xintela

INTERIM REPORT
JANUARY-SEPTEMBER 2022
XINTELA AB (PUBL)

Q3 2022

Dosing of patients ongoing at the second dose level with XSTEM for the treatment of knee osteoarthritis

The Safety Review Committee has concluded the treatment of the eight patients at the lowest dose as safe at the one-month follow-up and approved continuation to dosing of patients at the second dose level.

Clinical study with XSTEM for difficult-to-heal venous leg ulcers has started

Recruitment of patients to the clinical Phase I/IIa study with XSTEM for treatment of difficult-to-heal venous leg ulcers is ongoing.

Positive preclinical data on the antibody-drug conjugate TARG9

The subsidiary Targinta has presented new preclinical data on the antibody-drug conjugate TARG9 at the 2nd Integrin-Targeted Drug Development Summit in Boston.

Summary of the interim report

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

Third quarter 2022 for the group

» Income amounted to TSEK 0 (0).
» Loss before and after tax totalled TSEK 14,456 (loss: 15,892).
» Loss per share* was SEK 0.11 (loss: 0.20).

First nine months 2022 for the group

» Income amounted to TSEK 0 (0).
» Loss before and after tax totalled TSEK 49,781 (loss: 42,591).
» Loss per share* was SEK 0.36 (loss: 0.53).

Third quarter 2022 for the parent company

» Income amounted to TSEK 0 (0).
» Loss before and after tax totalled TSEK 9,197 (loss: 10,910).
» Loss per share* was SEK 0.07 (loss: 0.13).

First nine months 2022 for the parent company

» Income amounted to TSEK 0 (0).
» Loss before and after tax totalled TSEK 31,786 (loss: 31,752).
» Loss per share* was SEK 0.23 (loss: 0.39).
» At June 30, 2022, the equity/assets ratio** was 59 % (77).

** Earnings/loss per share: Profit/loss for the period divided by 137,070,016 shares, which was the average number of shares at September 30, 2022. In the year-earlier period, the number of average shares was 81,004,501.*
*** Equity/assets ratio: Equity divided by total capital.*

Significant events in the third quarter of 2022

» Xintela receives approval for clinical study with XSTEM® on difficult-to-heal venous leg ulcers. (July 5, 2022)
» Xintela publishes the outcome of the rights issue and decides on a directed new issue of SEK 10 million. (July, 18 2022)
» Notice of Extraordinary General Meeting in Xintela AB (publ). (July, 18 2022)
» Per Norlén to step down as Targinta CEO. (August 2, 2022)
» Bulletin from the Extraordinary General Meeting in Xintela AB (publ). (August 3, 2022)
» Statement from the board of Xintela on the occasion of Flerie Invest AB's mandatory cash take-over bid offer. (August 31, 2022)
» Targinta presents positive preclinical data on the anti-body-drug conjugate TARG9. (September 1, 2022)
» Xintela starts clinical study with XSTEM for difficult-to-heal leg ulcers. (September 20, 2022)
» Targinta appoints Peter Ekolind as acting CEO. (September 22, 2022)
» Xintela completes dosing of XSTEM first dose level in knee osteoarthritis clinical study. (September 30, 2022)

Significant events after the end of the period

» Notice to Extraordinary General Meeting of Xintela AB (publ). (October 26, 2022)
» Xintela secures financing of SEK 25 million and decides on a targeted issue of convertibles. (October 26, 2022)
» Xintela proposes Thomas Eldered as new Board member. (October 31, 2022)
» Xintela starts next dose level of XSTEM in knee osteoarthritis clinical study. (November 9, 2022)
» Targinta plans Phase 0 clinical study. (November 24, 2022)

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

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

CEO comments

Value-creating clinical studies advance according to plan

Xintela has two clinical studies ongoing evaluating the safety and preliminary efficacy of our unique stem cell product XSTEM. In Australia, a clinical study is being conducted for the treatment of knee osteoarthritis and in Sweden we have recently initiated a clinical study for the treatment of difficult-to-heal leg ulcers. In addition our subsidiary Targinta is preparing for Phase 0 clinical studies with its drug candidates in cancer patients.

The osteoarthritis study has reached its first milestone

In our clinical study (Phase I/IIa), conducted in Australia, XSTEM is being evaluated for the treatment of patients with knee osteoarthritis. We have completed dosing of eight patients with the lowest dose of XSTEM, which was assessed as safe by the study's Safety Review Committee at the one-month follow-up. This means that we can continue the dosing of eight new patients at the second dose level. To speed up patient recruitment, we are now adding a second clinic to the study.

The third and final stage of the dose escalation includes an additional eight patients, which means that a total of 24 patients are treated during this part of the study. After that, we have the opportunity to expand the study with another 30 patients. Patients will be followed up during 18 months with continuous safety and efficacy evaluations every six months.

Recruitment of patients with difficult-to-heal leg ulcers has started

Our XSTEM program for the treatment of difficult to heal venous leg ulcers has also entered the clinical phase. The recruitment of twelve patients to the Phase I/IIa study in Linköping has started and we will have a safety and efficacy results already ten weeks after treatment.

Difficult-to-heal ulcers is a hugh medical problem that results in severe pain and reduced quality of life for patients. It is estimated that ca 4% of the population over 65 years of age are affected by difficult-to-heal leg ulcers and account for 2-4% of the health care budget in Sweden and other western countries. Today's treatments consist of various compression techniques and surgical interventions, but there is no effective drugs available. We have previously shown in a preclinical wound model that XSTEM has excellent wound healing ability, and we have big hopes that XSTEM will show effective healing effect on patients' difficult-to-heal leg ulcers.

Focusing on clinical studies in humans

During this year, with a very difficult financing situation and limited resources in the company, we have fully focused on Xintela's core studies, which include our two clinical projects with the stem cell product XSTEM and the subsidiary Targinta's development of antibody-based drug candidates.

The focus on clinical studies in humans has led to that further development of our stem cell product EQSTEM for horses being put on the back burner. Nevertheless, we have successfully conducted an experimental osteoarthritis study in horses with EQSTEM in collaboration with the University of Copenhagen which has shown treatment effect with EQSTEM on the osteoarthritis joint and we have extensively studied the mechanisms behind the positive effect. The work has resulted in two scientific papers, one is accepted for publication and the other is under review for publication. We have an ongoing dialogue with the veterinary company ScanVet regarding collaboration and clinical studies in horses with EQSTEM and we will hire a project manager who will drive the veterinary program forward.

Business Strategy Stem Cell Therapy

Our preclinical studies support a disease-modifying effect of XSTEM treatment for both osteoarthritis and difficult-to-heal leg ulcers. Given the large patient populations that these indications address, XSTEM has great commercial potential and significant positive health economic effects. Our business strategy is to, after safety results and preliminary efficacy results in humans (i.e. clinical phase I/IIa), establish collaboration with partners who have the resources and know-how to take the projects through further clinical studies and on to global commercialization. We have for a long time had ongoing discussions with potential partners and have established a network of possible licensees in the pharmaceutical industry. During the autumn, we have participated in three conferences in Europe and the USA where we presented our positive preclinical results and ongoing clinical studies.

Xintela produces XSTEM in its own GMP facility

Strengthening Xintela's organization

We have recently strengthened our organization through the recruitment of Dr. Lucienne Vonk to the position of Director Musculoskeletal Diseases. Lucienne has broad experience in preclinical and clinical research in cell therapy and cartilage repair. She comes most recently from the German cartilage cell company CO. DON and will play an important role in the further development of our stem cell products. Lucienne also has a broad international network within joint diseases and will have a central role in establishing collaborations with interesting partners.

Positive preclinical results for Targinta's drug candidate TARG9

Our subsidiary Targinta, which develops targeted antibody therapies for the treatment of aggressive cancer, has selected two drug candidates based on preclinical studies. On the one hand, TARG10, which is a function-blocking antibody that effectively inhibits metastasis, and TARG9, which carries a powerful toxin and is a so-called Antibody-Drug Conjugate (ADC) that effectively kills cancer cells. In September, Targinta presented new preclinical results for TARG9 at the 2nd Integrin-Targeted Drug Development Summit, Boston. The results show that a single dose of TARG9 effectively and long-term inhibits tumor growth in a preclinical model for glioblastoma.

Targinta prepares for Phase 0 clinical study

Targinta plans to conduct Phase 0 clinical studies with its antibody-based candidate drugs, and by administrating a very low dose of the antibody, demonstrate that it can target the tumor in cancer patients and thus validate Targinta's proprietary target molecule integrin α10β1 and antibodies in targeted cancer therapy. Through the Phase 0 studies, we can in a very cost-effective way obtain Proof-of-Concept, which reduces the risk and increases the value of the project as well as increases the attractiveness for possible partners and licensees. The goal is to outlicense Targinta's drug candidates for further clinical development and commercialization after completion of the phase 0 study, in about 2-years time.

Update on Targinta's spin-off and recruitment of a new CEO

We are currently investigating financing possibilities to fund Targinta's development plan through clinical phase 0 studies. Due to a continued deeply subdued financial market and current difficulties in financing early-stage companies through an IPO, we evaluate other financing options and will wait with the planned spin-off and subsequent listing of Targinta.

We are also working on recruiting a new CEO for Targinta since Per Norlén in September chose to step down as CEO of the company. In the meantime, Xintela's COO Peter Ekolind has on a part-time basis the role of acting CEO.

Completed capital raise

In July, Xintela carried out a fully guaranteed rights issue and a directed share issue of a total of approximately SEK 55 million before issue costs. In the issue, Flerie Invest subscribed for both the directed issue and the shares in the rights issue that were not subscribed for by existing shareholders. Flerie Invest thus received approximately 34 percent ownership in Xintela. This led to a mandatory bid procedure with an offer to acquire shares from other shareholders, which is a legal requirement in the case of ownership above 30 percent.

In the mandatory bid process, Xintela's former major shareholder Bauerfeind sold its remaining 4.7 percent holding to Flerie Invest. Besides that, Flerie Invest acquired only 2 percent of the shares from other shareholders and has thus increased its ownership in Xintela to approximately 40.7 percent.

The issue secured Xintela's and Targinta's important work going forward. We have also gained a new major shareholder in Flerie Invest who sees the companies' great potential and who gives us stability in the continued work with our clinical and preclinical development projects. We are very much looking forward to working with Thomas Eldered and the team at Flerie Invest to develop Xintela and Targinta further and build value in our companies and for all shareholders.

Evy Lundgren-Åkerlund
CEO, Xintela AB (publ)

Stem cell-based therapies

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

Stem cell product XSTEM®

Xintela uses its proprietary stem cell marker, integrin α10β1, to select and quality assure stem cell products from donated adipose tissue from healthy individuals. XSTEM is patented both as a product and for therapeutic use in all indications. This gives Xintela the best conditions to develop safe and effective stem cell-based treatments for a variety of diseases.

Clinical study with XSTEM for the treatment of knee osteoarthritis

In Xintela's clinical study (Phase I/IIa), in Australia in patients with moderate knee osteoarthritis (Kellgren-Lawrence grade II-III), the patients were dosed at the lowest dose level. The Safety Review Committee for the clinical study assessed the treatment of the eight patients on the lowest XSTEM dose level at the one-month follow-up, concluded the dose is safe, and dosing of patients at the second dose level is ongoing.

The main goal is to show that XSTEM is safe, but also to obtain preliminary results showing that the product has DMOAD (Disease Modifying Osteoarthritis Drug) properties and can slow cartilage and joint breakdown as well as regenerate damaged articular cartilage and improve joint function. Three different dose levels of XSTEM are being evaluated in up to 54 patients and each patient will be followed for 18 months with continuous safety evaluation and preliminary efficacy evaluation every six months. Xintela's preclinical results strongly support the fact that XSTEM has a DMOAD effect.

Clinical study with XSTEM for the treatment of difficult-to-heal venous leg ulcers

Xintela's second clinical study (Phase I/IIa), in patients with difficult-to-heal venous leg ulcers, started in September 2022. In this study, conducted in collaboration with Professor Folke Sjöberg and his colleagues at Linköping University Hospital and Clinical Trial Consultants in Uppsala, 12 patients with difficult-to-heal venous leg ulcers will be treated with XSTEM or placebo. XSTEM/placebo will be applied to the wound and patients will then be followed for 10 weeks to evaluate safety and wound healing efficacy. The study is partly financed Vinnova.

Stem cell product EQSTEM® for joint disease in horses

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

Osteoarthritis (OA)

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

Difficult-to-heal leg ulcers

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

Own production of stem cells and contract manufacturing

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

Commercialisation strategy for stem cell products

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

Antibody-based cancer therapies

Xintela's subsidiary, Targinta, develops tumor-targeting antibodies and armed cancer antibodies (ADCs) based on the discovery that the cell surface molecule integrin α10β1 is highly expressed on some aggressive cancers. The drug candidates are being developed for the treatment of aggressive cancers such as triple negative breast cancer and the brain tumor glioblastoma.

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

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

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

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

Drug candidates

The function-blocking antibody TARG10 is being developed for the treatment of triple negative breast cancer. TARG10 has shown inhibitory effects on both tumor growth and tumor proliferation in different cancer models and has begun preclinical development. During the spring 2022, another antibody, TARG9, was selected as the company's first drug candidate in the ADC field. This antibody has been developed with the latest ADC technology, which means more powerful toxins that are tightly anchored to the antibodies as long as they circulate in the bloodstream, but which are activated and released when the product binds to cancer cells. TARG9 is being developed for the treatment of triple-negative breast cancer and glioblastoma. Targinta has partnered with Abzena Ltd. for cell line development and initial production of its candidate drugs TARG9 and TARG10 and is preparing for Phase 0 clinical studies in cancer patients.

Targinta's commercialization strategy

Targinta's strategy is to enter into commercial agreements regarding the company's drug candidates during preclinical development and clinical Phase 0 studies. Drug candidates towards 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. Licensing deals with First-in-Class products are therefore often made already in the preclinical phase.

Spin-off of Targinta

At the Annual General Meeting in May 2022, Xintela's Board of Directors was authorized to carry out the planned spin-off of the subsidiary Targinta, with the aim of implementing the spin-off and public listing as soon as the market allows.

Xintela's development projects

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

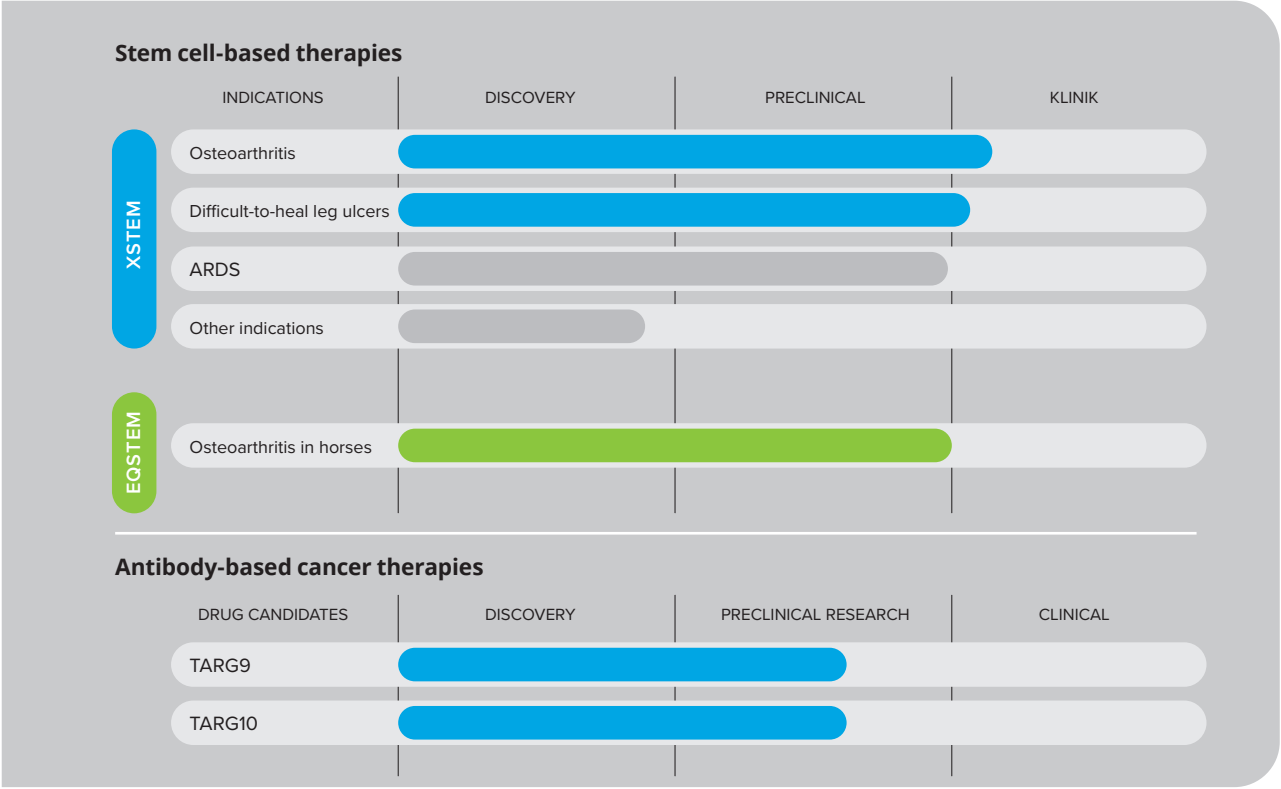
Stem cell therapy
In stem cell therapy, integrin α10β1 is used to select and quality assure stem cells in the proprietary stem cell products XSTEM, for the treatment of humans, and EQSTEM® for the treatment of horses. Xintela conducts clinical studies with the stem cell product XSTEM for the treatment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

The osteoarthritis study in Australia has achieved its first milestone
The clinical study (Phase I/IIa), conducted in Australia, is evaluating XSTEM for the treatment of patients with knee osteoarthritis. Xintela has conducted dosing of eight patients with the lowest dose of XSTEM and the Safety Review Committee has approved the continued dosing of eight additional patients at the second dose level. To speed up patient recruitment, one additional clinic has been included in the study.

Recruitment of patients with difficult-to-heal leg ulcers has started
Clinical studies with XSTEM for the treatment of difficult-to-heal venous leg ulcers has started. The recruitment of twelve patients to the Phase I/IIa study in Linköping is ongoing. Safety and efficacy readouts will be performed ten weeks after the end of treatment.

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

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



Financial reports

The Group

Income statement

Earnings

Loss for the third quarter amounted to TSEK -12,413 (-15,794) for the Group.

The costs for research and development account for the largest part of the Company's costs and for the period July to September amounted to TSEK -11,029 (-13,675) for the Group.

Market and sales costs for the quarter amounted to TSEK -1,027 (-871) for the Group.

Administrative expenses for the period amounted to TSEK 1,776 (-1,542) for the Group.

Loss before tax for the period July to September 2022 amounted to TSEK -14,456 (-15,892) for the Group.

	Quarter 3		Nine months		Full year
	7/1/2022	7/1/2021	1/1/2022	1/1/2021	1/1/2021
(TSEK)	9/30/2022	9/30/2021	9/30/2022	9/30/2021	12/31/2021
Operating income					
Net sales	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Operating expenses					
Research and development costs	-11,029	-13,675	-36,426	-36,340	-50,045
Selling costs	-1,027	-871	-3,714	-2,742	-4,095
Administrative expenses	-1,776	-1,542	-8,935	-5,493	-7,841
Other operating income	1,419	294	3,239	2,299	2,331
Other operating expenses	-	-	-	-	-
Operating loss	**-12,413**	**-15,794**	**-45,836**	**-42,276**	**-59,650**
Profit/loss from financial items					
Financial income	-	-	-	-	-
Financial expenses	-2,043	-98	-3,945	-315	-538
Loss before tax	**-14,456**	**-15,892**	**-49,781**	**-42,591**	**-60,189**
Tax on loss for the period	-	-	-	-	-
Loss for the period	**-14,456**	**-15,892**	**-49,781**	**-42,591**	**-60,189**
Loss per share, SEK	-0.11	-0.20	-0.36	-0.53	-0.68

The Group

Balance sheet

Financial position

On September 30, 2022 the group's cash and cash equivalents amounted to TSEK 878 (11,138). On September 30, 2022 group's total assets amounted to TSEK 12,268 (26,318).

(TSEK)	9/30/2022	12/31/2021
ASSETS		
Fixed assets		
Intangible assets	951	1,455
Tangible assets	5,307	8,123
Financial assets	0	18
Participations in subsidiaries	0	0
Total fixed assets	**6,258**	**9,596**
Current assets		
Receivables from subsidiaries	-	-
Tax assets	409	706
Other receivables	4,636	3,784
Prepaid expenses	86	1,094
Cash and cash equivalents	878	11,138
Total current assets	**6,009**	**16,722**
TOTAL ASSETS	**12,268**	26,318

(TSEK)	9/30/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity, the group		
Share capital	9,227	2,674
Other contributed capital	281,520	242,714
Reserve	369	-4
Balanced result incl. Profit for the year	-293,730	-243,516
Total equity	**-2,614**	**1,868**
Current liabilities		
Accounts payable	8,063	6,883
Tax liability	368	171
Other liabilities	4,498	13,247
Accrued expenses and deferred income	1,954	4,149
Total current liabilities	**14,882**	**24,450**
TOTAL EQUITY AND LIABILITIES	**12,268**	**26,318**

The Group

Cash flow statement

Cash flow and investments

The group's cash flow for the period July to September 2022 was SEK 763 (8,603). Investments for the period amounted to TSEK 0 (-113) for the Group.

(TSEK)	Quarter 3 7/1/2022 9/30/2022	Quarter 3 7/1/2021 9/30/2021	Nine months 1/1/2022 9/30/2022	Nine months 1/1/2021 9/30/2021	Full year 1/1/2021 12/31/2021
Operating activities					
Operating loss	-12,413	-15,794	-45,836	-42,276	-59,650
Depreciation/amortisation	948	897	2,833	2,631	3,495
Financial income	-	-	-	-	-
Financial expenses	-2,042	-98	-3,945	-315	-538
Cash flow from operating activities before changes in working capital	**-13,508**	**-14,995**	**-46,949**	**-39,960**	**-56,693**
Changes in working capital					
Increase/decrease in receivables	-911	23,567	453	1,483	-1,653
Increase/decrease in current liabilities	-30,177	-3,109	-9,568	-11,629	3,403
Changes in working capital	**-31,088**	**20,458**	**-9,115**	**-10,146**	**1,750**
Cash flow from operating activities	**-44,596**	**5,463**	**-56,064**	**-50,106**	**-54,943**
Investing activities					
Increase/decrease of tangible assets	-	99	55	-943	-2,429
Increase/decrease of intangible assets	-	-	-	-304	-
Increase/decrease of financial assets	-	14	18	40	53
Cash flow from investing activities	**0**	**113**	**73**	**-903**	**-2,376**
Financing activities					
New share issue	-	3,027	-	34,734	34,734
Increase / decrease of long-term liabilities	-	-	-	-	-
Cash flow from financing activities	**45,359**	**3,027**	**45,359**	**34,734**	**34,734**
Change in cash and cash equivalents	763	8,603	-10,632	-16,273	-22,585
Cash and cash equivalents at the beginning of the period	143	8,849	11,138	33,727	33,727
Conversion difference in cash and cash equivalents	-28	2	373	0	-4
Cash and cash equivalents at the end of the period	**878**	**17,454**	**878**	**17,454**	**11,138**

The Group

Change in equity

(TSEK)	Share capital	Other contributed capital	Reserves	Loss for the period	Total
Opening balance, January 1, 2021	**2,219**	**208,435**	**0**	**-183,327**	**27,327**
New share issue	96	8,500	-	-	8,596
New share issue, warrants	359	25,779	-	-	26,138
Conversion difference	-	-	-4	-	-4
Loss for the period	-	-	-	-60,189	-60,189
Equity, December 31, 2021	**2,674**	**242,714**	**-4**	**-243,516**	**1,868**
Opening balance, January 1, 2022	**2,674**	**242,714**	**-4**	**-243,516**	**1,868**
Conversion difference	-	-	373	-433	-60
New share issue	5,348	39,219	-	-	44,567
New share issue, costs	-	-9,251	-	-	-9,251
New share issue	1,205	8,838	-	-	10,043
Loss for the period	-	-	-	-49,781	-49,781
Equity, September 30, 2022	**9,227**	**281,520**	**369**	**-293,730**	**-2,614**

The Parent Company

Income statement

Income

The Parent Company reports net sales of TSEK 0 (0) for the third quarter of the year, which is the same figures as for the Group. Other income amounted to TSEK 1,409 (2,354) and this year's figures refer to grants from Vinnova and the previous year's income also includes costs for the oncology operations that have been re-invoiced to the subsidiary Targinta.

Earnings

Loss for the third quarter amounted to TSEK -7,196 (-10,812) for the Parent Company .

The costs for research and development account for the largest part of the Company's costs and for the period July to September amounted to TSEK -6,751 (-10,416) for the Parent Company.

Market and sales costs for the quarter amounted to TSEK -816 (-871) for the Parent Company.

Administrative expenses for the period amounted to TSEK -1,047 (-1,878) for the Parent Company.

Loss before tax for the period July to September 2022 amounted to TSEK -9,197 (-10,910) for the Parent Company.

	Quarter 3		Nine months		Full year
	7/1/2022	7/1/2021	1/1/2022	1/1/2021	1/1/2021
(TSEK)	9/30/2022	9/30/2021	9/30/2022	9/30/2021	12/31/2021
Operating income					
Net sales	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	**-**	-	**-**	-	-
Operating expenses					
Research and development costs	-6,751	-10,416	-21,462	-32,591	-44,120
Selling costs	-816	-871	-2,975	-2,742	-4,095
Administrative expenses	-1,047	-1,878	-6,720	-4,986	-6,773
Other operating income	1,419	2,354	3,233	8,882	11,433
Other operating expenses	-	-	-	-	-
Operating loss	**-7,196**	-10,812	**-27,925**	-31,437	-43,555
Profit/loss from financial items					
Financial income	-	-	-	-	-
Financial expenses	-2,002	-99	-3,862	-315	-538
Loss before tax	**-9,197**	-10,910	**-31,786**	-31,752	-44,093
Appropriations	-	-	-	-	-14,300
Tax on loss for the year	-	-	-	-	-
Loss for the period	**-9,197**	-10,910	**-31,786**	-31,752	-58,393
Loss per share, SEK	**-0.07**	-0.13	**-0.23**	-0.39	-0.65

The Parent Company

Balance sheet

Financial position

On September 30, 2022 the parent company's equity/assets ratio was 59 per cent (77) and equity amounted to TSEK 17,520 (30,589). The Parent company's cash and cash equivalents amounted to TSEK 182 (15,894). On September 30, 2022 the parent company's total assets amounted to TSEK 29,849 (39,513).

(TSEK)	9/30/2022	12/31/2021
ASSETS		
Fixed assets		
Intangible assets	518	746
Tangible assets	4,631	7,012
Financial assets	0	18
Participations in subsidiaries	9,839	839
Total fixed assets	**14,989**	**8,615**
Current assets		
Receivables from subsidiaries	11,874	3,081
Tax assets	409	706
Other receivables	2,310	1,449
Prepaid expenses	86	950
Cash and cash equivalents	182	9,941
Total current assets	**14,861**	**16,127**
TOTAL ASSETS	**29,849**	**24,742**

(TSEK)	9/30/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity, parent company		
Share capital	9,227	2,674
Development expenses fund	0	0
Share premium reserve	281,520	242,714
Retained earnings	-241,441	-183,047
Loss for the period	-31,786	-58,394
Total equity	**17,520**	**3,947**
Current liabilities		
Accounts payable	6,701	3,899
Tax liability	169.91	135
Other liabilities	3,785	13,019
Accrued expenses and deferred income	1,673	3,742
Total current liabilities	**12,329**	**20,795**
TOTAL EQUITY AND LIABILITIES	**29,849**	**24,742**

The Parent Company

Cash flow statement

Cash flow and investments

The parent company's cash flow for the period July to September 2022 was TSEK 174 (9,468). Investments for the period amounted to TSEK 0 (-13).

	Quarter 3		Nine months		Full year
	7/1/2022	7/1/2021	1/1/2022	1/1/2021	1/1/2021
(TSEK)	9/30/2022	9/30/2021	9/30/2022	9/30/2021	12/31/2021
Operating activities					
Operating loss	-7,196	-10,812	-27,925	-31,437	-43,556
Depreciation/amortisation	870	886	2,609	2,599	3,425
Financial income	-1	-1	-1	-1	-
Financial expenses	-2,002	-99	-3,862	-315	-538
Cash flow from operating activities before changes in working capital	**-8,327**	**-10,024**	**-29,177**	**-29,153**	**-40,669**
Changes in working capital					
Increase/decrease in receivables	-11,649	19,568	-8,493	-10,616	-2,111
Increase/decrease in current liabilities	-25,209	-3,089	-8,466	-11,982	-112
Changes in working capital	**-36,858**	**16,479**	**-16,959**	**-22,598**	**-2,223**
Cash flow from operating activities	**-45,185**	**6,454**	**-46,136**	**-51,751**	**-42,892**
Investing activities					
Increase/decrease of tangible assets	-	-1	-	-729	-1,255
Increase/decrease of intangible assets	-	-	-	-	-
Increase/decrease of financial assets	-1	13	18	40	53
Increase/decrease of shares in subsidiaries	-1	-1	-9,000	-1	
Cash flow from investing activities	**-0**	**13**	**-8,982**	**-689**	**-1,202**
Financing activities					
New share issue	45,359	3,000	45,359	34,734	34,734
New share issue, ongoing	-	-	-	-	-
Group contribution paid	-	-	-	-	-14,300
Increase / decrease of long-term liabilities	-	-	-	-	-
Cash flow from financing activities	**45,359**	**3,000**	**45,359**	**34,734**	**20,434**
Change in cash and cash equivalents	174	9,468	-9,759	-17,707	-23,660
Cash and cash equivalents at the beginning of the period	8	6,426	9,941	33,601	33,601
Cash and cash equivalents at the end of the period	**182**	**15,894**	**182**	**15,894**	**9,941**

The Parent Company

Change in equity

(TSEK)	Share capital	Development expenses	Share premium	Retained earnings	Loss for the period	Total
Opening balance, January 1, 2021	**2,219**	**113**	**208,435**	**-132,903**	**-50,257**	**27,607**
Reversal of prior year's accruals	-	-	-	-50,257	50,257	0
Development expenses fund	-	-113	-	113	-	0
New share issue, offset	96	-	8,500	-	-	8,596
New share issue	359	-	25,779	-	-	26,138
Loss for the period	-	-	-	-	-58,394	-58,394
Equity, December 31, 2021	**2,674**	**0**	**242,714**	**-183,047**	**-58,394**	**3,947**
Opening balance, January 1, 2022	**2,674**	**0**	**242,714**	**-183,047**	**-58,394**	**3,947**
Reversal of prior year's accruals	-	-	-	-58,394	58,394	0
New share issue	5,348	-	39,219	-	-	44,567
New share issue, costs	-	-	-9,251	-	-	-9,251
New share issue	1,205	-	8,838	-	-	10,043
Loss for the period	-	-	-	-	-31,786	-31,786
Equity, September 30, 2022	**9,227**	**0**	**281,520**	**-241,441**	**-31,786**	**17,520**

Declaration by the Board of Directors and the CEO


Gregory Batcheller


Maarten de Château


Lars Hedbys


Hans-Joachim Simons


Evy Lundgren-Åkerlund

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

The interim report has not been reviewed by the company's auditors.

Lund November 25, 2022

Gregory Batcheller
Chairman

Maarten de Château
Board member

Lars Hedbys
Board member

Hans-Joachim Simons
Board member

Evy Lundgren-Åkerlund
CEO

Other information

The share

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

On September 30, 2022, the number of shares was 307,573,021. The Company has only one class of shares. Each share carries identical rights to the Company's assets and earnings, and one vote at General Meetings.

	Jan - Sep 2022	Jan - Sep 2021	Jan - Dec 2021
No. of shares before full dilution	307,573,263	89,134,021	89,134,021
No. of shares after full dilution	307,573,263	89,134,021	89,134,021
Loss per share before full dilution	-0.23	-0.39	-0.65
Average no. of shares before full dilution	137,070,016	81,004,501	82,867,900
Average no. of shares after full dilution	137,070,016	81,004,501	82,867,900

Financial statements in accordance with K3

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

Review by auditors

This interim report has not been reviewed by the Company's auditor.

Financial calendar

Interim report Q4 2022: February 24, 2023

Risks and uncertainties

Limited resources

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

Dependence on key individuals and employees

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

Earning capacity and capital requirements

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

Sales risk

There is no certainty that the products developed by the Company will gain the market acceptance reflected in this interim 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.

Xintela – for life in motion

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

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

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