xintela

INTERIM REPORT
JANUARY-MARCH 2022
XINTELA AB (PUBL)

Q1 2022

Starts clinical study of XSTEM in knee osteoarthritis

Xintela has started its first-in-human study (Phase I/IIa) with XSTEM® for the treatment of knee osteoarthritis in Australia.

GMP facility has delivered

The production team has successfully produced XSTEM which will now be tested in the clinical studies for both knee osteoarthritis and difficult-to-heal leg ulcers.

The ADC-antibody TARG9 is selected as new drug candidate

The subsidiary Targinta selects the drug candidate TARG9, a conjugated antibody, or ADC (antibody-drug conjugate), which is primarily developed against triple-negative breast cancer and glioblastoma.

Summary of the interim report

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

First quarter 2022

- Income amounted to TSEK 0 (0).
- Loss before tax totalled TSEK 11,042 (loss: 9,047).
- Loss per share* was SEK 0.12 (loss: 0.12).
- At March 31, 2022, the equity/assets ratio** was -36 % (16).

* *Earnings/loss per share: Profit/loss for the period divided by 89,134,021 shares, which was the number of registered shares at March 31, 2022. In the year-earlier period, the Company had 77,168,209 registered shares.*

** *Equity/assets ratio: Equity divided by total capital.*

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.

Significant events in the first quarter of 2022

- Bulletin from the extraordinary general meeting in Xintela. (January 17, 2022)
- Xintela granted 4.8 million SEK from Vinnova. (January 18, 2022)
- Xintela AB announced that the company received a loan of SEK 3 million. (March 21, 2022)

Significant events after the end of the period

- Xintela starts clinical study of XSTEM® in knee osteoarthritis. (April 4, 2022)
- Targinta selects ADC-antibody TARG9 as drug candidate. (April 5, 2022)
- Targinta presents new preclinical data on TARG10 at the AACR Annual Meeting. (April 8, 2022)
- Xintela proposes Hans-Joachim Simons as new Board member. (May 3, 2022)
- Xintela publishes results showing that XSTEM repairs damaged joint cartilage in preclinical model. (May 9, 2022)
- Xintela is conducting a capital raise that includes a fully guaranteed rights issue of approximately SEK 44.6 million and a supplementary directed issue of up to SEK 10 million on the same terms as the rights issue. (May 20, 2022)

CEO comments

Focus on clinical studies and GMP manufacturing

Xintela's stem cell product XSTEM is now in clinical development for the treatment of knee osteoarthritis and difficult-to-heal leg ulcers and the subsidiary Targinta has initiated preclinical development of its tumor-targeted antibodies for the treatment of aggressive cancer.

XSTEM in Clinical Development

In our first human clinical trial (Phase I/IIa) conducted in Australia, XSTEM is being evaluated for the treatment of knee osteoarthritis. The main goal of the study is to show that XSTEM is safe but also to obtain preliminary efficacy results. Patients that receive an injection of XSTEM in the knee joint will be monitored for 18 months with safety and efficacy evaluations every six months. We thus expect to be able to have safety data already this year and early efficacy data in 2023.

In collaboration with the University of Copenhagen, we have recently completed two preclinical animal studies during the year that have increased our understanding of XSTEM's mechanisms of action in the treatment of osteoarthritis. We have been able to show that XSTEM, after injection into a joint with damaged articular cartilage, homes to the cartilage damage and is differentiated into cartilage cells and directly contributes to regenerating the cartilage and repairing the cartilage damage. The results have been published in the scientific journal *Stem Cell Research and Therapy.*

We have also shown in an osteoarthritis model in horses that an injection of EQSTEM (our stem cell product for horses) into the osteoarthritis joint, improves joint function and reduces lameness in treated horses. Our preclinical studies thus provide strong support that XSTEM has a DMOAD (Disease Modifying Osteoarthritis Drug) effect and the potential to be a breakthrough in the treatment of osteoarthritis.

Our second clinical study, which will evaluate XSTEM for the treatment of difficult-to-heal (chronic) venous leg ulcers, is scheduled to start after the summer. We have shown that XSTEM has excellent wound healing ability in a preclinical wound healing model and after a successful scientific advisory meeting with the Medical Products Agency, we have now applied for permission to start for a clinical study in patients with difficult-to-heal venous leg ulcers. In January this year, we received a grant from Vinnova of SEK 4.8 million to prepare and carry out the clinical study in collaboration with Professor Folke Sjöberg and his colleagues at University Hospital in Linköping. In the clinical study, XSTEM will be applied to the wound to then evaluated for safety and healing effect for 10 weeks. With the short study period, we can expect preliminary study results already this year.

Own GMP-approved production facility, also for contract manufacturing

Xintela has permission from the Swedish Medical Products Agency to manufacture XSTEM and other advanced therapies (ATMP, Advanced Therapeutic Medicinal Product) in the company's own GMP facility in Medicon Village. The production facility is in full operation and the team has successfully produced XSTEM which will now be tested in the clinical studies for both knee osteoarthritis and difficult-to-heal leg ulcers.

Our patented and competitive stem cell product XSTEM, combined with our own GMP facility for the production of XSTEM, is a strong concept in collaborative discussions. Our expertise in GMP-classified production also opens up the possibility of acting as a contract manufacturer for process development and manufacturing of ATMPs, which gives us new revenue opportunities.

Targinta's drug candidates in preclinical development

Our subsidiary Targinta has taken major steps forward in the development of targeted antibodies for the treatment of aggressive cancers such as glioblastoma and triple-negative breast cancer.

GMP-approved production facility
Xintela has permission from the Swedish Medical Products Agency to manufacture XSTEM and other advanced therapies (ATMP, Advanced Therapeutic Medicinal Product) in the company's own GMP facility in Medicon Village. The production facility is in full operation and the team has successfully produced XSTEM which will now be tested in the clinical studies for both knee osteoarthritis and difficult-to-heal leg ulcers.

Targinta develops two types of antibodies, function-blocking antibodies that slow down the growth and spreading of cancer cells, and antibodies that are armed with a powerful toxin, so-called Antibody Drug Conjugates (ADCs) which have a killing effect on the cancer cells.

Preclinical work has previously shown that antibodies blocking the target molecule integrin α10β1 significantly reduce the growth of the highly aggressive brain tumor glioblastoma in an animal model. In April of this year, Targinta presented new results at the International Conference of the American Association for Cancer Research (AACR) showing that the drug candidate TARG10 significantly reduces the growth and metastasis of triple-negative breast cancer in a preclinical model. Our new results with TARG10 provide strong support for the drug candidate's continued development and show its potential to become a new future treatment for patients with triple-negative breast cancer and other aggressive and metastatic cancers. TARG10 thus takes the step from preclinical research to preclinical development and initiates preparations for future clinical studies.

Another drug candidate, the ADC antibody TARG9, has recently been selected. Targinta is now starting preclinical development of TARG9 which is being developing primarily for glioblastoma and triple-negative breast cancer.

Spin-off of Targinta

At the Extra General Meeting in January 2022, Xintela's Board of Directors received a mandate to carry out the planned spin-off of our subsidiary Targinta before Xintela's Annual General Meeting in May 2022 and to list the Targinta shares shortly thereafter. Due to the current global situation and turbulent financial market, the Board has decided to wait with the spin-off and subsequent listing until the market situation has improved and has at the Annual General Meeting in May 2022 received a new mandate to carry out the spin-off. The goal is to carry out the spin-off as soon as the market allows, hopefully immediately after the summer. In the spin-off, Xintela's shareholders will receive shares in Targinta in proportion to their shareholding and thus have the opportunity to participate in Targinta's important development of new cancer therapies for aggressive and deadly cancers that currently lack effective treatment.

Financing of the operations

Xintela's focus on clinical studies for the development of stem cell therapies and Targinta's focus on preclinical antibody drug development for cancer generate value in the companies prior to partnerships and out-licensing and create value for our shareholders. This means that we have a continuing need to find resources to generate value-adding clinical and preclinical results. An unexpectedly interrupted financing discussion with our largest shareholder due to health reasons as well as a very turbulent financial market has made the financing more difficult. Xintela has recently announced a fully guaranteed rights issue that will provide the company with approximately SEK 44.6 million and an additional directed issue of not more than SEK 10 million before issue costs. The capital raise secures our continued operations and at the same time we adjust our expenses to the company's main activities.

We are now looking forward to results from our clinical studies and collaborations within GMP production.

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 fatty 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 osteoarthritis

Xintela has started its first clinical study (Phase I/IIa), in Australia in patients with moderate (Grade II-III) knee osteoarthritis. 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 recreate damaged articular cartilage and improve joint function. Three different doses will be 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.

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.

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

Xintela's second clinical study (Phase I/IIa), in patients with severe leg ulcers, is scheduled to start in mid-2022. The study will be conducted in collaboration with Professor Folke Sjöberg and his colleagues at Linköping University Hospital. XSTEM will be administrated to the wound and patients will then be followed for 10 weeks to evaluate safety and also preliminary efficacy.

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.

Own production of stem cells

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. In the long term, Xintela's GMP plant and production operations may also be used for contract manufacturing in the development and commercialization of other ATMP products.

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.

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 for EQSTEM after Proof-of-Concept 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 and armed cancer antibodies based on the discovery that the cell surface molecule integrin α10β1 is a marker for aggressive cancer. 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 aggressive cancers.

Drug candidates

In the autumn of 2021, Targinta selected its first drug candidate, the function-blocking antibody TARG10, which 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. Recently, 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's commercialisation strategy

Targinta's strategy is to enter into commercial agreements regarding the company's drug candidates during preclinical development. 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 done already in the preclinical phase.

Spin-off of Targinta

At an extraordinary general meeting in January 2022, Xintela's Board of Directors was authorized to carry out the planned spin-off of the subsidiary Targinta before Xintela's Annual General Meeting in May 2022 and to list the Targinta shares shortly thereafter. Due to the current global situation and turbulent financial market, the Board has decided to wait with the spin-off and subsequent listing until the market situation has improved and has at the Annual General Meeting in May 2022 received a new mandate to carry out the spin-off, with the aim of implementing the spin-off and public listing as soon as the market allows.

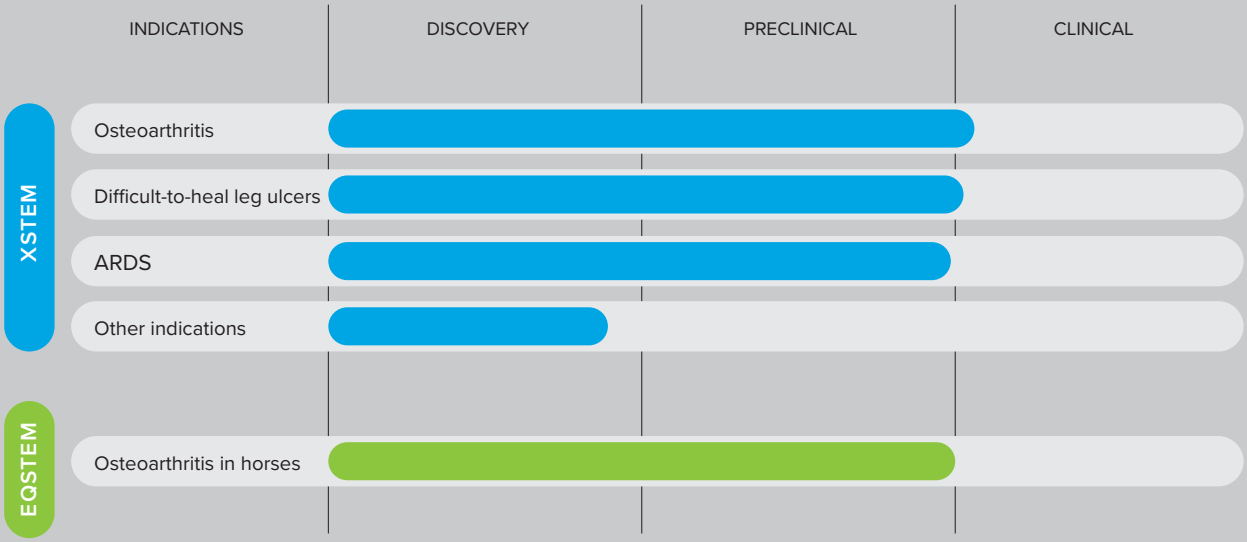
Xintela's development projects

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

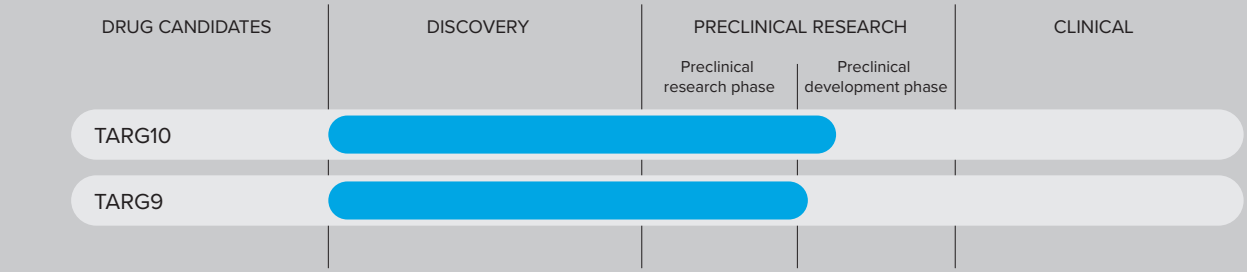
In stem cell therapy, integrin α10β1 is used to select and quality assure stem cells in the proprietary stem cell products XSTEM®, for the treatment of humans, and EQSTEM®, for the treatment of horses. Xintela has initiated clinical studies with the stem cell product XSTEM for the treatment of knee osteoarthritis and plans to start clinical studies for the treatment of difficult-to-heal leg ulcers in mid-2022. The strategy is that further development of ARDS (Acute Respiratory Distress Syndrome) takes place in collaboration with partners.

In cancer therapy, therapeutic antibodies that specifically bind to the target molecule integrin α10β1 are developed, which is expressed on certain cancer cells, including in triple negative breast cancer and the brain tumor glioblastoma.

Stem cell-based therapies



Antibody-based cancer therapies



Financial reports

Income statement

Income

The Parent Company reports net sales of TSEK 0 (0) for the first quarter of the year, which is the same figures as for the Group. Other income amounted to TSEK 507 (4,159) 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 first quarter amounted to TSEK -10,647 (-8,930) for the Parent Company and TSEK -15,988 (-11,562) for the Group.

The costs for research and development account for the largest part of the Company's costs and for the period January to March amounted to TSEK -7,384 (-10,363) for the Parent Company and TSEK -11,611 (-10,632) for the Group.

Market and sales costs for the quarter amounted to TSEK -953 (-804) for the Parent Company and TSEK -1,183 (-804) for the Group.

Administrative expenses for the period amounted to TSEK -2,817 (-1,922) for the Parent Company and TSEK 3,708 (-1,922) for the Group.

Loss before tax for the period January to March 2022 amounted to TSEK -11,042 (-9,047) for the Parent Company and TSEK -16,383 (-11,679) for the Group.

	Parent company			The Group		
	Quarter 1		Full year	Quarter 1		Full year
(TSEK)	1/1/2022 3/31/2022	1/1/2021 3/31/2021	1/1/2021 12/31/2021	1/1/2022 3/31/2022	1/1/2021 3/31/2021	1/1/2021 12/31/2021
Operating income						
Net sales	-	-	-	-	-	-
Cost of goods sold	-	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**	**-**
Operating expenses						
Research and development costs	-7,384	-10,363	-44,120	-11,611	-10,632	-50,045
Selling costs	-953	-804	-4,095	-1,183	-804	-4,095
Administrative expenses	-2,817	-1,922	-6,773	-3,708	-1,922	-7,841
Other operating income	507	4,159	11,433	513	1,796	2,331
Other operating expenses	-	-		-	-	
Operating loss	**-10,647**	**-8,930**	**-43,555**	**-15,988**	**-11,562**	**-59,650**
Profit/loss from financial items						
Financial income	-	-	-	-	-	-
Financial expenses	-395	-117	-538	-395	-117	-538
Loss before tax	**-11,042**	**-9,047**	**-44,093**	**-16,383**	**-11,679**	**-60,189**
Appropriations	-	-	-14,300	-	-	-
Tax on loss for the year	-	-	-	-	-	-
Loss for the period	**-11,042**	**-9,047**	**-58,393**	**-16,383**	**-11,679**	**-60,189**
Loss per share, SEK	-0.12	-0.12	0.00	0.00	0.00	0.00

Balance sheet

Financial position

On 31 December 2021, Xintela's equity/assets ratio was 16 per cent (57) and equity amounted to TSEK 3,947 (27,607). The Company's cash and cash equivalents amounted to TSEK 9,941 (33,601). On 31 December 2021, the Company's total assets amounted to TSEK 24,742 (48,513).

	Parent company		The Group	
(TSEK)	3/31/2022	12/31/2021	3/31/2022	12/31/2021
ASSETS				
Fixed assets				
Intangible assets	670	746	1,354	1,445
Tangible assets	6,218	7,012	7,270	8,123
Financial assets	4	18	4	18
Participations in subsidiaries	839	839	0	0
Total fixed assets	**7,732**	**8,615**	**8,628**	**9,586**
Current assets				
Receivables from subsidiaries	7,822	3,081	-	-
Tax assets	706	706	706	706
Other receivables	1,154	1,449	4,250	3,784
Prepaid expenses	133	950	133	1,094
Cash and cash equivalents	2,001	9,941	2,304	11,138
Total current assets	**11,816**	**16,127**	**7,393**	**16,722**
TOTAL ASSETS	**19,548**	**24,742**	**16,022**	**26,308**
EQUITY AND LIABILITIES				
Equity, parent company				
Share capital	2,674	2,674		
Development expenses fund	0	0		
Share premium reserve	242,714	242,714		
Retained earnings	-241,441	-183,047		
Loss for the period	-11,042	-58,394		
Equity, the group				
Share capital			2,674	2,674
Other contributed capital			242,714	242,714
Reserve			305	-4
Balanced result incl. Profit for the year			-260,113	-243,516
Total equity	**-7,095**	**3,947**	**-14,420**	**1,868**
Current liabilities				
Accounts payable	4,387	3,899	7,096	6,883
Tax liability	122	135	209	171
Other liabilities	18,504	13,019	19,201	13,247
Accrued expenses and deferred income	3,630	3,742	3,937	4,149
Total current liabilities	**26,643**	**20,795**	**30,442**	**24,450**
TOTAL EQUITY AND LIABILITIES	**19,548**	**24,742**	**16,022**	**26,318**

Cash flow statement

Cash flow and investments

The parent company's cash flow for the period January to March 2022 was TSEK -7,940 (-18,098) and for the Group SEK -8,929 (-14,882). Investments for the period amounted to TSEK 0 (124) , and TSEK 0 (300) for the Group.

	Parent company			The Group		
	Quarter 1		Full year	Quarter 1		Full year
	1/1/2022	1/1/2021	1/1/2021	1/1/2022	1/1/2021	1/1/2021
(TSEK)	3/31/2022	3/31/2021	12/31/2021	3/31/2022	3/31/2021	12/31/2021
Operating activities						
Operating loss	-10,647	-8,928	-43,556	-15,988	-11,562	-59,650
Depreciation/amortisation	870	827	3,425	954	832	3,495
Financial income	-	-	-	-	-	-
Financial expenses	-395	-117	-538	-395	-117	-538
Cash flow from operating activities before changes in working capital	**-10,172**	**-8,218**	**-40,669**	**-15,429**	**-10,847**	**-56,693**
Changes in working capital						
Increase/decrease in receivables	-3,629	-5,033	-2,111	495	1,050	-1,653
Increase/decrease in current liabilities	5,848	-13,319	-112	5,992	-13,354	3,403
Changes in working capital	**2,219**	**-18,352**	**-2,223**	**6,487**	**-12,304**	**1,750**
Cash flow from operating activities	**-7,953**	**-26,570**	**-42,892**	**-8,942**	**-23,151**	**-54,943**
Investing activities						
Increase/decrease of tangible assets	-	-137	-1,255	-	-313	-2,429
Increase/decrease of intangible assets	-	-	-	-	0	0
Increase/decrease of financial assets	13	13	53	13	13	53
Cash flow from investing activities	**13**	**-124**	**-1,202**	**13**	**-300**	**-2,376**
Financing activities						
New share issue	-	8,596	34,734	-	8,569	34,734
New share issue, warrants	-	-	0	-	-	-
Group contribution paid	-	-	-14,300	-	-	-
Increase / decrease of long-term liabilities	-	-	0	-	-	-
Cash flow from financing activities	**0**	**8,596**	**20,434**	**0**	**8,569**	**34,734**
Change in cash and cash equivalents	-7,940	-18,098	-23,660	-8,929	-14,882	-22,585
Cash and cash equivalents at the beginning of the period	9,941	33,601	33,601	11,138	33,727	33,727
Conversion difference	-	-	-	95	0	-4
Cash and cash equivalents at the end of the period	**2,001**	**15,503**	**9,941**	**2,304**	**18,845**	**11,138**

Change in the Parent Company's 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
Development expenses fund	-	-	-	-	-	-
Loss for the period	-	-	-	-	-11,042	-11,042
Equity, March 31, 2022	**2,674**	**0**	**242,714**	**-241,441**	**-11,042**	**-7,095**

Change in the Group's 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	-	-	309	-214	95
Loss for the period	-	-	-	-16,383	-16,383
Equity, December 31, 2022	**2,674**	**242,714**	**305**	**-260,113**	**-14,420**

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 May 20, 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.

At 31 March 2022, the number of shares was 89,134,021. 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 - Mar 2022	Jan - Mar 2021	Jan - Dec 2021
No. of shares before full dilution	89,134,021	77,168,209	89,134,021
No. of shares after full dilution	89,134,021	77,168,209	89,134,021
Loss per share before full dilution	-0.12	-0.12	-0.65
Average no. of shares before full dilution	89,134,021	75,994,273	82,867,900
Average no. of shares after full dilution	89,134,021	75,994,273	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 year-end report has not been reviewed by the Company's auditor.

Financial calendar

Interim report Q2 2022: August 26, 2022
Interim report Q3 2022: November 25, 2022
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 started clinical studies with the stem cell product XSTEM for the treatment of knee osteoarthritis and plans to start clinical studies for the treatment of difficult-to-heal wounds in mid-2022. The goal is to show that stem cell treatment is safe, but also investigate XSTEM's ability to recreate damaged articular cartilage and improve joint function and to heal 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 TARG10 and TARG9 have initiated preclinical development phase with the aim of building a strong regulatory data package for upcoming clinical studies in cancer patients.