xintela

YEAR-END REPORT
JANUARY-DECEMBER 2023
XINTELA AB (PUBL)

Q4 2023

The first patient in the knee OA study has completed the study 18 month after XSTEM treatment

First patient has been dosed in the difficult-to-heal leg ulcers study

Disease modifying results from EQSTEM study in horses has been published

Summary of the interim report

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

Fourth quarter 2023 for the group

» Income amounted to TSEK 78 (0).
» Loss before tax totalled TSEK 12,175 (loss: 23,384).
» Loss per share* was SEK 0.03 (loss: 0.09).

The year 2023 for the group

» Income amounted to TSEK 78 (0).
» Loss before and tax totalled TSEK 58,367 (loss: 73,165).
» Loss per share* was SEK 0,13 (loss: 0,37)

Fourth quarter 2023 for the parent company

» Income amounted to TSEK 78 (6 288).
» Loss before tax totalled TSEK 9,467 (loss: 7,323).
» Loss per share* was SEK 0.03 (loss: 0.07).

The year 2023 for the parent company

» Income amounted to TSEK 78 (6 288).
» Loss before tax totalled TSEK 39,935 (loss: 39,109).
» Loss per share* was SEK 0,10 (loss: 0,25).
» At December 31, 2023, the equity/assets ratio** was 78 % (66).

** Earnings/loss per share: Profit/loss for the period divided by 419,869,354 shares, which was the average number of shares at December 31, 2023. In the year-earlier period, the number of average shares was 179,670,643.*
*** Equity/assets ratio: Equity divided by total capital.*

Significant events in the fourth quarter of 2023

» Xintela's stem cell product, XSTEM, has been assessed as safe at all dose levels in knee osteoarthritis clinical study. (October 10, 2023)
» Xintela publishes results for the exercise of warrants of series TO3 , whereby Xintela receives around SEK 6.3 million. (December 7, 2023)
» Xintela publishes efficacy results with EQSTEM from preclinical equine OA study. (December 20, 2023)
» First patient dosed in Xintela's clinical study on difficult-to-heal leg ulcers. (December 21, 2023)

Significant events after the end of the period

» Xintela appoints Lucienne Vonk as Chief Scientific Officer. (February 19, 2024)

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.

From the CEO

The first patient treated with our stem cell product XSTEM®, in Xintela's knee osteoarthritis study, has now completed the study after 18 months. In our difficult-to-heal leg ulcer study, the first patient has been dosed.

In the knee osteoarthritis study, the first patient has reached the finish line

In our First-in-Human study in Australia in patients with knee osteoarthritis, the first patient has now completed the study, 18 months after treatment with the lowest dose of XSTEM. In the study, a total of 24 patients were dosed at three dose levels of XSTEM and the treatment was judged safe after three months. We have previously reported that patients who have received the lowest and middle dose of XSTEM, experience less pain and better function of the joint six months after treatment. We also see this trend with the third and highest dose of XSTEM after six months.

In the leg ulcer study, the first patient has been dosed

The clinical study with XSTEM in patients with difficult-to-heal venous leg ulcers is now ongoing at a total of four clinics in Sweden, namely Lund, Gothenburg, Stockholm and Linköping. We hope that with three clinics added, and larger recruitment areas, it will facilitate patient inclusion. The study will include twelve patients who receive either XSTEM or placebo applied to the wound bed and then safety and efficacy are evaluated weekly for ten weeks and at four months after treatment. The first patient has now been dosed in the study and additional patients are being screened.

The EQSTEM study in horses has been published

There is a great need for a treatment that can stop or cure osteoarthritis even in animals, not least in horses. The results from our preclinical equine study, conducted in collaboration with the University of Copenhagen, have been published in the scientific journal Cartilage. The study results showed that our stem cell product EQSTEM has a disease-modifying effect by significantly reducing lameness and breakdown of cartilage tissue and improving joint function in horses with post-traumatic osteoarthritis compared to untreated horses. No side effects of the treatment were observed. We look forward to developing EQSTEM further when resources are available.

Lucienne Vonk takes over the role as CSO

Lucienne Vonk has recently been appointed Chief Scientific Officer of Xintela. Lucienne joined Xintela about 1.5 years ago and has since made a strong contribution to the development of our stem cell product XSTEM. Lucienne has extensive experience in cell-based therapies in both preclinical and clinical development and she has a broad and valuable international network in the field of musculoskeletal diseases. I am very pleased to hand over the role of CSO to Lucienne and really look forward to continuing to develop Xintela together with her. It also allows me to spend more time on our subsidiary Targinta.

Targinta

We are continuing to compile the results we have generated with Targinta's antibody-based drug candidates TARG9 and TARG10 for the treatment of aggressive cancer, aiming for two scientific publications. In parallel, work is ongoing to identify funding for continued development of the antibodies, including clinical phase 0 studies, or to out-license the antibodies. At present, we have no employees in Targinta, but continue to run the business with Xintela's internal resources and with the help of consultants when needed. I would like to emphasize that Targinta, with its First-in-Class antibodies including ADCs (Antibody Drug Conjungate), a new cancer target and strong patent protection, has a very interesting position in the ADC field where several large commercial deals are being made already at the preclinical phase. We therefore see an opportunity for Targinta to enter partnerships and/or to license its ADCs at an early stage.

Financing going forward

To give us more time to find long-term financing solutions, we have recently taken a loan of SEK 16.5 million from our main owner Flerie Invest. This gives us the opportunity to continue to generate and evaluate results from our clinical studies and at the same time move forward in ongoing discussions with potential partners and licensees. For a long time, we have been very active in business development activities to generate interest from partners for our unique stem cell-based therapies and antibody-based cancer therapies. We are now seeing the results of that work and are evaluating the exciting opportunities we have on the table. Our goal is that further financing of our development projects will largely come via revenues from development milestones from collaborations, partnerships and/or licensing. In parallel, we are working with other financing solutions for Xintela and Targinta, including capitalisations, grants or loan, which can be implemented either jointly or separately.

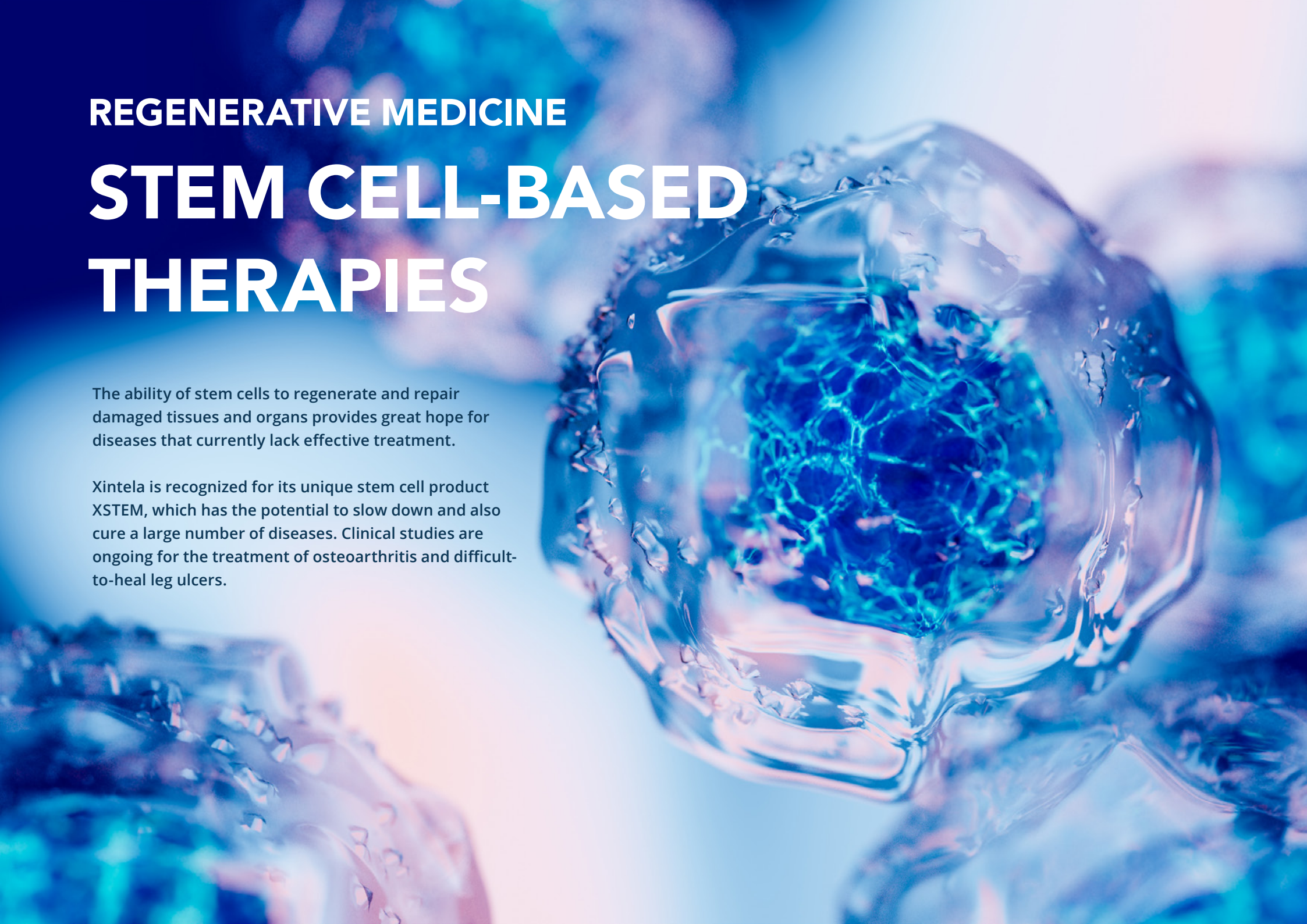
I would like to remind you that the next opportunity to subscribe for options linked to our rights issue in July 2023 will occur during the period May 26 to June 6, 2024. Further information about the terms and conditions of the TO3 warrants can be found on our website.

We are now looking forward to the results of our clinical studies and to advance our business development activities towards partnerships and commercial agreements.

Evy Lundgren-Åkerlund
CEO, Xintela AB (publ)

REGENERATIVE MEDICINE

STEM CELL-BASED THERAPIES



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

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

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

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

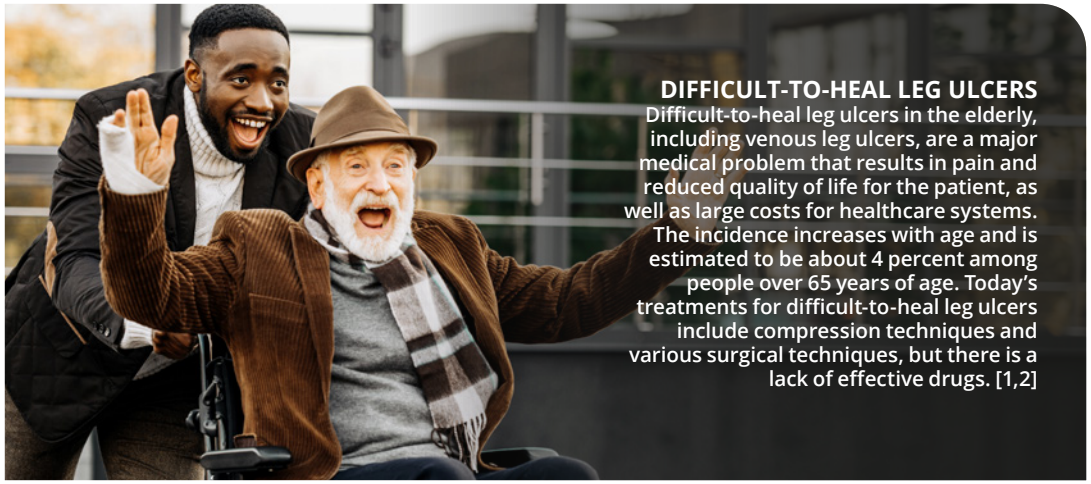
Mesenchymal stem cells have therapeutic properties
Xintela develops stem cell-based treatments from allogeneic (donated) mesenchymal stem cells isolated from adipose tissue from healthy adult donors. Stem cells from a donor can treat a large number of patients, which not only significantly reduces the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

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

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

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

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



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

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 is followed for 18 months with safety evaluation and preliminary efficacy evaluation every six months. XSTEM have been dosed at all dose levels in a total of 24 patients and all dose levels have been judged safe by the study's Safety Review Committee after three months. Xintela has the opportunity to expand the study with an additional 30 patients. The primary goal of the study 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.

The dose escalation part of the study will continue until the end of 2024. In parallel with the clinical study being conducted, discussions with potential partners and licensees for further clinical development and commercialization are ongoing.

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 four clinics in Sweden. 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, the first patient has been dosed in the study and recruitment of additional patients is ongoing. A major part of the study is funded by a grant from 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.

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

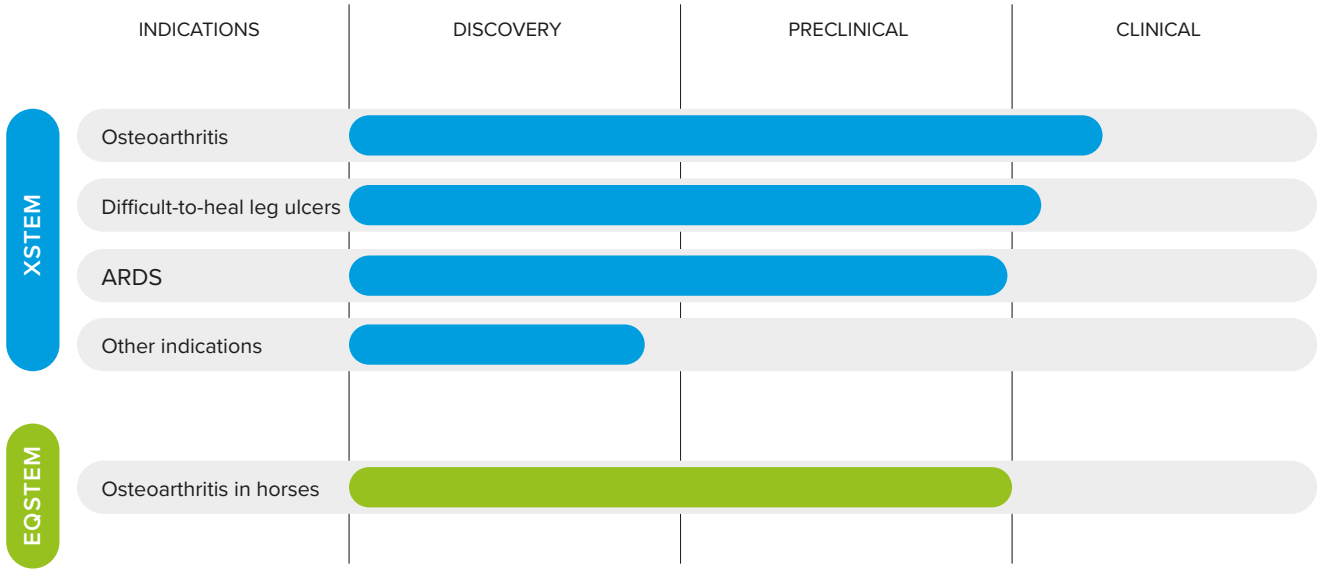
In 2018, the global market for the treatment of venous leg ulcers was estimated at USD 2.95 billion, a figure that is expected to increase to USD 4.84 billion by 2026 with an average annual growth rate of 6.4 percent. The increase is partly due to the expectation that the incidence of venous leg ulcers 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, from clinical Phase I/IIa studies, and then enter into partnerships and commercial agreements for continued clinical development and global commercialization.

A product platform 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 has dosed all patients in the dose escalation part

The clinical study (Phase I/IIa), conducted in Australia, is evaluating XSTEM for the treatment of patients with knee osteoarthritis. All three dose levels of XSTEM have been dosed on a total of 24 patients and have been judged safe by the Safety Review Committee after three months. Safety and efficacy readings will be evaluated every six months up to 18 months after treatment. The study can be expanded up to 54 patients.

The leg ulcers study has dosed the first patient.

The clinical study (Phase I/IIa) is evaluating XSTEM and placebo for the treatment of difficult-to-heal venous leg ulcers. The first patient has been dosed and recruitment of additional patients is ongoing at four clinics in Sweden. A total of twelve patients will be recruited. Safety and efficacy readings will take place already ten weeks after treatment.

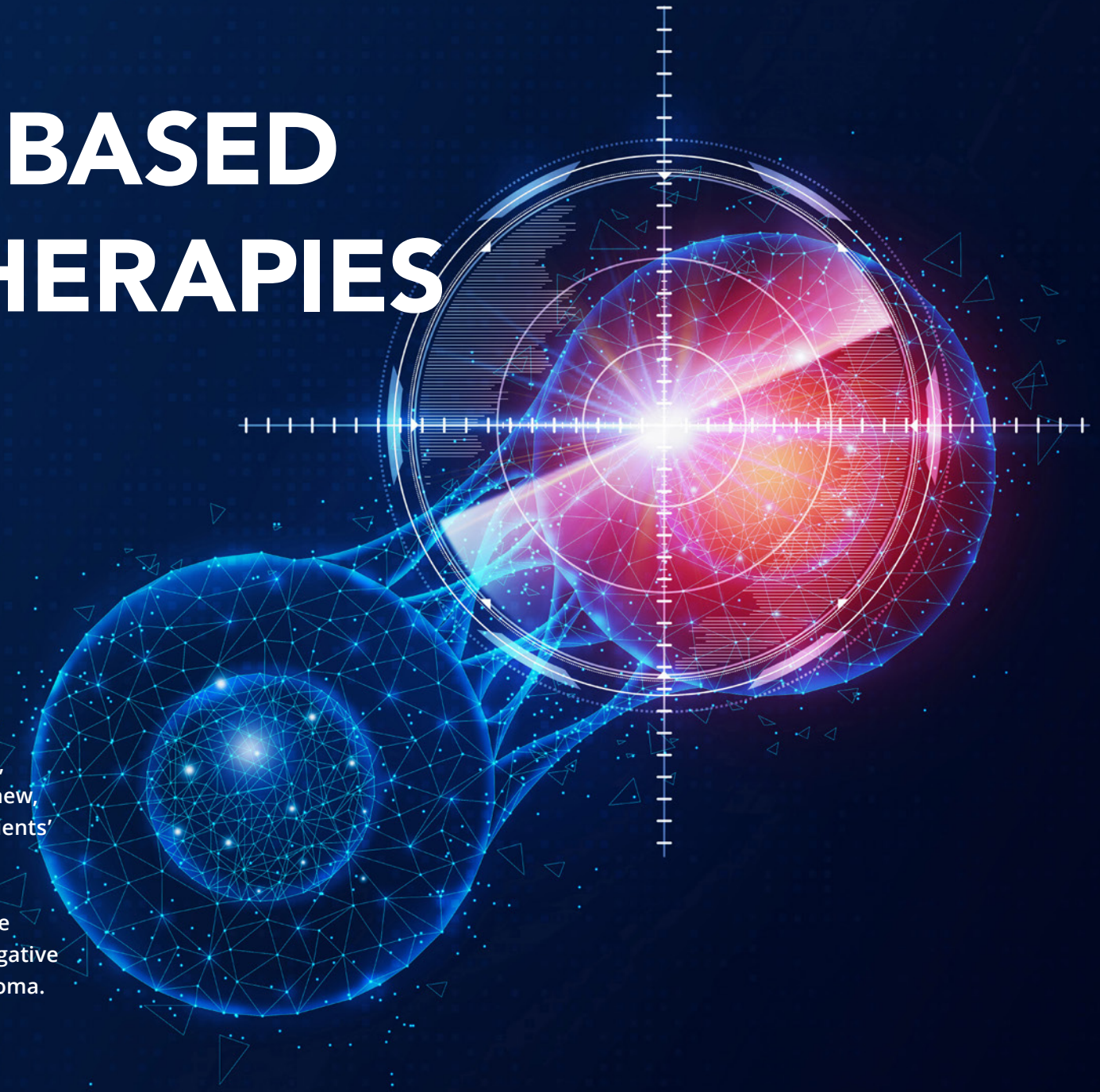
Preclinical study on Acute Respiratory Distress Syndrome (ARDS) show therapeutic effect with XSTEM

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® show disease modifying effect in preclinical horse models for osteoarthritis

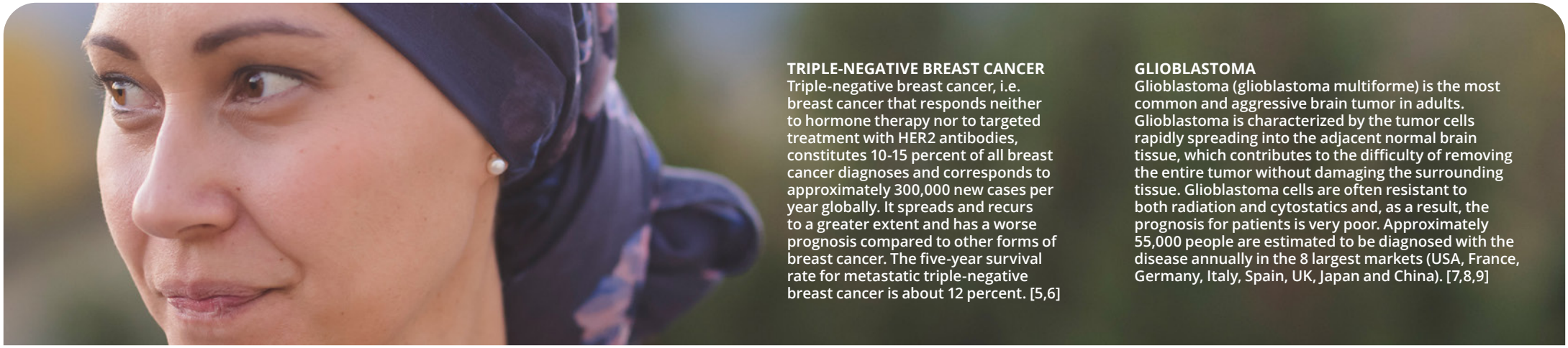
Xintela has developed the stem cell product EQSTEM for the treatment of joint diseases in horses. Results from two preclinical studies in horses with post-traumatic osteoarthritis show disease modifying effect with reduces lameness and improved cartilage and bone structure, Xintela plans to bring EQSTEM 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

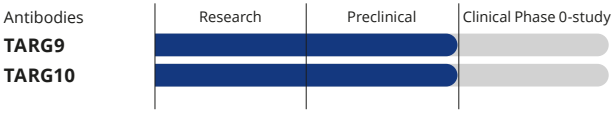
Xintela's subsidiary Targinta is developing new targeted antibody-based drugs (First-in-Class) for the treatment of aggressive cancer. The company has been founded on its own discovery that Xintela's stem cell marker, integrin α10β1, is also expressed in aggressive cancers such as triple-negative breast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

Operating loss for the fourth quarter amounted to TSEK -12,179 (-23,226) for the Group.

The costs for research and development account for the largest part of the group´s costs and for the period October to December amounted to TSEK -10,137 (-19,366).

Market and sales costs for the quarter amounted to TSEK -1,200 (-1,670) for the Group.

Administrative expenses for the period amounted to TSEK -1,633 (-2,326) for the Group.

Loss before tax for the period amounted to TSEK -12,175 (-23,384) for the Group.

Under the heading "Tax on the period's results", SEK 473,000 is booked as revenue. This refers to the estimated size of the tax refund that will be paid out by the Australian Taxation Agency to Xindu, for parts of the costs the subsidiary Xindu has for the clinical studies during the period October to December 2023. For the full year 2023, the estimated refund is 4,284 KSEK (6,948).

	Quarter 4		Full year	
(TSEK)	10/1/2023 12/31/2023	10/1/2022 12/31/2022	1/1/2023 12/31/2023	1/1/2022 12/31/2022
Operating income				
Net sales	78	0	78	0
Cost of goods sold	0	0	0	0
Gross profit	**78**	**0**	**78**	**0**
Operating expenses				
Research and development costs	-10,137	-19,366	-46,239	-55,792
Selling costs	-1,200	-1,670	-4,871	-5,384
Administrative expenses	-1,633	-2,326	-7,919	-11,261
Other operating income	705	136	1,729	3,375
Other operating expenses	9	0	-15	0
Operating loss	**-12,179**	**-23,226**	**-57,238**	**-69,062**
Profit/loss from financial items				
Financial income	1	6	6	6
Financial expenses	3	-164	-1,135	-4,109
Loss before tax	**-12,175**	**-23,384**	**-58,367**	**-73,165**
End of year dispositions	0	0	0	0
Tax on loss for the period	473	6,948	4,284	6,948
Loss for the period	**-11,702**	**-16,436**	**-54,083**	**-66,217**
Loss per share, SEK	-0.03	-0.09	-0.13	-0.37

The Group

Balance sheet in brief

Financial position

On December 31, 2023 the group's cash and cash equivalents amounted to TSEK 7,809 (8,343). Total assets amounted to TSEK 18,395 (24,517).

(TSEK)	12/31/2023	12/31/2022
ASSETS		
Fixed assets		
Intangible assets	195	640
Tangible assets	1,358	4,576
Total fixed assets	**1,553**	**5,216**
Current assets		
Tax assets	398	319
Accounts receivable	97	0
Tax receivable	4,347	0
Other receivables	3,066	9,502
Prepaid expenses	1,126	1,138
Cash and cash equivalents	7,809	8,343
Total current assets	**16,843**	**19,301**
TOTAL ASSETS	**18,395**	**24,517**

(TSEK)	12/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Equity, the group		
Share capital	17,010	9,227
Other contributed capital	349,927	305,920
Reserve	1,289	393
Balanced result incl. Profit for the year	-363,846	-309,763
Total equity	**4,380**	**5,777**
Current liabilities		
Accounts payable	7,483	8,846
Tax liability	84	399
Other liabilities	4,214	4,332
Accrued expenses and deferred income	2,234	5,163
Total current liabilities	**14,015**	**18,740**
TOTAL EQUITY AND LIABILITIES	**18,395**	**24,517**

The Group

Cash flow statement in brief

Cash flow and investments

The group's cash flow for the period October to December 2023 was TSEK -4,998 (7,956). Investments for the period amounted to TSEK 0 (0) for the Group.

	Quarter 4		Full year	
	10/1/2023	10/1/2022	1/1/2023	1/1/2022
(TSEK)	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Operating activities				
Operating loss	-12,179	-23,226	-57,238	-69,062
Depreciation/amortisation	945	1,400	3,766	4,233
Taxes	0	1,054	6,948	1,054
Financial income	1	6	6	6
Financial expenses	-228	-164	-1,135	-4,109
Cash flow from operating activities before changes in working capital	**-11,460**	**-20,930**	**-47,652**	**-67,877**
Changes in working capital				
Increase/decrease in receivables	-1,810	628	-739	1,081
Increase/decrease in current liabilities	1,698	3,258	-4,725	-6,310
Changes in working capital	**-112**	**3,886**	**-5,464**	**-5,229**
Cash flow from operating activities	**-11,572**	**-17,044**	**-53,116**	**-73,107**
Investing activities				
Increase/decrease of tangible assets	0	0	-104	206
Increase/decrease of intangible assets	0	0	0	0
Increase/decrease of financial assets	0	0	0	18
Cash flow from investing activities	**0**	**0**	**-104**	**224**
Financing activities				
New share issue	0	0	45,216	45,359
New share issue, TO3	6,290	0	6,290	0
Warrants, personnel	284	0	284	0
Convertible	0	25,000	0	25,000
Cash flow from financing activities	**6,574**	**25,000**	**51,790**	**70,359**
Change in cash and cash equivalents	-4,998	7,956	-1,430	-2,524
Cash and cash equivalents at the beginning of the period	11,703	879	8,343	11,138
Conversion difference	1,104	-493	896	-272
Cash and cash equivalents at the end of the period	**7,809**	**8,343**	**7,809**	**8,343**

The Group

Change in equity in brief

(TSEK)	Share capital	Other contributed 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	7,150	39,241	0	0	46,391
New share issue, costs	0	-1,175	0	0	-1,175
New share issue, TO3	633	5,657	0	0	6,290
Warrants, personnel	0	284	0	0	284
Conversion difference	0	0	896	0	896
Loss for the period	0	0	0	-54,083	-54,083
Equity, December 31, 2023	**17,010**	**349,927**	**1,289**	**-363,846**	**4,380**

The Parent Company

Income statement in brief

Income

The parent company reports a net turnover of TSEK 0 (6,228) for the fourth quarter of the year. Other income amounted to TSEK 707 (136) and refer to contributions from Vinnova.

Earnings

Loss for the fourth quarter amounted to TSEK -9,807 (-7,083) for the Parent Company .

The costs for research and development account for the largest part of the Company's costs and amounted to TSEK -7,992 (-4,221) for the period October to December.

Market and sales costs for the quarter amounted to TSEK -1,143 (-1,522) for the Parent Company.

Administrative expenses for the period amounted to TSEK -1,457 (-1,476) for the Parent Company.

The financial income amounts to 342 (0) KSEK and refers to internal interest between Xintela and Xindu for the period October to December 2023.

Loss before tax and end of year dispositions for the period October to December amounted to TSEK -9,467 (-7,323) for the Parent Company.

	Quarter 4		Full year	
	10/1/2023	10/1/2022	1/1/2023	1/1/2022
(TSEK)	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Operating income				
Net sales	78	6,288	78	6,288
Cost of goods sold	0	-6,288	0	-6,288
Gross profit	**78**	**0**	**78**	**0**
Operating expenses				
Research and development costs	-7,992	-4,221	-31,769	-25,683
Selling costs	-1,143	-1,522	-4,518	-4,497
Administrative expenses	-1,457	-1,476	-5,797	-8,196
Other operating income	707	136	1,656	3,369
Other operating expenses	0	0	0	0
Operating loss	**-9,807**	**-7,083**	**-40,350**	**-35,007**
Profit/loss from financial items				
Financial income	342	0	1,324	0
Financial expenses	-1	-240	-908	-4,102
Loss before tax	**-9,467**	**-7,323**	**-39,935**	**-39,109**
Appropriations	-2,749	-5,797	-2,749	-5,797
Tax on loss for the year	0	0	0	0
Loss for the period	**-12,216**	**-13,120**	**-42,684**	**-44,906**
Loss per share, SEK	-0.03	-0.07	-0.10	-0.25

The Parent Company

Balance sheet in brief

Financial position

On December 31, 2023 the parent company's equity/assets ratio was 78 per cent (66) and equity amounted to TSEK 37,907 (28,800). The Parent company's cash and cash equivalents amounted to TSEK 7,092 (7,489). Total assets amounted to TSEK 48,468 (43,554).

(TSEK)	12/31/2023	12/31/2022
ASSETS		
Fixed assets		
Intangible assets	138	442
Tangible assets	897	3,943
Receivables from subsidiaries	23,852	18,432
Participations in subsidiaries	13,926	9,839
Total fixed assets	**38,812**	**32,657**
Current assets		
Tax assets	398	319
Accounts receivable	97	0
Tax receivable	63	0
Other receivables	879	2,163
Prepaid expenses	1,126	928
Cash and cash equivalents	7,092	7,489
Total current assets	**9,655**	**10,898**
TOTAL ASSETS	**48,468**	**43,554**

(TSEK)	12/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Equity, parent company		
Share capital	17,010	9,227
Share premium reserve	349,927	280,920
Retained earnings	-286,347	-216,441
Loss for the period	-42,684	-44,906
Total equity	**37,907**	**28,800**
Current liabilities		
Accounts payable	4,640	7,432
Tax liability	0	184
Other liabilities	3,687	3,681
Accrued expenses and deferred income	2,234	3,457
Total current liabilities	**10,561**	**14,754**
TOTAL EQUITY AND LIABILITIES	**48,468**	**43,554**

The Parent Company

Cash flow statement in brief

Cash flow and investments

The parent company's cash flow for the period July to September was TSEK 10,766 (174) thousand. The investments for the period amounted to TSEK 104 (0) thousand.

	Quarter 4		Full year	
	10/1/2023	10/1/2022	1/1/2023	1/1/2022
(TSEK)	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Operating activities				
Operating loss	-9,807	-7,082	-40,350	-35,007
Depreciation/amortisation	867	875	3,454	3,484
Financial income	342	0	1,324	0
Financial expenses	-1	-240	-908	-4,102
Cash flow from operating activities before changes in working capital	**-8,599**	**-6,446**	**-36,480**	**-35,624**
Changes in working capital				
Increase/decrease in receivables	-189	11,269	845	2,777
Increase/decrease in current liabilities	1,296	1,825	-4,194	-6,641
Changes in working capital	**1,107**	**13,094**	**-3,349**	**-3,864**
Cash flow from operating activities	**-7,492**	**6,647**	**-39,829**	**-39,489**
Investing activities				
Increase/decrease of tangible assets	0	-111	-104	-111
Increase/decrease of intangible assets	0	0	0	0
Increase/decrease of receivables from subsidiaries	-398	-18,432	-5,419	-18,432
Increase/decrease of other assets	0	0	0	18
Shareholder contributions to subsidiaries	0	0	-4,087	-9,000
Cash flow from investing activities	**-398**	**-18,543**	**-9,609**	**-27,525**
Financing activities				
New share issue	0	0	45,216	45,359
New share issue, TO3	6,290	0	6,290	0
Warrants, personnel	284	0	284	0
New share issue, ongoing	0	25,000	0	25,000
Group contribution paid	-2,749	-5,797	-2,749	-5,797
Increase / decrease of long-term liabilities	0	0	0	0
Cash flow from financing activities	**3,825**	**19,203**	**49,041**	**64,562**
Change in cash and cash equivalents	-4,065	7,307	-397	-2,452
Cash and cash equivalents at the beginning of the period	11,157	182	7,489	9,941
Cash and cash equivalents at the end of the period	**7,092**	**7,489**	**7,092**	**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	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	0	25,000	0	25,000
Loss for the period	0	0	0	-44,906	-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
Convertible	0	25,000	-25,000	0	0
New share issue	7,150	39,241	0	0	46,391
New share issue, costs	0	-1,175	0	0	-1,175
New share issue, TO3	633	5,657	0	0	6,290
Warrants, personnel	0	284	0	0	284
Loss for the period	0	0	0	-42,684	-42,684
Equity, December 31, 2023	**17,010**	**349,927**	**-286,347**	**-42,684**	**37,907**

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 February 28, 2024

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.

On December 31, 2023, the number of shares was 567,006,473. 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.

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.

	Jan - Dec 2023	Jan - Dec 2022
No. of shares before full dilution	567 006 473	307 573 263
No. of shares after full dilution	704 809 082	307 573 263
Loss per share before full dilution	-0,10	-0,25
Average no. of shares before full dilution	419 869 354	179 670 643
Average no. of shares after full dilution	557 671 963	179 670 643

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.

Review by auditors

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

Annual General Meeting and availability of the annual report

The Annual General Meeting will be held in Lund on May 8, 2023. The annual report will be available for download on the Company's website (www.xintela.se) no later than three weeks before the Annual General Meeting.

Proposal for disposition of Xintela's results

The Board of Directors and the President propose that no share dividend be paid for the financial year 2023.

Financial calendar

Annual Report 2023: April 2024
Interim report Q1 2024: May 24, 2024
Interim report Q2 2024: August 30, 2024
Interim report Q3 2024: November 22, 2024
Interim report Q4 2024: February 28, 2025

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.