



XINTELA PREPARES FOR ONCOLOGY SPINOUT

Lund, Sweden, 20th of Mars 2018 - Xintela AB (publ) announces today that the company has decided to prepare for a possible spin-out of its oncology business into a separate company to be distributed to Xintelas existing shareholders through a stock dividend and listed on a suitable stock market during 2018.

Since 2014, Xintela's cancer project focusing on the aggressive brain tumor glioblastoma has developed in parallel with Xintela's stem cell business. The two businesses use the same integrin technology platform and have, in the early development phase, benefited from being under one roof.

As the two businesses continue to progress, a spin-out and separate financing of the oncology business may provide greater opportunity for it to develop and, thereby, realize its true value potential.

"Our oncology project, with a first focus on the treatment of glioblastoma, has developed very well over the years. We have also identified additional opportunities in the oncology field and therefore believe that the time is right to further develop the oncology program in a separate company", said Xintela's Chairman of the Board Gregory Batcheller.

Spinning-out the oncology business will allow Xintela to focus on regenerative medicine. By the end of the year Xintela plans to have its GMP manufacturing facility up and running and will be able to start producing stem cells for human and animal clinical studies.

"This is a perfect time for Xintela to put all its focus on the stem cell business. With our unique stem cell technology and our own manufacturing facility, we have created a strong position in the cell therapy field. A stem cell focus for Xintela will also facilitate future partnering deals and at the same time allow the oncology business to focus on activities that will enable it to achieve maximum value for our shareholders," said Xintelas CEO Evy Lundgren-Åkterlund.

The spin-out is expected to be completed during 2018 and is subject to market, regulatory and certain other conditions, including approval by Xintela's board of directors. Further updates to the progress of the spin-out and stock market listing process will be provided in a timely manner.

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About Xintela

Xintela develops medical products for regenerative medicine and cancer based on its proprietary marker technology, XINMARK®. Xintela uses the technology to select and assure the quality of mesenchymal stem cells for the treatment of cartilage damage and osteoarthritis. In a study on horses, the company has shown that stem cells are safe to use and that they have a positive effect on the articular cartilage and the underlying bone after an injury. In addition,

Press release

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Xintela has developed an assay XACT™ for the quality control chondrocyte preparations in cell therapy of cartilage. XINMARK® is also used for the development of an antibody-based treatment (Antibody Drug Conjugate, ADC) against glioblastoma, the most common and aggressive form of brain tumors in adults. Positive preclinical results from cell studies and animal model have shown that the antibody has a killing effect on glioblastoma cells and thus has confirmed the concept. 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.

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 20th of March 2018, at 13.00 CET.