ESOCAP AND UPADIA SIGN EXCLUSIVE LICENSING AGREEMENT COMBINING ESOCAP TECHNOLOGY WITH UPADIA ANTIBODIES FOR THE TREATMENT OF BARRETT'S ESOPHAGUS

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- **Licensing deal grants EsoCap exclusive access to Upadia's monoclonal antibodies for a local therapy for Barrett's esophagus**
- **Barrett's esophagus, a disease of the esophagus with high unmet medical need, affects 1-2% of the population, with the risk of evolving into esophageal cancer**
- **EsoCap to combine its unique targeted application technology for the upper gastrointestinal tract with Upadia antibodies to develop new treatment approach to this highly prevalent disease**

EsoCap, the Swiss biotech company dedicated to improving the lives of patients with serious diseases of the upper gastrointestinal tract, announced today that the company has entered into a worldwide, exclusive antibody licensing agreement with Upadia, to develop targeted therapeutics to treat Barrett's esophagus (BE).

Under the terms of the agreement, Upadia will provide an exclusive licence for its range of highly specific monoclonal antibodies, so EsoCap can develop therapies against BE using EsoCap's unique, proprietary targeted application technology for the upper gastrointestinal (GI) tract. The EsoCap technology offers maximum flexibility, as a wide variety of drug substances, including biologics, can be incorporated into the thin film, making the smart drug delivery platform applicable to many different upper GI diseases.

"This exclusive global licensing agreement will advance our goal of delivering novel therapeutic options for patients with serious diseases of the upper gastrointestinal tract. An important advantage of EsoCap technology is that it can incorporate many different types of therapeutics, including biologics such as antibodies, on a drug delivery thin film," said Dr Werner Tschollar, President of the Board of EsoCap. "Barrett's esophagus is a common condition, particularly in middle-aged and elderly people, which can become life threatening if left untreated. We are excited to establish this important collaboration, which offers the potential for us to develop life-changing treatment options for people with this disease."

"EsoCap technology will allow the local application of Upadia antibodies directly into the esophagus, a potential paradigm shift in the treatment of Barrett's esophagus," said Prof. Sheila Krishnadath, founder of Upadia, gastroenterologist and Principal Investigator at University Hospital Antwerp, Belgium. "Through our cooperation with EsoCap, we aim to rapidly advance our unique antibodies, combined with EsoCap's smart drug delivery technology, into clinical development, with the goal of improving the lives of patients suffering from this debilitating disease."

Bone morphogenetic proteins (BMPs), first identified for their important roles in bone formation, have been recognized as key regulators in many of the body's organ systems, especially mesenchymal stem cell differentiation, also being reported as controlling differentiation of cancer stem cells. BMP4 and BMP2 in particular are present in biopsy specimens involved in the transition of

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squamous epithelium to the Barrett's intestinal metaplasia. Prof. Krishnadath and her team have shown that selective inhibition of BMP2 and BMP4 will prevent the proliferation of columnar (progenitor) cells and inhibit development of Barrett's esophagus. Upadia designed anti-BMP llama antibodies (VHHs) for BMP2 and BMP4. In experiments in a novel transgenic model of Barrett's esophagus (Noggin knockout mice) that highly expresses BMP, and in an in-vivo Barrett organoid model using human biopsies, the Upadia antibodies provided robust results on conversion of Barrett's epithelium to neo-squamous epithelium. The highly selective Upadia antibodies represent a promising therapeutic option in Barrett's esophagus.

About Barrett's esophagus (BE)

Barrett's esophagus (BE) affects 1–2% of the general adult population. BE is found in 5-15% of all gastroesophageal reflux disease (GERD) patients. The development of BE is most often attributed to long-standing GERD, although approximately half of patients diagnosed with BE are asymptomatic.

BE is associated with an increased risk of developing esophageal adenocarcinoma (EAC). The survival rate for invasive EAC is very poor, with less than 10% survival at 5 years.

Risk factors for BE include GERD, obesity and smoking. Once a person develops BE, only invasive treatment options are available. These include endoscopic mucosal resection (EMR), radiofrequency ablation (RFA), thermal ablation of the mucosa, and cryoablation.

About EsoCap

EsoCap AG is a privately funded company based in Basel, Switzerland.

EsoCap's vision is to improve the lives of patients with serious diseases of the upper gastro-intestinal tract through development of a unique and innovative topical drug delivery platform.

Effective topical treatment of the esophagus is extremely difficult to achieve due to the ultra-short drug contact time of one to two seconds from the mouth to the stomach with the current standard of care. The lead candidate ESO-101 has received Orphan Drug Designation from the FDA (Food and Drug Administration) in the treatment of EoE and is in clinical development.

EsoCap owns and develops a unique drug delivery platform allowing the efficient topical application of drug substances for the local treatment of diseases of the upper gastro-intestinal tract. With a strong IP position, EsoCap technology is widely protected.

For more information, please visit www.esocapbiotech.com and follow EsoCap on LinkedIn and Twitter.

About Upadia

Upadia Holding BV is a privately held company based in the Netherlands and founded by Prof. Sheila Krishnadath, a leading gastroenterologist with considerable expertise in Barrett's esophagus.

Prof. Krishnadath conducted extensive scientific work with the antibodies she designed for Barrett's disease. Around 12 bone morphogenetic proteins (BMPs) that have been identified to date; she has demonstrated that the inhibition of BMP2 and 4 will prevent the proliferation of columnar cells and inhibit the development of Barrett's esophagus. Accordingly, Prof. Krishnadath developed anti-BMP llama antibodies for BMP2 & BMP2/4 whereas the C4C4 antibodies inhibit BMP 4 and the C8C8 antibodies inhibit both BMP 2 and BMP 4.

The efficacy of the Barrett's esophagus antibodies has been demonstrated in vivo, paving the way for new treatment options.

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