Disclaimer

A prospectus (the "**Prospectus**") will be prepared and published prior to commencement of the subscription period of Xbrane Biopharma AB's (publ) (the "**Company**") preferential rights issue of units to the Company's existing shareholders (the "**Offering**"). Eligible recipients will be able to obtain the Prospectus at the Company's website (www.xbrane.com). The Prospectus will be approved by the Swedish Financial Supervisory Authority prior to commencement of the subscription period in the Offering. An approval of the Prospectus by the Swedish Financial Supervisory Authority's shall not be considered as an approval of the securities offered. The Prospectus will contain a description of the risks and rewards linked to the Offering and potential investors are advised to read the Prospectus in its entirety before making an investment decision.

Dear shareholders!

In connection with the proposed rights issue, we would like to provide an update on Xbrane's position and answer a number of questions we have received from our shareholders.

Question: What events and global issues have influenced where Xbrane currently is?

Since approval about a year ago, Ximluci® has been launched in thirteen countries in Europe which represent around 40 percent of the market of approximately EUR 5 bn in Europe[1]. During the autumn, sales were lower than both we and STADA expected before launch, which is because Ximluci® is, together with the other Lucentis® biosimilars, the first biosimilar that ophthalmologists have been exposed to and this increased the need for education. Furthermore, the biosimilars come in glass vials from which the drug must be drawn up into a syringe before injection, while Lucentis® is mainly sold in a pre-filled syringe, which saves about 30-45 seconds per injection. In countries where eye clinics are allowed to choose themselves, regardless of the price of the drug, this is considered an obstacle. The lower-than-anticipated revenue is the main reason why we now have to obtain additional capital to the company. We are actively working with STADA to address the above. This is mainly being done through joint education activities and feedback from doctors has been positive so far. Additionally, we are developing Ximluci® in a pre-filled syringe with a planned launch in Q1 2025. Furthermore, Ximluci® is being launched in several countries on an ongoing basis and sales are following the revised sales plan.

Question: What has been done to reduce costs when sales revenue was lower than expected?

Operational costs have been reduced through the following activities:

- **A cost savings scheme** that addresses all operational costs and which is expected to mean SEK 50 million in annual savings, and an optimized organization that is equipped to meet future challenges and take the company forward with new development programs.
- **A focused development portfolio** focusing on Xdivane™, a biosimilar candidate for Opdivo®, as an immuno-oncology biosimilar candidate, and therefore terminating Xtrudane™, a biosimilar candidate for Keytruda®. We see Opdivo® as a better chance for developing a biosimilar as we see fewer competitors and the opportunity to get to market earlier.
- **An optimized production plan for Ximluci®**, intended to reduce the production plan and thus increase the stock turnover rate.

The full effect of the cost savings scheme will be achieved by the company in Q3 2024 at the latest.

Question: What important milestones does the company have that will lead to a positive cash flow?

If we succeed in meeting the following milestones by 2024 at the latest, we see the Company's prospects as being very bright:

- **Accelerated sales of Ximluci® in Europe**: Sales are growing by 20-30 percent per quarter, and we are working with STADA in education ophthalmologists. Launching will take place simultaneously in several countries in 2024, the most recent being Italy, one of Europe's most important markets.
- **Finalize development of Ximluci® as a pre-filled syringe** for planned launch in Europe the first quarter 2025, to gain additional market share and accelerate sales of Ximluci®.
- **Launch Ximluci® in the US**: The marketing authorization process by the FDA for Ximluci is in its final stages with an expected decision in April 2024. Furthermore, together with STADA, we are at various stages of negotiation with a few selected potential partners.

[1]The market for VEGF inhibitors for ophthalmic use

- **Upscaling the production process for BIIB801**: We will manufacture clinical material for BII801, our biosimilar candidate for Cimzia®, during 2024, which we intend to sell to Biogen Inc. We also expect revenue in the form of milestone payments from Biogen Inc. in accordance with the existing agreement.

  Out-licensing of Xdivane™: We are working on concluding an agreement with a commercialization partner for Xdivane™, our biosimilar candidate for Opdivo®, a process that has taken longer than expected but is extremely important to obtain co-financing of the development costs. At the same time, it is important to tie-up with the best partner possible and negotiate the best contractual terms.

In the longer term, we see further great potential for the company's projects driven above all by:

- Ximluci® in the US, where biosimilars of Lucentis® sold for USD 50 m in Q3 2023 and the competitive situation has recently improved significantly, as biosimilars of Lucentis® competitor Eylea® appear to only be reaching the market in 2027 at the earliest due to patent disputes with the original manufacturer.
- BIIB801 is, to our knowledge, the only biosimilar candidate under development for the drug Cimzia®, which has sales of around SEK 20 bn annually.
- Xdivane™ and Xdarzane™ from 2029 onwards, considering the big markets and patient benefit they address.

Question: With reference to the press release from 22 January 2024 where the board resolved on a rights issue of units - why this transaction structure?
During the autumn, we evaluated several different financing alternatives. A directed share issue would have led to a major dilution without the opportunity for existing shareholders to participate and maintain their position. We therefore judged that the only reasonable way is a rights issue where all existing shareholders are invited to invest and safeguard their share. Due to the investment commitments the company has, it is important that a large part of the intended investment cash is guaranteed. The subscription conditions will then be determined on market conditions after contacting and negotiating with a significant number of investors to achieve sufficient guarantee commitments.

Question: Why has the board decided to raise a maximum of approximately SEK 343 million through the rights issue?
Our business plan for the coming years includes critical investments to be able to maintain the financial value of our product candidates. Investments that are estimated to require an additional SEK 200 m approximately in 2024. The net proceeds from the proposed rights issue, assuming an

subscription rate up to the part covered by subscription commitment, letters of intent and guarantee commitments (of approximately SEK 284 m), estimated to amount to, after reduction for transaction costs and a one-off amortization on outstanding convertible bond amounting to all amortizations in 2024.

Furthermore, we believe that Xbrane will be able to build on its long-term position as a leading biosimilar developer globally, based on:

1. A unique technology platform that provides low production costs, protected by 12 approved and 48 pending patent applications.
2. A demonstrated capability in taking biological drugs all the way from cell-line development to market approval and launch, something that only a few companies in Sweden have succeeded in doing.
3. The possibility, with financial conditions, to start a new development program annually.

We will be available for questions, both at an extraordinary general meeting on February 22, and at a webcast in connection with the year-end report on February 26.

Thank you for your continued trust, commitment and support!

Martin Åmark, CEO

Anders Tullgren, Chairman of the Board

Disclaimer

Subscription to the Offer is not available to individuals resident or domiciled in the United States. Any subscription in the Offer from persons located in or resident in the United States or which, in the Company's judgement, appears to be made by persons located in or resident in the United States will not be accepted.

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