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Xeltis receives commitment from Grand Pharma to invest €15M as cornerstone of ongoing Series D2 financing round

Equity and licensing investment for aXess device marks first commercial deal

EINDHOVEN, The Netherlands – August 09, 2022 – **Xeltis**, a medtech company developing the most advanced polymer-based restorative cardiovascular devices, today announced that the Chinese company, Grand Pharmaceutical Group Ltd (0512.HK), has committed to invest €15 million in equity and license fees, as a cornerstone funding for its ongoing Series D2 financing round.

The Grand Pharma commitment comprises an equity investment and product license, representing Xeltis' first commercial deal and its first funding from an Asian company. The agreement, which focuses mainly on the Xeltis' restorative hemodialysis access device aXess, also involves other new products in the field of hemodialysis developed under the same technology platform. Grand Pharma will also have exclusive rights of development, production and commercialization, as well as pre-emptive negotiation right for Xeltis' products developed in other indications in the Greater China region.

"Grand Pharma's commitment to invest in Xeltis brings global validation of aXess' commercial potential from one of the largest Chinese life sciences companies, from the country with the largest need of hemodialysis access globally," said Eliane Schutte, Xeltis CEO. "It confirms the strength of our technology platform and clinical evidence to date, and supports our goal of providing potentially more durable, transformative restorative devices for patients worldwide."

aXess is a first-of-its-kind restorative cardiovascular access graft for patients with chronic kidney disease (CKD) requiring hemodialysis. China has the largest number of CKD patients in the world, accounting for about 130 million people, of which around 580,000 are currently on hemodialysis. The number of people on hemodialysis in China is projected to increase by 15 percent in the next five years. [1]

"Grand Pharma is building interventional diagnosis and treatment platform for cardiovascular and cerebrovascular diseases in China. Xeltis' aXess device would represent an excellent addition to the scope of our broad portfolio and expected to bring significant clinical impact in China," Grand Pharmaceutical Group CEO, Frank Zhou added.

The aXess graft enables early puncturing, or initiation of dialysis, working like some of currently available ePTFE synthetic hemodialysis access grafts. In addition, it is designed to turn into a patient's own living blood vessel, like an arteriovenous fistula. Once implanted, its biocompatible, porous micro-structure gets naturally colonized by the patient's own tissue, which overtime takes over functionality before the original device absorbs in the body. This process is called endogenous tissue restoration (ETR).

- Ends -

1 Zhang L, Zhao MH, Zuo L, *et al.* CK-NET Work Group. China Kidney Disease Network (CK-NET) 2016 Annual Data Report. Kidney Int Suppl (2011). 2020 Dec;10(2):e97-e185. doi: 10.1016/j.kisu.2020.09.001. Epub 2020 Dec 1. PMID: 33304640; PMCID: PMC7716083.

Notes to editors

About Hemodialysis

Chronic Kidney Disease (CKD) affects nine percent of the population, with growing prevalence due to cardiovascular disease (diabetes, hypertension, obesity).[2] Today, CKD accounts for more deaths than breast and prostate cancers combined. Each year, three million patients with chronic kidney disease need hemodialysis and require vascular access to connect to a dialysis machine. Today, patients with kidney failure may wait for months, or in vain, for fistula maturation to access dialysis or use synthetic grafts that have limited durability and are prone to clotting and infections.[3,4]

About the aXess Graft

The Xeltis aXess graft is a restorative, synthetic, biocompatible and absorbable electrospun blood vessel for arteriovenous hemodialysis access, overtime turning into a living vessel made of patient's own tissue. aXess combines a potentially longer lasting and readily available vascular access of suitable dialysis size, turned into a living, natural graft made of patient's own tissue.[3] Preliminary clinical trial showed very promising early data outcomes from the AXESS study. Data have been presented at CX 2022 conference in London.[5]

About Grand Pharma

Grand Pharmaceutical Group Limited (Grand Pharma) is a listed company on the Hong Kong Stock Exchange (0512.HK) with core business focusing on pharmaceutical, nuclear medicine, cardio-cerebrovascular interventional diagnosis and treatment technology, and biotech. The field of cardio-cerebrovascular precision interventional diagnosis and treatment is one of the core strategic areas of Grand Pharma, which has carried out a comprehensive layout in three directions: access management, structural heart disease, electrophysiology and heart failure. Grand Pharma has established medical devices R&D platforms and manufacturing bases in China, North America and Europe.

About Xeltis

A clinical-stage medical device company, Xeltis has developed the most advanced polymer-based restorative devices for cardiovascular treatment. Xeltis' restorative devices include implantable small diameter blood vessels for hemodialysis vascular access and for coronary artery bypass graft (CABG) surgery and pulmonary heart valves, for which clinical trials are ongoing.

Xeltis was formed through the merger of two Dutch/Swiss university spin-offs. It currently has operations in The Netherlands and in the USA. Xeltis' investors include venture capital funds EQT Life Sciences, Kurma Partners, VI Partners and Ysios Capital as well as a number of private investors. In 2021, Xeltis secured a €15 million financing from the European Investment Bank and a €15 million funding from the European Innovation Council Accelerator (EIC) set up by the European Commission.

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CAUTION: The Xeltis technology is an investigational device and NOT approved for sale.

2 GBD Chronic Kidney Disease Collaboration. Global, regional, and national burden of chronic kidney disease, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017. *The Lancet*. Vol 395, Issue 10225, p709-733, DOI: https://doi.org/10.1016/S0140-6736(20)30045-3

3 Lee T *et al.* Tradeoffs in Vascular Access Selection in Elderly Patients Initiating Hemodialysis with a Catheter. American Journal of Kidney Diseases. Volume 72, Issue 4, October 2018, Pages 509-518

4 Schwab SJ *et al.* Vascular access for hemodialysis. Kidney International. 1999 May;55(5):2078-90. DOI: 10.1046/j.1523-1755.1999.00409.x. PMID: 10231476.

5 Tozzi M. AXESS study: With a new graft. Presented at CX 2022 on Wednesday, April 27th, 2022. https://www.cxsymposium.com/cx2022/cx-2022/