Xintela newsletter December 2022

Dear shareholder,

First of all, I want to thank you for your support and engagement during the past year and wish you a very Happy New Year. I also want to take the opportunity to summarize Xintela's and Targinta's exciting development in 2022 and draw attention to important achieved and upcoming milestones.

It has been a very intense and successful 2022 where Xintela took the important step of becoming a clinical stage company. We now have two ongoing clinical studies evaluating the safety and preliminary efficacy of our stem cell product XSTEM® for the treatment of knee osteoarthritis and difficult-to-heal leg ulcers. The osteoarthritis study in Australia has achieved its first milestones. The first of three different dose levels of XSTEM has been administered to eight patients - and judged safe - and the next group of patients is currently being dosed with the second dose level. In Linköping, the recruitment of patients with difficult-to-heal leg ulcers to be treated with XSTEM is ongoing. We have also conducted preclinical studies with XSTEM for the treatment of Acute Respiratory Distress Syndrome (ARDS) with positive treatment results and plan to start clinical development when we have a collaboration partner.

We chose knee osteoarthritis and difficult-to-heal leg ulcers as the first treatment directions for XSTEM because these diseases affect very large patient populations, cause severe pain and highly reduced quality of life, and there is a lack of good treatment options. Our preclinical studies have shown disease-modifying effect of XSTEM and we are now looking forward to value-creating results from our clinical studies that will take us to partnerships and commercial agreements for further clinical development and commercialization of XSTEM as a new treatment option. We expect to be able to enter into partnerships during 2023 when the clinical study readouts on difficult-to-heal leg ulcers come after only 10 weeks of treatment. In the osteoarthritis study, we will have safety readouts from all three dose levels in 2023 as well as early efficacy signals. We expect great interest from a number of possible partners given the huge need for a disease-modifying osteoarthritis treatment that can regenerate joint cartilage, reduce pain and improve joint function.

An important component in the commercialization of XSTEM is that we will ourselves, in our own GMP facility, produce the stem cells in the XSTEM product. And, in addition to producing XSTEM for continued development within our own main areas, our ambition is to produce and sell clinical grade quality-assured stem cells to broaden XSTEM to other disease areas in collaboration with other cell therapy companies. To help secure the need for a larger production capacity in future, among other things, we have recently signed a framework agreement with NorthX Biologics. This is a very exciting collaboration

where Xintela and NorthX can accelerate the development of advanced therapies (ATMPs) by using complementary competences and resources in process development, GMP manufacturing and marketing. It gives Xintela opportunities to broaden the development and commercialization of XSTEM and also to commercialize our competence in providing process development and GMP manufacturing of other ATMPs.

As part of our drive to broaden the development of XSTEM to new indications, we recently strengthened our organization through the recruitment of Dr. Lucienne Vonk to the role of Director Musculoskeletal Diseases. Lucienne has broad experience in preclinical and clinical research in cell therapy and cartilage repair and will have an important role in the continued development of our cell therapy products. Through her international network, she will also help to establish development and commercialization collaborations. We have also extended the Board of Directors with Achim Simons, who is an orthopedic surgeon with extensive experience in marketing and sales and will support Xintela's business development activities.

We have also recently hired a project leader for the continued development of our veterinary medicine program. In 2022, we have had to focus our resources on XSTEM and clinical studies on humans, and therefore clinical development of EQSTEM for the treatment of joint disease in horses has been at a slow pace. We now look forward to accelerating our development of EQSTEM.

Our subsidiary Targinta has also delivered important successes in 2022 in the development of targeted antibodies for the treatment of aggressive cancers. The preclinical work has resulted in two candidate drugs: TARG10, which is a function-blocking antibody that effectively inhibits metastasis of triple-negative breast cancer, and TARG9, which is armed with a powerful toxin and is a so-called Antibody-Drug Conjugate (ADC). Preclinical studies have shown that TARG9 effectively kills cancer cells from the highly aggressive brain tumor glioblastoma and prevents glioblastoma growth. Based on these unique results, we have recently decided to conduct clinical Phase 0 (zero) studies with our candidate drugs. Phase 0 involves administering a very low dose of the antibody to cancer patients to demonstrate that it targets the tumor. This will validate Targinta's patent-protected target molecule integrin α10β1 and antibodies in targeted cancer therapy. Through clinical Phase 0 studies, we can in a very cost-effective way demonstrate proof of concept in humans, which will reduce the development risk and increase the value of the project as well as its attractiveness to possible partners and licensees. After completion of Phase 0 in about two years, our goal is to enter into partnering agreements for continued clinical and commercial development where we aim to achieve substantial upfront and development milestone payments.

In conjunction with Xintela's capital raise in the middle of this year, Flerie Invest a leading European investor in Life sciences, became a major shareholder and recently Thomas Eldered, Flerie Invest's owner and CEO, was elected to Xintela's Board. We very much look forward to further developing Xintela and Targinta together with Thomas and the team at Flerie Invest to build value in our companies for all our shareholders. With a new, strong major shareholder, we are confident that we will continue to find financing and partnering solutions that will accelerate Xintela's product development and ensure that our highly innovative and much needed products reach patients as quickly as possible.

We now look forward to a very exciting 2023.

Evy Lundgren-Åkerlund, CEO Xintela AB (publ)

Attachments

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