Press Release

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XINTELA REPORTS POSITIVE PRECLINICAL RESULTS IN CANCER PROJECT

Lund, Sweden, 20 January 2017 - Xintela AB (publ) today announces an update of the company's projects in regenerative medicine and cancer. All projects are developing in a positive way.

New results from the cancer project show that Xintela's targeting antibody kills glioblastoma cells both in cell studies and in an animal model.

Significant progress in the treatment of the brain tumor glioblastoma

To produce an antibody-based therapy for the brain tumor glioblastoma, Xintela has identified a suitable antibody and produced a so-called "Antibody-Drug Conjugate" (ADC), where a chemotherapy substance is linked to the antibody.

Xintela has shown that the ADC binds to tumor cells and has a cell-killing effect. Preclinical studies have been performed on both glioblastoma cells from human tumors and in an animal model of glioblastoma. The work was conducted in collaboration with researchers from the Rudbeck Laboratory at Uppsala University. Additional studies are underway to finalize results for publication in an international scientific journal.

Xintela's goal is to identify an industrial partner at an early stage to come to market and reach patients more rapidly and generate revenues earlier.

"These positive results confirm our treatment concept and give us the data we need to initiate discussions with potential partners for further development and commercialization of a product for the treatment of glioblastoma. We can now also initiate the work of applying for an orphan drug designation for the ADC therapy," comments Xintela's CEO Evy Lundgren-Åkerlund.

Xintela is also analyzing tumor tissue samples to evaluate the possibility of developing a so-called Companion Diagnostic.

"Glioblastoma is a very complex disease and there is a great need to improve diagnostic methods to develop better therapies. Our goal with a Companion Diagnostic is to show that the target molecule is expressed in the tumor and thus that the patient can respond to the treatment Xintela is developing," says Evy Lundgren-Åkerlund.

Preparing Xintela's stem cells for clinical trials in horses and humans

Xintela previously announced that the company has successfully completed a study in horses showing Xintela's stem cells are safe and have a protective effect on joint cartilage and bone after cartilage damage. These positive results have enabled Xintela to begin preparing for a clinical study in horses with osteoarthritis, planned to start in the second half of 2017. The study will be performed at Evidensia Equine Specialist Hospital in Helsingborg in collaboration with Casper Lindegaard, Head of Equine Surgery, who is an internationally recognized equine surgeon.

"In order to start the clinical study on horses, we need to produce stem cells under GMP (Good Manufacturing Practice) and we expect to land a cooperation agreement for production shortly. We are also preparing to commercialize the stem cell product for horses," says Evy Lundgren-Åkerlund.

Xintela has also made great progress in developing a stem cell product for the treatment of osteoarthritis in humans. The results of the completed horse study are very important to achieve regulatory approval for clinical trials in humans.

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"We have already identified an orthopedic specialist clinic where we plan to conduct the clinical trial, aiming to start the study in 2018. We are now preparing for discussions with regulatory authorities for permission to start clinical studies," says Evy Lundgren-Åkerlund.

XACT ™ assures the quality of cartilage cells and stem cells

During the year Xintela successfully validated the analytical test XACTTM for quality assurance of cartilage cells in cooperation with a European company. The results show that XACTTM, comprising antibodies binding to Xintela's integrin markers α 10 β 1 respectively integrin α 11 β 1, can determine the quality of cartilage cells prior to cartilage cell implantation and can also detect contaminating cells in cartilage cell preparations. Discussions regarding further collaborations are ongoing.

"This has been a fruitful cooperation for Xintela. It has generated revenues and given us the opportunity to further develop $XACT^{\text{\tiny TM}}$ to meet the needs of our customers. $XACT^{\text{\tiny TM}}$ is a unique quality assurance test and we have collaboration discussions ongoing with several international players in the field," says Evy Lundgren-Åkerlund.

Xintela also successfully used $XACT^{TM}$ to select and quality assure the stem cells used in the horse study and also to verify that the same type of stem cells can be selected from human tissues.

Many of Xintela's milestones have already been met

Xintela has already achieved important milestones which were communicated when Xintela was listed 10 months ago.

"I am delighted that in such a short time we have been able to report positive results in our two main projects in regenerative medicine and cancer. This demonstrates the strength of our XINMARK $^{\text{\tiny TM}}$ technology platform and our results-focused team. I look forward to the continued development of the projects and I am confident that 2017 will be an eventful year for Xintela," says Evy Lundgren-Åkerlund.

Xintela AB (publ)

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About Xintela

Xintela AB (publ) is a Swedish biomedical company active in the fields of regenerative medicine and cancer, with a focus on cartilage damage and brain tumours. The key to Xintela's business is the Company's patented marker technology, XINMARK™. Xintela's markers are specific proteins which sit as "recognition flags" on certain cell surfaces. The markers make it possible to identify and quality assure cartilage cells and stem cells and also to select a certain type of stem cells which can develop into cartilage cells. Through this technology, Xintela can, in a unique way, quality assure stem cells for the repair of damaged cartilage. The XINMARK™-technology makes it also possible to direct antibody treatment to cells

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in glioblastoma brain tumours with the goal to slow down tumour growth. Xintela is listed on Nasdaq First North Stockholm since 22 March 2016. Xintela's Certified Adviser at Nasdaq First North is Erik Penser Bank AB, +46 8-463 80 00.

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