xintela

INTERIM REPORT
JANUARY – MARCH 2023
XINTELA AB (PUBL)

Q1 2023

The second dose level of XSTEM in knee OA study has been judged safe

XSTEM is dosed at the third and last dose level in knee OA study

Xintela has announced rights issue of approximately MSEK 123

Summary of the interim report

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

First quarter 2023 for the group

» Income amounted to TSEK 0 (0).
» Loss before and tax totalled TSEK 15,843 (loss: 16,383).
» Loss per share* was SEK 0.05 (loss: 0.18).

First quarter 2023 for the parent company

» Income amounted to TSEK 0 (0).
» Loss before and after tax totalled TSEK 10,403 (loss: 11,042).
» Loss per share* was SEK 0.03 (loss: 0.12).
» At March 31, 2023, the equity/assets ratio** was 45 % (0).

** Earnings/loss per share: Profit/loss for the period divided by 307,573,263 shares, which was the average number of shares at March 31, 2023. In the year-earlier period, the number of average shares was 89,134,021.*
*** Equity/assets ratio: Equity divided by total capital.*

Significant events in the first quarter of 2023

» Xintela completes dosing of XSTEM second dose level in knee osteoarthritis clinical study. (March 3, 2023)

Significant events after the end of the period

» Xintela has started last dose level of XSTEM in knee osteo-arthritis clinical study. (April 13, 2023)
» Communiqué from the Annual General Meeting of Xintela AB (publ). (May 12, 2023)
» Xintela is carrying out a Rights issue of units of approximately SEK 123 million. (May 24, 2023)

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

XSTEM moving forward in clinical studies

Xintela's stem cell product XSTEM® is now in the final phase of the dose escalation study in knee osteoarthritis patients. Recruitment of patients for the treatment of difficult-to-heal venous leg ulcers is ongoing and our subsidiary Targinta is preparing its drug candidates for clinical Phase 0 studies.

Treatment of osteoarthritis with XSTEM

In our clinical Phase I/IIa study in patients with knee osteoarthritis in Australia, dosing of the first two dose levels of XSTEM has been completed and judged safe by the Safety Review Committee. In the third and final dose level, five out of eight patients have been dosed. When the dose escalation phase of a total of 24 patients is completed, we will decide whether to expand the study with additional patients. The aim of the study is to evaluate safety and preliminary efficacy of XSTEM.

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

Treatment of difficult-to-heal venous leg ulcers with XSTEM

In the clinical study of difficult-to-heal venous leg ulcers in Linköping, we have yet to include the first patient, but the clinical team continues to screen patients with leg ulcers to identify those who meet the criteria and can be included in the study. It is a difficult patient group to recruit because the patients are older and often have other diseases and complications that prevent inclusion in the study. We have recently implemented certain protocol amendments which have been approved by the Medical Products Agency and that allow the inclusion of a broader patient group. We are also in discussions with additional clinics in other regions to reach more patients. We expect these changes to accelerate recruitment to the study. Since the study will include only 12 patients and an initial evaluation of safety and efficacy will take place already ten weeks after treatment, we expect to have results in 2023. The clinical study is largely financed by a grant from Vinnova that Xintela received in early 2022 together with Professor Folke Sjöberg and his team at Linköping University.

The product is our pipeline

Our unique stem cell product XSTEM has the potential to treat many different diseases that currently lack good treatment options. We have chosen knee osteoarthritis and difficult-to-heal venous leg ulcers as the first treatment indications for XSTEM because these diseases affect a very large number of people and cause severe pain and severely reduced quality of life. Our preclinical studies have shown disease-modifying effects of XSTEM in both osteoarthritis and skin wounds in animal models. We now look forward to value-creating positive results from our clinical studies that will take us to partnerships and commercial agreements for further clinical development and commercialisation of XSTEM.

Accelerating our EQSTEM program on horses

Through previous preclinical osteoarthritis studies in horses with our stem cell product EQSTEM, we have studied the mechanisms of action of our stem cells. The results have been an important basis for our clinical studies in humans and have also laid the foundation for future clinical studies in horses and for the commercialization of an effective stem cell product for the treatment of joint disease in horses. We have now initiated collaboration discussions with a world-leading equestrian clinic to conduct clinical studies on horses.

Our GMP facility is key to successful commercialisation
An important component in the development and commercialisation of our stem cell-based products is our own GMP-classified production facility. In addition to producing XSTEM for development of our own therapy areas, it is our ambition, in collaboration with partners, also to manufacture and expand XSTEM to other medical indications and to develop and produce EQSTEM for veterinary use.

Targinta positions itself in the ADC field for the treatment of aggressive cancer
Through the unique target molecule integrin α10β1, First-in-Class antibodies, and strong patent portfolio, our subsidiary Targinta has a very exciting position in the ADC field, which is one of the hottest areas in cancer therapy (see article from BioStock). Targinta has two candidate drugs, TARG9 and TARG10, in preclinical development for the treatment of aggressive cancers such as glioblastoma and triple-negative breast cancer (TNBC). TARG9, which is an Antibody-Drug Conjugate (ADC) armed with a powerful toxin and which effectively kills cancer cells, has shown in preclinical models that it reduces the growth of the highly aggressive brain tumor glioblastoma. TARG10, which is a function-blocking antibody, has shown in preclinical models effective inhibition of the growth of glioblastoma and TNBC and also effective inhibition of metastasis of TNBC.

Value-increasing Phase 0 clinical studies
Based on very promising preclinical results with our candidate drugs TARG9 and TARG10, we plan to conduct clinical Phase 0 microdosing studies. In a Phase 0 clinical study, a very low dose of the antibody is administered to cancer patients to show that it targets the tumor. This is a very cost-effective way to validate Targinta's unique target molecule integrin α10β1 and treatment concept with our antibodies. This will reduce risk in the continued clinical development and increase the value of the project. Upon completion of the Phase 0 studies in approximately two years, our goal is to enter into agreements with partners for the continued clinical and commercial development where we aim to achieve significant upfront and milestone payments. We have extensive business development initiatives underway now to achieve these goals.

Upcoming rights issue
Xintela has recently announced that the company will carry out a rights issue of ca SEK 123 million for continued development of mainly the stem cell business. Flerie Invest intends to subscribe for its pre-emptive part of the issue corresponding to approximately SEK 50 million.

We have chosen an issue structure where subscription of three shares at SEK 0.30 per share gives two warrants to subscribe for two additional shares at any of four occasions during a two-year period, at the same price. Through this combination of shares and warrants, those who participate in the rights issue are offered an attractive and unusual opportunity. In parallel with the financing of Xintela, we are evaluating various financing solutions to advance Targinta's development.

We are now looking forward to a very exciting 2023 with results from clinical studies and advancement in partnership discussions. We welcome both existing and future new shareholders to participate in Xintela's and Targinta's exciting development going forward.

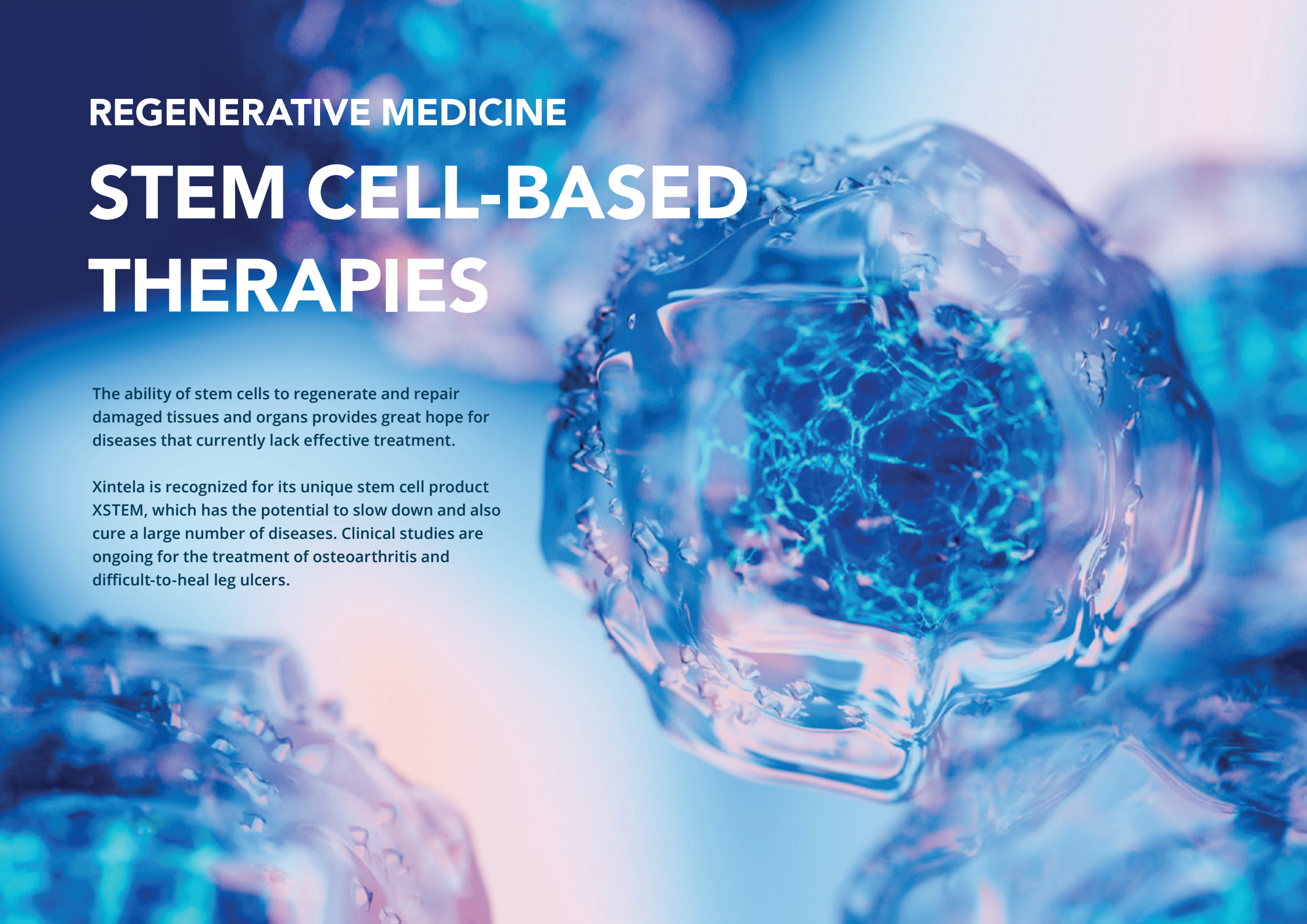
Evy Lundgren-Åkerlund
CEO, Xintela AB (publ)

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.

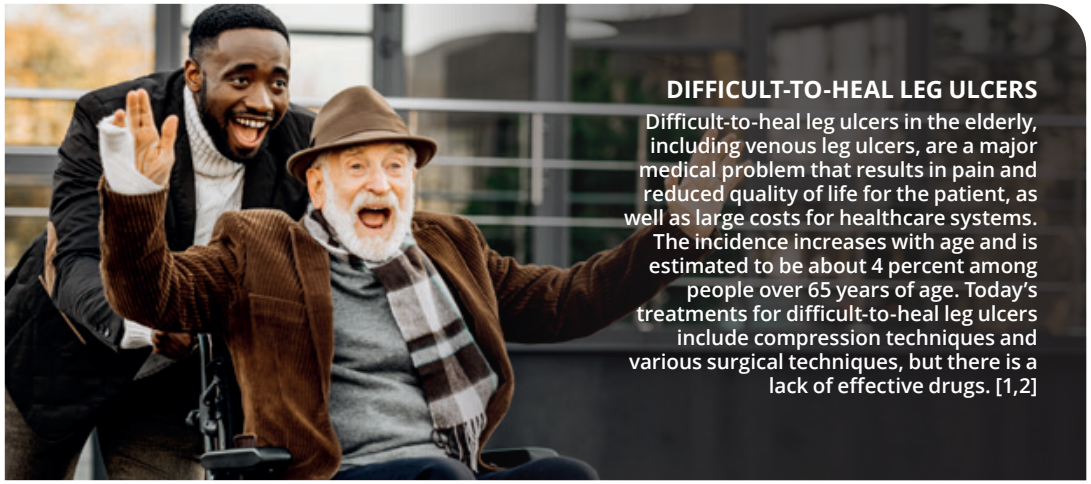
Xintela solves the problem by selecting (purifying) stem cells using an antibody that binds to our stem cell marker, integrin α10β1. In this way, homogeneous stem cell preparations of high quality can be produced that are reproducible between different donors.

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 in-house production, production costs and risk of scheduling delays can be significantly reduced. 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]

XSTEM advances in clinical studies

XSTEM in clinical study for the treatment of knee osteoarthritis

Xintela is conducting a clinical study (Phase I/IIa) with XSTEM in Australia, in patients with moderate knee osteoarthritis (Kellgren-Lawrence grade II-III). Three different dose levels of XSTEM are being evaluated in up to 54 patients and each patient will be followed for 18 months with safety evaluation and preliminary efficacy evaluation every six months. The first two dose levels have been dosed on a total of 16 patients and judged safe by the study's Safety Review Committee. Dosing of the third and final dose level in an additional eight patients has started. Once completed, the study can be expanded with an additional 30 patients. The main goal is to show that XSTEM is safe, but also to obtain preliminary efficacy results that show that the product has DMOAD (Disease Modifying Osteoarthritis Drug) properties and can slow down cartilage and joint degradation as well as restore damaged articular cartilage and improve joint function.

Xintela's earlier results from preclinical osteoarthritis models, support the possibility that XSTEM may have a positive disease-modifying effect.

In 2023, safety data from all three dose levels as well as early efficacy signals are expected. In parallel with the clinical study being conducted, discussions with potential partners and licensees continue.

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

Xintela's clinical study (Phase I/IIa), in patients with difficult-to-heal leg ulcers, is being conducted in collaboration with Linköping University Hospital. Twelve 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 ten weeks to evaluate safety and wound healing efficacy. Currently, patients are being recruited to the study but the first patient has yet to be treated. The study is partly financed by Vinnova.

Xintela has previously shown in a preclinical wound model that XSTEM has excellent wound healing capacity, which gives great hope that XSTEM will show effective healing on patients' difficult-to-heal leg ulcers.

The company is now focusing on successfully recruiting patients to the study and generating both safety and efficacy data in 2023. In parallel with the clinical study being conducted, discussions with potential partners and licensees continue.

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

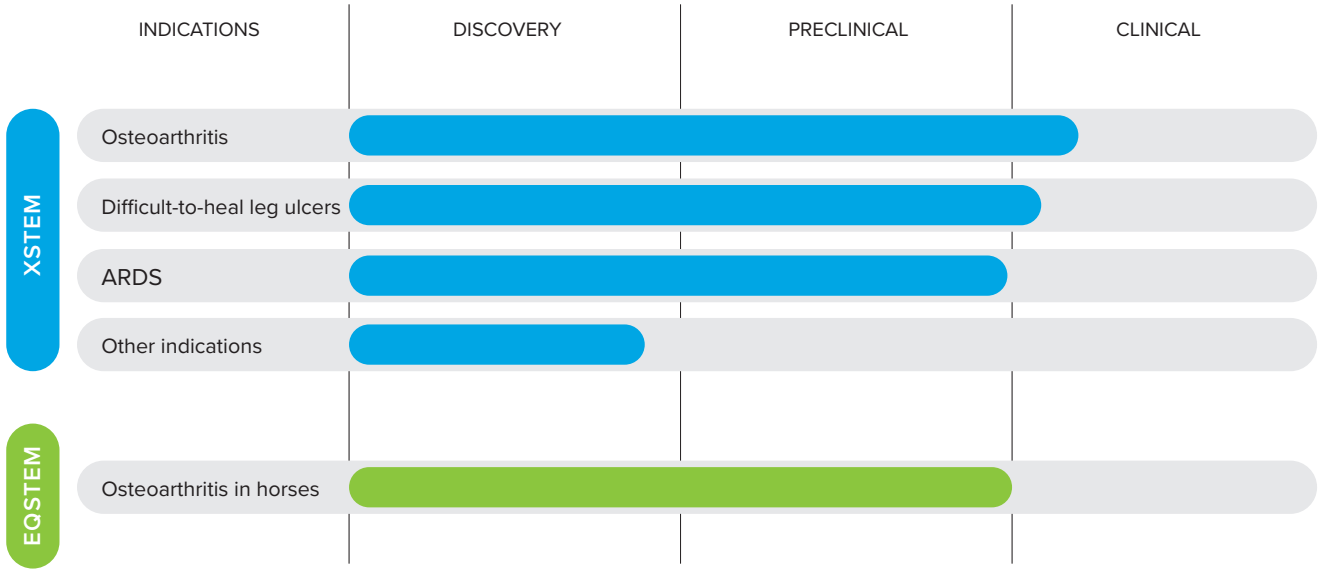
In 2018, the global market for the treatment of venous leg ulcers was estimated at USD 2.95 billion, a figure that is expected to increase to USD 4.84 billion by 2026 with an average annual growth rate of 6.4 percent. The increase is partly due to the expectation that the incidence of venous leg ulcers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

Commercialization strategy for Xintela's stem cell project

Xintela is very active in partnering discussions and has established a large network of potential partners and licensees within the pharmaceutical industry. The company's overall strategy is to take the stem cell projects to Proof of Concept, i.e. to completion of clinical Phase I/IIa studies, and then enter into partnerships and commercial agreements for continued clinical development and global commercialization.

A stem cell product for the treatment of several diseases

Xintela currently 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.



The knee osteoarthritis study in Australia has started dosing at the third and last dose level

The clinical study (Phase I/IIa), conducted in Australia, is evaluating XSTEM for the treatment of patients with knee osteoarthritis. The first and second doses of XSTEM have been dosed on a total of 16 patients and judged safe by the Safety Review Committee. Dosing of the third and last dose level in an additional 8 patients has started. Safety and efficacy readings will be evaluated every six months up to 18 months after treatment of up to 54 patients.

Recruitment of patients with difficult-to-heal venous leg ulcers is ongoing in Linköping

The clinical study (Phase I/IIa), conducted in Linköping, Sweden, is evaluating XSTEM for the treatment of difficult-to-heal venous leg ulcers. Recruitment of patients to the study is currently ongoing. A total of 12 patients will be recruited. Safety and efficacy readings will take place already ten weeks after treatment.

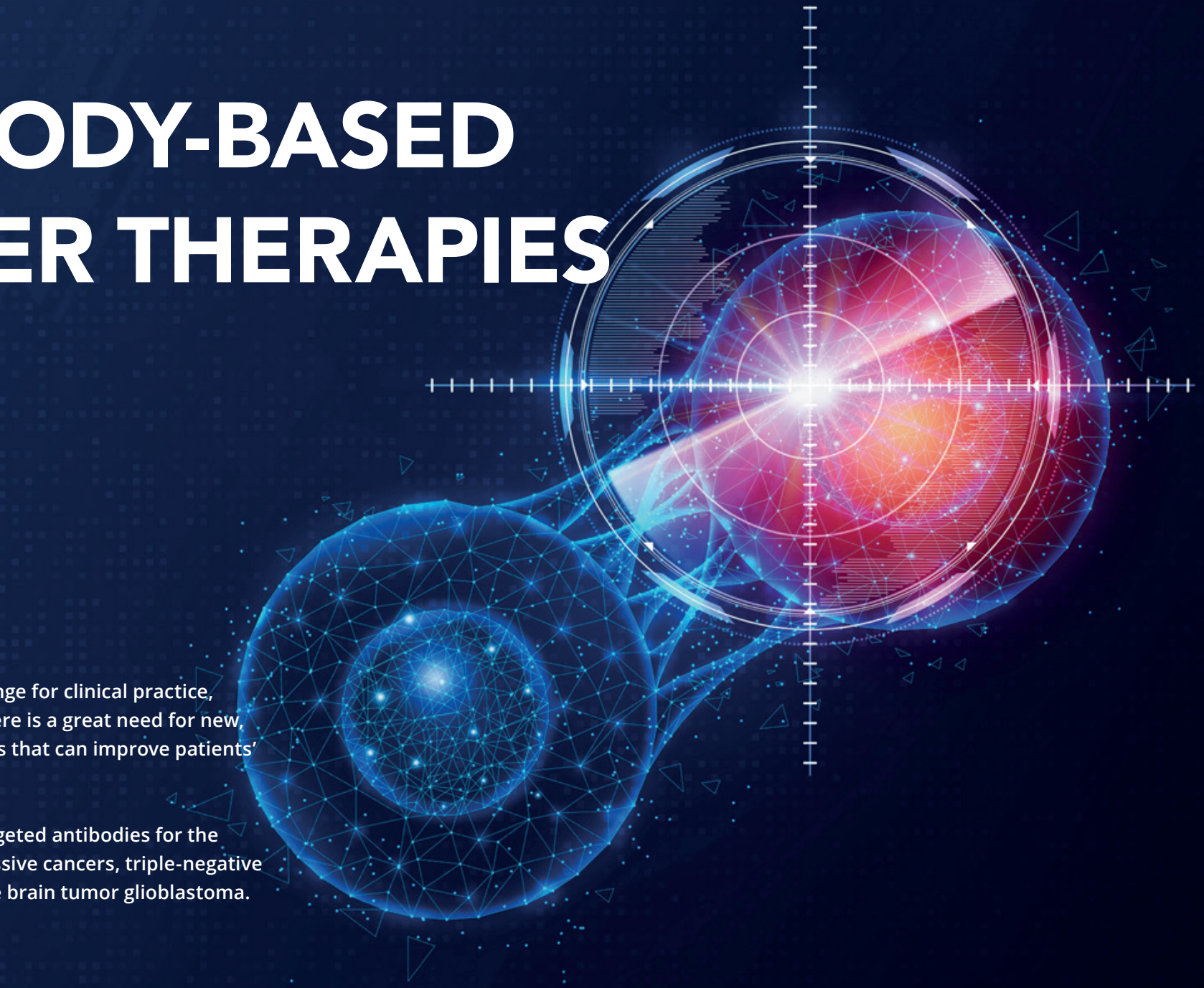
Acute Respiratory Distress Syndrome (ARDS)

ARDS, 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 Skåne University Hospital and plans to carry out clinical development in collaboration with a partner.

EQSTEM® for treatment of joint diseases in horses

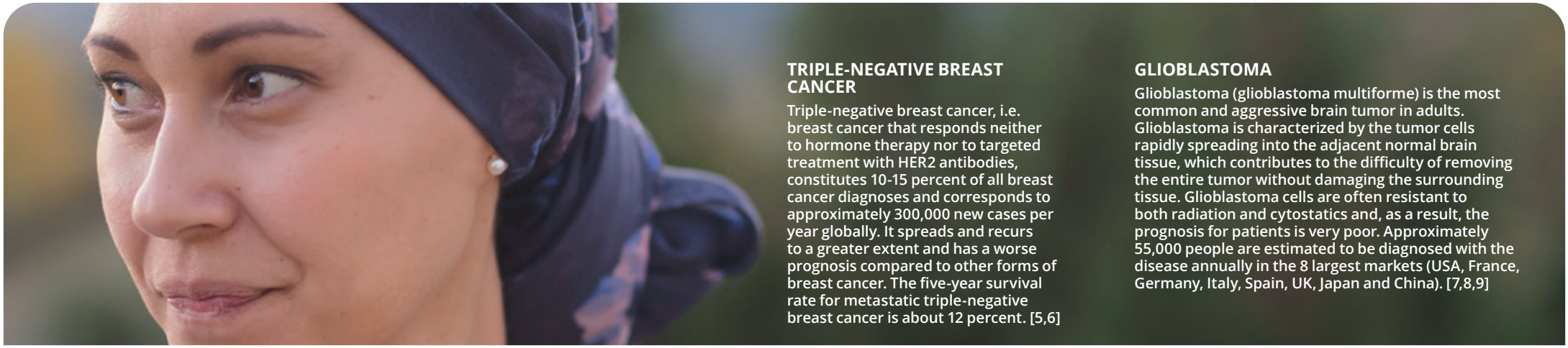
Xintela has developed the stem cell product EQSTEM for the treatment of horses. Positive results from two studies in horses have shown strong support for continued development of EQSTEM for osteoarthritis and other degenerative joint diseases in horses. Xintela plans to bring EQSTEM to the market in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

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 effective First-in-Class antibodies

Cancer target with unique properties

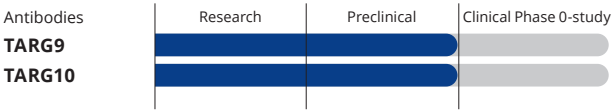
Xintela's subsidiary Targinta is developing new targeted antibody-based drugs (First-in-Class) for the treatment of aggressive cancer. The company has been founded on its own discovery that Xintela's stem cell marker, integrin α10β1, is also expressed in aggressive cancers such as triple-negative breast 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 metastasis of triple-negative breast cancer (TNBC). Targinta has a collaboration with Abzena Ltd for cell line development and initial production of TARG9 and TARG10 and is preparing for clinical Phase 0 microdosing studies in cancer patients.



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.

Phase 0 clinical studies to validate the new target molecule and treatment concept

The company's development strategy is to conduct clinical Phase 0 studies (microdosing) in cancer patients to show that the antibodies are able to reach and bind to the target molecule integrin α10β1 on tumors and thus validate our target molecule and our candidates drugs. Positive results from the Phase 0 study will significantly reduce risk in the continued clinical development and thereby increase the attractiveness to potential partners and licensees.

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]

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 to accelerate future clinical development and commercialization. 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.

Financial statements

Income statement in brief

Earnings

Loss for the fourth quarter amounted to TSEK -15,207 (-15,988) 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 -12,387 (-11,611) for the Group.

Market and sales costs for the quarter amounted to TSEK -1,063 (-1,183) for the Group.

Administrative expenses for the period amounted to TSEK -2,146 (-3,708) for the Group.

Loss before tax for the period January to March amounted to TSEK -15,843 (-16,383) for the Group.

(TSEK)	Quarter 1 1/1/2023 3/31/2023	Quarter 1 1/1/2022 3/31/2022	Full year 2022-01-01 2022-12-31
Operating income			
Net sales	0	0	0
Cost of goods sold	0	0	0
Gross profit	**0**	**0**	**0**
Operating expenses			
Research and development costs	-12,387	-11,611	-55,792
Selling costs	-1,063	-1,183	-5,384
Administrative expenses	-2,146	-3,708	-11,261
Other operating income	389	513	3,375
Other operating expenses	0	0	0
Operating loss	**-15,207**	**-15,988**	**-69,062**
Profit/loss from financial items			
Financial income	0	0	6
Financial expenses	-636	-395	-4,109
Loss before tax	**-15,843**	**-16,383**	**-73,165**
Tax on loss for the period	0	0	6,948
Loss for the period	**-15,843**	**-16,383**	**-66,217**
Loss per share, SEK	-0.05	-0.18	-0.37

The Group

Balance sheet in brief

Financial position

On March 31, 2023 the group's cash and cash equivalents amounted to TSEK 2,415 (2,304). On March 31, 2023 group's total assets amounted to TSEK 16,905 (16,022).

(TSEK)	3/31/2023	12/31/2022
ASSETS		
Fixed assets		
Intangible assets	528	640
Tangible assets	3,752	4,576
Total fixed assets	**4,280**	**5,216**
Current assets		
Tax assets	264	319
Other receivables	9,132	9,502
Prepaid expenses	813	1,138
Cash and cash equivalents	2,415	8,343
Total current assets	**12,624**	**19,301**
TOTAL ASSETS	**16,905**	**24,517**

(TSEK)	3/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Equity, the group		
Share capital	9,227	9,227
Other contributed capital	305,920	305,920
Reserve	-94	393
Balanced result incl. Profit for the year	-325,606	-309,763
Total equity	**-10,553**	**5,777**
Current liabilities		
Accounts payable	10,224	8,846
Tax liability	240	399
Other liabilities	13,424	4,332
Accrued expenses and deferred income	3,570	5,163
Total current liabilities	**27,458**	**18,740**
TOTAL EQUITY AND LIABILITIES	**16,905**	**24,517**

The Group

Cash flow statement in brief

Cash flow and investments

The group's cash flow for the period January to March 2023 was TSEK -5,439 (-8,929). Investments for the period amounted to TSEK 0 (13) for the Group.

	Quarter 1		Full year
	1/1/2023	1/1/2022	1/1/2022
(TSEK)	3/31/2023	3/31/2022	12/31/2022
Operating activities			
Operating loss	-15,207	-15,988	-69,062
Depreciation/amortisation	936	954	4,233
Taxes paid	0	-	-
Financial income	0	-	-
Financial expenses	-636	-395	-4,109
Cash flow from operating activities before changes in working capital	**-14,907**	**-15,429**	**-67,877**
Changes in working capital			
Increase/decrease in receivables	750	495	1,081
Increase/decrease in current liabilities	8,718	5,992	-6,310
Changes in working capital	**9,468**	**6,487**	**-5,229**
Cash flow from operating activities	**-5,439**	**-8,942**	**-73,107**
Investing activities			
Increase/decrease of tangible assets	0	0	206
Increase/decrease of intangible assets	0	0	0
Increase/decrease of financial assets	-	13	18
Cash flow from investing activities	**0**	**13**	**224**
Financing activities			
New share issue	0	0	45,359
Convertible	0	0	25,000
Cash flow from financing activities	**0**	**0**	**70,359**
Change in cash and cash equivalents	-5,439	-8,929	-2,524
Cash and cash equivalents at the beginning of the period	8,343	11,138	11,138
Conversion difference in cash and cash equivalents	-489	95	-272
Cash and cash equivalents at the end of the period	**2,415**	**2,304**	**8,343**

The Group

Change in equity in brief

(TSEK)	Share capital	Other contrib-uted capital	Reserves	Loss for the period	Total
Opening balance, January 1, 2022	**2,674**	**242,714**	**-4**	**-242,877**	**2,506**
Conversion difference	0	0	397	-668	-271
New share issue	5,348	39,219	0	0	44,567
New share issue, costs	0	-9,851	0	0	-9,851
New share issue	1,205	8,838	0	0	10,043
Convertible	0	25,000	0	0	25,000
Loss for the period	0	0	0	-66,217	-66,217
Equity, December 31, 2022	**9,227**	**305,920**	**393**	**-309,763**	**5,777**
Opening balance, January 1, 2023	**9,227**	**305,920**	**393**	**-309,763**	**5,777**
New share issue	0	0	-487	0	-487
New share issue, warrants	0	0	0	-15,843	-15,843
Equity, March 31, 2023	**9,227**	**305,920**	**-94**	**-325,606**	**-10,553**

The Parent Company

Income statement in brief

Income

The parent company reports a net turnover of TSEK 0 (0) for the first quarter of the year. Other income amounted to TSEK 375 (507) and refer to contributions from Vinnova.

Earnings

Loss for the first quarter amounted to TSEK -10,038 (-10,647) for the Parent Company .

The costs for research and development account for the largest part of the Company's costs and amounted to TSEK -8,075 (-7,384) for the period January to March.

Market and sales costs for the quarter amounted to TSEK -948 (-953) for the Parent Company.

Administrative expenses for the period amounted to TSEK -1,389 (-2,817) for the Parent Company.

Loss before tax for the period January to March amounted to TSEK -10,403 (-11,042) for the Parent Company.

	Quarter 1		Full year
	10/1/2022	10/1/2021	1/1/2021
(TSEK)	12/31/2022	12/31/2021	12/31/2021
Operating income			
Net sales	0	0	6,288
Cost of goods sold	0	0	-6,288
Gross profit	**0**	**0**	**0**
Operating expenses			
Research and development costs	-8,075	-7,384	-25,683
Selling costs	-948	-953	-4,497
Administrative expenses	-1,389	-2,817	-8,196
Other operating income	375	507	3,369
Other operating expenses	0	0	0
Operating loss	**-10,038**	**-10,647**	**-35,007**
Profit/loss from financial items			
Financial income	0	0	0
Financial expenses	-365	-395	-4,102
Loss before tax	**-10,403**	**-11,042**	**-39,109**
Appropriations	0	0	-5,797
Tax on loss for the year	0	0	0
Loss for the period	**-10,403**	**-11,042**	**-44,906**
Loss per share, SEK	-0.03	-0.12	-0.25

Balance sheet in brief

Financial position

On March 31, 2023 the parent company's equity/assets ratio was 45 per cent (0) and equity amounted to TSEK 18,397 (-7,095). The Parent company's cash and cash equivalents amounted to TSEK 2,184 (2,001). On March 31, 2023 the parent company's total assets amounted to TSEK 40,886 (19,548).

(TSEK)	3/31/2023	12/31/2022
ASSETS		
Fixed assets		
Intangible assets	366	442
Tangible assets	3,162	3,943
Receivables from subsidiaries	22,044	18,432
Participations in subsidiaries	9,839	9,839
Total fixed assets	**35,413**	**32,657**
Current assets		
Tax assets	264	319
Other receivables	2,306	2,163
Prepaid expenses	720	928
Cash and cash equivalents	2,184	7,489
Total current assets	**5,474**	**10,898**
TOTAL ASSETS	**40,886**	**43,554**

(TSEK)	3/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Equity, parent company		
Share capital	9,227	9,227
Share premium reserve	280,920	280,920
Retained earnings	-261,347	-216,441
Loss for the period	-10,403	-44,906
Total equity	**18,397**	**28,800**
Current liabilities		
Accounts payable	6,821	7,432
Tax liability	53	184
Other liabilities	12,776	3,681
Accrued expenses and deferred income	2,838	3,457
Total current liabilities	**22,489**	**14,754**
TOTAL EQUITY AND LIABILITIES	**40,886**	**43,554**

The Parent Company

Cash flow statement in brief

Cash flow and investments

The parent company's cash flow for the period January to March was TSEK 5,305 (-7,940) thousand. The investments for the period amounted to TSEK -3,612 (13) thousand, which refers to receivables from subsidiaries that are classified as long-term.

	Quarter 1		Full year
	1/1/2023	1/1/2022	1/1/2022
(TSEK)	3/31/2023	3/31/2022	12/31/2022
Operating activities			
Operating loss	-10,038	-10,647	-35,007
Depreciation/amortisation	857	870	3,484
Financial income	0	0	0
Financial expenses	-365	-395	-4,102
Cash flow from operating activities before changes in working capital	**-9,547**	**-10,172**	**-35,624**
Changes in working capital			
Increase/decrease in receivables	120	-3,629	2,777
Increase/decrease in current liabilities	7,734	5,848	-6,641
Changes in working capital	**7,854**	**2,219**	**-3,864**
Cash flow from operating activities	**-1,693**	**-7,953**	**-39,489**
Investing activities			
Increase/decrease of tangible assets	0	0	-111
Increase/decrease of intangible assets	0	0	0
Increase/decrease of receivables from subsidiaries	-3,612	0	-18,432
Increase/decrease of other assets	0	13	18
Increase/decrease of shares in subsidiaries	0	0	-9,000
Cash flow from investing activities	**-3,612**	**13**	**-27,525**
Financing activities			
New share issue	0	0	45,359
Convertible	0	0	25,000
Group contribution paid	0	0	-5,797
Increase / decrease of long-term liabilities	0	0	0
Cash flow from financing activities	**0**	**0**	**64,562**
Change in cash and cash equivalents	-5,305	-7,940	-2,452
Cash and cash equivalents at the beginning of the period	7,489	9,941	9,941
Cash and cash equivalents at the end of the period	**2,184**	**2,001**	**7,489**

The Parent Company

Change in equity in brief

(TSEK)	Share capital	Share premium	Retained earnings	Loss for the period	Total
Opening balance, January 1, 2022	**2,674**	**242,714**	**-183,047**	**-58,394**	**3,947**
Reversal of prior year's accruals	0	0	-58,394	58,394	0
New share issue	5348	39219	0	0	44567
New share issue, costs	0	-9,851	0	0	-9,851
New share issue	1205	8,838	0	0	10,043
Convertible	0	0	25000	0	25,000
Loss for the period	0	0	0	-44906	-44,906
Equity, December 31, 2022	**9,227**	**280,920**	**-216,441**	**-44,906**	**28,800**
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
Loss for the period	0	0	0	-10,403	-10,403
Equity, March 31, 2023	**9,227**	**280,920**	**-261,347**	**-10,403**	**18,397**

Declaration by the Board of Directors and the CEO


Gregory Batcheller


Maarten de Château


Thomas Eldered


Lars Hedbys


Hans-Joachim Simons


Evy Lundgren-Åkerlund

The Board of Directors and the Chief Executive Officer certify that the 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 25, 2023

Gregory Batcheller
Chairman

Maarten de Château
Board member

Thomas Eldered
Board member

Lars Hedbys
Board member

Hans-Joachim Simons
Board member

Evy Lundgren-Åkerlund
CEO

Other information

The share

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

On March 31, 2023, the number of shares was 307,573,263. The Company has only one class of shares. Each share carries identical rights to the Company's assets and earnings, and one vote at General Meetings.

	Jan - Mar 2023	Jan - Mar 2022	Jan - Dec 2022
No. of shares before full dilution	307,573,263	89,134,021	307,573,263
No. of shares after full dilution	307,573,263	89,134,021	307,573,263
Loss per share before full dilution	-0.03	-0.12	-0.25
Average no. of shares before full dilution	307,573,263	89,134,021	179,670,643
Average no. of shares after full dilution	307,573,263	89,134,021	179,670,643

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 2022. For complete accounting principles, see the Annual Report 2022.

Group accounts

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

Compensation of issue fees

The dispute regarding the rights issue fee has been resolved and the outcome was as the board expected and was taken into account in the Year-end report 2022.

Review by auditors

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

Financial calendar

Interim report Q2 2023: August 30, 2023
Interim report Q3 2023: November 24, 2023
Interim report Q4 2023: February 28, 2024

Risks and uncertainties

Limited resources

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

Dependence on key individuals and employees

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

Earning capacity and capital requirements

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

Sales risk

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

Sources:

[1] Global Data 2018
[2] Markets and Markets 2020
[3] Markets and Markets: https://www.marketsandmarkets.com/Market-Reports/osteoarthritis-therapeutics-market-209565994.html
[4] Fortune Business Insights: https://www.fortunebusinessinsights.com/venous-leg-ulcer-vlu-treatment-market-102370
[5] https://www.cancer.org/cancer/breast-cancer/understanding-a-breast-cancer-diagnosis/types-of-breast-cancer/triple-negative.html#:~:text=Triple%2Dnegative%20breast%20cancer%20(TNBC,of%20the%20protein%20called%20HER2
[6] American Cancer Society https://www.cancer.org/cancer/breast-cancer/understanding-a-breast-cancer-diagnosis/types-of-breast-cancer/triple-negative.html
[7] WebMD: https://www.webmd.com/cancer/brain-cancer/what-is-glioblastoma#1
[8] American Association of Neurological Surgeons: https://www.aans.org/en/Patients/Neurosurgical-Conditions-and-Treatments/Glioblastoma-Multiforme
[9] Global Data: Epidemiology and Market size Database
[10] American Cancer Society https://www.cancer.org/cancer/breast-cancer/understanding-a-breast-cancer-diagnosis/types-of-breast-cancer/triple-negative.html
[11] GlobalData: Glioblastoma Multiforme (GBM) Opportunity Analysis and Forecast to 2027

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.