

Albert Gianchetti, President & CEO, XyloCor Therapeutics, Inc.

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Senate Majority Policy Committee

Good afternoon, Chairman Laughlin and members of the Senate Majority Policy Committee. I am Al Gianchetti, President & CEO of XyloCor Therapeutics. Thank you for giving me the opportunity to participate in today's hearing on Pennsylvania as an Innovation Leader. I would like to start my remarks by giving you some background information on myself and XyloCor Therapeutics.

XyloCor Therapeutics is a biotech startup company based in Wayne, PA. We are developing a gene therapy for advanced coronary artery disease. Coronary artery disease occurs when atherosclerosis causes a narrowing of blood vessels in the heart. This not only puts people at high risk for a heart attack, but it can also advance to a condition called chronic stable angina. This is a condition caused by an imbalance between the supply and demand of blood to serve the heart. At rest, a person with chronic stable angina is fine because the heart is at rest beating at a normal rate and the demand for blood and oxygen is low, but when there is physical exertion like walking up a flight of stairs the heart starts beating faster and requires more blood flow to perform this extra work and as this occurs the narrowed blood vessels cannot keep up with the hearts demands and this causes chest pain. This chest pain can be debilitating and feels similar to having a heart attack, so it is not only painful, it is frightening because people ask, is this another episode of angina or is it a heart attack this time. Initially, chronic stable angina is managed by medications.

Eventually, as the disease progresses, medications are no longer sufficient and people end up in the cardiac cath. lab having a stent put in. This is a procedure where a mesh like tube or stent is placed inside the diseased blood vessel to keep it open and clear so more blood can flow through it. Think of it as debris on the road narrowing the Schuylkill Expressway down to 1 lane of traffic and clearing that debris opening up to 2 lanes allowing more traffic to pass. This procedure is often a successful procedure but over time the coronary artery disease progresses further, and people can require bypass surgery. This is when an open heart surgery procedure is done and an artery from the leg or arm is removed or grafted or installed in the heart to bypass the diseased blood coronary vessel or vessels. Using our traffic analogy again, this is like building a new artery like the Blue Route or 476 to bypass the Schuylkill Expressway altogether. Again, this is often successful but even after this procedure the disease can continue to progress, and many people are left with their ongoing episodes of chest pain and no treatment options. These patients have “no option” refractory angina. These people really struggle because their chest pain prevents them from doing the things, even the simplest things, they love to do. One patient in our first clinical trial told us he worked in a factory 45 years and finally retired to learn that his angina would not allow him to enjoy retirement the way he dreamed of. Eventually, he lost hope. These are the people we are trying to help with our gene therapy which is known as encoperminogene rezmadenovac or XC001 for short. Our approach is different. Rather than trying to fix damaged blood vessels, or to bypass diseased blood vessels, our drug candidate can improve blood flow to the heart by creating new blood vessels. We do this by a new approach called gene therapy where we insert a gene into the heart cells that

instructs the cardiac cells to produce a naturally occurring protein that creates new blood vessels. These new blood vessels can enable people to live a more normal life by performing every day activities without chest pain. We completed our first clinical trial in 2023 and we have very encouraging results that will be published in a prestigious cardiovascular journal in May. We are now raising capital so we can complete our next clinical studies.

I was born and raised in the Philadelphia area and went to Penncrest High School in Delaware County or Delco, did my undergraduate studies at University of Delaware and graduate school at Drexel. I have 3 children. My daughter Lauren did her graduate studies at Temple and graduate studies at USC. My first son, Matthew studied at Shippensburg University, and my second son Christopher will graduate from University of Pittsburgh later this month. I play in 2 bands that play in the Delco bar circuits. I went to the Sixers championship parade in 1983, the Phillies parade in 2008 and had an Eagles 2018 parade watch party at my home in honor of my dad who was a hardcore Eagles fan and was at the game at Frankin Field when Eagles fans through snowballs at Santa Claus. Dad died from heart disease just a couple of years before the Eagles Superbowl win. So you get the idea, I am deep rooted here in the Keystone State.

In my career, I spent around 20 years at GlaxoSmithKline or GSK, a big pharma company with a big presence in the Philadelphia area. XyloCor got its start when I was introduced to one of the co-founders, Dr. Ronald Crystal, one of the pioneers in gene therapy and the head of genetic medicine and Weill Cornell Medical College in New York City. Dr. Crystal and Dr. Todd Rosengart, a cardiovascular expert, discovered the gene therapy that XyloCor

is currently developing. It is quite common for university researchers to make new drug discoveries and then hand it over to drug development experts at small biotech companies to take the research forward into human studies. I was recruited by them because of my experience working on cardiovascular drugs at GSK. I was very impressed with the potential of their technology, so I signed on as the CEO of the newly started XyloCor Therapeutics. The founders wanted me to locate the company in New York City. However, I convinced them that the Philadelphia area is the best location for the company. Why? First in foremost, human talent. Drug development is complicated work and takes a very talented and multidisciplinary team. This area is rich with talent from the pharmaceutical companies like GSK, Merck and J&J. In addition, the skill and talent from academic institutions like University of Pennsylvania, Temple, Jefferson, Pitt and Penn State help to drive life science innovation in Pennsylvania. In addition, many of the service providers that serve the biotech industry like contract manufacturers, clinical research organizations and labs are located here. That makes a difference. When we needed an important and unique laboratory test to progress our drug candidate, we select and lab in Exton, PA and I went to the contract lab, met with the scientists and showed them videos of patients struggling with refractory angina explain their disease in their own words. The scientists were so inspired, they not only successfully delivered the lab test, they delivered it ahead of schedule. Finally, our trade association, Life Sciences Pennsylvania, provided office space to us as we got the company off the ground and more importantly connected us with expert support services that helped us in the early stages of the company and continue to help us today.

My decision to locate XyloCor Therapeutics here in Pennsylvania has paid off for shareholders and more importantly, for patients who may benefit from the drug we are developing. I am very encouraged that the Senate Majority Policy Committee is giving such attention and focus to Pennsylvania as an Innovation Leader. I believe your leadership can help grow innovation in Pennsylvania and while I am not sure what policies will make a difference, I am happy to be a part of the effort to figure that out.

Thank you for the opportunity to address the Committee today.