Adult stem cells as a therapeutic tool to treat inflammatory diseases

I G ENIX Living Medicines

Eleuterio Lombardo, PhD Scientific Director eleuterio.lombardo@tigenix.com

Important notice

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.

This document may contain forward-looking statements and estimates made by the Company, including with respect to the anticipated future performance of TiGenix and the market in which it operates. They include all matters that are not historical facts. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct. Actual events are difficult to predict and may depend upon factors that are beyond the Company's control. Therefore, actual results, the financial condition, performance or achievements of TiGenix, or industry results, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements, forecasts and estimates. Forward-looking statements, forecasts and estimates only speak as of the date of this document and no representations are made as to the accuracy or fairness of such forward-looking statements, forecasts and estimates. TiGenix disclaims any obligation to update any such forward-looking statement, forecast or estimates to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement, forecast or estimate is based.



The newly created EU Cell Therapy leader

- > Result of the combination of TiGenix and Cellerix, effective May 2011
- > Unique combination of **top line** and promising **development pipeline**
- Two commercial products on the market in Europe:
 CHONDROCELECT autologous cell-based product for cartilage repair
 ChondroMimetic^{**} resorbable implant for small (osteo)chondral defects
- Strong development pipeline: programs in Phase III, Phase Ib/IIa and Phase I, based on proprietary validated stem cell platform
- Initial focus on damaged and arthritic joints; expansion potential into other autoimmune and inflammatory diseases
- > Operations supported by dedicated commercial and manufacturing infrastructure
- Solid financial position to support successful market roll-out of first two products and bring follow-on products through the clinic

Stem cell: what's in a name

- > Stem cells
 - Growing a new living organism (development)
 - Keeping a living organism "in good shape" (renewal and maintenance)
- > Stem cell properties (NIH)
 - Capable of dividing and renewing themselves for long periods;
 - Unspecialized;
 - Can give rise to specialized cell types.
- > Stem cell types
 - Embryonic stem cells (pluripotent)
 - Fetal sten cells (pluri multipotent)
 - Placental and umbilical cord stem cells (multipotent)
 - Adult stem cells (multipotent)
 - Induced stem cells (iPS) (pluripotent)

Adult stem cells

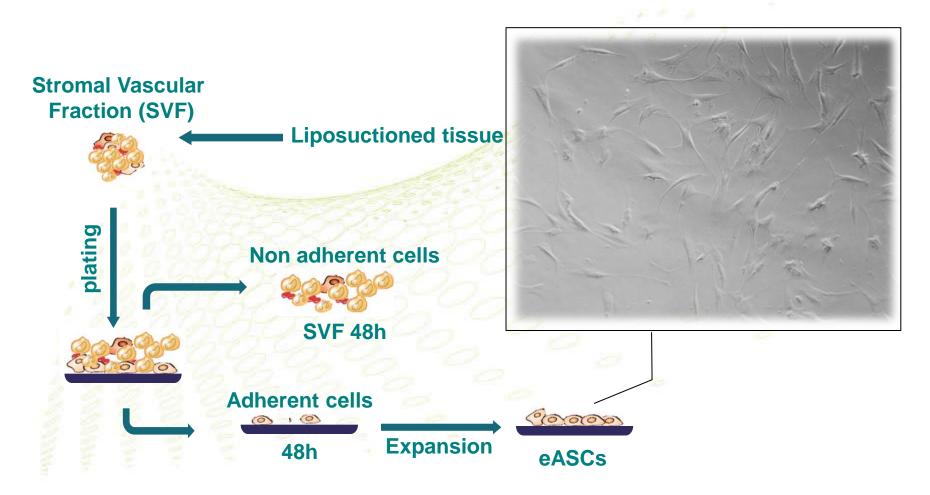
- > Present in most adult tissues
- > Main role of adult stem cells: tissue renewal and general tissue homeostasis
- > Mesenchymal stem cells are non-blood adult stem cells present in a large range of (mesenchymal) tissues. They are often also termed mesenchymal stromal cells
- > Common sources of MSC
 - Bone Marrow
 - Adipose tissue
 - Muscle
 - Synovial
 - Dental Pulp

Our choice: Adipose stem cells

ASCs

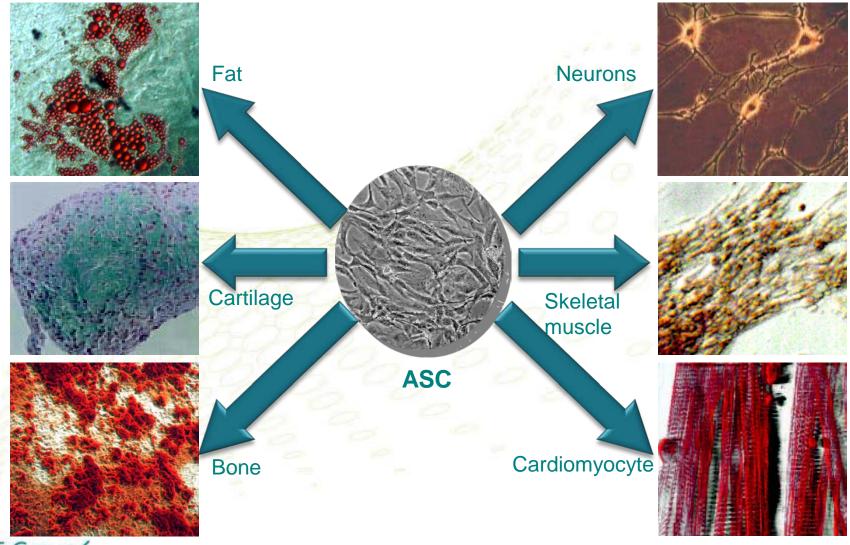
- Adult stem cells: No ethical debate or scientific challenge Safety: No tumorigenic behavior after long term ex vivo culture
- Expendable and easily accessible though liposuction
- 100 to 1000 times **higher yield** than bone marrow

TiGenix product: expanded ASCs (eASCs)





Differentiation



Low immunogenicity: allogeneic product

Other cell types

Surface antigens

- High levels of MHC I (HLA-A, B, C)
- MHC II: depending on cell type
- Co-stimulatory molecules
 - Depending on cell type
- CD55 and CD59: depending on cell type

Other Factors

Lack of IDO induction

MSCs

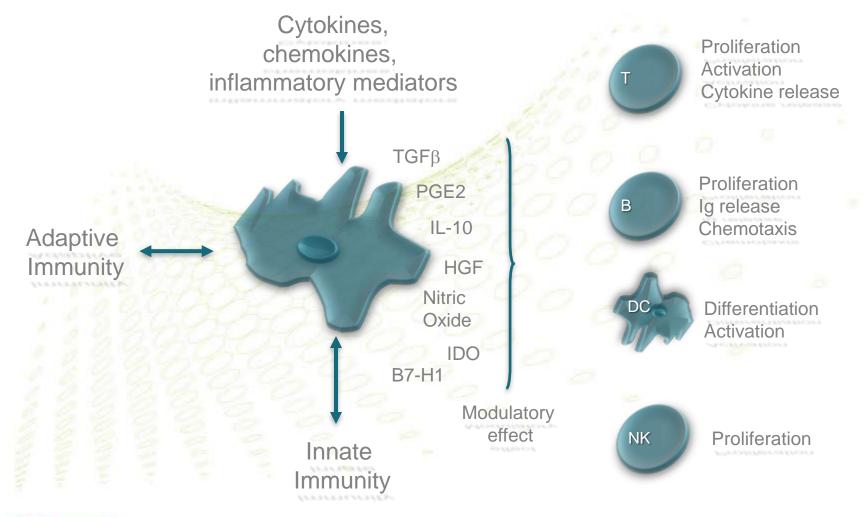
Surface antigens

- Low levels of MHC I (HLA-A, B, C)
- Lack of MHC II (HLA-DR, DQ, DP)
- Lack of co-stimulatory molecules
 - CD40 (TNFR), CD80 (B7-1), CD86 (B7-2)
- High levels of CD55 (DAF) and CD59 (Protectin) => protectors of complement associated lysis

Other Factors

Strong IDO induction

Modulation of immune responses: eASCs are primed by inflammatory environment





Increasing interest on MSCs as a therapeutic tool

http://www.clinicaltrials.gov

Search term: Mesenchymal stem cells => 215 trials (Feb 2012)

- Secondary Progressive Multiple Sclerosis
- Graft Rejection and Graft Versus Host Disease
- Diabetic Foot
- Primary Sjögren's Syndrome
- Chronic Allograft Nephorpathy
- Type 1 Diabetis
- Subclinical Rejection (Organ Transplants)
- Moderate-to-Severe Crohn's Disease
- Ischemic Stroke
- Lupus Nephritis

TIGENIX

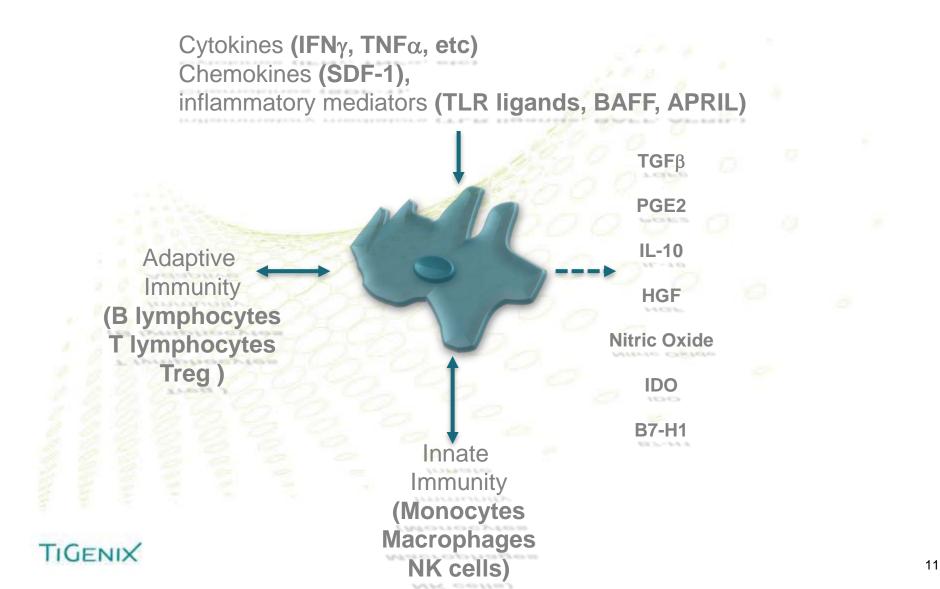
- Sytemic Lupus Erythematosus
- Systemic Sclerosis
- Chronic Critical Limb Ischemia
- Compex Peri-anal Fistula
- Chronic obstructive Pulmonary Disease
- Inflammatory Response After Muscle and Skeleton Trauma (IRAMST)

Osteonecrosis of the Femoral Head

- Liver Cirrhosis (injection of progenitor of hepatocyte derived from Mesenchymal stem cell)
- Treatment of Articular Cartilage Defects
- Cardiac Surgery
- Myocardial Ischemia
- MSCs in AMI (Acute Myocardial Infarction)
- Parkinson's Disease
- Osteogenisis Imperfecta
- Oestoarthritis
- Epidermolysis Bullosa
- Regeneration of Peridontal Tissue
- Intra-Articular Injection Following Meniscectomy
- •↑ 100% in 2 years!

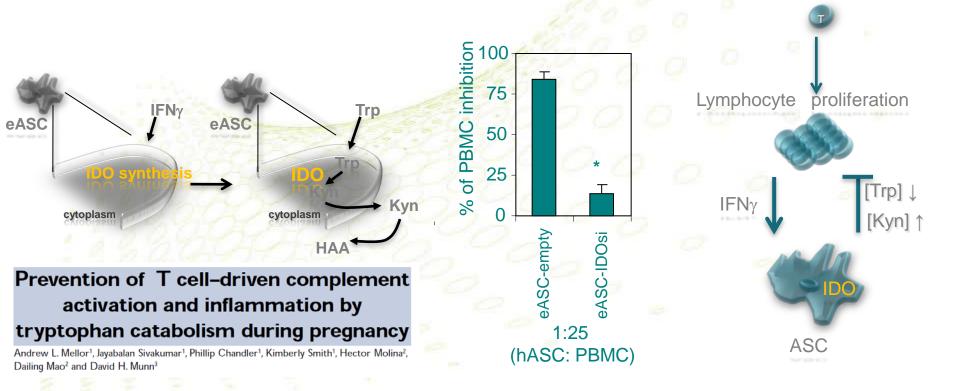
10

Modulation of immune responses: in vitro TiGenix research activities



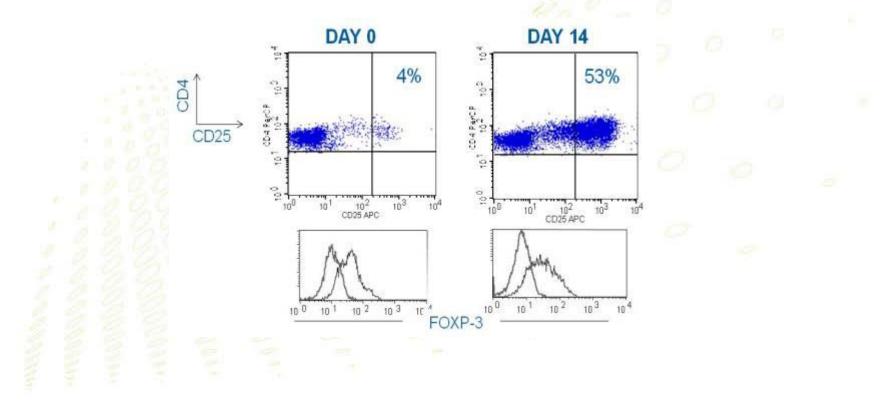
IFN_γ induction of IDO enzyme is involved in the immunomodulatory property of eASCs

Indoleamine 2,3 dioxygenase activity: a Trp catabolizing enzyme



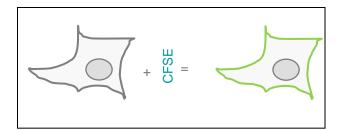
eASC induce generation of Treg cells

After culture with eASCs, CD4+CD25high and FOXP3+ Treg are induced



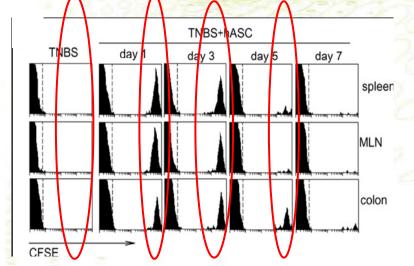


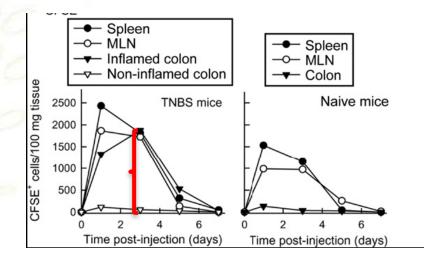
eASCs migrate to lymphoid organs and preferentially to inflamed tissue



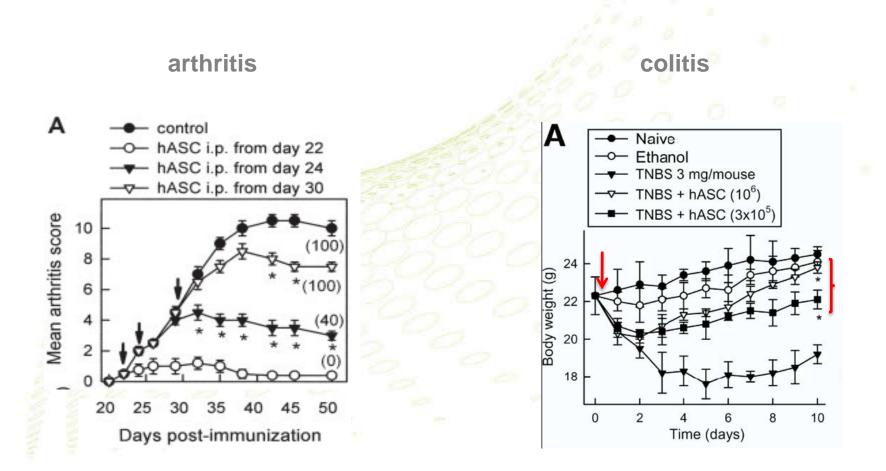
Labeling of eASCs with CFSE allows further detection by flow cytometry

CFSE-eASCs can be detected in lymphoid organs and inflamed colon in a mouse model of colitis

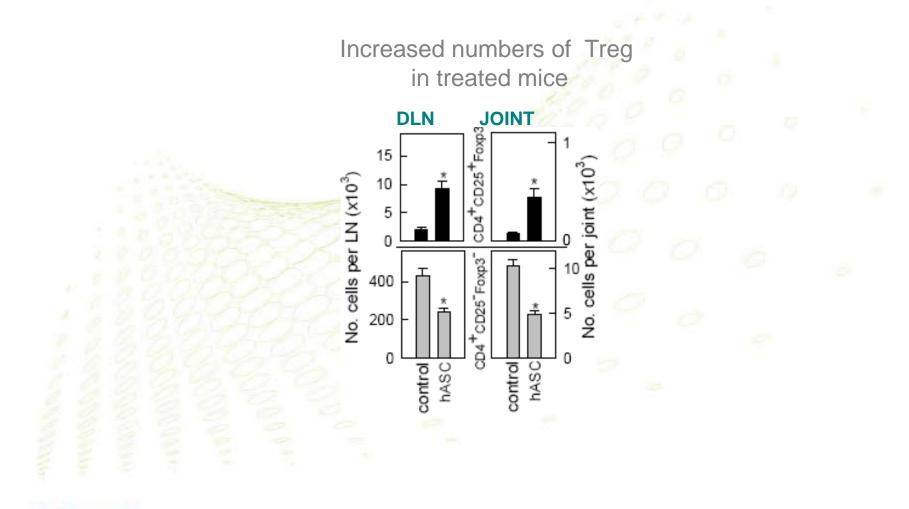




Human eASCs show therapeutic effect in experimental animal models of inflammatory diseases



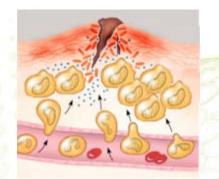
Therapeutic effect of eASCs is mediated by the generation of regulatory T cells



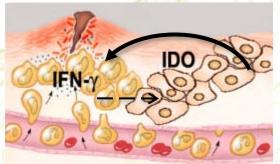


Mechanism of Action: local therapeutic effect

LOCAL ANTI-INFLAMMATORY EFFECT



Chronic Inflammation Migration and proliferation of immune cells Production of inflammatory mediators



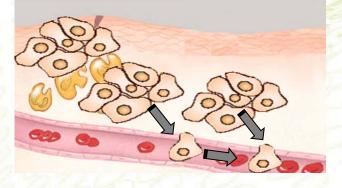
eASC migrate to sites of inflammation Activation by IFN-g Induction of IDO expression Suppression of lymphocyte proliferation Reduction of pro-inflammatory mediators



Elimination of activated lymphocytes Elimination of inflammatory mediators Healing and repair

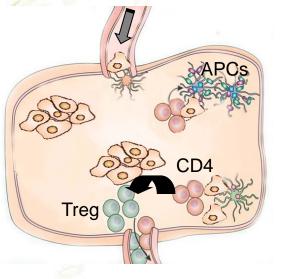
Mechanism of action: Systemic immunomodulatory effect

SYSTEMIC IMMUNOMODULATORY EFFECT



Migration

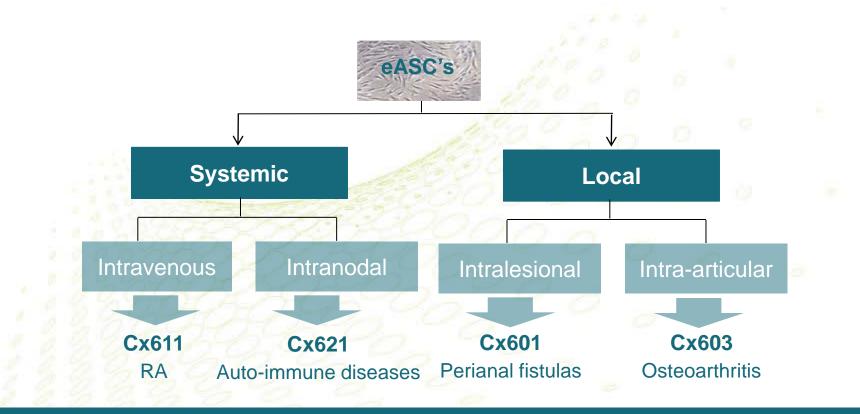
Active movement out of a local environment eASC reach Lymph nodes through Lymph system and/or blood stream



Immunomodulation

Migration into secondary lymph organs Physical contact with APCs and T/B cells Induction of new Treg cells and/or Selective expansion of Treg cells

TiGenix ASC-based pipeline covers all major routes of administration



Platforms supported by solid pre-clinical and CMC packages, manufacturing experience and safety data



TiGenix: Current pipeline

Indication	Product	Preclinical	Exploratory Clinical (Phl/II)	Confirmatory Clinical (PhIII)	Registration EU	Marketed EU
Cartilage & osteochondral lesions	ChondroCelect® (autologous chondrocytes)	ATMP				
	ChondroMimetic ™	1000			CE-mark	
Complex p <mark>erianal</mark> fistulas in Cohn's	Cx601 (allogeneic eASCs)	Orphan indication			Y 7	
Rheumatoid arthritis	Cx611 (allogeneic eASCs)			2	0	.ð.
Other autoimmune	Cx621 (allogeneic eASCs)			20	-	
Osteoarthritis	Cx603 (allogeneic eASCs)		0	0		
	Synovial MSCs (allogeneic)		~			

Cell-based

Biomaterials



I G ENIX Living Medicines

TiGenix SA Calle Marconi 1 Tres Cantos Madrid, Spain eleuterio.lombardo@tigenix.com www.tigenix.com Info@tigenix.com +34 91 804 9264