to competition activities.

The global equine population consists of over 58 million animals, of which about 10 million are in the United States, and it is estimated that about 15 percent of these suffer from osteoarthritis.
The global equine treatment market, including pharmaceuticals, vaccines, and supplements, was estimated to be worth $752 million by 2023, with an annual growth rate of 3.2 percent from 2017. The market's growth is primarily driven by an increased number of racehorses globally.

Current treatment options

Today's treatment options for equine osteoarthritis are usually lifelong and consist of a combination of medication, exercise and surgery. The drugs offered today are mainly painkillers and anti-inflammatory drugs, which treat the symptoms but not the actual cause of the disease. There is therefore a great need for new and better treatments that can slow down degradation and stimulate a regeneration of articular cartilage and improve joint function in horses with degenerative joint disease such as osteoarthritis.

Through our preclinical studies on horses with post-traumatic osteoarthritis, we have shown that EQSTEM has great potential to become a drug that not only inhibits inflammation and pain in the treated horses but also has a

disease-modifying effect that can reduce damage to cartilage and bone after treatment.

Competing stem cell products

There are two approved stem cell products for the treatment of lameness associated with equine osteoarthritis in Europe; Arti-Cell Forte (Boehringer Ingelheim Vetmedica GmbH Germany) and HorStem (EquiCord, Spain). Both these products have shown efficacy against lameness in clinical studies on horses but do not aim at regenerating joint tissues. There are no approved stem cell products for equine osteoarthritis or lameness associated with osteoarthritis in the United States or Asia.

EQSTEM on its way to the US for further development

Our strategy for EQSTEM has long been to conduct clinical studies and to bring EQSTEM to market together with a partner. While the development during the past few years has been at a slow pace, we have published results from our preclinical studies with EQSTEM and presented the results at various international conferences, which has usually taken place in connection with activities seeking a partner and licensee for XSTEM, our human stem cell product. It is therefore particularly gratifying that we now have ongoing collaboration discussions with EQGen Biomedical Inc. for continued development and commercialization of EQSTEM. Xintela has signed a non-binding term sheet for a license agreement with EQGen Biomedical, where the company will receive global rights to EQSTEM. Xintela and EQGen Biomedical will collaborate on the clinical development and commercialization of EQSTEM, initially in the US for the treatment of joint disease in horses. Xintela will contribute to the development work, among other things, through process development and production of EQSTEM, in an arrangement that is fully financed and non-dilutive. The next step is for EQGen Biomedical to secure financing of the operations from its extensive and qualified investor network, which will take place before we sign the definitive license agreement. The financing work is in full swing and also the recruitment of the CEO and other key people in the company. Through the collaboration with EQGen Biomedical, we also get a fantastic team associated with Regen Biomedical and Hummingbird Biomedical with extensive experience in regenerative medicine, production, clinical development, business development and capital raising.

VÄSTRA HAMNEN
CORPORATE FINANCE

"Xintela: Closing in on the first license agreement"

Read the report here.

We are now very much looking forward to finalizing the license agreement and getting started with the collaboration with EQGen Biomedical. We are also looking forward to some wonderful summer vacation and the opportunity to recharge our batteries for new exciting activities.

With best regards,

Evy Lundgren-Åkerlund
CEO

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