xintela

YEAR-END REPORT
JANUARY-DECEMBER 2022
XINTELA AB (PUBL)

Q4 2022

Dosing of patients with XSTEM at the second dose level for the treatment of knee osteoarthritis is close to completion

Seven of eight patients at the second dose level have currently been dosed with XSTEM.

Recruitment of patients in the XSTEM clinical study for difficult-to-heal venous leg ulcers is ongoing

A broader patient group is now being screened to facilitate inclusion of patients to the study.

Targinta to conduct clinical Phase 0 studies in cancer patients

The goal is to demonstrate targeting of the antibody lead candidates to tumors in cancer patients to validate the Company's unique target and treatment concept.

Summary of the year-end report

The "Company" or "Xintela" refers to Xintela AB (publ), corporate registration number 556780-3480.

Fourth quarter 2022 for the group

» Income amounted to TSEK 0 (0).
» Loss before and tax totalled TSEK 23,384 (loss: 18,013).
» Loss per share* was SEK 0.09 (loss: 0.20).

Twelve months 2022 for the group

» Income amounted to TSEK 0 (0).
» Loss before and after tax totalled TSEK 73,165 (loss: 60,604).
» Loss per share* was SEK 0.37 (loss: 0.72).

Fourth quarter 2022 for the parent company

» Income amounted to TSEK 6 288 (0).
» Loss before and after tax totalled TSEK 7,323 (loss: 12,343).
» Loss per share* was SEK 0.07 (loss: 0.30).

Twelve months 2022 for the parent company

» Income amounted to TSEK 6 288 (0).
» Loss before and after tax totalled TSEK 44,906 (loss: 58,394).
» Loss per share* was SEK 0.25 (loss: 0.65).
» At December 31, 2022, the equity/assets ratio** was 66 % (16).

** Earnings/loss per share: Profit/loss for the period divided by 179,670,643 shares, which was the average number of shares at December 31, 2022. In the year-earlier period, the number of average shares was 82,867,900.*
*** Equity/assets ratio: Equity divided by total capital.*

Significant events in the forth quarter of 2022

» Notice to Extraordinary General Meeting of Xintela AB (publ). (October 26, 2022)
» Xintela secures financing of SEK 25 million and decides on a targeted issue of convertibles. (October 26, 2022)
» Xintela proposes Thomas Eldered as new Board member. (October 31, 2022)
» Xintela starts next dose level of XSTEM in knee osteoarthritis clinical sudy. (November 9, 2022)
» Targinta plans Phase 0 clinical study. (November 24, 2022)
» Bulletin from the Extraordinary General Meeting in Xintela AB (publ). (November 28, 2022)
» Xintela obtains US patent for stem cell treatment. (December 6, 2022)
» Xintela and NorthX Biologics sign collaboration framework agreement. (December 14, 2022)

Significant events after the end of the period

» No significant events have occurred after the end of the period.

Note to the reader
The "company" refers to Xintela AB (publ), corporate registration number 556780-3480. All figures are given in TSEK unless otherwise stated. Amounts in parentheses: Comparative period of the preceding year.

Trademarks
In addition to patents, the IP portfolio also currently includes seven trademarks - the company names XINTELA® and TARGINTA®, XINMARK® which is the name of Xintela's technology platform, and XSTEM® which is the name of Xintela's stem cell platform. EQSTEM® and CANISTEM® which are the company's brands for stem cell treatment for horses and dogs and XACT® which is the name of an analytical test for chondrocytes.

CEO comments

Clinical studies are progressing

During 2022, Xintela took the important step of becoming a clinical stage company. We have now two clinical studies ongoing with the goal of evaluating safety and preliminary efficacy of our stem cell product XSTEM® for the treatment of knee osteoarthritis and difficult-to-heal venous leg ulcers.

Clinical study in osteoarthritis
The osteoarthritis study (Phase I/IIa) in Australia recently achieved its first milestone when the first of three different dose levels of XSTEM was administered to eight patients and judged safe. Currently, the next group of eight patients is being dosed with the second dose level and expected soon to be completed. In total 24 patients will be treated in this dose escalation study.

We expect to have safety readouts from all three dose levels in mid 2023 and early efficacy signals by the end of 2023. The study will continue for 18 months with efficacy readouts every six months. Given the huge need for a disease-modifying osteoarthritis treatment that can regenerate damaged articular cartilage, reduce pain and improve joint function, we expect great interest from a number of potential partners.

Clinical study in difficult-to-heal venous leg ulcers
In the clinical study in difficult-to-heal venous leg ulcers in Linköping, the clinical team continue to screen patients with leg ulcers to identify those that match the study criteria and can be included in the study. The MPA has recently accepted a protocol amendment which allows inclusion of a broader patient group. We believe this will facilitate the inclusion, which has been somewhat slower than expected. We now look forward to dosing the first patient. Since the study will include only 12 patients, and safety and efficacy are assessed already ten weeks after treatment, we expect to have safety and efficacy readouts in 2023, likely after the summer.

Pipeline in the product
Our superior stem cell product XSTEM has the potential to treat many different medical indications that today lack treatment options. We have chosen knee osteoarthritis and difficult-to-heal leg ulcers as the first treatment directions for XSTEM because these diseases affect a very large number of people and cause severe pain and highly reduced quality of life. Our preclinical studies have shown disease-modifying effect of XSTEM in both osteoarthritis and difficult-to-heal wounds in animal models. We are now looking forward to value-creating positive results from our clinical studies that will take us to partnerships and commercial deals for further clinical development and commercialisation of XSTEM.

Our GMP facility is one key to successful commercialisation
One important component of the development and commercialisation of XSTEM is our proprietary GMP facility, which allows us to manufacture the stem cells that XSTEM consists of. In addition to manufacturing XSTEM for our own therapy areas, it is our ambition to also manufacture and broaden XSTEM to other disease areas in collaboration with partners.

In order to secure increased production capacity for the future, we have recently signed a framework agreement with NorthX Biologics. This is a very exciting collaboration where Xintela and NorthX Biologics can accelerate the development of advanced therapies by using complementary competences and resources in process

development, GMP manufacturing and marketing. This gives Xintela opportunities to broaden the development and commercialisation of XSTEM and also to commercialize our expertise for the process development and GMP manufacturing of other cell-based therapies.

Further exploration of the vast opportunities of XSTEM

In our ambition to broaden the development of XSTEM to new indications, we have 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, Lucienne will also be instrumental in our efforts to find partners for development and commercialization.

We accelerating our EQSTEM program

During the past year, we have continued to investigate the mechanism of action of our horse stem cell product EQSTEM in a horse model for osteoarthritis. The results form a strong basis for upcoming clinical studies in horses. We have also recently employed a project leader, Camilla Andersen, Doctor of Veterinary Medicine, to lead the further development of the veterinary medicine program. We now look forward to accelerating our development of EQSTEM towards clinical studies.

Targinta's drug candidates to clinical Phase 0 studies

Our subsidiary Targinta has also taken important steps forward during 2022 in the development of targeted antibodies for the treatment of aggressive cancers. Preclinical work has resulted in us having two drug candidates: 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) which effectively kills cancer cells from the highly aggressive brain tumor glioblastoma and prevents the growth of the tumor in preclinical models.

Based on these very promising results, we have recently decided to conduct clinical Phase 0 studies with the company's drug candidates. In a Phase 0 study, also known as microdosing, a very low dose of the antibody is administered to cancer patients to demonstrate that it targets the tumor. This is a very cost-effective way to validate Targinta's patent-protected target molecule integrin α10β1 and our treatment concept, which reduces the risk in further clinical development and increases the value of the project. After completion of Phase 0 studies in about two years, our goal is to enter into agreements with partners for the continued clinical and commercial development where we aim to achieve significant upfront and milestone payments.

Thomas Eldered new board member

In conjunction with Xintela's capital raise in July 2022, Flerie Invest a leading European investor in life sciences, became a major shareholder and Thomas Eldered, Flerie Invest's owner and CEO, was elected to Xintela's Board. With Flerie Invest as a long-term major shareholder with an interest in both Xintela and Targinta, we are confident that we will continue to find financing and partnering solutions that will accelerate Xintela's product development and ensure our highly innovative and much needed products reach patients as quickly as possible.

Financing of the operations

We continue to evaluate the best financing solutions for both Xintela and Targinta that can either be implemented jointly or separately. With Flerie Invest as a long-term major shareholder with interest in both Xintela and Targinta, we feel that we have good support in the financing activities going forward.

We are now looking forward to a very exciting 2023.

Evy Lundgren-Åkerlund
CEO, Xintela AB (publ)

Stem cell-based therapies

Xintela develops stem cell-based treatments with a focus on osteoarthritis and difficult-to-heal leg ulcers. The business is focused on diseases where there is a high medical need and effective treatments are lacking today.

Stem cell product XSTEM®

Xintela's superior stem cell product XSTEM consists of integrin α10β1-selected and quality assured mesenchymal stem cells isolated from allogeneic (donated) adipose tissue from healthy individuals. XSTEM is patented both as a product and for therapeutic use in all indications. This gives Xintela a unique position to develop safe and effective stem cell treatments for a variety of diseases.

Clinical study with XSTEM for the treatment of knee osteoarthritis

Xintela conducts a clinical study (Phase I/IIa) with XSTEM in Australia, in patients with moderate knee osteoarthritis (Kellgren-Lawrence grade II-III). Three different dose levels of XSTEM are being evaluated in up to 54 patients and each patient will be followed for 18 months with continuous safety evaluation and preliminary efficacy evaluation every six months. The lowest dose level has been judged as safe by the Safety Review Committee. At the second dose level, seven of eight patients have currently been dosed.

The main goal is to show that XSTEM is safe, but also to obtain preliminary efficacy results showing that the product has DMOAD (Disease Modifying Osteoarthritis Drug) properties and can slow cartilage and joint breakdown as well as regenerate damaged articular cartilage and improve joint function. Xintela's preclinical studies strongly support DMOAD effect of XSTEM and EQSTEM Clinical study with XSTEM for the treatment of difficult-to-heal venous leg ulcers

Xintela's clinical study (Phase I/IIa), in patients with difficult-to-heal venous leg ulcers, is conducted in collaboration with Professor Folke Sjöberg at Linköping University Hospital. 12 patients with difficult-to-heal venous leg ulcers will be treated with XSTEM or placebo. XSTEM/placebo will be applied to the wound and patients will then be followed for 10 weeks to evaluate safety and wound healing efficacy. The study is partly financed Vinnova. Currently, screening for patients to be included in the clinical study is ongoing.

Stem cell product EQSTEM® for joint disease in horses

Xintela has developed the stem cell product EQSTEM for the treatment of horses. Positive results from two preclinical studies in horses have shown strong support for the continued development of EQSTEM for osteoarthritis and other degenerative joint diseases in horses. Xintela plans to bring EQSTEM to market in cooperation with partners.

Osteoarthritis (OA)
Osteoarthritis (OA) is a debilitating and painful joint disease characterised by cartilage and joint degradation and loss of chondrocyte function. It is the most common chronic disease of the joints, mainly in the knee, hip and hand, and the single most common cause of disability in older adults. It is estimated to affect about 25 percent of all individuals over 60 years of age and is on the rise due to an increasing ageing population. Pharmacological treatments offered today only provide symtomatic relief but do not treat the cause of the cartilage degradation.

Difficult-to-heal leg ulcers
Difficult-to-heal leg ulcers, including venous leg ulcers, represent a major clinical problem, both in terms of suffering and pain for the patient, as well as to healthcare due to the huge financial burden for treatment costs. It is estimated that between 0.18 and 1 percent of the population is affected by venous leg ulcers. The prevalence increases with age and is estimated to 4 percent in individuals above 65 years. Current treatments of difficult-to-heal leg ulcers include compression therapy and surgery, but there are no efficient pharmacological treatments available.

Own production of stem cells and contract manufacturing

Xintela's stem cell products are produced in the company's own GMP-approved manufacturing facility, which significantly reduces both production costs and risks of delays. In addition to manufacturing XSTEM for its own product development, Xintela's strategy is to become an established manufacturer of the company's stem cell products that are developed together with partners. Xintela's GMP facility and production operations may also be used for contract manufacturing in the development and commercialization of other ATMP products.

Commercialisation strategy for stem cell products

The company's strategy is to develop the stem cell products to a point where they can be attributed to a clear increase in value, then enter into partnerships and licensing deals. For XSTEM, that point is after safety readout and Proof of Concept in humans, i.e., after clinical Phase I/IIa and after Proof of Concept for EQSTEM in horse patients. Xintela is active in partnering discussions and has built up a large network of potential licensees in the pharmaceutical industry.

First-in-Class antibody-based cancer therapies

Xintela's subsidiary, Targinta, develops therapeutic antibodies for the treatment of aggressive cancers such as triple-negative breast cancer and the brain tumor glioblastoma. The development is based on the in-house discovery that the cell surface molecule integrin α10β1 is highly expressed on certain aggressive cancers.

Triple-negative breast cancer (TNBC)
TNBC is an aggressive form of breast cancer with high risk of recurrence and metastasis. It is diagnosed in about 300,000 patients globally per year, and the 5-year survival of TNBC is about 12 percent.

Glioblastoma
Glioblastoma is the most common and most aggressive form of brain tumor in adults. About 30,000 individuals are diagnosed with glioblastoma in the US and EU each year, and the 5-year survival is only about 3 percent.

Targinta develops two types of tumor-targeting antibodies: function-blocking antibodies that can inhibit critical cell functions such as cell migration and proliferation, and, armed antibodies, so-called ADCs (antibody-drug conjugates) that have a powerful toxin linked to the antibody that selectively kills the cancer cells.

Targinta has an extensive patent portfolio that protects both the target molecule integrin α10β1 and the drug candidates, and the company can thus prevent competitors from developing integrin α10β1 antibodies for the treatment and diagnosis of aggressive cancers.

Drug candidates TARG9 and TARG10

TARG9 is a targeting antibody armed with a powerful toxin. When TARG9 binds to integrin α10β1 on cancer cells, it is taken up by the cells and the toxin is released and subsequently kills the cancer cell. TARG9 has shown inhibitory effect on tumor growth in both glioblastoma and triple-negative breast cancer in preclinical models.

TARG10 is a tumor-targeting function-blocking antibody that binds to integrin α10β1 and blocks critical cell functions including cell migration, proliferation and survival and can thereby reduce tumor growth as well as metastasis (spreading of cancer cells). Studies in preclinical models have shown that TARG10 has a powerful inhibitory effect on metastasis of triple-negative breast cancer. TARG10 also has inhibitory effect on the tumor growth of glioblastoma and triple-negative breast cancer in preclinical models.

Business model

Targinta plans to enter into early partnerships to accelerate the development of the company's drug candidates through clinical studies and to market approval. There is great potential to enter into commercial deals already at a preclinical stage. This is based on the company's unique cancer target, first-in-class antibodies and the unique patent protection that effectively prevents competitors from developing cancer antibodies directed to the same target.

The strategy is to develop the drug candidates through clinical Phase 0 studies to Proof of Principle in humans. The goal is to demonstrate that the antibodies target the tumors in patients and thus validate the target integrin α10β1 and the treatment concept.

Xintela's development projects

Xintela develops medical products in stem cell therapy and targeted cancer therapy based on the company's cell surface marker integrin α10β1, which is found on mesenchymal stem cells and on aggressive cancer cells.

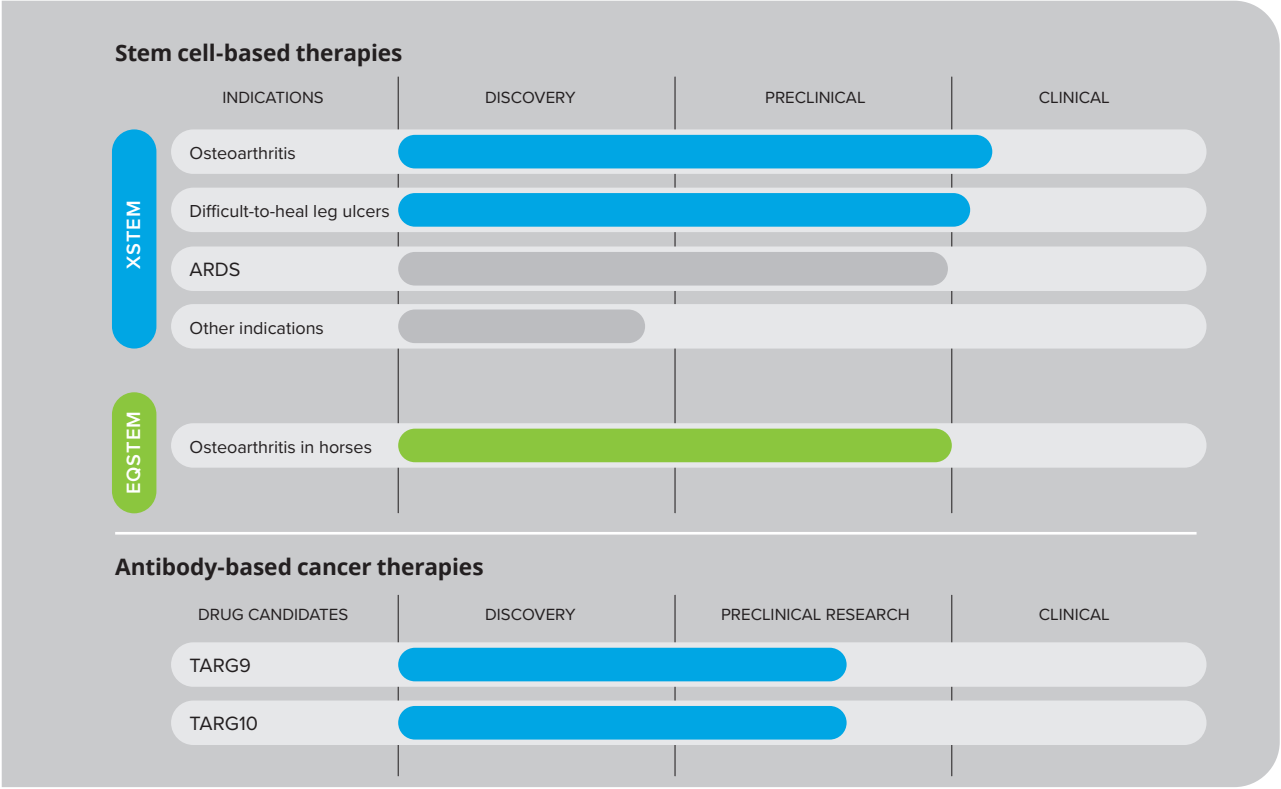
Stem cell therapy
In stem cell therapy, integrin α10β1 is used to select and quality assure stem cells in the proprietary stem cell products XSTEM, for the treatment of humans, and EQSTEM® for the treatment of horses. Xintela conducts clinical studies with the stem cell product XSTEM for the treatment of knee osteoarthritis and difficult-to-heal venous leg ulcers. The strategy is that further development of ARDS (Acute Respiratory Distress Syndrome) takes place in collaboration with partners.

The osteoarthritis study in Australia has achieved its first milestone
The clinical study (Phase I/IIa), conducted in Australia, is evaluating XSTEM for the treatment of patients with knee osteoarthritis. Dosing of eight patients with the lowest dose of three dose levels of XSTEM has been conducted and was judged safe by the Safety Review Committee. To date, seven of eight patients have been dosed at the second dose level. Safety and efficacy readouts will be assessed every six month up to 18 month after treatment in up to 54 patients. Recruitment of patients with difficult-to-heal leg ulcers is ongoing

The clinical study (Phase I/IIa), conducted in Linköping, is evaluating XSTEM for the treatment of difficult-to-heal venous leg ulcers Currently, screening for patients to be included in the clinical study is ongoing. A total of 12 patients will be recruited. Safety and efficacy readouts will be performed ten weeks after the treatment.

Xintela's other stem cell projects
ARDS as well as EQSTEM for the treatment of joint diseases in horses, are in preclinical phase.

Targinta's cancer therapies
In cancer therapy, therapeutic antibodies are developed that specifically bind to the target molecule integrin α10β1, which is expressed on certain aggressive cancer cells, including triple-negative breast cancer and the brain tumor glioblastoma. The subsidiary Targinta develops two types of antibodies, a function-blocking antibody, TARG10, which reduces the growth and spreading of cancer cells in preclinical models, and an antibody TARG9 that is armed with a powerful toxin (ADC, Antibody-Drug Conjugate) and which has a killing effect on cancer cells. Targinta candidate drugs are in preclinical development and being prepared for clinical Phase 0 studies.



Financial reports

Income statement in brief

Earnings

Loss for the fourth quarter amounted to TSEK -23,226 (-17,790) for the Group.

The costs for research and development account for the largest part of the Company's costs and for the period October to December amounted to TSEK -19,366 (-14,121) for the Group.

Market and sales costs for the quarter amounted to TSEK -1,670 (-1,353) for the Group.

Administrative expenses for the period amounted to TSEK -2,326 (-2,348) for the Group.

Loss before tax for the period October to December 2022 amounted to TSEK -23,384 (-18,013) for the Group.

This year's tax, which amounts to + 6,948 (+ 1,054) KSEK, refers to the assessed amount of tax payment, attributable to costs for the clinical study that is ongoing in Australia.

	Quarter 4		Full year	
(TSEK)	10/1/2022 12/31/2022	10/1/2021 12/31/2021	1/1/2022 12/31/2022	1/1/2021 12/31/2021
Operating income				
Net sales	-	-	-	-
Cost of goods sold	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**
Operating expenses				
Research and development costs	-19,366	-14,121	-55,792	-50,461
Selling costs	-1,670	-1,353	-5,384	-4,095
Administrative expenses	-2,326	-2,348	-11,261	-7,841
Other operating income	136	32	3,375	2,331
Other operating expenses	-	-	-	-
Operating loss	**-23,226**	**-17,790**	**-69,062**	**-60,066**
Profit/loss from financial items				
Financial income	6	-	6	-
Financial expenses	-164	-223	-4,109	-538
Loss before tax	**-23,384**	**-18,013**	**-73,165**	**-60,604**
Tax on loss for the period	6,948	1,054	6,948	1,054
Loss for the period	**-16,436**	**-16,959**	**-66,217**	**-59,550**
Loss per share, SEK	-0.09	-0.20	-0.37	-0.72

An incorrect periodization has been noticed for the group in 2021. This correction causes the following change on 31-12-2021:

Fiscal year 2021	Previous	adjustment	Correct amount
The group's income statement			
Research and development costs	-50,045	-416	-50,461
Tax on the year's result	-	1,054	1,054
The result of the period	-60,189	638	-59,550

The Group

Balance sheet in brief

Financial position

On December 31, 2022 the group's cash and cash equivalents amounted to TSEK 8,343 (11,138). On December 31, 2022 group's total assets amounted to TSEK 24,517 (26,956).

(TSEK)	12/31/2022	12/31/2021
ASSETS		
Fixed assets		
Intangible assets	640	1,455
Tangible assets	4,576	8,123
Financial assets	-	18
Total fixed assets	**5,216**	**9,596**
Current assets		
Tax assets	319	706
Other receivables	9,502	3,058
Prepaid expenses	1,138	2,458
Cash and cash equivalents	8,343	11,138
Total current assets	**19,301**	**17,360**
TOTAL ASSETS	**24,517**	**26,956**

(TSEK)	12/31/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity, the group		
Share capital	9,227	2,674
Other contributed capital	305,920	242,714
Reserve	393	-4
Balanced result incl. Profit for the year	-309,763	-242,878
Total equity	**5,777**	**2,506**
Current liabilities		
Accounts payable	8,846	6,883
Tax liability	399	171
Other liabilities	4,332	13,247
Accrued expenses and deferred income	5,163	4,149
Total current liabilities	**18,740**	**24,450**
TOTAL EQUITY AND LIABILITIES	**24,517**	**26,956**

An incorrect periodization has been noticed for the group in 2021. This correction causes the following change on 31-12-2021:

Fiscal year 2021	Previous	adjustment	Correct amount
The group's balance sheet			
Other receivables	3,784	-726	3,058
Prepaid costs	1,094	1,364	2,458
Balanced profit including profit for the year	-243,516	638	-242,878

The Group

Cash flow statement in brief

Cash flow and investments

The group's cash flow for the period October to December 2022 was TSEK 7,957 (6,312). Investments for the period amounted to TSEK 0 (-1,473) for the Group.

	Quarter 4		Full year	
	10/1/2022	10/1/2021	1/1/2022	1/1/2021
(TSEK)	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Operating activities				
Operating loss	-23,226	-17,790	-69,062	-60,066
Depreciation/amortisation	1,400	864	4,233	3,495
Taxes paid	1,054	-	1,054	-
Financial income	6	-	6	-
Financial expenses	-164	-223	-4,109	-538
Cash flow from operating activities before changes in working capital	**-20,930**	**-17,149**	**-67,877**	**-57,109**
Changes in working capital				
Increase/decrease in receivables	628	-2,722	1,081	-1,237
Increase/decrease in current liabilities	3,258	15,032	-6,310	3,403
Changes in working capital	**3,886**	**12,310**	**-5,229**	**2,166**
Cash flow from operating activities	**-17,044**	**-4,839**	**-73,107**	**-54,943**
Investing activities				
Increase/decrease of tangible assets	-	-1,486	206	-2,429
Increase/decrease of intangible assets	-	-	-	-
Increase/decrease of financial assets	-	13	18	53
Cash flow from investing activities	**0**	**-1,473**	**224**	**-2,376**
Financing activities				
New share issue	-	-	45,359	34,734
Issue of convertibles	25,000	-	25,000	-
Cash flow from financing activities	**25,000**	**0**	**70,359**	**34,734**
Change in cash and cash equivalents	7,956	-6,312	-2,524	-22,585
Cash and cash equivalents at the beginning of the period	879	17,454	11,138	33,727
Conversion difference in cash and cash equivalents	-493	-4	-272	-4
Cash and cash equivalents at the end of the period	**8,343**	**11,138**	**8,343**	**11,138**

The Group

Change in equity in brief

(TSEK)	Share capital	Other contributed capital	Reserves	Loss for the period	Total
Opening balance, January 1, 2021	**2,219**	**208,435**	**0**	**-183,327**	**27,327**
New share issue	96	8,500	-	-	8,596
New share issue, warrants	359	25,779	-	-	26,138
Conversion difference	-	-	-4	-	-4
Loss for the period	-	-	-	-59,550	-59,550
Equity, December 31, 2021	**2,674**	**242,714**	**-4**	**-242,877**	**2,506**
Opening balance, January 1, 2022	**2,674**	**242,714**	**-4**	**-242,877**	**2,506**
Conversion difference/Other adjustments	-	-	397	-668	-271
Rights issue	5,348	39,219	-	-	44,567
Rights issue, costs	-	-9,851	-	-	-9,851
Directed share issue	1,205	8,838	-	-	10,043
Issue of convertibles *	-	25,000	-	-	25,000
Loss for the period	-	-	-	-66,217	-66,217
Equity, December 31, 2022	**9,227**	**305,920**	**393**	**-309,763**	**5,777**

* Issue of convertibles in accordance with the decision of the extra general meeting on 11/28/2022 (https://www.xintela.se/pressmeddelande?slug=kommunike-fran-extra-bolagsstamma-i-xintela-ab-publ-1)

The Parent Company

Income statement in brief

Income

The parent company reports a net turnover of TSEK 6,288 (0) for the fourth quarter of the year, which refers to invoiced research material to the subsidiary Xindu, which performs the clinical trials in Australia. Corresponding figures for the group are 0 (0) because invoicing within the group is eliminated at group level. Other income amounted to TSEK 136 (2,551) and this year's figures refer to contributions from Vinnova and the previous year's income also includes costs for the oncology operations which were invoiced to the subsidiary Targinta.

Earnings

Loss for the fourth quarter amounted to TSEK -7,083 (-12,120) for the Parent Company .

The costs for research and development account for the largest part of the Company's costs and amounted to TSEK -10,509 (-11,529) for the period October to December, of which TSEK -4,221 are reported as research and development costs and TSEK -6,288 are reported as cost of sales goods for the parent company.

Market and sales costs for the quarter amounted to TSEK -1,522 (-1,354) for the Parent Company.

Administrative expenses for the period amounted to TSEK -1,476 (-1,788) for the Parent Company.

Loss before tax and appropriations for the period October to December 2022 amounted to TSEK -7,323 (-12,343) for the Parent Company.

	Quarter 4		Full year	
	10/1/2022	10/1/2021	1/1/2022	1/1/2021
(TSEK)	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Operating income				
Net sales	6,288	-	6,288	-
Cost of goods sold	-6,288	-	-6,288	-
Gross profit	0	-	0	-
Operating expenses				
Research and development costs	-4,221	-11,529	-25,683	-44,120
Selling costs	-1,522	-1,354	-4,497	-4,095
Administrative expenses	-1,476	-1,788	-8,196	-6,773
Other operating income	136	2,551	3,369	11,433
Other operating expenses	-	-	-	-
Operating loss	**-7,083**	**-12,120**	**-35,007**	**-43,556**
Profit/loss from financial items				
Financial income	-	-	-	-
Financial expenses	-240	-223	-4,102	-538
Loss before tax	**-7,323**	**-12,343**	**-39,109**	**-44,094**
Appropriations	-5,797	-14,300	-5,797	-14,300
Tax on loss for the year	-	-	-	-
Loss for the period	**-13,120**	**-26,643**	**-44,906**	**-58,394**
Loss per share, SEK	-0.07	-0.30	-0.25	-0.65

The Parent Company

Balance sheet in brief

Financial position

On December 31, 2022 the parent company's equity/assets ratio was 66 per cent (16) and equity amounted to TSEK 28,800 (3,947). The Parent company's cash and cash equivalents amounted to TSEK 7,489 (9,941). On December 31, 2022 the parent company's total assets amounted to TSEK 43,554 (24,742).

(TSEK)	12/31/2022	12/31/2021
ASSETS		
Fixed assets		
Intangible assets	442	746
Tangible assets	3,943	7,012
Receivables from subsidiaries	18,432	-
Other receivables	-	18
Participations in subsidiaries	9,839	839
Total fixed assets	**32,657**	**8,615**
Current assets		
Receivables from subsidiaries	-	3,081
Tax assets	319	706
Other receivables	2,163	1,449
Prepaid expenses	928	950
Cash and cash equivalents	7,489	9,941
Total current assets	**10,898**	**16,127**
TOTAL ASSETS	**43,554**	**24,742**

(TSEK)	12/31/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity, parent company		
Share capital	9,227	2,674
Development expenses fund	-	-
Issue of convertibles	25,000	-
Share premium reserve	280,920	242,714
Retained earnings	-241,441	-183,047
Loss for the period	-44,906	-58,394
Total equity	**28,800**	**3,947**
Current liabilities		
Accounts payable	7,432	3,899
Tax liability	184	135
Other liabilities	3,681	13,019
Accrued expenses and deferred income	3,457	3,742
Total current liabilities	**14,754**	**20,795**
TOTAL EQUITY AND LIABILITIES	**43,554**	**24,742**

The Parent Company

Cash flow statement in brief

Cash flow and investments

The parent company's cash flow for the period October to December 2022 was TSEK 7,307 (-5,953) thousand. The investments for the period amounted to TSEK -18,543 (-511) thousand, where TSEK -18,432 refers to receivables from subsidiaries that are classified as long-term.

	Quarter 4		Full year	
	10/1/2022	10/1/2021	1/1/2022	1/1/2021
(TSEK)	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Operating activities				
Operating loss	-7,082	-12,120	-35,007	-43,556
Depreciation/amortisation	875	826	3,484	3,425
Financial income	-	-	-	-
Financial expenses	-240	-223	-4,102	-538
Cash flow from operating activities before changes in working capital	**-6,446**	**-11,517**	**-35,624**	**-40,669**
Changes in working capital				
Increase/decrease in receivables	11,269	8,505	2,777	-2,111
Increase/decrease in current liabilities	1,825	11,870	-6,641	-112
Changes in working capital	**13,094**	**20,375**	**-3,864**	**-2,223**
Cash flow from operating activities	**6,647**	**8,858**	**-39,489**	**-42,892**
Investing activities				
Increase/decrease of tangible assets	-111	-525	-111	-1,255
Increase/decrease of intangible assets	-	-	-	-
Increase/decrease of receivables from subsidiaries	-18,432	-	-18,432	-
Increase/decrease of other assets	-	14	18	53
Increase/decrease of shares in subsidiaries	-	-	-9,000	-
Cash flow from investing activities	**-18,543**	**-511**	**-27,525**	**-1,202**
Financing activities				
New share issue	-	-	45,359	34,734
Issue of convertibles	25,000	-	25,000	-
Group contribution paid	-5,797	-14,300	-5,797	-14,300
Increase / decrease of long-term liabilities	-	-	-	-
Cash flow from financing activities	**19,203**	**-14,300**	**64,562**	**20,434**
Change in cash and cash equivalents	7,307	-5,953	-2,452	-23,660
Cash and cash equivalents at the beginning of the period	182	15,894	9,941	33,601
Cash and cash equivalents at the end of the period	**7,489**	**9,941**	**7,489**	**9,941**

The Parent Company

Change in equity in brief

(TSEK)	Share capital	Development expenses	Convertible	Share premium	Retained earnings	Loss for the period	Total
Opening balance, January 1, 2021	**2,219**	**113**	**0**	**208,435**	**-132,903**	**-50,257**	**27,607**
Reversal of prior year's accruals	-	-	-	-	-50,257	50,257	0
Development expenses fund	-	-113	-	-	113	-	0
New share issue, offset	96	-	-	8,500	-	-	8,596
New share issue	359	-	-	25,779	-	-	26,138
Loss for the period	-	-	-	-	-	-58,394	-58,394
Equity, December 31, 2021	**2,674**	**0**	**0**	**242,714**	**-183,047**	**-58,394**	**3,947**
Opening balance, January 1, 2022	**2,674**	**0**	**0**	**242,714**	**-183,047**	**-58,394**	**3,947**
Reversal of prior year's accruals	-	-	-	-	-58,394	58,394	0
Rights issue	5,348	-	-	39,219	-	-	44,567
Rights issue, costs	-	-	-	-9,851	-	-	-9,851
Directed share issue	1,205	-	-	8,838	-	-	10,043
Issue of convertibles *	-	-	25,000	-	-	-	25,000
Loss for the period	-	-	-	-	-	-44,906	-44,906
Equity, December 31, 2022	**9,227**	**0**	**25,000**	**280,920**	**-241,441**	**-44,906**	**28,800**

* Issue of convertibles in accordance with the decision of the extra general meeting on 11/28/2022 (https://www.xintela.se/pressmeddelande?slug=kommunike-fran-extra-bolagsstamma-i-xintela-ab-publ-1)

Declaration by the Board of Directors and the CEO


Gregory Batcheller


Maarten de Château


Thomas Eldered


Lars Hedbys


Hans-Joachim Simons


Evy Lundgren-Åkerlund

The Board of Directors and the Chief Executive Officer certify that the year-end report provides a true and fair view of the company's business, financial position, performance and describes material risks and uncertainties, to which the company is exposed.

The year-end report has not been reviewed by the company's auditors.

Lund February 24, 2023

Gregory Batcheller
Chairman

Maarten de Château
Board member

Thomas Eldered
Board member

Lars Hedbys
Board member

Hans-Joachim Simons
Board member

Evy Lundgren-Åkerlund
CEO

Other information

The share

Xintela AB (publ) was listed on Nasdaq First North Growth Market in Stockholm on 22 March 2016 under the ticker symbol "XINT." First North Growth Market is an alternative marketplace, operated by an exchange within the NASDAQ OMX Group. Companies on First North Growth Market are not subject to the same rules as companies on the regulated main market. They are subject to a less regulated framework, adapted for small growth companies. A company listed on First North Growth Market may therefore entail a higher investment risk than a company listed on the main market. All companies listed on First North Growth Market have a Certified Adviser to oversee their compliance with the rules. The exchange assesses applications for admission to trading. Xintela's Certified Adviser on Nasdaq First North Growth Market is Erik Penser Bank AB, +46 (0)8 463 80 00, certifiedadviser@penser.se.

On December 31, 2022, the number of shares was 307,573,263. The Company has only one class of shares. Each share carries identical rights to the Company's assets and earnings, and one vote at General Meetings.

	Jan - Dec 2022	Jan - Dec 2021
No. of shares before full dilution	307,573,263	89,134,021
No. of shares after full dilution	307,573,263	89,134,021
Loss per share before full dilution	-0.25	-0.65
Average no. of shares before full dilution	179,670,643	82,867,900
Average no. of shares after full dilution	179,670,643	82,867,900

Financial statements in accordance with K3

This report has been prepared in accordance with BFNAR 2012: 1 Annual Report and Consolidated Financial Statements (Q3) and the accounting principles are unchanged compared with those applied in the Annual Report for 2021. For complete accounting principles, see the Annual Report 2021.

Group accounts

The consolidated accounts include the companies in which the parent company directly or indirectly holds more than half of the votes for all shares, or otherwise has a controlling influence according to ÅRL 1:4. The company's earnings are included in the group's earnings from and including the acquisition date until it is divested. The financial statements of foreign subsidiaries have been recalculated according to the current rate method. All items in the balance sheet have been converted to the balance sheet exchange rate. All items in the income statement have been converted to average exchange rates during the financial year. Differences that arise are reported directly in equity.

Annual General Meeting and availability of the annual report

The Annual General Meeting will be held in Lund on May 12, 2023. The annual report will be available for download on the Company's website (www.xintela.se) no later than April 14, 2023.

Proposal for disposition of Xintela's results

The Board of Directors and the President propose that no share dividend be paid for the financial year 2022.

Financial calendar

- Annual report 2022: April, 2023
- Interim report Q1 2023: May 25, 2023
- Interim report Q2 2023: August 30, 2023
- Interim report Q3 2023: November 24, 2023
- Year-end report 2023: February 28, 2024

Risks and uncertainties

Limited resources

Xintela is a small company with limited resources in terms of management, administration, and capital. The implementation of any major strategies requires optimization of the Company's resource appropriation. There is a risk that the Company's resources could be insufficient, and lead to financial and operational problems. The company's ability to continue its operations depends on the ongoing work with the company's financing being successful. Focused work is underway to secure the company's future financing and the Board's assessment is that we will successfully secure future financing needs.

Dependence on key individuals and employees

Xintela's success is based on the knowledge, experience, and creativity of a few specific individuals. The Company's future is dependent on being able to recruit qualified employees. The Company works hard to reduce this dependency by maintaining proper documentation of procedures and working methods.

Earning capacity and capital requirements

Drug development is both expensive and time-consuming. It may take longer than expected before the Company can generate a positive cash flow. To cover these costs, Xintela may need to raise new capital. There is no guarantee that such capital can be obtained on terms that are favorable to shareholders. Failure to generate sufficient profits may impact the Company's market value.

Sales risk

There is no certainty that the products developed by the Company will gain the market acceptance reflected in this report. The quantity of products sold may be lower, and the period required for market establishment may be longer, than the Company currently has reason to believe.

Compensation of issue fees

For the issues carried out in July 2022, G&W Fondkommission was engaged as financial advisor. After completing the work, a dispute has arisen as to whether they have fulfilled their obligations in the agreement or not, and whether their invoiced amounts are correct. Discussions are ongoing. The outcome expected by the board is taken into account in this report.

Xintela – for life in motion

Xintela develops stem cell-based treatments focusing on osteoarthritis and difficult-to-heal leg ulcers and, through its wholly owned subsidiary Targinta, targeted antibody-based treatments for aggressive cancer. The focus is on diseases that cause great suffering and lack effective medical treatment options.

Xintela has ongoing clinical studies with the stem cell product XSTEM for the treatment of knee osteoarthritis and difficult-to-heal venous leg ulcers. The goal is to show that stem cell treatment is safe, but also investigate XSTEM's ability to repair damaged articular cartilage and improve joint function and to heal venous leg ulcers, thereby reducing pain and suffering for patients. Preclinical studies have shown that XSTEM has regenerative properties.

Within oncology, tumor-targeting and armed antibodies are developed for aggressive cancers such as triple negative breast cancer and the brain tumor glioblastoma. Results from preclinical models have shown that the antibodies have an inhibitory effect on both the growth and metastasis of cancer cells. The drug candidates TARG9 and TARG10 are in preclinical development and being prepared for clinical Phase 0 studies.