
xintela
Annual Report 2024

Content

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.

Auditor's review
The auditor has reviewed the Annual Report presented on pages 14–35 of this document.

This document is essentially a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

From the CEO

Great success for our stem cell products XSTEM and EQSTEM

XSTEM shows excellent interim results in our osteoarthritis study, EQSTEM has delivered a collaboration and license agreement, our subsidiary Targinta strengthens its patent portfolio with two product patents, and our manufacturing operations generate significant revenues.

Strong 18-month results with XSTEM in the osteoarthritis study

In our clinical phase I/IIa study in knee osteoarthritis patients, three different dose levels of the stem cell product XSTEM (4, 8 and 16 million stem cells) are being evaluated in a total of 24 patients (8 patients/dose level). In an interim analysis, 18 months after treatment, the results showed that all dose levels of XSTEM are safe and well tolerated and that no serious side effects related to the treatment have been reported, thus successfully achieving the primary goal of the study. The results also showed significant, clinically relevant and sustained improvements in knee pain and knee joint function, as well as an improvement in bone structure and a trend to halt cartilage degradation, 18 months after treatment with XSTEM. These very good results also achieve the secondary goal of the study, to demonstrate the preliminary efficacy of XSTEM. The fact that the results also support the disease-modifying potential of XSTEM in the treatment of osteoarthritis, confirms that our stem cell product has unique therapeutic properties and gives great hope to all osteoarthritis patients suffering from this painful and debilitating disease. Today, there is no disease-modifying treatment available for this very large patient group.

We found clear differences between the three tested dose levels, which gives us very important information for planning future clinical studies. The highest dose level clearly provided the best treatment effect and showed overall a better effect on pain and knee function compared to the two lower doses. All patients in the highest dose group showed a clinically meaningful improvement of knee function in daily living, 18 months after XSTEM treatment. In addition, pain (VAS) was reduced by 63%, compared to before treatment. The highest dose also showed improvement of the bone tissue structure and a trend of stopping cartilage breakdown, which were not observed with the two lower doses. The differences between dose levels and the sustained improvements also confirm that the effect comes from the XSTEM treatment and is not a placebo effect.

To obtain further information about XSTEM's effect, we evaluate the highest dose level for another 6 months, i.e. up to 24 months after treatment. This is an exploratory evaluation that will provide important information for the design of future studies and also give us the opportunity to compare XSTEM's results with 24-month published results from other clinical studies in knee osteoarthritis. I would like to point out that this extension to 24 months of the highest dose level cannot change the positive results we already have achieved. Our results from the interim analysis of 18-month data will remain the main outcomes of the study in our final report in September.

I would also like to highlight that the results of our osteoarthritis study confirm the strong results of our preclinical studies (publications on Xintela's website). With EQSTEM, our equine stem cell product, we demonstrated safety and disease-modifying

effect on post-traumatic osteoarthritis in two preclinical horse studies. We also showed that XSTEM has the ability to home to damaged cartilage and produce new cartilage tissue in the knee joint in a preclinical animal model. Our preclinical and clinical results together, strongly indicate a therapeutic effect of XSTEM and EQSTEM that no other stem cell products have been able to show. The reason is that we have a unique stem cell technology based on Xintela's patented stem cell marker, integrin α10β1. By way of a selection step in the production process, we can produce pure stem cell products that have high and reproducible quality and that differ from all other stem cell-based products. This gives Xintela and Xintela's partners a strong position in the development and commercialization of stem cell-based therapies.

Reduced numbers of patients in our difficult-to-heal venous leg ulcer study

In our ongoing clinical phase I/IIa study in patients with difficult-to-heal venous leg ulcers, we have implemented a change in the study design and reduced the number of patients from 12 to 6, in order to be able to end the study earlier. The amended clinical study protocol has received regulatory approval. At present, five patients have been dosed and four patients have completed the study four months after treatment. The primary objective of the study, to investigate safety and tolerability, will be achievable with a reduced number of patients. The reason why we are making this change is that patients with difficult-to-heal venous leg ulcers are a difficult patient group to recruit, despite being the largest patient group in leg ulcers. This is because the patients are usually older and have other diseases and complications, which makes it difficult to include them in the study, which primarily evaluates safety.

Our ambition is for XSTEM to become an effective treatment for all types of difficult-to-heal wounds, including burns. We therefore aim to continue evaluating XSTEM in other wound healing indications where recruitment of patients can take place faster and thus accelerate XSTEM's path to approval for wound healing. In the long term, this may also be beneficial for patients with difficult-to-heal venous leg ulcers.

We are currently investigating the possibility of conducting clinical studies with XSTEM for the treatment of burns and other difficult-to-heal wounds together with the Burn Center in Linköping. We have previously, together with the team at the Burn Center, successfully conducted wound healing studies in a preclinical model and demonstrated excellent wound healing capacity of XSTEM.

EQSTEM, our equine stem cell product, has been licensed to EQGen Biomedical

We have signed a collaboration and license agreement with the US company EQGen Biomedical.Inc ("EQGen") for the development of stem cell products in veterinary medicine. This means that EQGen will have global rights to Xintela's stem cell products EQSTEM for the treatment of horses and stem cell products, based on Xintela's stem cell technology for other animals, including dogs, in musculoskeletal indications. EQGen also has an option to develop stem cell products for the treatment of other indications including tendon and ligament injuries.

The collaboration includes Xintela developing a GMP-compliant production process for EQSTEM for clinical studies. The process is similar to the one we have developed to produce our human product XSTEM but will be optimized for the production of stem cells from horses. This work, which will be carried out this year, is fully financed by EQGen. Once the production process is established, further work related to the production of EQSTEM for clinical studies will be performed by Xintela.

In addition to generating revenues for Xintela through process development and manufacturing of EQSTEM for clinical studies, there are several more upsides in our agreement with EQGen. When EQGen lands external financing, Xintela will receive a license fee of USD 1 million and shares in EQGen corresponding to USD 3 million at the same valuation as the external financing. In addition, Xintela will receive license payments when EQGen activates its option to develop other indications in addition to musculoskeletal indications. EQGen's first focus is to treat joint disease in horses. For the treatment of other animals, such as dogs, Xintela will carry out development work, funded by

"We apply for patent rights in a number of strategically important countries to ensure the protection of Targinta's drug candidates and enable continued development and commercialization in the global market.

EQGen, to establish a stem cell product and a production process for each animal type. If EQGen sub-licenses parts of its business or is acquired, Xintela will receive additional compensation. Xintela will also receive variable royalties up to low double digits on EQGen's sales revenues.

Our GMP production facility generates significant revenues

Xintela has its own GMP-approved manufacturing facility and produces XSTEM for clinical studies. This gives us several advantages, including lower production costs, full control and great flexibility. We also have a license to manufacture other cell-based products, and a strategy for the GMP manufacturing operations to be self-sufficient and to generate positive cash flow by providing process development and production services to others. We currently have an ongoing assignment from Region Östergötland where we are developing a GMP process for isolation and quality assurance of keratinocytes (skin cells) from skin biopsies from burn patients, for the treatment of burns. In the next step, the process is planned to be used in a clinical study on burn patients at the Burn Center, Linköping University Hospital, where Xintela will produce the keratinocyte product for the study. This assignment, together with the assignment we have from EQGen for process development and production of EQSTEM, already covers a significant part of our GMP operations.

Continued positive development of our patent portfolio

Our patent families within Xintela and Targinta have been further strengthened through new grants and continued geographical expansion into strategically important markets. Our product patent protecting XSTEM, EQSTEM and other stem cell products based on our marker technology has already been granted in several key markets, including Europe, Japan, South Korea and the USA, and is now also approved in Singapore and Canada. During the past year, we have received additional grants within patent families that protect the use of our marker technology on other cell types, such as neural stem cells and cartilage cells (XACT). In particular, patents within our XACT portfolio have recently been granted in Australia, Israel, China, South Korea and the USA. These patents cover both methods for selection and quality control of cartilage cells using our marker technology as well as product patents for in vitro expanded cartilage cells. While these assets are not currently directly linked to our ongoing development projects, they provide valuable resources in our business discussions with potential partners and licensees. Targinta's patent portfolio has been strengthened as our two product patent applications, related to antibody and ADC (Antibody-Drug Conjugates) technologies, have now entered the national phase. This means that we apply for patent rights in a number of strategically important countries to ensure the protection of Targinta's drug candidates and enable continued development and commercialization in the global market.

Focus on partnership for Targinta

Targinta has developed and preclinically validated first-in-class antibodies and ADCs targeting our unique target molecule integrin α10β1, which is expressed on aggressive and difficult-to-treat cancers such as glioblastoma and triple-negative breast cancer. Although the oncology project in our subsidiary Targinta has been at a slow pace for some time, our ambition is to raise funding and/or partners to continue the important development of Targinta's drug candidates TARG9 and TARG10. With Targinta's unique cancer target, strong preclinical results and a strong patent portfolio, we are well positioned to take the project forward.

Continued financing of our operations

Our ambition is that financing of our development projects going forward will come mainly from revenues from collaborations, partnerships and licensing and from CDMO activities coupled to our GMP operations. To strengthen our business development capabilities and increase the potential for partnership and early revenue, we have recently engaged two consultants with extensive experience in business strategy, business development, out-licensing and capitalization. In parallel, we are working intensively with other financing solutions for Xintela and Targinta, such as capital raising, grants and loans, which can be carried out either jointly or separately

In connection with the subscription of shares in the rights issue in July 2023, warrants were issued with the right to subscribe for new shares on four occasions over two years at the same price, SEK 0.30. The fourth and final occasion will take place during the period 26 May - 5 June 2025. On previous occasions, options corresponding to SEK 36 million have been exercised and Flerie AB has exercised all its options. In the upcoming and final option period, the remaining options may raise approximately SEK 11.7 million for Xintela. Further information about the terms and conditions of the warrants TO3 can be found on our website.

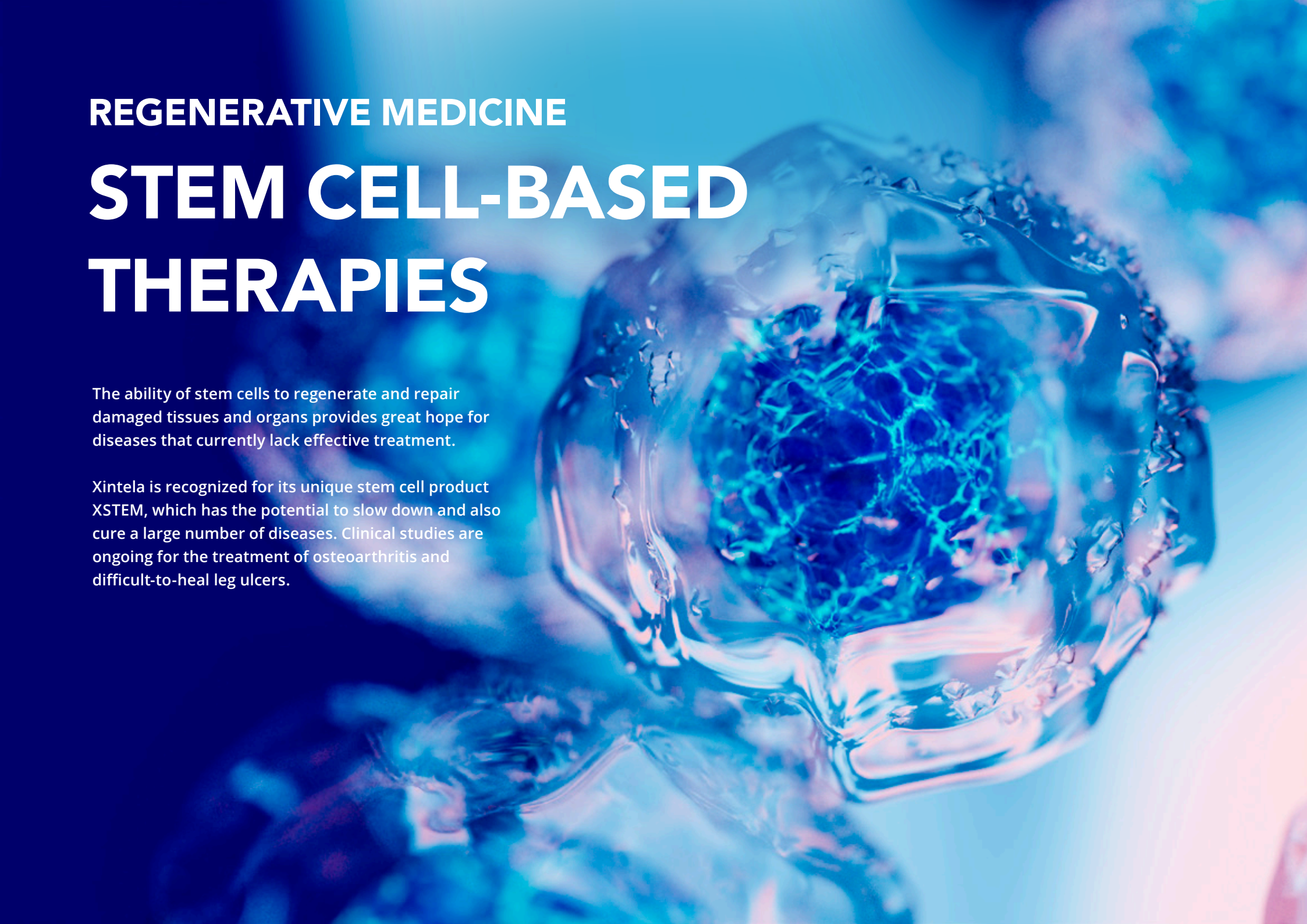
Evy Lundgren-Åkerlund
CEO, Xintela AB (publ)

REGENERATIVE MEDICINE

STEM CELL-BASED THERAPIES

The ability of stem cells to regenerate and repair damaged tissues and organs provides great hope for diseases that currently lack effective treatment.

Xintela is recognized for its unique stem cell product XSTEM, which has the potential to slow down and also cure a large number of diseases. Clinical studies are ongoing for the treatment of osteoarthritis and difficult-to-heal leg ulcers.



Xintela is strongly positioned to develop and commercialize safe and effective stem cell treatments

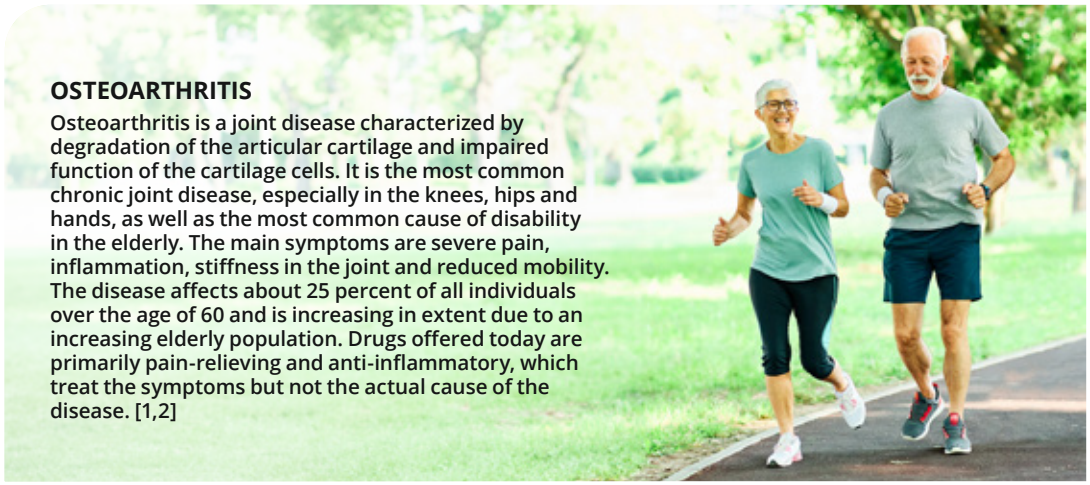
Xintela has developed the competitive stem cell product XSTEM, which consists of integrin α10β1-selected mesenchymal stem cells. Through the unique selection step in the production process, homogeneous stem cells of high and reproducible quality can be produced. XSTEM is manuafctured in Xintela's own GMP facility and is patented both as a product and for therapeutic uses in all indications.

Mesenchymal stem cells have therapeutic properties
Xintela develops stem cell-based treatments from allogeneic (donated) mesenchymal stem cells isolated from adipose tissue from healthy adult donors. Stem cells from a donor can treat a large number of patients, which not only significantly reduces the cost of XSTEM compared to autologous (patient's own) stem cells but will also give physicians an off-the-shelf therapy. An important property of mesenchymal stem cells is their ability to transform into different cell types to regenerate and repair damaged tissues and organs. They also have the ability to stimulate damaged cells to self-repair. Another important property is that stem cells secrete various substances that can regulate the immune system and thus have anti-inflammatory effects.

Stem cell selection – a critical step in the production of XSTEM
Stem cell preparations produced from tissues are heterogeneous, i.e. they contain contaminating cells that are not stem cells. When developing a stem cell product, this is both a regulatory and functional problem.

Xintela solves the problem by selecting (purifying) stem cells using an antibody that binds to the company's stem cell marker, integrin α10β1. In this way, homogeneous stem cell preparations of high quality can be produced that are reproducible between different donors.

Own GMP production of stem cells
Our stem cells are produced in bioreactors in the company's own GMP-approved facility and stored frozen until used in the treatment of patients. Through its in-house, production facility, Xintela has full control over the stem cell production which significantly reduces risks such as unexpected costs and delays. The company's strategy is to establish Xintela as a manufacturer of stem cell products developed in collaboration with partners and to also offer development and production of other advanced therapy products (ATMP).



OSTEOARTHRITIS

Osteoarthritis is a joint disease characterized by degradation of the articular cartilage and impaired function of the cartilage cells. It is the most common chronic joint disease, especially in the knees, hips and hands, as well as the most common cause of disability in the elderly. The main symptoms are severe pain, inflammation, stiffness in the joint and reduced mobility. The disease affects about 25 percent of all individuals over the age of 60 and is increasing in extent due to an increasing elderly population. Drugs offered today are primarily pain-relieving and anti-inflammatory, which treat the symptoms but not the actual cause of the disease. [1,2]

DIFFICULT-TO-HEAL LEG ULCERS

Difficult-to-heal leg ulcers in the elderly, including venous leg ulcers, are a major medical problem that results in pain and reduced quality of life for the patient, as well as large costs for healthcare systems. The incidence increases with age and is estimated to be about 4 percent among people over 65 years of age. Today's treatments for difficult-to-heal leg ulcers include compression techniques and various surgical techniques, but there is a lack of effective drugs. [1,2]

Strong 18-month results with XSTEM in the osteoarthritis study

XSTEM shows safety and preliminary efficacy in osteoarthritis study

Xintela is conducting a clinical study (Phase I/IIa) with the stem cell product XSTEM in Australia, in patients with moderate knee osteoarthritis (Kellgren-Lawrence grade II-III). Three different dose levels of XSTEM (4, 8 and 16 million stem cells) are evaluated in a total of 24 patients (8 patients/dose level). In an interim analysis, 18 months after treatment, the results showed that all dose levels of XSTEM are safe and well tolerated and that no serious side effects related to the treatment have been reported, thus successfully achieving the primary goal of the study. The results also showed significant, clinically relevant and sustained improvements in knee pain and knee joint function, as well as an improvement in bone structure and a trend to halt cartilage degradation, 18 months after treatment with XSTEM. These very good results also achieve the secondary goal of the study, to demonstrate the preliminary efficacy of XSTEM. The results also provide support for a disease-modifying potential of XSTEM in the treatment of osteoarthritis. The highest dose level clearly shows the best treatment effect on all efficacy parameters. To obtain further information on the efficacy of XSTEM, the highest dose level is evaluated for an additional 6 months, i.e. up to 24 months after treatment. A final report is planned for September.

XSTEM in clinical study for the treatment of difficult-to-heal venous leg ulcers

Xintela's second clinical study (Phase I/IIa) with XSTEM, is being conducted in Sweden on difficult-to-heal venous leg ulcers where patients are treated with XSTEM or placebo applied to the wound. Over 10 weeks and after 4 months, safety and wound healing efficacy are evaluated. We have implemented a change in the study design and reduced the number of patients from 12 to 6. The amended clinical study protocol has received regulatory approval. The primary goal of the study, to investigate safety and tolerability, will be achievable with a reduced number of patients. At present, five patients have been dosed and four patients have completed the study. The reason why we are making this change is that patients with difficult-to-heal venous leg ulcers are a very difficult patient group to recruit. We are therefore completing the study earlier and plan to continue evaluating XSTEM for wound healing in other indications for difficult-to-heal wounds, including burns.

A large part of the study has been funded by a grant from Vinnova.

Market

Osteoarthritis

The global market for osteoarthritis is mainly driven by an increase in an aging population, as well as a significant increase in obesity, but osteoarthritis can also affect young and middle-aged individuals. The market for drug treatment of osteoarthritis was estimated to be USD 7.3 billion in 2020 and is expected to grow by approximately 9 percent annually until 2025, when the market is estimated at USD 11.0 billion.[3]

Venous leg ulcers

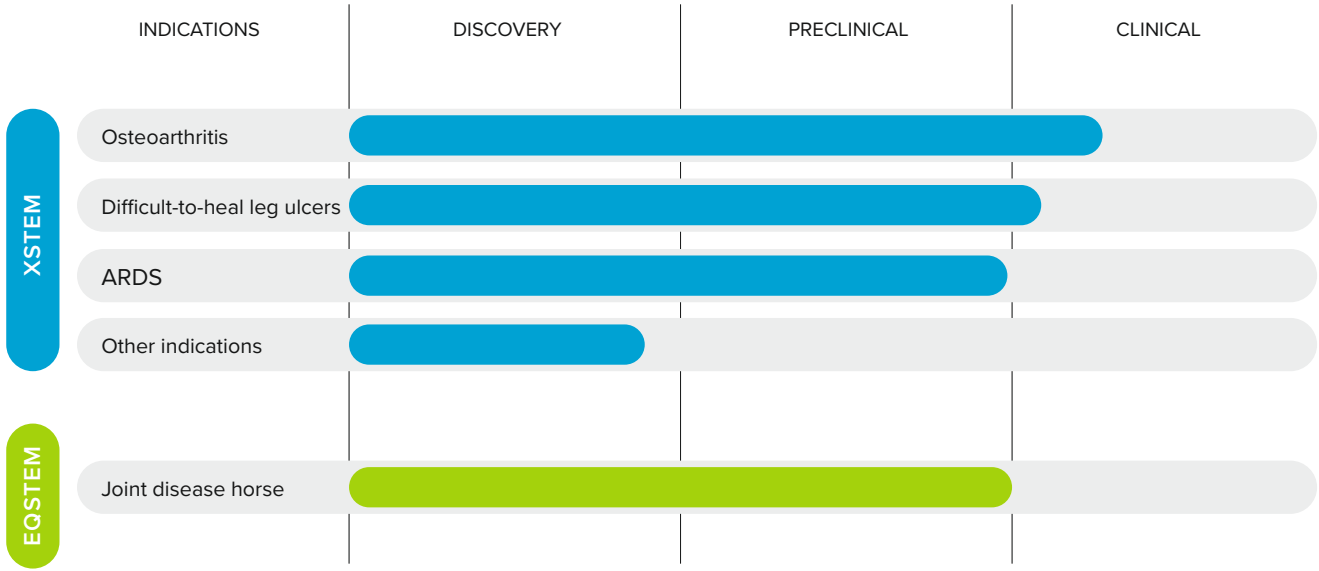
In 2018, the global market for the treatment of venous leg ulcers was estimated at USD 2.95 billion, a figure that is expected to increase to USD 4.84 billion by 2026 with an average annual growth rate of 6.4 percent. The increase is partly due to the expectation that the incidence of venous leg ulcers will increase in line with an aging population.[4]

Commercialization strategy for XSTEM

The company's overall strategy is to take the stem cell projects to Proof of Concept, by clinical Phase I/IIa studies, and then enter into partnerships and commercial agreements for continued clinical development and global commercialization. Xintela is very active in business development and has ongoing dialogue with potential partners and licensees within the pharmaceutical industry.

A product platform for the treatment of several diseases

Xintela has two clinical studies ongoing with the stem cell product XSTEM, one in osteoarthritis and one in difficult-to-heal leg ulcers, as well as a project for the treatment of ARDS in preclinical phase. In addition, Xintela has carried out preclinical development with the stem cell product EQSTEM for the treatment of joint disease in horses.



XSTEM shows safety and preliminary efficacy in the osteoarthritis study after 18 months

The clinical study (Phase I/IIa) evaluates XSTEM for the treatment of patients with knee osteoarthritis. Three different dose levels of XSTEM are evaluated in a total of 24 patients (8 patients/dose level). All patients have completed the 18-month follow-up. The highest dose level is evaluated for additional 6 months, up to 24 months after treatment. An interim analysis has been conducted at 18 months. A final study report is planned for September 2025.

XSTEM study on difficult-to-heal leg ulcers is ongoing, five patients have been dosed.

The clinical study (phase I/IIa) evaluates XSTEM for the treatment of difficult-to-heal venous leg ulcers. Five patients have been dosed and four patients have completed the study. After an amendment of the study protocol, 6 patients will be included in the study. Safety and efficacy readouts are conducted weekly for ten weeks and at four months after treatment.

XSTEM show therapeutic effect on Acute Respiratory Distress Syndrome (ARDS) in preclinical study

ARDS, acute respiratory distress syndrome, is a form of acute severe lung failure that can occur as a result of, for example, pneumonia, trauma or blood poisoning. The condition means that the lung function collapses and mortality is high. There is currently no effective treatment for ARDS. Xintela has successfully conducted preclinical studies for the treatment of ARDS with XSTEM in collaboration with Skane University Hospital and plans to carry out clinical development in collaboration with a partner.

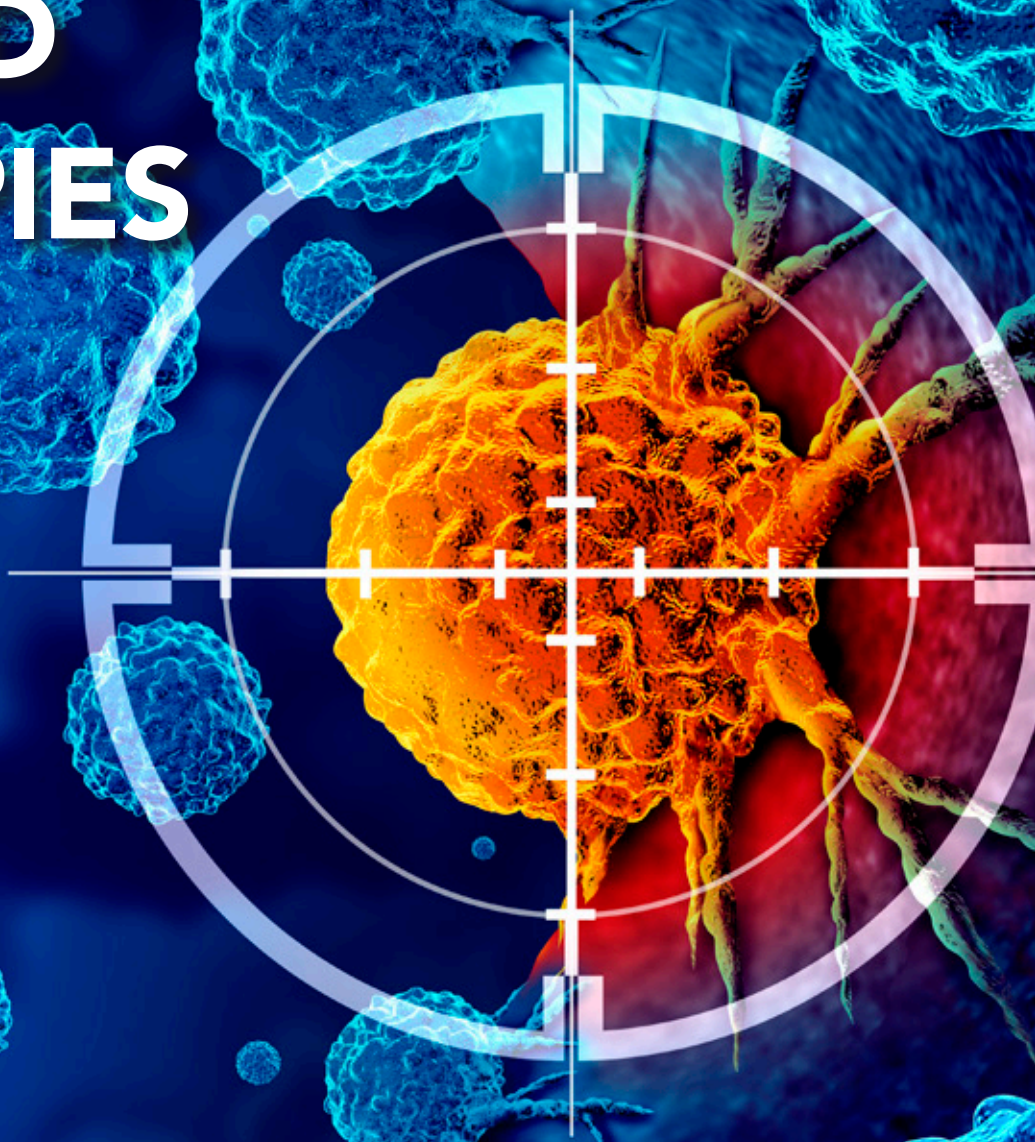
EQSTEM show disease modifying effect in preclinical horse models for osteoarthritis

Xintela has developed the stem cell product EQSTEM for the treatment of joint diseases in horses. Results from two preclinical studies in horses with post-traumatic osteoarthritis show disease modifying effect with reduces lameness and improved cartilage and bone structure. Xintela has signed a collaboration and license agreement with EQGen Biomedical for clinical development and commercialization of EQSTEM.

ANTIBODY-BASED CANCER THERAPIES

Aggressive cancer is a challenge for clinical practice, diagnosis and treatment. There is a great need for new, targeted treatment strategies that can improve patients' survival and quality of life.

Targinta develops cancer-targeted antibodies for the treatment of two very aggressive cancers, triple-negative breast cancer (TNBC) and the brain tumor glioblastoma.



TRIPLE-NEGATIVE BREAST CANCER

Triple-negative breast cancer, i.e. breast cancer that responds neither to hormone therapy nor to targeted treatment with HER2 antibodies, constitutes 10-15 percent of all breast cancer diagnoses and corresponds to approximately 300,000 new cases per year globally. It spreads and recurs to a greater extent and has a worse prognosis compared to other forms of breast cancer. The five-year survival rate for metastatic triple-negative breast cancer is about 12 percent. [5,6]

GLIOBLASTOMA

Glioblastoma (glioblastoma multiforme) is the most common and aggressive brain tumor in adults. Glioblastoma is characterized by the tumor cells rapidly spreading into the adjacent normal brain tissue, which contributes to the difficulty of removing the entire tumor without damaging the surrounding tissue. Glioblastoma cells are often resistant to both radiation and cytostatics and, as a result, the prognosis for patients is very poor. Approximately 55,000 people are estimated to be diagnosed with the disease annually in the 8 largest markets (USA, France, Germany, Italy, Spain, UK, Japan and China). [7,8,9]

New cancer target and selective First-in-Class antibodies

Cancer target with unique properties

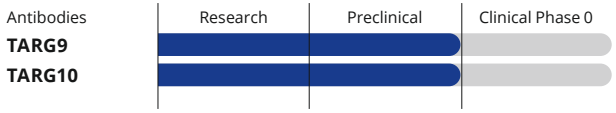
Xintela's subsidiary Targinta is developing new targeted and selective antibody-based drugs (First-in-Class) for the treatment of aggressive cancer. The company has been founded on its own discovery that Xintela's stem cell marker, integrin α10β1, is also expressed in aggressive cancers such as triple-negative breast cancer (TNBC) and the brain tumor glioblastoma.

The problem with most target molecules expressed in cancer is that the expression in normal tissues is relatively high. Integrin α10β1 is unique in this respect as it expression is very limited in normal tissue, which reduces the risk of off-target side effects. Integrin α10β1 is thus a very promising target molecule for the development of new and more selective cancer therapies.

Targinta has an extensive patent portfolio with several approved patents that protect both the company's antibody-based drug candidates as well as antibody treatment and diagnostics directed against the target molecule integrin α10β1. The company can thus prevent competitors from developing integrin α10β1 targeted antibodies for the treatment of aggressive cancers.

Targinta's candidate drugs

Targinta is developing two types of antibodies, TARG9 and TARG10, for the treatment of aggressive cancer. TARG9 is a so-called Antibody-Drug Conjugate (ADC) and is armed with a powerful toxin that has a killing effect on cancer cells. TARG9 has shown significant inhibitory effect on the growth of glioblastoma tumors in preclinical models. TARG10 is a function-blocking antibody that slows down the growth and spread of cancer cells. TARG10 has in preclinical studies shown strong inhibitory effect on growth and metastasis of triple-negative breast cancer (TNBC).



Targinta positions itselfs in the ADC field

TARG9 was selected as the company's first candidate drug in the ADC area. This antibody has been developed with the latest ADC technology, which means a more powerful toxin that is well anchored to the antibodies as long as they circulate in the bloodstream, but which is released and activated when the antibody binds to and is taken up in cancer cells with integrin α10β1 on the surface. The interest in toxin-armed antibodies, ADCs, has increased significantly in recent years and the area is considered one of the hottest in oncology. A large number of commercial agreements have been made even at the early preclinical stage.

The market for triple-negative breast cancer and glioblastoma

The global market value for the treatment of triple-negative breast cancer is estimated to be approximately USD 2.1 billion by 2028 and for the treatment of glioblastoma to approximately USD 1.4 billion by 2026. [10,11]

Commercialization strategy

Targinta's strategy is to enter into commercial agreements with the company's drug candidates during preclinical development to accelerate future clinical development and market appproval. Drug candidates against new target molecules on cancer cells, so-called First-in-Class products, are very attractive to drug development companies due to the great need for new and more effective cancer treatments.

Share capital and ownership structure

The share

Xintela AB (publ) was listed on Nasdaq First North in Stockholm on 22 March 2016. First North is an alternative marketplace, operated by an exchange within the NASDAQ OMX Group. Companies on First North 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 may therefore entail a higher investment risk than a company listed on the main market.

All companies listed on First North have a Certified Adviser to oversee their compliance with the rules. The exchange assesses applications for admission to trading. At 31 December 2024, the company had 665,798,032 shares. 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.

Ticker symbol:	XINT
ISIN code:	SE0007756903
Number of shares outstanding:	665,798,032
Par value:	0.03 SEK
Standard trading unit:	1 share
Share capital:	19,973,940.96 sek

TEN LARGEST OWNERS, DECEMBER 31, 2024

Name	No. of shares	Portion (%)
Flerie Invest AB	409,322,516	61.48%
Avanza Pension	29,321,958	4.40%
AB Svedala Finans	8,400,000	1.26%
Nordnet Pensionsförsäkring	7,062,577	1.06%
Evy Lundgren-Åkerlund	6,991,674	1.05%
Per Åke Oldentoft	5,145,839	0.77%
Derek Gregory Batcheller	4,739,366	0.71%
Ivar Nordqvist	4,624,416	0.69%
Mats Hellström	3,475,638	0.52%
Inger Lundgren	3,026,664	0.45%
Övriga aktieägare	183,687,384	27.59%
Totalt	**665,798,032**	**100.00%**

SHARE CAPITAL PERFORMANCE

Year	Event	Increase in share capital (SEK)	Total share capital (SEK)	Change in no. of shares	Total no. of shares	Par value (SEK)
2009	Bolagsbildning	100,000.00	100,000.00	100,000	100,000	1
2009	Nyemission	33,400.00	133,400.00	33,400	133,400	1
2011	Nyemission	13,818.00	147,218.00	13,818	147,218	1
2013	Nyemission	16,258.00	163,476.00	16,258	163,476	1
2013	Nyemission	20,713.00	184,189.00	20,713	184,189	1
2013	Nyemission	36,809.00	220,998.00	36,809	220,998	1
2014	Nyemission	64,841.00	285,839.00	64,841	285,839	1
2015	Nyemission	39,952.00	325,791.00	39,952	325,791	1
2015	Nyemission	31,478.00	357,269.00	31,478	357,269	1
2015	Fondemission	178,634.50	535,903.50	-	357,269	1.5
2015	Split (1:50)	-	535,903.50	17,506,181	17,863,450	0.03
2016	Noteringsemission	210,000.00	745,903.50	7,000,000	24,863,450	0.03
2017	Nyemission, TO	63,834.75	809,738.25	2,127,825	26,991,275	0.03
2017	Nyemission	96,153.87	905,892.12	3,205,129	30,196,404	0.03
2017	Nyemission, teckningsoption	5,145.00	911,037.12	171,500	30,367,904	0.03
2018	Riktad nyemission	249,609.99	1,160,647.11	8,320,333	38,688,237	0.03
2018	Konvertering lån	23,474.13	1,184,121.24	782,471	39,470,708	0.03
2020	Konvertering lån	39,541.08	1,223,662.32	1,318,036	40,788,744	0.03
2020	Nyemission	502,623.36	1,726,285.68	16,754,112	57,542,856	0.03
2020	Nyemission, TO	492,711.24	2,218,996.92	16,423,708	73,966,564	0.03
2021	Konvertering lån	96,049.35	2,315,046.27	3,201,645	77,168,209	0.03
2021	Nyemission	358,974.36	2,674,020.63	11,965,812	89,134,021	0.03
2022	Nyemission	5,348,041.26	8,022,061.89	178,268,042	267,402,063	0.03
2022	Riktad nyemission	209,136.00	8,231,197.89	6,971,200	274,373,263	0.03
2022	Emission av konvertibler	996,000.00	9,227,197.89	33,200,000	307,573,263	0.03
2023	Nyemission	7,150,080.87	16,377,278.76	238,336,029	545,909,292	0.03
2023	Nyemission, TO	632,915.43	17,010,194.19	21,097,181	567,006,473	0.03
2024	Nyemission, TO	52,621.08	17,062,815.27	1,754,036	568,760,509	0.03
2024	Nyemission, TO	2,911,125.69	19,973,940.96	97,037,523	665,798,032	0.03

Board Members and CEO

Gregory Batcheller

CHAIRMAN OF THE BOARD SINCE 2011.

Born: 1957

Education: LL.M, Lund University, J.D., University of Toronto, and B.Sc. (Econ.) London School of Economics.

Experience: Extensive experience in pharmaceutical, biotech and medtech industries. Former Chairman of the Board of Abliva AB, Guard Therapeutics AB, and Monocl AB.

Current assignments: Chairman of the Board of Targinta AB, Edvince Aktiebolag, Intellego Technologies AB and CarryGenes Group.

Shareholding: 4,739,366

Not independent in relation to the Company and its management, but independent of major shareholders.

Thomas Eldered

BOARD MEMBER SINCE 2022.

Born: 1960

Education: M.Sc. in Industrial Engineering and Management, Linköping University.

Experience: Thomas has more than 35 years of experience in various positions in international pharmaceutical industry, mainly in pharmaceutical manufacturing, development, company building and management in private and public companies. Co-founder of Recipharm AB, where he was CEO from 2008 to 2021.

Current assignments: Founder and main owner of Flerie Invest AB. Chairman of the board of Amarna Therapeutics BV, NorthX Biologics AB and Prokarium Ltd, Chromafora AB, Flerie Invest AB, Kahr Bio Ltd, Nanologica AB and Toleranzia AB, among others.

Shareholding: 409,322,516 (via related party)

Independent in relation both to the Company and its management, but not independent to major shareholders.

Hans-Joachim Simons

BOARD MEMBER SINCE 2022.

Born: 1962

Education: MD, Ph.D. Orthopaedic specialist and MBA.

Experience: Significant experience in the medtech-, biotech- and pharmaceutical industry with focus on marketing and sales, business development and leadership. Senior positions at Gambro AB, Karl Storz Endoscopy, as General Manager for Ivy Sports Medicine and as a member of the Executive Board of Medical Park AG and for CO.DON AG.

Current assignments: Founder and Managing Partner of Bluerock Healthcare Advisors. Board member of Arthromeda Inc.

Shareholding: -

Not independent in relation to the Company and its management, but independent of major shareholders.

Maarten de Château

BOARD MEMBER SINCE 2021.

Born: 1963

Education: MD and Ph.D., Lund University.

Experience: More than 15 years of experience from roles in clinical drug development and business development at Sanofi, Sobi and Camurus. Has worked as a financial analyst in biotech and pharmaceuticals at Aragon Fondkommission and Swedbank Markets. Co-founder and CEO of Cormorant Pharmaceuticals. Former board member of OxTheraAB, Addbio AB, Gesynta Pharma AB, Evident Life Försäkring AB and deputy board member i Nylof Holding AB.

Current assignments: Chairman of the Board of Atrogi AB, Board member of Targinta AB, Beactica Therapeutics AB, Cordivest AB, Chateau Holding AB, Buzzard Pharmaceuticals AB, MetaCurUm Biotech AB and Amarna Holding BV. CEO of Sixera Pharma AB, Cordivest AB, Buzzard Pharmaceuticals AB and MetaCurUm Biotech AB.

Shareholding: 2,502,829

Independent in relation both to the Company and its management, as well as to major shareholders.

Lars Hedbys

BOARD MEMBER SINCE 2021.

Born: 1957

Education: M.Sc. in Engineering, Chalmers University of Technology and Ph.D. in Applied Biochemistry, Lund University.

Experience: Has significant experience from leading positions and board assignments in the pharmaceutical, biotech and medtech industries with several senior positions in AstraZeneca. Former Chairman of the Board of IAmPatient AB, Scandinavian ChemoTech AB, Veticure AB, Chosa Oncology AB and Strominnate AB. Board member of Hamlet Pharma AB, deputy board member of CanImGuide Therapeutics AB and Immodulate Pharma AB. CEO of RhoVac AB, Idogen AB and Pharmiva AB.

Current assignments: Board member of Asgard Therapeutics AB, Cell Invent AB, Vagnlyftaren AB and Ventac Partners AB.

Shareholding: 365,000

Independent in relation both to the Company and its management, as well as to major shareholders.

Evy Lundgren-Åkerlund

CHIEF EXECUTIVE OFFICER SINCE 2009.

Born: 1957

Education: PhD in Medical Science, Uppsala University, Associate Professor of Medical and Physiological Chemistry, Lund University.

Experience: Xintela's founder. Extensive experience in biomedical research and development. Has previously held senior positions in both academia and industry. Founded Cartela AB and was CEO and Head of Research from 2000-2007. Was Director of Operations/CEO of Ideon Bioincubator/Lund Life Science Incubator from 2008-2012.

Current assignments: Board member of Targinta AB.

Shareholding: 6,991,674

DIRECTORS' REPORT

The Board and CEO of Xintela AB (publ) (publ), based in Lund, Sweden, corporate ID no. 556780-3480, hereby present the annual accounts for the 2024 financial year.

Directors' report

General about the activities

Xintela develops medical products within 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.

In stem cell therapy, integrin α10β1 is used to select and quality-assure stem cells in the manufacturing of the patented stem cell product XSTEM®, which is in clinical development.

A clinical study with XSTEM (phase I/IIa), for the treatment of knee osteoarthritis, is ongoing in Australia. An interim analysis, 18 months after treatment, shows safety and preliminary efficacy of XSTEM. A final report is planned for September 2025. A clinical study with XSTEM (phase I/IIa) for the treatment of difficult-to-heal venous leg ulcers is ongoing in Sweden. Xintela has also successfully conducted preclinical studies with XSTEM in the treatment of the pulmonary complication ARDS (Acute Respiratory Distress Syndrome). The company produces XSTEM for the clinical studies in its own GMP-approved production facility. Xintela's strategy is to enter into partnerships for continued clinical development and commercialization of XSTEM. Xintela has also developed a stem cell product for horses, EQSTEM, and reported safety and positive efficacy in preclinical osteoarthritis studies. A collaboration and license agreement has been signed with EQGen Biomedical for the continued development of EQSTEM.

In cancer therapy, which is run by the wholly-owned subsidiary Targinta AB, First-in-Class antibodies are developed which selectively bind to the target molecule integrin α10β1 in aggressive solid cancers such as triple-negative breast cancer and the brain tumor glioblastoma. Targinta develops two types of antibodies, the function-blocking antibody, TARG10, which in preclinical models halts the growth and spread of cancer cells, and the ADC, (Antibody-Drug Conjugate) TARG9, which is armed with a powerful toxin and kills aggressive cancer cells in preclinical models. Targinta's strategy is to partner/out-license the company's drug candidates for clinical development and commercialization.

Xintela operates at Medicon Village in Lund, Sweden, and is listed on Nasdaq First North Growth Market Stockholm.

Significant events in 2024

- Xintela appoints Lucienne Vonk as Chief Scientific Officer.
- Xintela and EQGen Biomedical intend to collaborate to develop EQSTEM stem cell treatment for horses.
- Xintela extends clinical study with XSTEM on knee osteoarthritis patients.
- Xintela signs agreement with Region Östergötland for GMP process development of cell therapy for burn patients.
- Xintela presents new preclinical data with the company's stem cell product XSTEM® on wound healing and skin regeneration at the International Society for Cell & Gene Therapy (ISCT) Europe 2024 conference, in Gothenburg.
- Xintela's main owner Flerie undertakes to exercise warrants of approximately SEK 28 million and to provide a bridge loan of SEK 9 million.
- Xintela announces the outcome of the exercise of warrants of series TO3, which provided the Company with approximately SEK 29.1 million.

Significant events after the end of the period

- Xintela's interim analysis of data from the knee osteoarthritis clinical study shows safety and positive efficacy results, 18 months after treatment with XSTEM. The results demonstrate statistically significant and clinically meaningful improvements in knee pain and knee function. In addition, the results of XSTEM treatment show an improvement in bone structure and a trend of stopping cartilage breakdown, supporting a disease-modifying potential of XSTEM in the treatment of osteoarthritis.
- Xintela has amended the study protocol in the clinical phase I/IIa study with XSTEM on patients with difficult-to-heal venous leg ulcers to complete the study earlier. The number of patients to be enrolled in the study has been reduced from 12 to 6. The primary goal of the study, to investigate safety and tolerability, will be achieved even with the reduced number of patients.
- Xintela and EQGen Biomedical Inc. have signed the definitive collaboration and license agreement, contemplated by their previously announced term sheet, for the development of Xintela's equine stem cell product EQSTEM® and other animal stem cell products.

Continued financing of operations

Xintela's focus on stem cell therapies and Targinta's focus on cancer therapies create great value for our shareholders but at the same time means that we have a continuing need to find resources to generate value-adding clinical and preclinical results.

To ensure the operation's future financing needs, for a period extending at least until 2025, we work actively to evaluate various financing possibilities such as partnerships with revenues from development milestones, income from service assignments, capital raises, grants or loans. Approximately SEK 11.7 million can be provided to Xintela upon exercise of warrants (TO3) in June 2025. Additional financing activities is progressing according to our expectation, and we assess it as likely that our plan for continued funding will be successful and secure Xintela's continued operations for a period extending at least until 2025.

Risks and uncertainties

Limited resources

Xintela AB is a small company with limited resources in terms of management, administration and capital. The implementation of any major strategies requires optimisation 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.

Dependence on key individuals and employees

Xintela AB'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 AB

may need to raise new capital. There is no guarantee that such capital can be obtained on terms that are favourable 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 annual 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.

Product development
Product development in view of the above, there is a risk that development of the Company's products is discontinued and that the products fail to reach the market.

The geopolitical situation
In recent years, the international security situation has deteriorated rapidly, with war in Ukraine, conflict in the Middle East and other increasing tensions in the world. In general, this leads to increasing uncertainty, but at present this is not considered to affect Xintela as no studies or other activities are conducted in any conflict areas.

The ongoing changes in the US regarding federal operations are not considered to have any material impact on the company in the short term, as no contacts with the FDA or other US authorities are expected in 2025. Xintela will inform if such an impact on the company is expected to arise. The capital market has thus become much more turbulent and may pose greater challenges in raising new capital for the Company.

The Board proposes the following appropriation of profits

TSEK	
Non-restricted reserves	47,526
Loss for the year	-33,595
Total	**13,931**

The Board proposes that the available standing funds of TSEK 13,931 be carried forward.Accordingly, no dividend is proposed.

Financial summary

TSEK	1/1/2024 12/31/2024	1/1/2023 12/31/2023	1/1/2022 12/31/2022	1/1/2021 12/31/2021	1/1/2020 12/31/2020
Net sales	4,215	78	0	0	0
Operating loss	-30,785	-40,350	-35,007	-43,556	-33,897
Loss for the year	-33,595	-42,684	-44,906	-58,394	-50,257
Change in cash and cash equivalents	9,242	-397	-2,452	-23,660	33,189
Quick ratio (%)	67	88	74	78	180
Equity/assets ratio (%)	54	78	66	16	57
Earnings per share	-0.06	-0.10	-0.25	-0.65	-0.68
Dividends (SEK)	0	0	0	0	0

Financial definitions

Quick ratio: Current assets (excl. inventories) divided by current liabilities

Equity/assets ratio: Equity as a percentage of total assets

FINANCIAL STATEMENTS

The Group

Income statement in brief

(TSEK)	Note	1/1/2024 12/31/2024	1/1/2023 12/31/2023
Operating income			
Net sales		4,215	78
Cost of goods sold		0	0
Gross profit		**4,215**	**78**
Operating expenses	6, 7, 9, 11		
Research and development costs		-33,221	-46,239
Selling costs		-3,263	-4,871
Administrative expenses		-7,178	-7,919
Other operating income		0	1,729
Other operating expenses		0	-15
Operating loss		**-39,447**	**-57,237**
Profit/loss from financial items			
Financial income		26	6
Financial expenses		-2,113	-1,135
Loss before tax		**-41,534**	**-58,367**
Tax on loss for the period	12	2,344	4,284
Loss for the period		**-39,190**	**-54,083**
Loss per share, before and after dilution, SEK		**-0.07**	**-0.13**

The Group

Balance sheet in brief

(TSEK)	Note	12/31/2024	12/31/2023
ASSETS			
Fixed assets			
Intangible assets	13	0	195
Tangible assets	14	785	1,358
Financial assets		0	0
Total fixed assets		**786**	**1,553**
Current assets	16		
Tax assets		715	398
Accounts receivable		1,361	97
Tax receiveble		257	4,347
Other receivables		3,092	3,066
Prepaid expenses		1,907	1,126
Cash and cash equivalents		16,680	7,809
Total current assets		**24,013**	**16,843**
TOTAL ASSETS		**24,798**	**18,395**

(TSEK)		12/31/2024	12/31/2023
EQUITY AND LIABILITIES			
Equity, the group			
Share capital	17	19,974	17,010
Other contributed capital		376,557	349,927
Reserve		555	1,289
Balanced result incl. Profit for the year	20	-403,036	-363,846
Total equity		**-5,950**	**4,380**
Current liabilities			
Accounts payable		2,837	7,483
Tax liability		0	84
Other liabilities		24,586	4,214
Accrued expenses and deferred income	18	3,325	2,234
Total current liabilities		**30,748**	**14,015**
TOTAL EQUITY AND LIABILITIES		**24,798**	**18,395**

The Group

Cash flow statement in brief

(TSEK)	1/1/2024 12/31/2024	1/1/2023 12/31/2023
Operating activities		
Operating loss	-39,447	-57,238
Depreciation/amortisation	552	3,766
Taxes	3,972	6,948
Financial income	26	6
Financial expenses	-2,113	-1,135
Cash flow from operating activities before changes in working capital	**-37,010**	**-47,652**
Changes in working capital		
Increase/decrease in receivables	73	-739
Increase/decrease in current liabilities	-3,767	-4,725
Changes in working capital	**-3,694**	**-5,464**
Cash flow from operating activities	**-40,704**	**-53,116**
Investing activities		
Increase/decrease of tangible assets	0	-104
Increase/decrease of intangible assets	0	0
Increase/decrease of financial assets	0	0
Cash flow from investing activities	**0**	**-104**
Financing activities		
New share issue	0	45,216
New share issue, TO3	29,594	6,290
Warrants, personnel	0	284
Convertible	20,500	0
Cash flow from financing activities	**50,094**	**51,790**
Change in cash and cash equivalents	9,390	-1,430
Cash and cash equivalents at the beginning of the period	7,809	8,343
Conversion difference	-519	896
Cash and cash equivalents at the end of the period	**16,680**	**7,809**

The Group

Change in equity in brief

(TSEK)	Share capital	Other contributed capital	Reserves	Loss for the period	Total
Opening balance, January 1, 2023	**9,227**	**305,920**	**393**	**-309,763**	**5,777**
New share issue	7,150	39,241	0	0	46,391
New share issue, costs	0	-1,175	0	0	-1,175
New share issue, TO3	633	5,657	0	0	6,290
Warrants, personnel	0	284	0	0	284
Issue of convertibles *	0	0	896	0	896
Loss for the period	0	0	0	-54,083	-54,083
Equity, December 31, 2023	**17,010**	**349,927**	**1,289**	**-363,846**	**4,380**
Opening balance, January 1, 2024	**17,010**	**349,927**	**1,289**	**-363,846**	**4,380**
Conversion difference/Other adjustments	0	0	-734	0	-734
New share issue, TO3 june	53	449	0	0	502
New share issue, TO3 december	2,911	26,200	0	0	29,111
New share issue, TO3 costs	0	-19	0	0	-19
Loss for the period	0	0	0	-39,190	-39,190
Equity, December 31, 2024	**19,974**	**376,557**	**555**	**-403,036**	**-5,950**

The Parent Company

Income statement in brief

(TSEK)	Note	1/1/2024 12/31/2024	1/1/2023 12/31/2023
Operating income			
Net sales		4,215	78
Cost of goods sold		0	0
Gross profit		4,215	78
Operating expenses	6,7,9,10,11		
Research and development costs		-25,027	-31,769
Selling costs		-3,263	-4,518
Administrative expenses		-6,711	-5,797
Other operating income		0	1,656
Other operating expenses		0	0
Operating loss		**-30,785**	**-40,350**
Profit/loss from financial items			
Financial income		1,376	1,324
Financial expenses		-2,099	-908
Loss before tax		**-31,508**	**-39,935**
Appropriations		-2,086	-2,749
Tax on loss for the year	12	0	0
Loss for the period		**-33,595**	**-42,684**
Loss per share, SEK		**-0.06**	**-0.10**

The Parent Company

Balance sheet in brief

(TSEK)	Note	12/31/2024	12/31/2023
ASSETS			
Fixed assets			
Intangible assets	13	0	138
Tangible assets	14	495	897
Receivables from subsidiaries		28,313	23,852
Participations in subsidiaries	15	13,926	13,926
Total fixed assets		**42,734**	**38,814**
Current assets	16		
Tax assets		715	398
Accounts receivable		1,361	97
Tax receivable		230	63
Other receivables		481	879
Prepaid expenses		1,156	1,126
Cash and cash equivalents		16,334	7,092
Total current assets		**20,277**	**9,655**
TOTAL ASSETS		**63,011**	**48,468**

(TSEK)		12/31/2024	12/31/2023
EQUITY AND LIABILITIES			
Equity, parent company			
Share capital	17	19,974	17,010
Share premium reserve		376,557	349,927
Retained earnings		-329,031	-286,347
Loss for the period		-33,595	-42,684
Total equity		**33,905**	**37,907**
Current liabilities			
Accounts payable		1,663	4,640
Tax liability		0	0
Other liabilities		24,164	3,687
Accrued expenses and deferred income	18	3,280	2,234
Total current liabilities		**29,106**	**10,561**
TOTAL EQUITY AND LIABILITIES		**63,011**	**48,468**

The Parent Company

Cash flow statement in brief

(TSEK)	1/1/2024 12/31/2024	1/1/2023 12/31/2023
Operating activities		
Operating loss	-30,785	-40,350
Depreciation/amortisation	539	3,454
Financial income	1,376	1,324
Financial expenses	-2,099	-908
Cash flow from operating activities before changes in working capital	**-30,969**	**-36,480**
Changes in working capital		
Increase/decrease in receivables	-1,380	845
Increase/decrease in current liabilities	-1,956	-4,194
Changes in working capital	**-3,336**	**-3,349**
Cash flow from operating activities	**-34,305**	**-39,829**
Investing activities		
Increase/decrease of tangible assets	0	-104
Increase/decrease of receivables from subsidiaries	-4 460	-5 419
Shareholder contributions to subsidiaries	0	-4 087
Cash flow from investing activities	**-4 460**	**-9 609**
Financing activities		
New share issue	0	45,216
New share issue, TO3	29,594	6,290
Warrants, personnel	0	284
Group contribution paid	20,500	0
Increase / decrease of long-term liabilities	-2,086	-2,749
Cash flow from financing activities	**48,008**	**49,041**
Change in cash and cash equivalents	9,242	-397
Cash and cash equivalents at the beginning of the period	7,092	7,489
Cash and cash equivalents at the end of the period	**16,334**	**7,092**

The Parent Company

Change in equity in brief

(TSEK)	Share-capital	Development expenses	Share premium	Retained earnings	Total
Opening balance, January 1, 2023	**9,227**	**280,920**	**-216,441**	**-44,906**	**28,800**
Reversal of prior year's accruals	0	0	-44,906	44,906	0
Issue of convertible	0	25,000	-25,000	0	0
New share issue	7,150	39,241	0	0	46,391
New share issue, costs	0	-1,175	0	0	-1,175
New share issue, TO3	633	5,657	0	0	6,290
Warrants, personnel	0	284	0	0	284
Loss for the period	0	0	0	-42,684	-42,684
Equity, December 31, 2023	**17,010**	**349,927**	**-286,347**	**-42,684**	**37,907**
Opening balance, January 1, 2024	**17,010**	**349,927**	**-286,347**	**-42,684**	**37,907**
Reversal of prior year's accruals	0	0	-42,684	42,684	0
New share issue, TO3 june	53	449	0	0	502
New share issue, TO3 december	2,911	26,200	0	0	29,111
New share issue, TO3 costs	0	-19	0	0	-19
Loss for the period	0	0	0	-33,595	-33,595
Equity, December 31, 2024	**19,974**	**376,557**	**-329,031**	**-33,595**	**33,905**

Note 1 General information

Xintela AB, corp. reg. no. 556780-3480, is based in Lund, Sweden. Xintela AB's Annual Report and consolidated accounts for the January–December 2024 period was approved for publication according to a Board decision on May 20 2025. All amounts are in thousands of Swedish kronor (TSEK) unless otherwise stated. The figures in parentheses refer to the preceding period.

Note 2 Summary of significant accounting policies

The most significant accounting policies applied in the preparation of this annual report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

Xintela AB's annual report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012: 1 Annual report and consolidated accounts (K3). The accounting principles are unchanged compared with the previous year.

The group's accounting principles

Xintela AB prepares consolidated accounts. Companies where Xintela holds the majority of the votes at the general meeting and companies where Xintela has a controlling influence by agreement are classified as subsidiaries and consolidated in the consolidated accounts. Information on group companies can be found in the note on financial fixed assets. The subsidiaries are included in the consolidated accounts from and including the day when the controlling influence is transferred to the group. They are excluded from the consolidated accounts from and including the day when the controlling influence ceases.

The group's financial statements are prepared according to the acquisition method. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value at the time of acquisition. The minority's share of the acquired net assets is valued at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value including the value of the minority interest and is initially valued at the acquisition value.

Associated companies are all companies in which the group has a significant but not controlling influence, which generally applies to shareholdings comprising between 20% and 50% of the votes. Holdings in associated companies are reported according to the equity method. When applying the equity method, the investment is initially valued at acquisition value and the reported value is subsequently increased or decreased to take into account the group's share of the associated company's profit or loss after the acquisition date. The group's reported value of holdings in associated companies includes goodwill identified at the time of acquisition.

Intermediate operations between group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual report in foreign currency. During the consolidation, the items in these companies' balance sheets and income statements are recalculated to the balance sheet exchange rate and the spot exchange rate for the day and business event took place, respectively. The exchange rate differences that arise are reported in accumulated exchange rate differences in the group's equity.

Translation of foreign currency

Transactions and balance-sheet items

Foreign currency items are translated into the company's functional currency using the exchange rate at the date of transaction. Exchange rate gains and losses arising from the payment of such transactions or the translation of monetary assets and liabilities in foreign currency using the closing rate on the balance-sheet date, are recognized in operating profit/loss in the income statement.

Intangible assets

Capitalized patent costs

The company is engaged in researching and developing new products. Research costs are expensed when incurred. Development expenses directly attributable to the development of identifiable and unique products are recognized as intangible assets if the following criteria are met:

- it is technically feasible to complete the product so that it can be used,
- the company intends to complete the product and either use or sell it,
- the company can use or sell the product,
- it can be demonstrated that the product will probably generate future economic benefits,
- sufficient technical, financial, and other resources for completing the development and for using or selling the products are available, and
- expenses attributable to the product during its development can be measured reliably.

Directly attributable costs that are capitalized also include employee benefits and a fair share of indirect costs. Other development expenses that do not satisfy these criteria are expensed when incurred. Development costs previously expensed are not recognized as an asset in a subsequent period. Directly attributable costs that are capitalized also include employee benefits and a fair share of indirect costs. Other development expenses that do not satisfy these criteria are expensed when incurred. Development costs previously expensed are not recognized as an asset in a subsequent period.

Tangible assets

Tangible assets are recognized at cost less depreciation and impairment. Cost includes expenses directly attributable to acquisition of the asset.

Additional expenses are added to the asset's carrying amount or recognized as a separate asset, whichever is appropriate, only when it is probable that future economic benefits embodied in the asset will flow to the company and the cost of the asset can be measured reliably.

The straight-line method of depreciation is applied as follows:
Machinery and equipment: 5 years.

The residual value and remaining useful life of the asset is tested at the end of every reporting period and adjusted accordingly. The carrying amount of an asset is immediately reduced to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on the disposal of a tangible fixed asset are determined by a comparison between the sale proceeds and the carrying amount and are recognized in other operating income or expenses in the income statement.

Impairment of non-financial assets
Whenever there is an indication that the value of an asset has diminished, a test of impairment is conducted. If the recoverable amount of the asset is lower than the carrying amount, it is written down to the recoverable amount. To test for impairment, the assets are grouped to the lowest levels at which there are separate identifiable cash flows (Cash-generating units). An impairment test is performed on every closing date on assets, other than goodwill, which have previously been written down, to determine whether the impairment should be reversed.

Impairment losses and reversals of impairment losses are recognized in the income statement according to the function in which the asset is used.

Financial instruments – general
Financial instruments are recognized in accordance with the rules in K3 Chapter 11, which means the estimate is based on cost.

Financial instruments reported in the balance sheet include securities, accounts receivable and other receivables, current investments, accounts payable, loan liabilities and derivative instruments. The instruments are recognized in the balance sheet when Xintela AB becomes a party to the contractual terms of the instrument.

Financial assets are derecognized when the rights to receive cash flows from the instrument have expired or been transferred, and the company has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are derecognized from the balance sheet when the obligations specified in the contract are discharged, cancelled, or expire.

The fair value of current receivables and liabilities corresponds to their carrying amount, since the discount effect is not material.

Government support and grants
Xintela has received government support and grants. In the vast majority of cases, the grant requires co-financing of the project. The company reports the contribution as income at the rate that the corresponding costs have been consumed in the project at any given time.

Accounts receivable
Accounts receivable are financial instruments comprising amounts to be paid by customers for goods and services sold in operating activities. If payment is expected within one year or earlier, they are classified as current assets. Otherwise, they are recognized as fixed assets.

Accounts receivables are initially measured at fair value and subsequently at accrued cost using the effective interest method, less provision for impairment.

Cash and cash equivalents
Cash and cash equivalents are financial instruments. In the balance sheet, the item includes cash and bank balances. Cash flow includes the item cash, bank balances and the company's cash pool.

Equity
Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new ordinary shares or options are recognized in equity as a deduction from the proceeds. Issued convertibles that would normally be reported as debt, have been reported as equity because the board unilaterally decides on repayment of the convertibles.

Development expenses fund
If the company has internally generated intangible assets as of 2016, the amount recapitalized from non-restricted equity to development expenses fund is recognized less amortized capital costs since 2016.

Accounts payable
Accounts payable are financial instruments and relate to obligations to pay for goods and services acquired in operating activities from suppliers. Accounts payable are classified as current liabilities if they mature within one year. Otherwise, they are recognized as non-current liabilities.

Accounts payable are initially measured at fair value and subsequently at accrued cost using the effective interest method.

Current and deferred tax
Deferred tax is recognized, using the balance-sheet method, on all temporary differences arising between the taxable value of assets and liabilities and their carrying amount in the accounts. Deferred income tax is calculated using tax rates determined or announced at the balance-sheet date and that are expected to apply when the actual deferred tax asset is realized, or the deferred tax liability is adjusted.

The Board will not examine the issue of recognizing deferred tax assets related to loss carryforwards until the company has demonstrated earning power.

Employee benefits
Pension obligations
The company has defined contribution plans only. A defined-contribution plan is a retirement plan for which the company contributes a fixed amount to a separate legal entity. The company has no legal or informal obligations to pay additional contributions unless this legal entity has sufficient assets to pay all employee benefits related to services rendered by employees during current or previous periods.

For defined-contribution plans, the company pays contributions to publicly or privately managed pension schemes on a mandatory, contractual, or voluntary basis. Other than these contributions, the company has no payment obligations. The contributions are recognized as employee benefit expenses when they fall due for payment. Prepaid contributions are recognized as an asset to the extent that the prepayment will lead to a cash refund or reduction in future payments.

Leases
The company has operating lease arrangements only for its premises. Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made during the lease term are expensed in the income statement on a straight-line basis over the lease term.

Cash flow statement
The cash flow statement is prepared using the indirect method. This means that operating profit/loss is adjusted for transactions not included or paid during the period, and for any income and expenses attributable to cash flows stemming from investing or financing activities.

The parent company's accounting principles
The parent company applies different accounting principles than the group in the cases specified below.

Shares in subsidiaries
Shares in subsidiaries are reported at acquisition value after deduction of any write-downs. Acquisition-related costs and any additional purchase price are included in the acquisition value. When there is an indication that shares in subsidiaries have decreased in value, a calculation of the recovery value is made. If this is lower than the reported value, a write-down is made.

Group contribution
Given group contribution are reported as an end-of-year appropriation.

Note 3 Key judgements and estimates

Judgements and estimates are continuously reviewed and based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions.

Significant accounting judgements and estimates
The company makes estimates and assumptions about the future. The subsequent accounting estimates, by definition, may not always correspond to the actual outcome. The estimates and assumptions with a significant risk of material adjustment to the carrying amounts of assets and liabilities in the next financial year are outlined below.

Intangible assets
Xintela is to some extent dependent on being granted protection for its intangible assets. The company's intellectual property (IP) rights are mainly protected by patents and patent applications. A patent application provides protection corresponding to a patent provided that the patent is eventually granted and maintained. The contents of the patent portfolio are described in the summary below. Research and development conducted both in-house by Xintela and in collaborations, continuously generates new patent opportunities for the company in existing projects, as well as totally new areas. These opportunities are carefully evaluated by Xintela and by patent agents consulted by the company. The decision to patent a certain discovery is made on a case-by-case basis.

Xintela's IP portfolio currently consists of nine published patent families (four of these patent families belongs to Targinta) that, in combination, protect various aspects of Xintela's technology platform. The simplified designations of these nine patent families are "Detection and treatment of malignant tumors in the CNS", "Markers for neural stem cells", "XSTEM/stem cell product", "XACT - quality assurance of chondrocytes", "Treatment of aggressive forms of cancer", "Stem cells for treatment of respiratory disorders", "Stem cells for the treatment of chronic wounds", "Antibody I for cancer therapy and diagnostics" and "Antibody II for cancer therapy and diagnostics".

Summary of patent families:

- The "Detection and treatment of malignant tumors in CNS" patent covers the use of Xintela's unique antibodies for the diagnosis and treatment of central nervous system (CNS) tumors, including glioblastoma brain tumors.
- The "Markers for neural stem cells" patent protects integrin α10β1-expressing neural stem cells as a product, and also includes methods for identifying, selecting, and cultivating neural stem cells, as well as their use for treatment of neural diseases and dagames.
- The "XSTEM/stem cell product" protects Xintela's human stem cell product XSTEM and stem cell products from other species and itstheir therapeutic use including prevention and treatment of degenerative joint diseases and fracture healing.
- The "XACT - quality assurance of chondrocytes" protects chondrocyte products with high integrin α10β1 expression and low integrin α11β1 expression, therapeutic applications of these chondrocytes as well we methods for ensuring quality of an in vitro chondrocyte preparations.
- "Treatment of aggressive forms of cancer" covers the use of Xintela's unique markers for the diagnosis and treatment of aggressive tumors, including triple-negative breast cancer.
- "Stem cells for treatment of respiratory disorders" includes the use of Xintela's stem cell product XSTEM for the treatment of respiratory disorders.
- "Stem cells for the treatment of chronic wounds" includes the use of Xintela's stem cell product XSTEM for the treatment of wounds and other skin complications.
- "Antibody I for cancer therapy and diagnostics" protects a novel humanized monoclonal antibody, which binds to integrin α10β1, and its uses in therapy and diagnostics. Its use as antibody drug conjugate (ADC) is also covered.
- "Antibody II for cancer therapy and diagnostics" protects a novel humanized monoclonal antibody, which binds to integrin α10β1, and its uses in therapy and diagnostics. Its use as antibody drug conjugate (ADC) is also covered.

The company has a highly active research and development program, and new patent applications will be filed with the aim of obtaining market exclusivity for the continued development of products and methods based on Xintela's technology platform.

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.

Note 4 Financial risk management

A research company such as Xintela is characterized by high operational and financial risk, since the company's projects are in various stages of development in which a number of parameters can affect the likelihood of commercial success. In summary, the operations are associated with risks related to drug development, competition, technological advancement, patents, regulatory requirements, capital requirements, currencies, and interest rates. No major changes related to risks or uncertainties have occurred during the current period.

From an accounting perspective, there are four key risk areas – market risk, credit risk, currency risk and risk arising in connection with future financing. Xintela AB is not yet exposed to market risk or credit risk, but the company could face liquidity risk. The company monitors liquidity reserve forecasts carefully to ensure that the company has sufficient funds to meet the needs of its ongoing operations. Currency risk relates to the company's EUR exposure and the company regularly evaluates any needs for currency hedging. Other risks and uncertainties are described in the Directors' Report.

Note 5 Earnings/loss per share

On 31 December 2024, the company had 665,798,032 registered shares. On 31 December 2023, the company had 567,006,473 registered shares. The weighted-average number of shares was 573,299,130 in 2024, and 419,869,354 in 2023.

On 31 December 2024, loss per share was SEK 0.07 (loss: 0.10) based on the result for the period divided by the average number of shares during the year.

Note 6 Operating expenses classified by function

Operating expenses are presented in comprehensive income and classified by their function "Research and development costs", "Selling costs" and "Administrative expenses". Total expenses divided by function are divided between the following types of costs.

	Parent company		Group	
TSEK	2024	2023	2024	2023
Employee benefit expenses	17,186	18,902	17,186	21,657
Premises/operating costs	3,182	3,003	3,202	3,198
Research collaboration/consultants	7,350	9,512	14,387	21,581
Depreciation and amortisation (Notes 13–14)	539	3,454	851	3,766
Other costs	6,743	7,213	8,036	8,818
Total costs for research and development, selling and administration	**35,000**	**42,084**	**43,662**	**59,020**

Note 7 Employees

	Parent company		Group	
Average no. of employees	2024	2023	2024	2023
No. of employees	13	18	13	21
of whom men	*1*	*2*	*1*	*2*

Note 8 Distribution of senior executives

	Parent company		Group	
	2024	2023	2024	2023
Board members	*5*	5	8	8
of whom men	*5*	*5*	*7*	*6*
Other employees in senior management incl. the CEO	4	1	4	2
of whom men	*0*	*0*	*0*	*1*
Total	**9**	**6**	**12**	**10**

Note 9 Remuneration and benefits

2024 Parent Company	Board fees	Basic salary	Variable pay	Pension cost	Social security expenses	Total
Gregory Batcheller, Chairman of the Board	300	0	0	0	83	383
Maarten de Château, Board member	150	0	0	0	47	197
Lars Hedbys, Board member	150	0	0	0	47	197
Sven Kili, Board member	150	0	0	0	47	197
Karin Wingstrand, Board member	150	0	0	0	47	197
Evy Lundgren-Åkerlund, CEO	0	2,122	0	615	816	3,553
Total Board and CEO	**900**	**2,122**	**0**	**615**	**1,087**	**4,724**
Other employees	0	9,039	137	1,341	1,945	12,462
Total Parent Company	**900**	**11,161**	**137**	**1,956**	**3,032**	**17,186**
Group						
Board of Targinta AB	0	0	0	0	0	0
CEO, Per Norlén	0	0	0	0	0	0
Other employees	0	0	0	0	0	0
Total Group	**900**	**11,161**	**137**	**1,956**	**3,032**	**17,186**

2023 Parent Company	Board fees	Basic salary	Variable pay	Pension cost	Social, security expenses	Total
Gregory Batcheller, Chairman of the Board	300	0	0	0	83	383
Lars Hedbys, Board member	150	0	0	0	47	197
Maarten de Château, Board member	150	0	0	0	47	197
Hans-Joachim Simons, Board member	150	0	0	0	47	197
Thomas Eldered, Board member	150	0	0	0	47	197
Evy Lundgren-Åkerlund, CEO	0	1,883	1,090	549	1,067	4,589
Total Board and CEO	**900**	**1,883**	**1,090**	**549**	**1,338**	**5,760**
Other employees	0	9,555	427	1,416	3,480	14,878
Total Parent Company	**900**	**11,438**	**1,517**	**1,965**	**4,818**	**20,638**
Group						
Board of Targinta AB	150	0	0	0	47	197
CEO, Per Norlén	0	0	0	0	0	0
Other employees	0	2,006	0	189	676	2,871
Total Group	**1,050**	**13,444**	**1,517**	**2,154**	**5,541**	**23,706**

Severance pay

A notice period of six and three months, respectively, applies between the company and the CEO. The CEO does not have a severance pay contract.

Note 10 Related-party transactions

Related-party transactions comprise consulting services, and these were conducted under normal market terms.

	Parent company		Group	
TSEK	2024	2023	2024	2023
Stanbridge BVBA (owned by Gregory Batcheller, Chairman of the Board)	793	823	793	823
Bluerock Healthcare Consultants GmbH (owned by Hans-Joachim Simons)	0	805	0	805
Total Board and CEO	**793**	**1,628**	**793**	**1,628**

Consulting agreement with Gregory Batcheller

On 1 April 2016, the company entered into a consulting agreement with the Chairman of the Board, Gregory Batcheller, through company, on normal market terms. Under the agreement, Gregory Batcheller is required to provide consulting services in legal matters, negotiation and contract assignments, patents, Investor Relations strategies, business development and financing on behalf of the company. For these services, he will be paid an hourly rate of EUR 205.

Note 11 Auditor's fees

	Parent company		Group	
TSEK	2024	2023	2024	2023
Öhrlings PricewaterhouseCoopers AB				
Audit assignment	374	356	439	405
Non-audit services	82	47	82	47
Tax consultancy	0	4	0	4
Other services	65	107	80	107
Total	**521**	**514**	**601**	**563**

Note 12 Taxes

At 31 December 2024, the company's total deficit was a provisional TSEK 390,292 (356,871). Deferred tax on the deficit has not been taken into account.

Tax effects for the year		
TSEK	2024	2023
Tax effect on profit/loss for the year	6,885	8,485
Tax effect on ESA items	-40	-8
Tax effect on unrecognised loss carryforwards	6,885	8,485
Tax effect on XINDU	2,344	4,284
Tax in the income statement	**0**	**0**

Note 13 Patents

	Parent company		Group	
TSEK	2024	2023	2024	2023
Opening costs	6,542	6,542	7,948	7,948
Capitalised patent costs for the year	0	0	0	0
Closing acc. costs	**6,542**	**6,542**	**7,948**	**7,948**
Opening amortisation	-6,404	-6,100	-7,753	-7,308
Amortisation for the year	-138	-304	-195	-445
Closing acc. amortisation	**-6,542**	**-6,404**	**-7,948**	**-7,753**
Closing carrying amount	**0**	**138**	**0**	**195**

Note 14 Equipment

	Parent company		Group	
TSEK	2024	2023	2024	2023
Opening costs	16,986	16,882	17,843	17,739
Acquisitions for the year	0	104	0	104
Closing acc. costs	**16,986**	**16,986**	**17,843**	**17,843**
Opening depreciation and amortisation	-16,089	-12,939	-16,486	-13,164
Depreciation and impairment for the year	-401	-3,150	-573	-3,322
Closing acc. depreciation	**-16,490**	**-16,089**	**-17,059**	**-16,486**
Closing carrying amount	**496**	**897**	**785**	**1,358**

Note 15 Shares in group companies

	2024	2023
Initial acquisition value	13,926	9,839
Acquisition	0	4,087
Closing reported value	**13,926**	**13,926**

Holdings of shares in subsidiaries consist of the following:

The group	Org no	Residence	Equity	Result
Targinta AB	559157-6698	Lund	789	0
Xindu PTY LTD	ACN 651 371 970	Melbourne	-26,581	-6,379

The group	Share of ownership	Number of shares	Book value 2024
Targinta AB	100%	39,470,708	13,926
Xindu PTY LTD	100%	100	0
Total			**13,926**

Note 16 Financial instruments by category

Assets in the balance sheet	Parent company		Group	
	2024	2023	2024	2023
Accounts receivable	1,361	97	1,361	97
Receivables from subsidiaries	28,313	23,852	0	0
Other receivables	2,582	2,466	3,092	8,937
Cash and cash equivalents	16,334	7,092	16,680	7,809
Total	**48,590**	**33,507**	**21,133**	**16,843**

Liabilities in the balance sheet				
Other financial liabilities				
Accounts payable	1,663	4,640	2,837	7,483
Other current liabilities	27,443	5,921	27,911	6,532
Total	**29,106**	**10,561**	**30,748**	**14,015**

Note 17 Share capital and other contributed capital

	No. of shares	Share capital	Other paid-in	Total
At 1 January 2023	**307,573,263**	**9,227**	**315,771**	**324,997**
New share issue, conversion of loans	238,336,029	7,150	39,241	46,391
Redemption warrants, TO3	21,097,181	633	5,657	6,290
Payment of warrants, personnel	0	0	284	284
Equity, 31 December 2023	**567,006,473**	**17,010**	**360,953**	**377,962**
At 1 January 2024	**567,006,473**	**17,010**	**360,953**	**377,962**
New share issue, conversion of loans	1,754,036	53	449	502
New share issue	97,037,523	2,911	26,181	29,092
Equity, 31 December 2024	**665,798,032**	**19,974**	**387,583**	**407,556**

The share

Xintela AB (publ) was listed on Nasdaq First North in Stockholm on 22 March 2016.

At 31 December 2024, the company had 665,798,032 shares. 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. The nominal value of the share is SEK 0.03 and the registered share capital is SEK 19,973,940.96

Warrants, TO3

The Company has an outstanding warrant program. During the second quarter of 2023, the Company issued a total of 158,899,790 warrants of series TO3 within the framework of a rights issue. One TO3 entitles the holder to subscribe for one new share in the Company at a subscription price of SEK 0.30 per share. The first exercise period began on November 25, 2023 and lasted until December 5, 2023. Subsequent exercise periods occurred on May 26, 2024, and on November 25, 2024, and on December 5, 2024. As of December 31, 2024, 119,888,740 warrants had been exercised. The remaining 39,011,050 warrants can be exercised during the final exercise period, which is between May 26 and June 5, 2025.

Note 18 Accrued expenses

TSEK	Parent company		Group	
	2024	2023	2024	2023
Accrued holiday pay liability, including social security contributions	1,046	992	1,046	992
Other accrued expenses	2,234	1,242	2,279	1,242
Total	**3,280**	**2,234**	**3,325**	**2,234**

Note 19 Contingent liabilities

Neither the Parent Company nor the Group had any pledged assets or other contingent liabilities on 31 December 2024.

Note 20 Appropriation of profits

The Board proposes the following appropriation of profits:

TSEK	
Non-restricted reserves	47,526
Loss for the year	-33,595
Total	**13,931**

The Board proposes that the funds available for distribution, TSEK 13,931 be carried forward. Accordingly, no dividend is proposed.

Note 21 Events after the end of the period

» Xintela's interim analysis of data from the knee osteoarthritis clinical study shows safety and positive efficacy results, 18 months after treatment with XSTEM. The results demonstrate statistically significant and clinically meaningful improvements in knee pain and knee function. In addition, the results of XSTEM treatment show an improvement in bone structure and a trend of stopping cartilage breakdown, supporting a disease-modifying potential of XSTEM in the treatment of osteoarthritis.

» Xintela has amended the study protocol in the clinical phase I/IIa study with XSTEM on patients with difficult-to-heal venous leg ulcers to complete the study earlier. The number of patients to be enrolled in the study has been reduced from 12 to 6. The primary goal of the study, to investigate safety and tolerability, will be achieved even with the reduced number of patients.

» Xintela and EQGen Biomedical Inc. have signed the definitive collaboration and license agreement, contemplated by their previously announced term sheet, for the development of Xintela's equine stem cell product EQSTEM® and other animal stem cell products.

Approval of financial reports

The annual report and consolidated accounts were adopted by the Board and approved for publication. The Group's income statement and balance sheet together with the Parent company's income statement and balance sheet will be subject to approval at the Annual General Meeting on June 13, 2025.

The Board of Directors and the CEO hereby certify that the Annual Report has been prepared in accordance with BFNAR 2012:1 and give a true and fair view of the company's position and results and that the annual report provides a true and fair view of the development of the company's operations, position and results and describes the significant risks and uncertainties that the company faces.

Lund, May 20, 2025

Gregory Batcheller Chairman of the Board	**Maarten de Château** Board member
Thomas Eldered Board member	**Lars Hedbys** Board member
Hans-Joachim Simons Board member	**Evy Lundgren-Åkerlund** CEO

Our audit report was submitted on May 20, 2025.
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Xintela AB,
corporate identity number 556780-3480

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Xintela AB for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 14-35 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material Uncertainty Related to Going Concern

We would like to draw attention to the Directors' report in the annual report, under the section Continued Financing of Operations on page 15, which states that work on financing of the operations is ongoing. This means that there is no secured financing, for a period extending at least through the year 2025, as of the issuance of this audit report. This condition indicates that there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-13 and 38-41. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Xintela AB for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm, May 20, 2025
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

OTHER INFORMATION

Patent

Patent family number	Patent family	Status	Territories	Estimated patent expiry
Xintela				
WO 2018/033596 (Product + method)	Marker for neural stem cells	Pending in national phase in CA and US. Granted in EP, AU, CN, IL, IN, JP and KR.	AU, CA, CN, EP, IN, IL, JP, KR, US	2037
WO 2018/138322 (Product + method)	XSTEM/Stem cell product	Pending in national phase in BR, CN and IN. Granted in EP, AU, CA, IL, JP, KR, MX, SG, US and ZA.	AU, BR, CA, CN, EP, IN, IL, JP, KR, MX, SG, ZA, US	2038
WO 2019/002547 (Product + method)	XACT – quality assurance of chondrocytes	Pending in national phase in EP, AU, BR, CA, IN, IL, JP (DIV), KR, SG, US (DIV) and ZA. Granted in US (x3), CN, JP, KR, MX and TW.	AU, BR, CA, CN, EP, IN, IL, JP, KR, MX, SG, TW, US, ZA	2038
WO 2021/224449 (Method)	Stem cells for treatment of respiratory disorders	Pending in national phase in AU, BR, CA, CN, EP, IL, JP, KR, MX, SG, US and ZA.	AU, BR, CA, CN, EP, IL, JP, KR, MX, SG, US, ZA	2041
WO 2022/243517 (Method)	Stem cells for wound healing	Pending in national phase in AU, BR, CA, CN, EP, IL, JP, KR, MX, SG, US and ZA.	AU, BR, CA, CN, EP, IL, JP, KR, MX, SG, US, ZA	2042
Targinta				
WO 2016/133449 (Method)	Detection and treatment of malignant tumors in the CNS	Pending in national phase in CA, CN and US (DIV). Granted in Europe (EP), US, AU, IL, JP, KR and ZA.	AU, CA, CN, EP, IL, JP, KR, US, ZA	2036
WO 2020/212416 (Method)	Treatment of aggressive forms of cancers	Pending in national phase in AU, BR, CA, CN, EP, HK, IL, JP, KR, MX, SG, ZA and US.	AU, BR, CA, CN, EP, HK, IL, JP, KR, MX, SG, US, ZA	2040
WO 2023/166170 (Product + method)	Antibody I for cancer therapy and diagnostics	Pending in national phase in AU, CA, CN, EP, IL, IN, JP, KR, SG and US	AU, CA, CN, EP, IL, IN, JP, KR, SG, US	2043
WO 2024/047172 (Product + method)	Antibody II for cancer therapy and diagnostics	Pending in national phase in AU, CA, CN, EP, IL, IN, JP, KR, MX, SG, ZA and US.	AU, CA, CN, EP, IL, IN, JP, KR, MX, SG, ZA, US	2043

Intellectual property

Xintela is to some extent dependent on being granted protection for its intangible assets. The company's intellectual property (IP) rights are mainly protected by patents and patent applications. A patent application provides protection corresponding to a patent provided that the patent is eventually granted and maintained. The contents of the patent portfolio are described clearly below. Research and development conducted both in-house by Xintela and in collaborations, continuously generates new patent opportunities for the company in existing projects, as well as totally new areas. These opportunities are carefully evaluated by Xintela and by patent agents consulted by the company. The decision to patent a certain discovery is made on a case-by-case basis.

Xintela's IP portfolio currently consists of nine published patent families that, in combination, protect various aspects of Xintela's technology platform.

The company has a highly active research and development program, and new patent applications will be filed with the aim of obtaining market exclusivity for the continued development of products and methods based on Xintela's technology platform.

Other

COMPANY INFORMATION

Company name: Xintela AB (publ)
Corporate registration number: 556780-3480
Legal form: Public limited company
Registered office: Lund
Trading venue: Nasdaq First North
Address: Medicon Village, 223 81 Lund
Phone: +46 46 275 65 00
Website: www.xintela.se

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.

Sources:

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[9] Global Data: Epidemiology and Market size Database
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