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Xintela AB (publ)
556780-3480
2020-11-27

Xintela publishes interim report for the third quarter of 2020

Summary of the interim report
The "Company" or "Xintela" refers to Xintela AB (publ), corporate registration number 556780-3480.

First nine months of the year (1 Jan 2020–30 Sep 2020)
• Net sales amounted to TSEK 0 (3).
• Loss before tax totalled TSEK 24,922 (loss: 28,081).
• Loss per share* was SEK 0.43 (loss: 0.71).
• At 30 September 2020, the equity/assets ratio** was 47% (80).

Third quarter (1 Jul 2020–30 Sep 2020)
• Net sales amounted to TSEK 0 (2).
• Loss before tax totalled TSEK 8,315 (loss: 7,961).
• Loss per share* was SEK 0.14 (loss: 0.20).

** Earnings/loss per share: Profit/loss for the period divided by 57,542,856 shares, which was the registered number of shares at 30 September 2020. In the year-earlier period, the Company had 39,470,708 registered shares.*
*** Equity/assets ratio: Equity divided by total capital.*
Amounts in parentheses: Comparative period of the preceding year.

Significant events in the third quarter of 2020

On 13 July, Xintela announced that the Company's fully underwritten rights issue of units was heavily oversubscribed with a subscription ratio of 291%. Given the interest, the Board decided to exercise the overallotment option of an additional 1,458,333 units. The rights issue and overallotment option will generate approximately MSEK 40.5 for the Company less costs.

On 29 July, Xintela announced that the US Patent and Trademark Office (USPTO) had issued a Notice of Allowance for the Company's patent application covering quality assurance of chondrocytes (XACT), which is important for the development of chondrocyte-based cell therapy products. This Notice of Allowance means that the USPTO intends to grant the patent after certain formal steps have been completed. Once granted, the patent will be valid until 2038.

On 19 August, Xintela announced that it is expanding and strengthening its management team with Peter Ekolind as COO (Chief Operating Officer) and Thomas Areschoug as CBO (Chief Business Officer). Sven Kili, who has had a combined role as COO and CMO (Chief Medical Officer), will focus on his role as CMO.

Significant events after the end of the period

Xintela announced on 26 October that the Company's selected human stem cells XSTEM® show a therapeutic effect in ARDS (Acute Respiratory Distress Syndrome) in an ongoing preclinical study in pigs. ARDS is a life-threatening lung complication that may affect severely ill COVID-19 patients.

Xintela announced on 28 October that the Company had submitted an application to the Medical Products Agency for a tissue establishment license for handling tissues and cells for manufacturing of medicinal products.

Xintela announced on 29 October that the European Patent Office (EPO) had issued an "Intention to grant" decision for the patent application covering the Company's stem cell product XSTEM®, consisting of integrin α10-selected mesenchymal stem cells.

On 2 November, Xintela announced that the exercise price for the Company's TO 2 warrant had been set at SEK 2.28, and the subscription period would begin on 4 November. Warrants not sold by 11 November or alternatively exercised by 18 November will expire worthless.

On 12 November, Xintela announced that Lars Hedbys had accepted an invitation to join the Company's Board of Directors. The Xintela Board will recommend that shareholders formally appoint Lars at the next shareholders' meeting. In the meantime, Lars will be co-opted to attend future Board meetings.

On 23 November, Xintela announced the outcome of the exercise of warrants of series TO 2. A total of 16,423,708 warrants were exercised for subscription of 16,423,708 new shares in the Company, corresponding to approximately 98 percent of the total number of warrants.

Statement from the CEO, Evy Lundgren-Åkerlund

Xintela's strategic, goal-oriented efforts continue to deliver important milestones

Through our marker technology XINMARK® and our validated method of selecting stem cells, Xintela has developed the stem cell platform XSTEM® that is being used to develop treatments for several different diseases that currently lack effective treatment alternatives. Our first focus is the treatment of the degenerative joint disease osteoarthritis. Preparations for a clinical study Phase I/IIa in Australia are ongoing and the goal is to start the clinical study with our stem cell product XSTEM-OA on patients with knee osteoarthritis in 2021. We are also endeavouring to develop Animal Health products and have discussions with Animal Health companies on possible collaborations for stem cell therapy of osteoarthritis and other common diseases in animals.

A new potential indication area for XSTEM is Acute Respiratory Distress Syndrome (ARDS), a life-threatening lung complication that can affect patients who are seriously ill with COVID-19 and other severe systemic disorders. Recent partnering in the ARDS stem cell space confirms that such a product would have billion dollar market potential. In an ongoing preclinical study that we are conducting in collaboration with the Cardiothoracic surgery clinic at Skåne University Hospital in Lund, we are evaluating XSTEM-ARDS in a well-established ARDS pig model. In a press release on 26 October we announced promising findings showing that the animals treated with XSTEM-ARDS had significantly improved lung function and that our stem cells could reverse the critical ARDS condition.

Previously, we patented the method of selecting stem cells using our marker technology. On 29 October, we announced the "Intention to Grant" decision of the European Patent Office for our XSTEM stem cell product. This product patent covers XSTEM in various treatments including osteoarthritis and other degenerative joint diseases. Our patents anchor the development and commercialisation of products from our XSTEM® stem cell platform through 2038.

On 28 October we announced that we have applied for a license from the Swedish Medical Products Agency (MPA) to operate a tissue establishment for processing tissues and cells for use in the manufacture of our stem cell products. The next step will be our application for a manufacturing licence. We are on course to submit our application to the MPA in Q4 2020. We anticipate an inspection at the beginning of next year which will cover the facility, the production process and the XSTEM product, with the aim of certifying them under the regulatory requirements for GMP.

In our oncology project, we have successfully tested our antibodies directed toward our target molecule integrin α10β1 and demonstrated that they significantly reduce tumour growth in both Glioblastoma and Triple negative breast cancer (TNBC) animal models. In ongoing studies, we are now evaluating the effect of the antibodies on other aggressive forms of cancer. In the next step, we will produce the selected antibody candidate and conduct bioanalyses and toxicological studies to prepare an antibody therapy for clinical trials.

In an important milestone, the European Patent Office (EPO) recently granted our patent on the treatment of glioblastoma and other brain tumours with antibodies targeting integrin α10β1, through 2036. We have also applied for patents for the treatment of other aggressive forms of cancer using our antibodies. The successful progress of our patent portfolio ensures the development and commercialization of our targeted therapeutic antibodies for cancer and paves the way for further development towards clinical studies and for partnering discussions.

We have firm plans to spin off Targinta in order to give our oncology projects the best conditions for successful development. Together with financial advisers, we are evaluating various possibilities for financing an independent Targinta. This could be a listing on the stock market, private financing or industrial partnering. At the same time, we are preparing Targinta through measures that include identifying a new Board of Directors and management team. The objective is for Targinta to become an independent, self-financing company in 2021.

In June-July, we carried out a new share issue that yielded MSEK 40.5 before costs. There was substantial interest in our share issue and the subscription level reached 291%. Through the new issue, shareholders received an option to subscribe for additional shares in November at a discount of 30%. On November 23, we were pleased to announce that approximately 98 percent of the total number of options were subscribed, which adds approximately MSEK 37.4 to Xintela before costs.

On 12 November, we announced that Lars Hedbys has accepted an invitation to join the Xintela Board of Directors. The Board will recommend that shareholders formally appoint Lars at the next shareholders meeting. In the meantime, Lars will be adjoined to future Board meetings. We look forward to having Lars on our board. His knowledge and experience will be of great value as we now approach clinical studies and commercialisation.

The Covid-19 situation has had very limited impact on our operations, even though we have experienced delays in some deliveries. The management and staff have taken great responsibility and found working methods and routines so that the work can be conducted in a safe manner.

Sincerely,
Evy Lundgren-Åkerlund, CEO

Financial calendar
Year-end report, 2020 26 February 2021

Xintela's financial reports are available at www.xintela.se/en/investors#reports

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This information is such information that Xintela AB (publ) is obligated to publish in compliance with the EU market abuse regulation. The information was provided, through the above contact, for publication on the 27th of November, 2020.

About Xintela
Xintela is an Advanced Therapy company developing regenerative cell therapies and targeted cancer therapies based on the patented marker technology platform XINMARK®. The platform is built on specific cell surface proteins (integrins) and more than 25 years of research and development. Xintela uses the marker technology to isolate and quality assure stem cells for the treatment of musculoskeletal diseases including osteoarthritis (OA). Studies on

horses with OA have demonstrated that the stem cells are safe and that they have a positive effect on cartilage and bone. Xintela has established an in-house GMP-facility for manufacturing of stem cells and is preparing a First in Human clinical study on patients with knee OA. In the oncology program, Xintela develops antibody-based therapies for treatment of aggressive tumors including glioblastoma and triple-negative breast cancer. Xintela is listed on Nasdaq First North Growth Market Stockholm since 22 March 2016. Xintela's Certified Adviser at Nasdaq First North Growth Market is Erik Penser Bank AB, +46 8-463 80 00, certifiedadviser@penser.se.