Annual and Sustainability Report 2024

VBRANE BIOPHARMA

Science for high quality biosimilars

FINANCIAL CALENDAR

Annual Report 2024	March 31, 2025
Annual General Meeting	May 5, 2025
Interim report January–March 2025	May 8, 2025
Interim report January–June 2025	August 27, 2025
Interim report January–September 2025	October 24, 2025

FOR FURTHER INFORMATION

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Contents

Every care has been taken in the translation of this annual and sustainability report. In the event of discrepancies, the Swedish original will supersede the English translation

Xbrane - a world-leading developer of biosimilars

- **XBRANE BIOPHARMA AB** is a biotechnology company that develops biosimilars, i.e. follow-up drugs on already approved biological drugs that can be introduced at a lower price after the patent expires on the original drug.
- **XBRANE** has a patented platform technology that leads to a lower production cost of biological drugs compared to competing systems.
- **XBRANE** has a team with extensive collective experience in drug development and expertise in taking biosimilars from cell line to approval.
- **XBRANE** has its headquarters and development lab at Campus Solna, just outside Stockholm. Since September 2019, Xbrane has been listed on Nasdaq Stockholm, with the ticker XBRANE.

BUSINESS CONCEPT

Xbrane develops and manufactures biosimilars of difficult-to-manufacture and often very expensive original drugs.

VISION

To become a world-leading scientifically-based biosimilar developer of cost-effective drugs for which there is a significant medical need.

OUR OBJECTIVE

To contribute to everybody having equal opportunities for health.

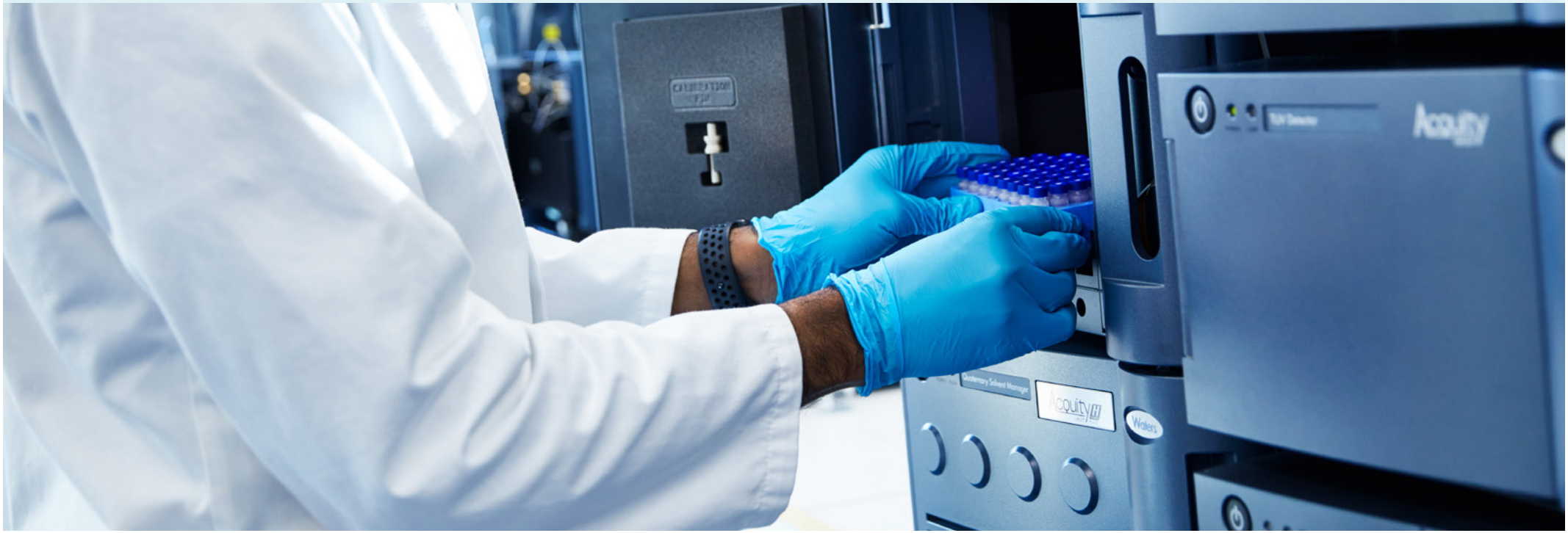
OUR VALUES

→ Impossible is nothing

→ Beat yesterday

→ Make it happen

→ We win as one



The year in brief

By the end of the year, Ximluci® was available on

21

markets

Increased sales volume

225%

since 2023

Revenue amounting to

SEK 199 M

was generated in 2024

22

new patent applications

Q1

- In January, a rights issue of units worth around SEK 343 m was announced, consisting of shares and warrants of series TO1. If the TO1 warrants are fully exercised, Xbrane will receive up to an additional SEK 78 m approximately. The rights issue was approved at an extraordinary general meeting on February 22, 2024. The final outcome of the rights issue showed that 29,325,411 units, corresponding to about 98.4 percent of the issue, were subscribed for, with and without the support of unit rights. Through the issue, proceeds of around SEK 337.2 m were added before deductions of issue costs. In addition, a directed offset issue of 33,402,483 shares was resolved to guarantors in the rights issue, with the same subscription price as in the rights issue. The shares were registered and funds received during March, which is why the effects in the balance sheet and cash flow are visible in the interim report for Q1, 2024.

Q2

- In April, it was announced that the US Food and Drug Administration (FDA) sent a Complete Response Letter (CRL) in response to Xbrane's application for market approval for its ranibizumab biosimilar candidate (under the development name Xlucane) for the treatment of eye diseases.
- In May, it was announced that Xbrane and STADA had entered a partnership agreement with Valorum Biologics to commercialize the biosimilar candidate for ranibizumab in the US. The three partners are committed to bringing the ranibizumab biosimilar candidate to the US market as quickly as possible, contributing to more treatment options that can reduce costs and increase patient access to biological drugs for serious eye diseases. Valorum will pay a license fee of up to USD 45 m, split between an upfront payment, regulatory and sales-related milestones, as well as royalties on net sales.

Q3

- In August, the company announced that it was regaining full rights to XB003 (formerly BIIB801). This followed a decision by Biogen Inc. to terminate the commercialization and license agreement between the companies. All rights to the product have therefore returned to Xbrane.
- In September, the company announced that it had a scientific advisory meeting with the US FDA regarding development of its Opdivo® biosimilar candidate Xdivane™. The FDA agreed with the EMA's earlier feedback and believes that Xbrane's proposed clinical development plan could support a future application for market approval (BLA) in the US. The development plan included a pivotal clinical study, thereby reducing the clinical development budget by at least 60 percent, from about EUR 120 m to EUR 50 m or less. This significantly increased Xdivane's™ attractiveness to potential commercialization partners. As previously announced, Xbrane was, together with a reputable advisor in the field of life science, engaged in an active out-licensing process with several interested potential partners and aimed to conclude the process within the coming months.

Q4

- In November, the company announced that it had entered into an exclusive licensing and development agreement with Intas Pharmaceuticals for Xbrane's Nivolumab biosimilar candidate (reference product Opdivo®). Intas will finance the clinical and regulatory development activities as well as the global commercialization. Xbrane received an upfront payment of EUR 10 m as well as milestone payments and royalties on revenue after launch. The partnership is expected to facilitate the launch of Xdivane™ in the US in December 2028, when the patent for the reference product Opdivo® expires.
- In December, the company submitted a Biologics License Application (BLA) for its biosimilar candidate for LUCENTIS® to the FDA. The review process for a submitted BLA typically takes up to six months.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

- The company announced in January that Jane Benyamin had been appointed as acting Chief Financial Officer, since Anette Lindqvist left her position.
- In March the company announced that it has entered into an agreement to sell XB003 (biosimilar candidate to Cimzia®) and parts of its organization, including approx. 40 employees and laboratory equipment, to AlvoTech for a total consideration of approx. SEK 275 m, which consists of full assumption of the outstanding convertible bonds, XB003-related outstanding accounts payables and a cash consideration of SEK 102.25 m. The reduction in Xbrane's organization will reduce annual fixed costs by approx. SEK 120 m. Closing of the transaction is subject to approval from Xbrane's shareholders at an Extraordinary General Meeting (the "EGM") as well as FDI approval.
- In March the company gave notice of an extra general meeting to be held on Monday 14 April 2025.

FINANCIAL SUMMARY FOR THE GROUP	2024	2023
Revenue (SEK 000)	198,721	238,729
Research & Development expenses (SEK 000)	–312,892	–305,783
R&D expenses as a percentage of operating expenses	76%	82%
Operating profit/loss (SEK 000)	–217,922	–322,164
EBITDA (SEK 000)	–182,844	–288,428
Loss for the period (SEK 000)	–266,220	–388,172
Cash and cash equivalents (SEK 000)	124,330	65,402
Equity ratio %	25%	26%
Earnings per share before dilution SEK	–0.22	–0.66
Earnings per share after dilution, SEK	–0.22	–0.66
Number of employees on the balance sheet date	65	93

Chairman of the Board's letter

Dear Shareholders,

2024 was a pivotal year for Xbrane as we continued to focus on expanding our position in the biosimilar market, a rapidly expanding segment in the global pharmaceutical industry. Our biosimilar portfolio, including Ximluci®, Xdivane™ and XB003, have all shown progress, and we remain focused on developing high-quality, affordable biological drugs for the benefit of patients around the world.

We have taken important steps in advancing our biosimilar products through clinical trials and regulatory applications. Our focus has been on strengthening our market position, particularly in the ophthalmology sector, where Ximluci® has been positively received, despite some challenges with initial sales uptake.

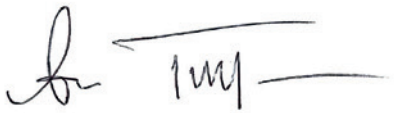
Throughout the year, we worked hard to streamline our business, reduce costs, and maintain a solid financial position, all of which are crucial to supporting our long-term growth. Up until December, we had seen a strong 225 percent volume increase in Ximluci®'s sales, reflecting growing acceptance of our product in key markets.

During the year, we have entered into two important global partnerships with significant revenue potential for Xbrane. Valorum Biologics is now preparing its commercial launch and sales immediately after we have received final approval from the FDA. We have also entered into a global agreement with Intas Pharmaceuticals. They are planning the first launch in the US at the end of 2028, coinciding with Opdivo®'s patent expiring. These partnerships, coupled with our patented technology platform, place us in a strong position to capitalize on the increasing demand for biosimilars globally.

Our focus is on securing the company's capital requirements, become cash flow positive, and deliver on all key milestones for Ximluci® and Xdivane™, in order to achieve our long-term goal of becoming a global leader in the development of affordable biologic drugs.

Thank you for your continued support as we work towards achieving our vision and advancing the development of affordable and effective biologic drugs.

Solna, March 31, 2025



Anders Tullgren
Chairman of the Board

> "We have taken important steps in advancing our biosimilar products through clinical trials and regulatory applications and remain focused on developing high-quality, affordable biological drugs for the benefit of patients around the world."

CEO's letter

Dear shareholders,

We are very pleased with the recently signed partnership agreement with Intas regarding Xdivane™ and are confident that Intas, in collaboration with its market-leading sales organization Accord, will be a strong and strategic partner in the global commercialization of the biosimilar candidate.

> "The divestment of XB003 makes us better equipped to fully focus on realizing the full potential of Ximluci® and Xdivane."

Ximluci® continued to show stable volume growth in 2024, with an average quarterly growth rate of 21 percent. During the year, we generated revenue of SEK 63 million from profit sharing on sales of the product.

Partnership with Intas for developing and commercializing Xdivane™

We are proud of our partnership with Intas for the further development and commercialization of Xdivane™ (Opdivo® biosimilar candidate). Clinical studies are expected to start in Q2 2025. Based on an optimized clinical development plan agreed with both the EMA and FDA, we are working towards approval and launch in conjunction with the US patent expiration in December 2028. We are very positive about this program and our collaboration with Intas. The development of biosimilars for the immuno-oncology PD1 inhibitors Opdivo® and Keytruda® is crucial for healthcare systems to be able to offer cost-effective and accessible treatment options in the future, including combination therapies where PD1 inhibitors play a central role. We are convinced that our work constitutes an important component in the global development of better cancer treatments. We also believe that Xdivane™, which will be commercialized by Intas and Accord, will generate significant revenues for the company starting in 2029.

Continued growth in revenue generation from Ximluci®

We are pleased to report continued strong sales growth for Ximluci® in Europe. In 2024, we continued to expand volumes with an average quarterly increase of 21 percent, resulting in higher profit sharing. Ximluci® has now been launched in 21 countries and has a market share of 3 percent of the total ranibizumab market of around EUR 1,2 bn. This indicates significantly continuing potential for further growth and revenue generation for Xbrane, as the acceptance of biosimilars increases in the ophthalmology sector in Europe. Furthermore, we resubmitted the application for marketing approval to the FDA in December 2024. We expect the FDA to set a BsUFA date in April 2025, although there is uncertainty as to whether a re-inspection of the manufacturing facility will be required. Our hope is to obtain an approval in mid-year and will update the market in April, when we expect more clarity on the matter. In parallel, we are preparing for a subsequent launch together with our partner Valorum Inc. on the US market.

Financial outlook

Xbrane's liquidity at the end of 2024 was SEK 124 m, after we received the EUR 10 m advance payment from Intas and the final milestone payment from Biogen. Since then, we have repaid the SEK 20 m short-term liability to Systematic Group and partially settled the outstanding trade payables. Xbrane has, in March 2025, entered into an agreement to divest XB003 (biosimilar to Cimzia®) and parts of Xbrane's organization to Alvotech. Upon approval by the extraordinary general meeting, this transaction will strengthen the company's financial position and make us better equipped to fully focus on realizing the full potential of Ximlucis® and Xdivane.

Solna, March 31, 2025

Martin Åmark
CEO

Our objective - to contribute to health equality for everyone

Xbrane is a purpose-driven organization and our objective, to promote access to cost-effective drugs, is part of everything we do. Biological drugs are very effective in treating a number of serious medical conditions that affect many people. At the same time, biological drugs are expensive and only a fraction of the world's population has access to them.

Our purpose is clear – to be able to contribute to health equality for everyone. If there is a treatment, it should be available to everyone who needs it. By applying the latest science, Xbrane can develop cost-effective biological drugs at a lower price. This makes the treatment available to more people.

What we do - long-term strategic path choice

Which biosimilars are we developing?

Xbrane uses the following criteria to introduce new biosimilar candidates into its portfolio:

Launching as soon as possible after patent expiration:
Rapid launch after the patent for the reference drug expires is critical, especially when there is competition from other biosimilars. Xbrane therefore carefully studies patent applications for potential reference products and initiates the development of biosimilar candidates at least seven years before the main patents expire in Europe and the US.

Large addressable market:
In order to justify the investment required to take a biosimilar candidate all the way to market authorization, the reference product needs expected sales of over EUR 1 bn upon the patent's expiry. As there is always uncertainty surrounding a pharmaceutical product's development and future competition, Xbrane prefers to initiate the development of biosimilar candidates' reference drugs that already sell for over EUR 1 bn when development begins.

Medical need:
There must be a significant medical need based on limited availability of the reference drug due to high pricing. There is then a significant opportunity for our products to make a difference, which is the purpose of Xbrane's business. Otherwise, the company is open to all therapeutic areas.

Product	Original drug	Primary indication	Estimated annual sales of original drug[1)]	Patent expiry of original drug	Development phase
Ximluci®	Ranibizumab (Lucentis®)	Wet age-related macular degeneration, diabetes-related eye damage and retinal vein occlusion.	EUR 1 bn[1)]	2022 (Europe) 2020 (USA)	Launch phase
BIIB801	Certolizumab pegol (Cimzia®)	Rheumatoid arthritis, axial spondylarthrosis, psoriatic arthritis and psoriasis.	EUR 2 bn[2)]	2024 (USA) 2025 (Europe)	Preclinical phase
Xdivane™.	Nivolumab (Opdivo®)	Melanoma, lung cancer, kidney cell cancer, head and neck cancer and bladder and urinary tract cancer.	EUR 13 bn[3)]	2026–2031 depending on country	Preclinical phase
Xdarzane™.	Daratumumab (Darzalex®)	Multiple melanoma.	EUR 9 bn[3)]	2029–2031 depending on country	Preclinical phase
			EUR 25 bn[1,2,3)]		

Source:
1) Novartis Annual Report 2024, Roche Annual Report 2024
2) UCB Annual Report 2024
3) Evaluate Pharma; "Originator Peak Sales Estimate 2026".

Benefit from platform technology:
Xbrane selects biosimilar candidates that are the best fit for the company's platform technology. These must be products where Xbrane will be able to achieve the greatest advantage in productivity and thus production cost compared to the competition. As the development capacity increases, more candidates will undergo cell-line development. Selection of products will then be made based on the increased productivity and quality Xbrane's platform technology can provide.

Which geographic markets do we address?

Xbrane focuses its development on meeting regulatory requirements from the EU and from the US. However, the ambition is, on the basis of approval from either the EU or the US, and together with commercialization partners, to make the products available in as many parts of the world as possible.

Where in the value chain should Xbrane be?

Xbrane can carry out the development of a biosimilar all the way from cell-line to market authorization.

- Preclinical development takes place largely in-house.
- In the clinical development, Xbrane works with selected Contract Research Organizations (CROs)
- For clinical and commercial manufacturing, we collaborate with carefully selected Contract Manufacturer Organizations (CMOs)
- For the commercialization of the products, Xbrane signs partnerships with major pharmaceutical companies that sell and market the products. These partnerships are typically signed towards the end of preclinical development, after analytical similarity has been demonstrated. In this way, Xbrane can obtain meaningful co-financing of the more costly clinical development from partners.

Product portfolio

Ximluci® the treatment of eye diseases was launched in 2023

Xbrane's patented production technology has significantly higher productivity than standard technologies, enabling lower production costs. During the year, we continued to further develop our technology.

XIMLUCI® IS A BIOSIMILAR to the reference drug Lucentis® (ranibizumab) and an anti-VEGF (vascular endothelial growth factor) for the treatment of retinal vascular diseases, which are a common cause of blindness. The wet form of macular degeneration occurs when defective blood vessels form under the retina. The blood vessels bleed and leak fluid, causing swelling and leading to significant vision loss and image distortion. If not treated in time, a scar forms under the macula and the central field of vision, including detailed vision, risks being lost.

Ximluci® has been approved in Europe for the treatment of wet age-related macular degeneration (wet AMD), diabetic macular-edema (DME), diabetic retinopathy (PDR), retinal vein occlusion (RVO) and visual impairment due to cordial neovascularization (CNV) in adults.

An extensive comparative analytical study and a phase 3 clinical study demonstrated equivalent efficacy and comparable safety to the reference product Lucentis®. The phase 3 clinical trial conducted in 2021 included 582 patients with wet age-related macular degeneration. The study's primary endpoint was the change in visual acuity (BCVA) from baseline to week 8 of treatment. The efficacy measure was met when the adjusted treatment differences between the two products were within the predefined equivalence margin.

Market for Ximluci®

An estimated seven million people in Europe are affected by wet AMD, with around 500,000 new patients each year[1] and a market turnover of over EUR 12 bn per year. The product therefore targets a significant market. The market has also grown by 8–10 percent in recent years.

XIMLUCI® FOR THE TREATMENT OF SERIOUS EYE DISEASES

Wet age-related macular degeneration and diabetes related eye diseases affect the macula, the central area of the retina, and macular degeneration causes a gradual loss of central vision. The most common form is age-related macular degeneration, which, after cataracts, is by far the leading cause of visual impairment in people over 70 and one of the leading disease-related causes of blindness.

Source
1) Prevalence and incidence of age-related macular degeneration in Europe: a systematic review and meta-analysis British Journal of Ophthalmology (bmj.com)

Reference products

Ximluci® addresses a market totaling around EUR 13 bn1 per year. In addition to Lucentis®, the drugs Eylea®, Beuovo, Vabysmo and Susvimo (ranibizumab implants) are also used. The drug Avastin®, a VEGFa inhibitor approved for the treatment of certain cancer indications, is also used off-label, due to Avastin®'s lower cost per treatment.

Launching in collaboration with STADA Arzneimittel AG (STADA)

In 2022, Ximluci® received a positive opinion from the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP). The European Commission subsequently granted Ximluci® marketing authorization throughout the EU, paving the way for the launch of Ximluci® in Europe.

Xbrane signed an agreement with STADA back in 2018 (see the fact box below on the right) according to which STADA has been granted the commercial rights to Ximluci® in all territories included in the agreement, which includes Europe, the US, several countries in the Middle East and North Africa (MENA) and selected markets in Asia Pacific (APAC).

This means that the marketing authorization for Ximluci® is held by STADA and is valid in all 27 EU member states, as well as Iceland, Norway and Liechtenstein. Ximluci® was launched by

Xbrane's partner STADA in Q1 2023, and 18 months later, Ximluci® was available in 19 European markets and two markets outside Europe.

Ximluci® is approved in Europe as a vial of the active substance, from which the ophthalmologist extracts the product into a syringe for injection into the eye. Xbrane also plans to launch Ximluci® as a pre-filled syringe in Europe in 2025.

Application for a Biologics License Agreement (BLA) in the US

In April, Xbrane received a CRL in response to the application for market approval for Ximluci® in the US market. Xbrane was in touch with the FDA during the year to better understand the gaps that existed for market approval and has been working to close these gaps over the remainder of the year. At the end of December, Xbrane submitted a BLA, and if successful, it will result in a BsUFA date in Q2 2025. This is expected to lead to a standardized review process of six months. Xbrane's commercialization partner STADA is actively working to take Ximluci® to other regions such as the Middle East, Latin America and Southeast Asia, where, among other things, the application for market approval has been submitted to various regulatory authorities. In May, STADA and Xbrane signed a collaboration agreement with Valorum Biologics, which will commercialize Ximluci® in the US.

Sources:
1) Evaluate Pharma; "Originator Peak Sales Estimate 2026".

STADA
Caring for People's Health

About STADA Arzneimittel AG

STADA Arzneimittel AG is headquartered in Bad Vilbel, Germany. The company focuses on a strategy in three areas: generics, specialty drugs and non-prescription consumer healthcare products. STADA Arzneimittel AG sells its products in over 100 countries. In the 2024 financial year, STADA's Group turnover was EUR 4,059 m and earnings before interest, taxes, depreciation and amortization (adj. cc EBITDA) was EUR 886 m. As of December 31, 2024, STADA employed 11,649 people. Ximluci® is the sixth approved biosimilar in STADA's Specialty Care portfolio.

XB003 for the treatment of rheumatoid arthritis, psoriasis, Crohn's disease and axial spondylitis

XB003

XB003 is a biosimilar candidate to certolizumab pegol (original drug Cimzia®), a TNF alpha inhibitor used in the treatment of rheumatoid arthritis, psoriasis, Crohn's disease and axial spondylitis. Common to these diseases is that they are autoimmune diseases, which means that they are caused by the body's own immune system attacking healthy tissue in the body.

Lifetime treatment

Autoimmune diseases are chronic diseases, and the need for treatment can therefore be lifelong. Treatment is typically started with immunosuppressive drugs such as methotrexate, which slows down the inflammation. When this is no longer enough, TNF-alpha inhibitors are introduced.

TNF-alpha is a signal protein that the white blood cells send out when they detect an inflammation to notify and activate other cells that play important roles in the immune system. By binding to and inhibiting the signaling protein, TNF-alpha inhibitors can slow down the immune system and thereby relieve several autoimmune diseases.

Biosimilars have increased accessibility and provided significant savings for healthcare systems

There are five approved original drugs in the TNF-alpha inhibitor class, Cimzia®, Humira®, Enbrel®, Simponi® and Remicade®. In Europe, patents have expired for Humira®, Enbrel® and Remicade®. As a result, ten biosimilars have been launched. Over time, biosimilars that have been introduced in Europe for Humira®, Enbrel® and Remicade® have collectively driven down the price by 22 percent and driven up the number of treatment days per capita by 90 percent, thus having a major impact both in terms of savings for the healthcare systems and increased accessibility4. The biosimilars have had a major impact as biosimilars of Humira® had reached a 35 percent volume market share in Europe, 12 months after launch, while biosimilars of Remicade® and Enbrel® had taken 67 percent and 50 percent volume market share respectively a couple of years after launch. As the treatment cost per patient for Cimzia® is around SEK 100,000 annually in Europe and SEK 500,000 in the US, it is important to introduce biosimilars to generate savings and increase availability.

Cimzia® framgångsrikt

CIMZIA®'S sales have continued to grow over the past five years, and amounted to SEK 23 bn[2] in 2024, despite increased competition from biosimilars of several of the other TNF-alpha inhibitors. The main reason is that Cimzia® is the only TNF-alpha inhibitor clinically proven to be safe for use by pregnant and lactating women. This is an important segment of the market, as around 10 percent of those diagnosed with rheumatoid arthritis and 20 percent of those diagnosed with psoriasis are women under the age of 40[3].

BIIB801 is, to our knowledge, the only biosimilar candidate of Cimzia® in development globally. One of the reasons is believed to be that Cimzia® is a difficult-to-manufacture product where the productivity of the production system, i.e., the number of grams per liter of fermentation media produced, is critical in order to reach a commercially viable production cost and to be able to manufacture sufficient volumes in existing production scales worldwide. Xbrane has succeeded in this thanks to its patented platform technology.

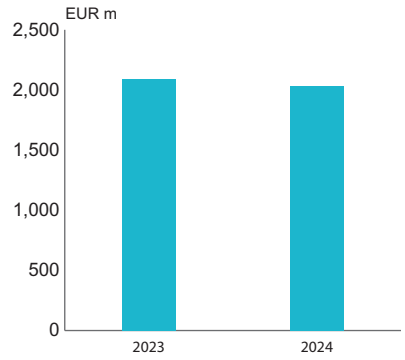
Production and marketing

XB003, formerly BIIB801, lost its patent protection in Europe in autumn 2024 and in the US in November 2025. Xbrane entered into a license agreement for XB003 with Biogen Inc. in February 2022. In August, Biogen chose to terminate the agreement due to, as Xbrane understands, an internal strategic review of the portfolio. All rights granted to Biogen under the agreement have therefore been terminated and full rights to the program reverted to Xbrane in November 2024.

The production process for the biosimilar candidate has been successfully upscaled with Xbrane's selected contract manufacturers. Analytical similarity compared to the reference product has been shown and initial scientific advice from both the EMA and FDA has been obtained. The production process that enables high productivity has been patented by Xbrane.

In March 2025 Xbrane entered into an agreement to sell XB003 to Alvotech. Closing of the transaction is subject to approval from Xbrane's shareholders as well as FDI approval.

Sales of Cimzia®



Sources:
1) Research and markets Global Tumor Necrosis Factor (TNF) Inhibitors Market 2018-2026: A $181.13 Billion Market Opportunity by 2026
2) UCB Annual Report 2024
3) Vital Signs: Prevalence of Doctor-Diagnosed Arthritis and Arthritis-Attributable Activity Limitation – United States, 2013–2015, Incidence and Risk Factors for Psoriasis in the General Population
4) The Impact of Biosimilar Competition in Europé, IQVIA December 2020

Product candidates for the treatment of cancer

A number of biosimilar candidates for the treatment of cancer are being developed, the closest being Xdivane™ and Xdarzane™. The market for reference drugs here is currently estimated at around EUR 22 bn1. Xbrane started the development of Xdivane™ in 2021 to enter the competitive but attractive field of checkpoint inhibitors. In addition to a team with proven development capabilities, Xbrane has access to its own platform for protein production, which enables cost-effective processes.

Xdivane™

XDIVANE™ is the first product on Xbrane's mammalian cell-based platform technology. Xdivane™ is a biosimilar to the programmed cell death 1 protein (PD1) inhibitor nivolumab (Opdivo®), a renowned immuno-oncology product. Xbrane's clear ambition with Xdivane™ is to become the leading biosimilar to Opdivo®, both in terms of cost-effectiveness and time to launch. Xbrane expects Xdivane™ to be launched in conjunction with the patent expiration of Opdivo®, which will be in 2026 – 2031 depending on the country. In November 2024, Xbrane entered into a strategic partnership for Xdivane™ with INTAS for the development and commercialization of Xdivane™.

The company has sought regulatory approval for a reduced clinical development program and has received positive feedback from both the EMA and FDA based on demonstrated high analytical similarity across a comprehensive panel of analytical methods compared to the reference product. This has impacted the program timeline and increased the value of the business case, as a reduced clinical development plan provides significant cost savings.

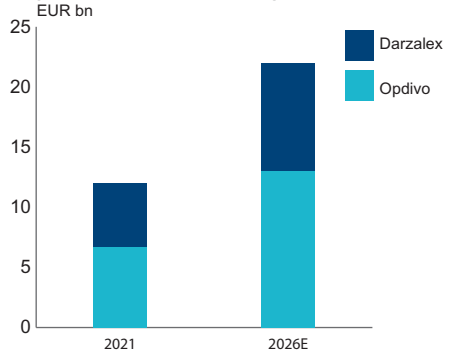
For Xdivane™, development is proceeding according to plan, with the production process upscaled at contract manufacturers and demonstrated scalability, minimizing the risks for the company's future production of clinical material. The next step in development is to manufacture the clinical material for the clinical study that the company's partner INTAS will conduct and initiate in 2025.

Xdarzane™

XDARZANE™ is a biosimilar candidate to the reference product Darzalex® (daratumumab), a monoclonal antibody targeting CD38 for the treatment of multiple myeloma (MM).
Darzalex® was approved by the FDA in 2015 for the treatment of MM after three previous therapies, but the approval was later extended to include Darzalex® as a first-line treatment option. Darzalex®'s good treatment effects have also translated into great commercial success as global sales exceeded USD 1 bn in the second year of commercialization and sales reached around USD 11.7 bn[2] in 2024. Darzalex® was initially developed by Genmab and is now jointly marketed by Genmab and Johnson. Darzalex®'s patent protection is expected to expire in 2029-2031 depending on the country.

Due to internal resource reasons, primarily driven by the resubmission of the BLA for Ximluci® and the out-licensing processes regarding Xdivane™ and XB003, the development of Xdarzane™ was allowed to proceed at a slower pace and is undergoing continued preclinical development with a focus on developing a cost-effective production process and demonstrating biochemical similarity to the original drug.

Combined annual expected peak sales of reference products



Sources:
1) Evaluate Pharma: "Originator Peak Sales Estimate 2026". BMS Year-end report 2022
2) Johnson & Johnson Year-end report 2024

Biosimilars and development

What is a biosimilar?

Biological pharmaceuticals are highly effective protein drugs that are manufactured in living cells. Biosimilars can increase a patient's access to these drugs by typically being 20-40 percent cheaper than their reference drugs.

Through the development of recombinant DNA technology in the late 1970s, biological pharmaceuticals emerged. Since then, biologicals have revolutionized the treatment of serious diseases such as diabetes, MS, cancer, and more recently, arthritis as well as skin and eye diseases.

The proteins that make up active substances (APIs) in biologicals are much larger and more complex than the small molecules used in conventional drugs which are usually produced by chemical synthesis.

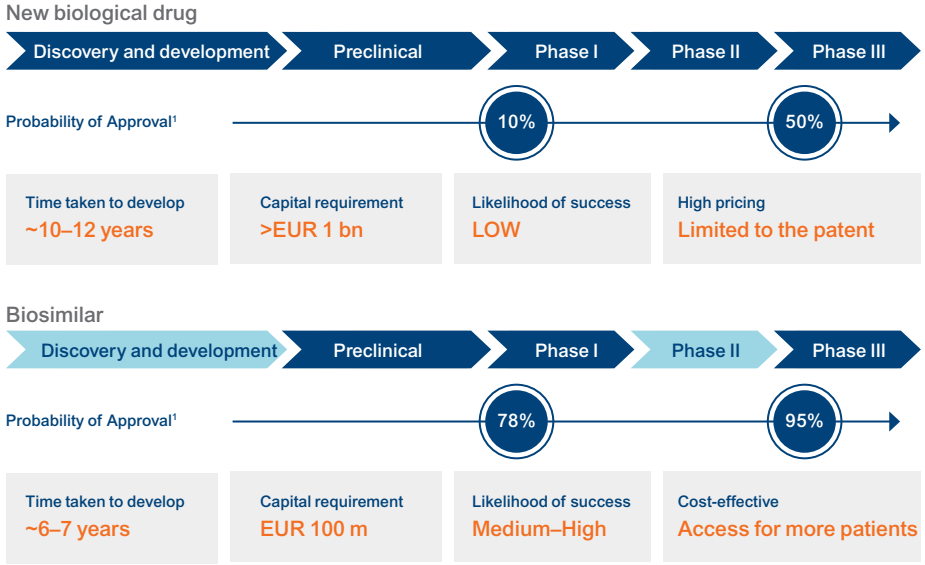
Biosimilars are similar to the biological reference product

Biosimilars are approved medicines that are similar to a biological reference product in terms of quality, safety and efficacy. They are approved in the EU and US through strict legislation and can be launched after the original reference products' patent protection has expired.

The development of biosimilars requires extensive expertise in protein expression, purification and analysis methods, as well as clinical and regulatory know-how.

	BIOLOGICAL DRUG	SMALL MOLECULAR DRUG
Produced	By using active substances or purified material of biological origin (living cells)	Through chemical synthesis
Complexity	Active substances are large and complex. The substance in Ximluci® has a mass of 48,000 Daltons	Usually small simple molecules, e.g., 180 Daltons in mass for acetylsalicylic acid in Aspirin®
Which means	More complicated to produce	Relatively easy to produce
Alternative when patent expires	BIOSIMILAR fulfills the same function but is not identical to the reference drug	GENERIC has an identical active substance as the original drug
Demands from pharmaceutical authorities	Very large. The manufacturer must prove that the biosimilar's quality, safety and efficacy are comparable to the biological reference product in preclinical studies	Very large. Generics need to prove that they are exactly the same as the original

Biosimilars – a quick and cost-effective route to market with a significantly lower risk than a new biological drug



1) Informa Pharma's Biomedtracker database, based on 108 tracked biosimilar development programs and over 10,000 novel product development programs, The Path Towards a Tailored Clinical Biosimilar Development, Martin Schiestl et al

Complex development and manufacturing

Due to the size, complex structure and living cell systems used in the manufacturing process, the development and manufacture of biosimilars requires a lot of time, work and expertise. The basic principle in the development of biosimilar pharmaceuticals is the similarity to the established reference medicine. The manufacturer must be able to prove that the biosimilar's quality, safety and efficacy are comparable to the biological reference product. This is done using a solid comparative analysis based on a large number of laboratory tests at the preclinical phase. Provided that high analytical similarity has been demonstrated preclinically, the clinical phase can be initiated. Typically, a phase I study is conducted in healthy volunteers where safety and pharmacokinetics compared to the reference product are studied, after which a phase III study can be conducted where safety and efficacy are studied in a well-targeted patient population. Developing a biosimilar typically takes about seven years and requires an investment of around EUR 100 m. However, the risk is significantly lower than when developing new medicines. Historically, about 95 percent of the biosimilar candidates entered into a phase III study have received approval in the EU and/or the US.

The biosimilars market

The biosimilars market generated USD 29.4 bn in 2023 and is expected to grow 17.8 percent annually up to 2028.

The biosimilars market generated USD 29.4 bn in 2023 and is expected to grow 17.8 percent annually up to 2028, driven by patents expiring on major biological drugs, increased use as patient and physician trust increases, and a strong push by purchasers to move toward the most cost-effective option.

Market penetration of biosimilars

Biosimilars have historically taken over 70 percent market share in terms of volume of the respective reference drugs in Europe over three years. The graphs below on the right show how the market share in volume for the biosimilars together, compared to the reference drug, increases over time after launch. The curves become steeper and steeper for the later launches, which illustrates how the confidence in using biosimilars among doctors and patients increases over time and that the pressure in the form of regulations, procurement and incentives, which push towards using the most cost-effective alternative, increases from payers of the drugs.

We have also seen that the reception of biosimilars in the US in recent years has come to reflect the picture in Europe. We expect this to continue in the future as confidence in the use of biosimilars among doctors and patients increases in the US combined with further regulations favoring biosimilars. For example, the incentives for the use of biosimilars increased in October 2022 after the introduction of the "Inflation reduction act". Payments to doctors using biosimilars increased from 6 percent to 8 percent of the reference drug's average sales price.

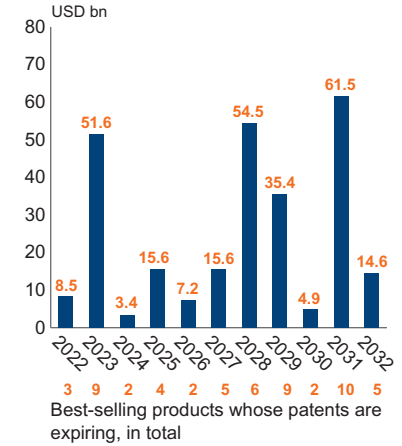
Biosimilars increase availability and provide major savings

The number of treatment days per capita has increased in Europe as a result of the launch of more cost-effective biosimilars across all classes of drugs where biosimilars have been introduced. For example, for TNF inhibitors (mainly used in the treatment of rheumatoid arthritis and psoriasis), the number of treatment days per capita has doubled after the launch of the first biosimilar in the field. It is remarkable that the high prices of biological medicines limit availability so greatly even in Europe.

Biosimilars lead to significant cost savings in healthcare that can be used to offer new and more effective treatments, increase staff and reduce care queues. In the US, biosimilars are expected to generate savings of over USD 100 bn over the period 2020–2024.

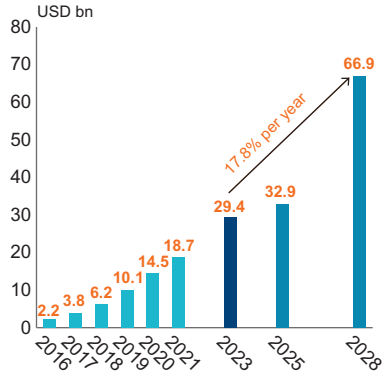
Source:
https://www.mckinsey.com/industries/life-sciences/our-insights/three-imperatives-for-r-and-d-in-biosimilars
https://www.marketsandmarkets.com/Market-Reports/biosimilars-40.html

Biological drugs with a total of >USD 260 bn in annual global sales will lose their exclusivity over the next 10 years

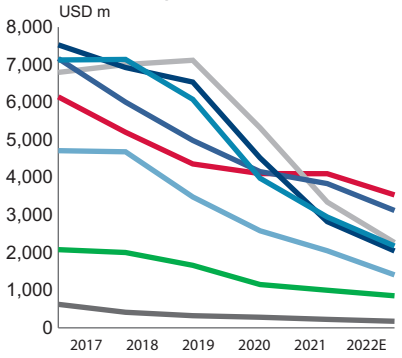


Best-selling products whose patents are expiring, in total

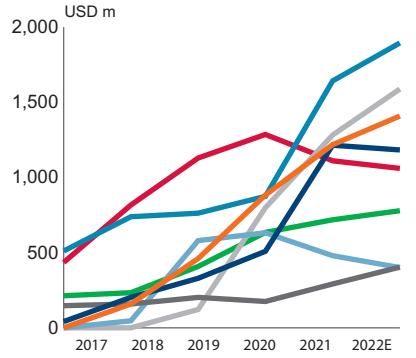
Global sales of biosimilars are expected to grow by 17.8% per year until 2028



Reference products, annual sales



Biosimilars, annual sales



After the latest launches, biosimilars have taken +70% market share in volume compared to their reference product in the EU and the US after just three years. Low discounts enable high margins (80–85% for biosimilars versus 95% for reference products). Biosimilars realize significant savings for healthcare systems.

Source: https://www.mckinsey.com/industries/life-sciences/our-insights/three-imperatives-for-r-and-d-in-biosimilars
https://www.marketsandmarkets.com/Market-Reports/biosimilars-40.html

Sustainability report

Introduction

About this report

This report describes Xbrane's sustainability work in the areas of environment, social and governance (ESG) during 2024. This is Xbrane's sixth sustainability report. The report describes how sustainability is connected to Xbrane's business and how Xbrane governs and manages its sustainability work.

The activities carried out and the targets reached are described for the period January 1, 2024 – December 31, 2024. The report also provides insight into how the work is planned to continue in 2025.

Preparations for EU Corporate Sustainability Reporting Directive, CSRD

We welcome the new EU directive for sustainability reporting (CSRD) and have established a plan to prepare for compliance with the directive well in time for the implementation for Small and Medium sized Enterprises (SMEs). The Double Materiality Analysis (DMA) has been initiated during 2024 in accordance with the CSRD and the EFRAG materiality assessment implementation guide. The DMA will be finalized during 2025, together with a gap analysis of the disclosure requirements.

> "During the year, we made significant progress with Xdivane™, our biosimilar candidate for the cancer drug Opdivo. We reached agreement on a reduced clinical development plan with the EMA and FDA and established a partnership with Intas Pharmaceuticals Ltd. Developing a biosimilar to Opdivo will be critical to making equal cancer care available globally, as the originator drug costs over SEK 1 million per patient per year and the standard will move towards combining PD1 inhibitors like Opdivo with other immuno-oncology products. This is an example of how Xbrane with its operations continues to drive the development towards health equality."
>
> Martin Åmark, *CEO of Xbrane*

Sustainability highlights 2024

CONTRIBUTE TO HEALTH EQUALITY

- Ximluci® launched in total 21 countries
- 2 new partnerships with the goal of achieving greater global coverage with more biosimilars
- 3 new inventions included in 22 new patent applications

BE REGARDED AS A CREDIBLE PLAYER

- 54% of our critical suppliers has read the Supplier Code of Conduct
- 92% of Xbrane employees and consultants are trained in the Code of Conduct
- 16 critical suppliers evaluated with regards to quality

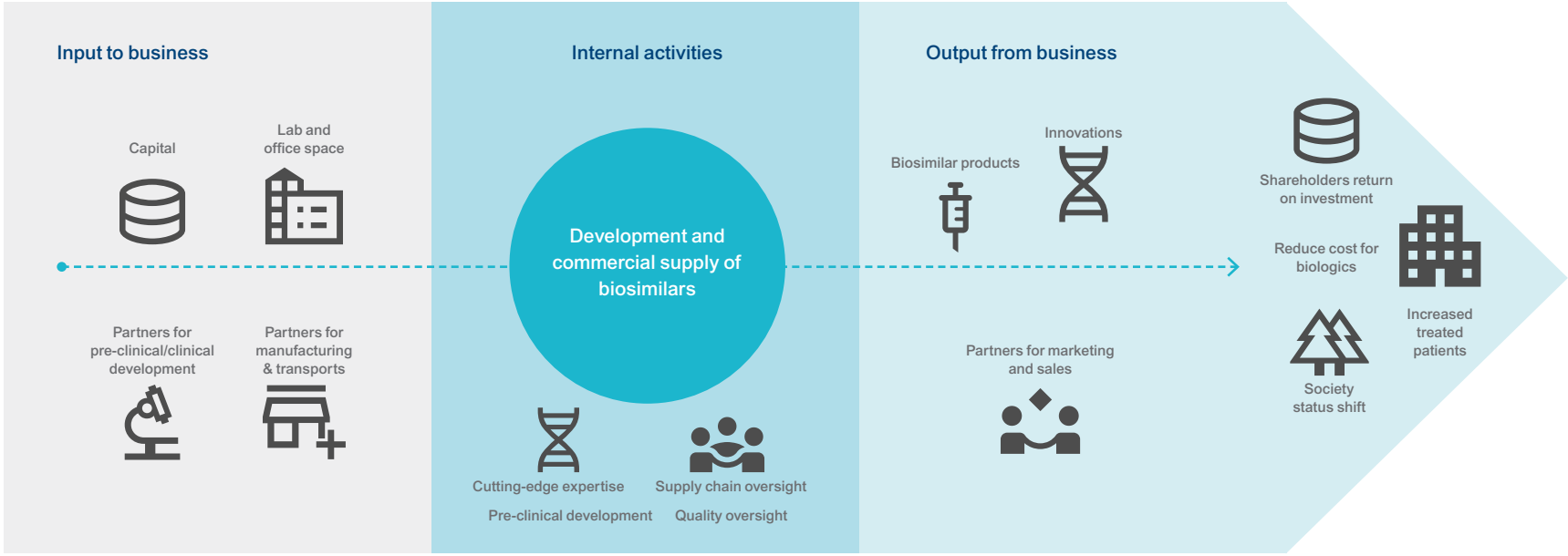
BE A RESPONSIBLE ACTOR IN SOCIETY

- 58% of our critical suppliers evaluated with regards to sustainability
- Process optimizations of manufacturing processes to reduce resource us

BE AN ATTRACTIVE EMPLOYER

- Great Place to Work® certified
- Listed on Allbright's Green List of equal companies

General



Business model

Xbrane's vision and business concept are linked to global sustainability in that we strive to improve access to effective and high-quality drugs at a lower cost to society. Biological drugs are difficult to produce and therefore expensive, and we want to enable more patients to gain access to treatment for serious illnesses. With our expertise and our values, and together with our partners for clinical development, manufacturing, marketing and sales, we develop biosimilars and make these commercially available on the global market. With our business, we also contribute to new innovations and a shift in society where biological drugs are accessible to more patients with a medical need and limited resources. To achieve this, we need to take responsibility for resource use and emissions from our operations through close collaboration with suppliers and manufacturers. We also want to be an attractive employer to attract the leading skills in the industry, because we know that our employees are the basis of everything we do.

Recognitions

Awarded Ecovadis Silver Medal for 2024

Listed on Allbright's Green List (ranked 30 of 93)

Collaborative partner with the Royal Institute of Technology (KTH)

Great Place to Work® certified for the fourth year in a row

Sustainability strategy

Our sustainability work is directed by four focus areas which together summarize and describe the company we strive to be. The focus areas include environment and social responsibility as well as governance and regulatory compliance and are linked to the UN Sustainable Development Goals (SDGs) and Agenda 2030. The company's vision is also our main contribution to a more sustainable world and leads towards two of the UN Sustainable Development Goals: No. 3 Good health and well-being, and No. 10 Reduced inequalities. It is important that this does not happen at the expense of other SDGs, but rather contributes to global sustainable development.

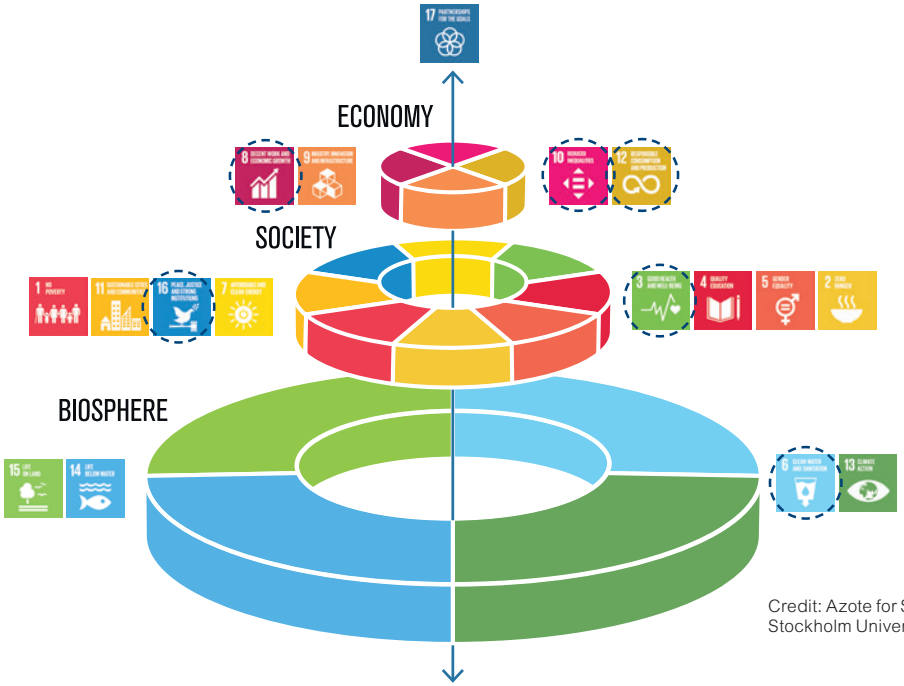
Based on our focus areas, Xbrane is working with a long-term view towards several prioritized areas with concrete activities and KPI follow-up to measure our progress and our contribution to global sustainable development.

	Environment (E)	Social (S)		Governance (G)
	BE A RESPONSIBLE ACTOR IN SOCIETY 	CONTRIBUTE TO HEALTH EQUALITY 	BE AN ATTRACTIVE EMPLOYER 	BE REGARDED AS A CREDIBLE PLAYER 
Ambition	Xbrane wants to take responsibility for the footprint of the business and strives to minimize its negative effects on society.	Through its innovations, Xbrane wants to contribute to more people receiving treatment, at a lower cost to society.	Xbrane wants to offer an attractive and developing workplace for its employees.	Xbrane wants to be a predictable and credible player for collaboration and investment.
Prioritized areas	• Sustainable supply chain • Circular economy • Water resources • Climate change	• Health equality in society • Innovative research • Product quality and patient safety	• Working conditions • Safe work environment • Equality • Competence development	• Anti corruption and business ethics • Regulation compliance including Quality System Management
Strategy	To ensure that both the inflow and the outflow of materials involved are handled responsibly as manufacturing of biological drugs is resource-intensive.	Develop effective manufacturing processes for biosimilars and make ready for commercial supply, through innovative research and close collaboration with partners.	Offer an attractive workplace with a good working environment to attract and retain the right skills.	Responsible business conduct with controlled management of partners and supplier.
Challenges	The manufacturing processes must ensure consciousness in terms of the environmental impact such as water and energy use, and chemical and waste management, which requires thorough evaluation of our processes as well as close collaboration with our suppliers.	The manufacturing of biological drugs is complex, which is why it is important for us to invest in our research, drive innovations and work towards constructive collaboration with suppliers, partners and academia. To reach even resource-poor patient groups, we aim to work towards more regions of the world and reach more markets.	We want to prevent absences by actively working with health, safety and environment in the workplace so that our employees feel safe and valued. Xbrane strives for an inclusive and co determining culture in a flat organization, where diversity is an asset and where everyone contributes equally towards the common goals.	As a small company we are dependent on our partners and suppliers to bring our products to market. This means that we need a close collaboration with and control of our partners and suppliers to ensure that they conduct their business in a responsible and quality assured way. We also want to ensure that the Xbrane employees and consultants have awareness of responsible business conduct.
KPIs	• Supplier evaluations • Process optimizations • GHG emission reporting	• Contributed savings for society • Increased number of treated patients • Marketing authorization applications • Innovations/patent	• Great Place to Work® certification • Staff turnover • Gender equality • Diversity	• Supplier code of conduct awareness • Internal code of conduct training • Supplier quality evaluations

The global sustainability goals with the highest priority for Xbrane include

- Bring products to market to improve access to medicines
- (target 3.8)
- Avoid water pollution from manufacturing (target 6.3)
- Develop resource/material efficient processes (target 8.4)
- Create responsible waste processes with no release to environment (target 12.4)
- Honour the code of Conduct in all matters (target 16.5)
- Create and keep a culture of inclusive decision-making at all levels (target 16.7)

https://sdgs.un.org



Credit: Azote for Stockholm Resilience Centre, Stockholm University CC BY-ND 3.0

UN Global Compact

Xbrane is a participant in the UN Global Compact, a global initiative to bring the business community together and accelerate companies' sustainability work. The UN Global Compact is built on the Ten Principles in the areas of human rights, labor rights, environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. As a participant, Xbrane commits to apply the Ten Principles to the entirety of its operations and integrate them into business strategies and processes. These are included in the company's sustainability policy and Supplier Code of Conduct.

Sustainability governance

Based on our focus areas, an annual sustainability plan is drawn up with goals and activities that are continuously evaluated regarding relevance and prioritization. The sustainability plan is owned and governed by Xbrane's Sustainability Manager together with the cross-functional Sustainability Core Team, while the activities in the plan are owned by the management team. Reports are regularly made to the company's Board of Directors. Xbrane continuously works to integrate the sustainability work with the business operations so that it becomes a natural part of the business.

In 2024, the sustainability work was guided by the established sustainability plan. During the year, the plan has been anchored with the board, management and employees. The company works continuously with ESG reporting in Position Green's platform for sustainability reporting.

Sustainability Risk Assessment

Sustainability is included as a specific area in Xbrane's overall risk assessment process. The risk assessment is updated quarterly and presented to both management and the Board. In 2024, the Double Materiality Analysis included in the EU Corporate Sustainability Reporting Directive (CSRD) was initiated. This will be completed in 2025 and will further contribute to the overall risk assessment with respect to sustainability areas.

58 %
of critical suppliers evaluated with regards to sustainability

2400 L
water savings per batch through optimizations

CO_2 emissions
Scope 1:
None
Scope 2:
8
ton CO_2e

Outcome of activities in 2024

Sustainable supply chain

- During 2023, Xbrane implemented a process for evaluation of new suppliers with regard to business, quality and sustainability. Sustainability is then evaluated yearly for Xbrane's most critical suppliers. During 2024, the work has continued to evaluate critical suppliers with regards to sustainability management, environment, social aspects and anti-corruption, and safety, health and work environment in accordance with the new process.

Circular economy

- The company has during 2024 made improvements to purchasing processes in order to work towards more sustainable purchasing.

- The manufacturing process for Xbrane's commercial product Ximluci® has been evaluated with regards to resource use (water, energy, PMI (Process Mass Intensity) and carbon footprint).

Water resources

- The manufacturing process for one of the company's development products has been optimized with regards to water use, which has resulted in water savings of approximately 2400 litre per batch.

Climate change

- Xbrane has during the year continued to measure its CO_2 emissions based on the Greenhouse Gas (GHG) protocol. For emissions in Scope 3, methods of measurement have improved, and more categories have been included in comparison to the measurements taken in 2023.

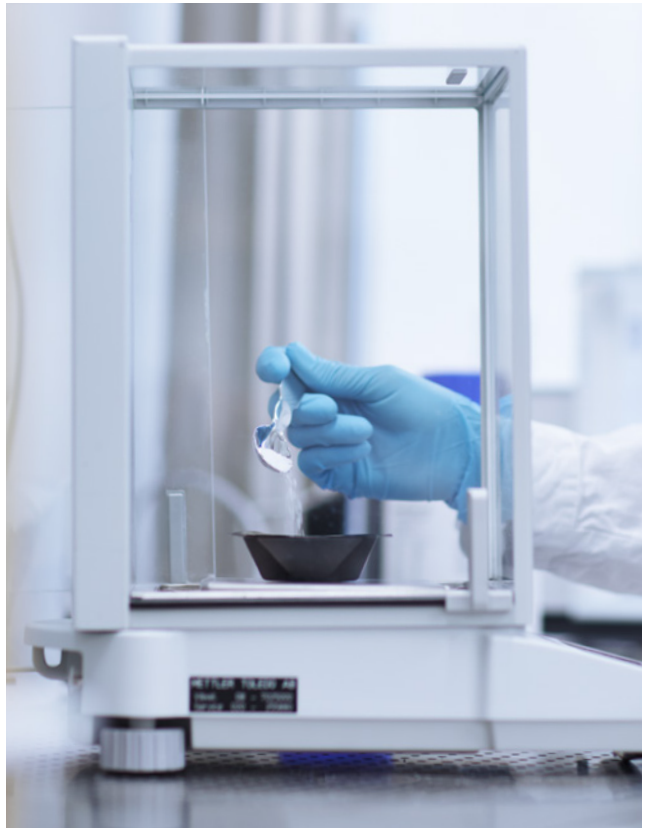
Ambitions for 2025

Xbrane will continue to evaluate suppliers with respect to sustainability aspects, with the goal that 100% of the critical suppliers should be evaluated. The company also has an ambition to deepen the collaboration with suppliers in the supply chain to work together for optimized resource use. The company's climate work will continue by improvements in the reporting of CO_2 emissions.

Deep-dive:

Innovative power

In biological drugs, including biosimilars, the active component is protein, which can be produced in different types of host cells: bacterial cells (Escherichia coli) or mammalian cells (Chinese Hamster Ovary cells – CHO).



The platform technology

Our research is based on our LEMO™ platform technology, our patented 2009 technology for manufacturing with *E. coli*, which is based on a promoter system. This makes it possible to regulate the production intensity very precisely in the host cells and regulate the production intensity, making it possible to set the optimal level for each target protein and therefore avoiding toxic effects such as misfolding of the target protein and down-regulated production in host cells due to a high workload. In combination with advanced molecular biological design, where the cells have been genetically reprogrammed to fit perfectly with the LEMO™-based system, this leads to higher productivity, i.e. a larger amount of high-quality target protein per liter of culture media. Several of Xbrane's patented systems for *E. coli* are used for both Ximluci® and XB003 (Cimzia® Biosimilar).

CHO cells are a significantly more advanced cell type compared to *E. coli*, making optimization of CHO cells more complex. Xbrane is working both internally and in collaboration with several leading companies to further develop CHO cells to improve the cells' ability to manufacture the target protein. We have seen a significant improvement in the productivity of our product candidates Xdivane™ (Opdivo biosimilar) and Xdarzane™ (Darzalex Biosimilar), which are based on CHO cells, compared to established developers.

Vector and process optimization

Xbrane's researchers are currently developing and optimizing a number of different DNA constructs that lead to significantly higher manufacturing efficiency in CHO cells. These DNA constructs can be used as "plug-and-play" for all different biosimilar candidates manufactured in CHO cells, and will be used for our upcoming product candidates.

In addition to the purely molecular biological improvements of host cells and expression tools, Xbrane's R&D team is working to improve the processes for culturing cells, increasing productivity, purifying the target protein, and analyzing and characterizing the produced target protein. In collaboration with a leading biotechnology company, we have evaluated the purification process for Xdivane™ during the year through computer simulation, as well as laboratory research to optimize the resource use of water, energy, and input materials from both a cost and sustainability perspective.

Analytical techniques

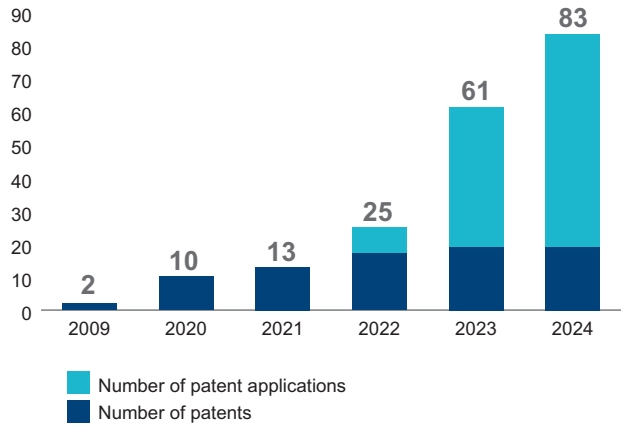
Analytical techniques are the foundation of biosimilar development as the purified protein must be chemically and biologically proven to be similar to the reference product. To further increase the accuracy of our analytical techniques, and thus the quality of our proteins, we have further developed our analytical techniques to be able to see details of the protein that are difficult to see with standard techniques.

Patent portfolio

Xbrane is an innovative company that makes major investments in research and development.

Our research is based on our LEMO™ platform technology and our development programs and is the basis of our business concept. The patents linked to our innovations are a prerequisite for the implementation of commercially important initiatives such as licensing and strategic business partnerships, or collaborations for the commercialization of biosimilars and the production platforms for biosimilars. Our innovations and patents cover a wide range of technologies, from protein production and analysis techniques to new formulations of biosimilars. Based on the original two patents in the US and Europe regarding DNA constructs for the regulation of protein production in *E. coli*, the platform technology has been widened with high-yield antibody production in *E. coli* and mammalian cells and during 2020 - 2024 supplemented with 17 additional granted patents and 64 patent applications being processed that have been "harvested" from four different development programs.

Number of patents and patent applications (accumulated)



At the end of 2024, Xbrane has a total of 19 approved patents and 64 active patent applications. During 2024, 22 new patent applications were added.

Patent overview

Pharmeceutical candidate	Description	Summary of patent portfolio	Expiry
Xdivane™ Nivolumab	A patent family that relates to DNA constructs and host cells for the production of nivolumab.	The patent family comprises 5 patents granted in Sweden and 5 additional patents that have been granted in Australia, South Korea, Japan and Singapore. Furthermore, the patent family comprises 6 pending patents in Australia, Europe, Canada, India, China, and the US.	2040–2041
Ximluci® Ranibizumab	A first patent family that relates to DNA constructs and host cells for the production of ranibizumab. A second patent family relates to the sterilization of a pre-filled syringe containing ranibizumab.	The first patent family includes a patent granted in Georgia and pending patents filed in the following 31 countries and regions: Australia, Bahrain, Brazil, Canada, China, Egypt, Eurasia, Europe, India, Indonesia, Israel, Japan, Jordan, Kuwait, Libya, Mexico, Mongolia, New Zealand, Oman, Philippines, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Thailand, Ukraine, UAE, the US, Uzbekistan and Vietnam. The second patent family includes seven patent applications pending in the following countries and regions: Australia, Europe, Eurasia, Canada, Saudi Arabia and the US.	
BIIB801™ Certolizumab pegol	A patent family that relates to DNA constructs and host cells for the production of certolizumab pegol.	The patent family includes three patents granted in Sweden. In addition, the patent family includes 13 patent applications under processing that have been filed in the following 13 countries and regions: Australia, Brazil, Canada, China, Europe, India, Indonesia, Japan, Mexico, Singapore, South Africa, South Korea and the US.	2041–2042
Technology			
pLEMO™	A patent family that relates to a platform technology for production of proteins.	The patent family comprises a patent that has been granted in the US as well as a patent granted in Europe and which has been validated in Denmark, France, Germany, the Netherlands, Spain, Sweden, Switzerland and the UK.	2029
TIS	A patent family that relates to a technology platform for production of proteins in *E. coli*.	The patent family comprises three patents granted in Sweden. Furthermore, the patent family comprises pending patent applications in the US and Europe.	2040–2041

7 000
treated patients
EUR **6** m
savings for society

2
applications and
4
approvals of marketing authorizations

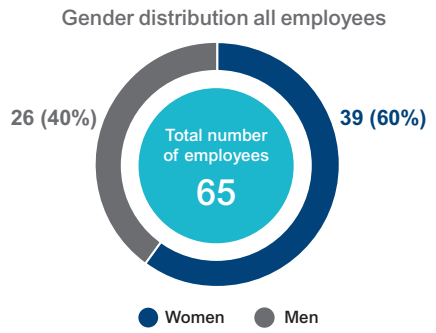
21
countries where Ximluci® is available for patients

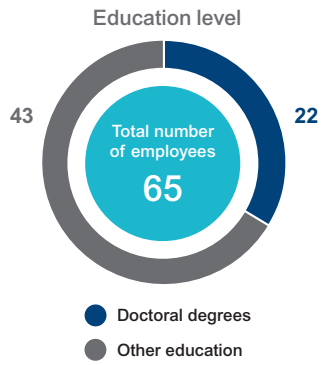
3
new innovations covered in
22
patent applications

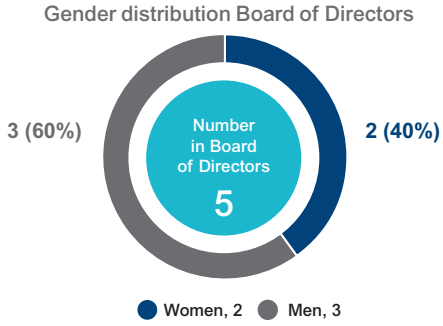
Outcome of activities in 2024

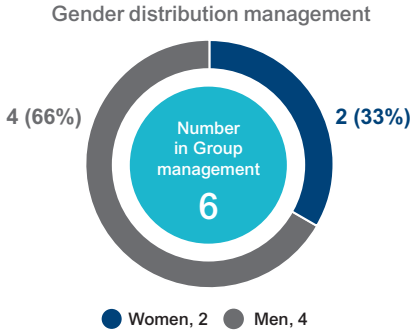
Society and patients

- In 2024, Xbrane has delivered the commercial product Ximluci® equivalent to the treatment of an estimated 7,000 patients, which can be estimated to have resulted in a saving of EUR 6 m for society.
- Two new partnerships have been initiated during 2024, one with Valorum Biologics for the commercialization of Ximluci® in the US, and one with Intas Pharmaceuticals Ltd. with the ambition to commercialize Xbrane's Nivolumab biosimilar candidate. With greater global coverage and more biosimilars on the global market, we believe that Xbrane increases its contribution to equal health in the world.
- Together with our partner STADA, new marketing authorizations have been granted in countries outside of the EU, with the goal to reach more patients, and Ximluci® has been launched in more markets, of which two outside of EU.
- Xbrane has continued to invest in innovative research on the technical platform, analytical techniques and optimizations of manufacturing processes. Xbrane's research has resulted in new innovations during the year which have been included in new patent applications globally.
- Collaboration with academia, such as KTH Royal Institute of Technology, Uppsala University, Stockholm University and Umeå university, has continued as part of our education and research strategy.









Own workforce

- In 2024, Xbrane was certified as a Great Place to Work® for the fourth year in a row. The degree of satisfaction among employees has been monitored during the year through employee surveys, and actions have been taken based on the results to promote well-being and satisfaction. For example, by well-being talks with all employees, an increased focus on coaching of managers and leaders within the organization as well as leisure activities for employees to promote corporate culture and cohesion.
- The employee turnover during the year has been affected by the layoffs that the company was forced to make as part of the savings package launched in late 2023. This also contributed to a redistribution of resources within the company and changed ways of working, which in turn contributed to reduced recruitment. The turnover has because of this been greater than previous years and does not reach the company target of an employee turnover of at most 10%.
- The company is characterized by a high degree of equality and diversity in the workforce. The goal for gender equality was reached during 2024 for employees, management and board. Xbrane was also included on Allbright's Green List of equal companies at number 30 out of 93 listed Swedish companies (out of a total of 358 evaluated).

Worker in the value chain

- Social aspects for workers in the value chain, such as labor rights and health and safety, are included in Xbrane's evaluation of suppliers, see section Environment.

Ambitions for 2025

Efficient partnerships are identified as a success factors for Xbrane, as well as a high level of innovative research. To achieve this, an ambition will be to create smooth and transparent collaborations with new partners as well as suppliers. Competence development and maintaining the good company culture within Xbrane are prerequisites for continuing high-quality and innovative research. The focus will therefore be on continuing to strengthen employees, create well-being and engagement, and continue to be a Great Place to Work®.

* Number of leaving employees during the reporting year / Average amount of employees during the reporting year

Deep-dive

Values and employees

Impossible is nothing →
Always believing that everything is possible. Always looking for solutions, even when it seems impossible.

Beat yesterday →
Always looking for improvements. Innovating and being at the forefront of research.

Make it happen →
Being proactive and making things happen. Being quick and proactive.

We win as one →
Understanding that all skills are needed to succeed. To both celebrate successes together and bear setbacks together. To really work as a team.

Core Values

Xbrane has common core values that unite all employees and are the key to the corporate culture. Our core values are a natural and integrated part of our everyday lives and a decisive factor in how we work together and how we treat each other every day. Every project and collaboration, success and adversity is characterized by our core values:

Job rotation

Xbrane strives to be a learning organization, where learning and development contribute to both personal and professional development. One part of this is that Xbrane works with 'job rotation', which allows employees to develop through new tasks in other departments at the organization. This contributes to the personal and professional development of employees and at the same time benefits the company in the form of resource redistribution, changed working methods and employees with a wide range of skills.

Internal training

Xbrane is a knowledge-intensive company and we believe in the power of learning from each other and widening our collective expertise and perspectives together. We therefore encourage initiatives where employees share their experiences and knowledge by holding internal training courses at the company. This has given us a deeper general knowledge of biosimilar development, patents and intellectual property rights, sustainability, compliance, and quality assurance.

Diversity

Xbrane is characterized by a great diversity of employees with variations in education, skills and hobbies, as well as nationality, language and cultural background. We see this as a large part of the company's success and are inspired by the lessons that this diversity provides. Together we strive to create a workplace where every employee feels appreciated and inspired to contribute to the company's shared success

Great Place to Work®

Xbrane has been certified as a Great Place to Work® for the fourth year in a row. This is not only an award for us but also an important part of our improvements as we gain valuable insights into our strengths and areas for improvement. During the year, we continued to strive to maintain our strong culture and identify what we can improve at Xbrane.

Xbrane's top strengths according to the employees (from Great Place to Work®):

- "Management recognizes honest mistakes as part of doing business."
- "People care about each other here."
- "Management is honest and ethical in its business practices."
- "You can count on people to cooperate."
- "When you join the company, you are made to feel welcome."

54 %
of critical suppliers have read and understood the Supplier Code of conduct

92%
of Xbrane employees and consultants trained in the Code of Conduct

16
critical suppliers evaluated with regards to quality

Outcome of activities in 2024

Responsible business conduct

- In 2023, Xbrane approved its Supplier Code of Conduct, based on the UN Global Compact Ten Principles for responsible business. During 2024, work has progressed to ensure that both existing and new suppliers read and understand this.
- Aspects of responsible business conduct and anti-corruption are also included in Xbrane's evaluation of suppliers, see section Environment.
- Annual training in the company's Code of Conduct was conducted, covering the areas of Human rights, Labor rights, Environment and Anti-corruption. The company has also further developed its whistlerblower process.
- During the year, Xbrane has conducted quality evaluations of its suppliers through audits, questionnaires and performance evaluations, and has worked actively with said suppliers to ensure the high quality standards for goods and services. Xbrane has also continued to develop its internal Quality Management System to meet the requirements of Good Manufacturing Practice (GMP).

Ambitions for 2025

Quality management within the company will continue in order to fulfil the quality requirements placed on Xbrane as a manufacturer of pharmaceutical products. In addition to development of the electronic Quality Management System, preparations will be made to meet the requirements for manufacturing authorization from the Swedish Medicines Agency with the aim to formally grow the internal quality assurance activities. The number of suppliers who have read and understood the Supplier Code of conduct will be followed up on during the year and Xbrane employees will continue to be trained in responsible business and Code of Conduct.

The shares and shareholders

XBRANE'S shares have been listed on Nasdaq Mid Cap Stockholm under the XBRANE ticker since September 23, 2019. Xbrane's shares were previously listed on Nasdaq First North from February 2016.

The share price fell from SEK 1.13 to SEK 0.16 during 2024. Xbrane's market capitalization at the end of the year was SEK 246 m. In 2024, the highest closing price was SEK 1.57 on March 13, and the lowest was SEK 0.13 on September 11. The turnover of shares (excluding new issues) amounted to 4,135,796,139 shares worth SEK 1.152 bn.

According to Xbrane's Articles of Association, as of December 31, 2024, the share capital shall amount to a minimum of SEK 180,000,000 and a maximum of SEK 720,000,000 divided into a minimum of 820,000,000 shares and a maximum of 3,280,000,000 shares.

The company's shares have been issued in accordance with Swedish law. The shares are fully paid and freely transferable. The company's shares are registered in a CDS register in accordance with the Central Securities Depository and Financial Instruments Account Act (1998:1479). The register is maintained by Euroclear Sweden AB. No share certificates have been issued for the company's shares.

Share capital

At the end of the year, the total number of outstanding shares in Xbrane was 1,529,483,397. At the year-end, the company had an ongoing new share issue for an additional 2,706,898 shares, which were registered in January 2025. The company has only one share class. Each ordinary share entitles the holder to one vote. The increase in the number of shares and votes in 2024 is primarily due to a rights issue totaling 1,466,270,550 shares and an offset issue for remuneration to guarantors totaling 33,402,483 shares. At the year-end, the share capital amounted to SEK 342,888,859, divided into 1,529,483,397 shares, with a quota value of SEK 0.2242 per share.

Shareholders

As of December 31, 2024, Xbrane had around 11,000 shareholders. The number of outstanding shares was 1,529,483,397. The ten largest shareholders at the end of the period are shown in the table on the next page.

Share capital progression

Year	Event	Quota value	Change in number of shares	Total number of shares	Change in share capital	Total share capital
2024	Offset issue	0.2242	33,402,483	1,529,483,397	7,488,372	342,888,859
2024	Rights issue	0.2242	1,466,270,550	1,496,080,914	328,717,419	335,400,487
2023	Share subscription	0.2242	79,252	29,810,364	17,767	6,683,068
2023	Offset issue	0.2242	515,108	29,731,112	115,480	6,665,301
2023	New share issue	0.2242	1,709,986	29,216,004	383,355	6,549,821
2022	New share issue	0.2242	2,361,112	27,506,018	529,361	6,166,466
2022	Share subscription	0.2242	105,000,	25,144,906	23,541,	5637,138
2021	New share issue	0.2242	2,817,700	25,039,906	631,689	5,613,597
2021	Share subscription	0.2242	21,791	22,832,104	4,885	4,981,908
2020	New share issue	0.2242	2,919,708	22,200,415	654,558	4,977,023
2020	Share subscription	0.2242	11,709	19,280,707	2,625	4,322,465
2020	New share issue	0.2242	3,853,799	19,268,998	863,968	4,319,840
2019	New share issue	0.2242	2,720,328	15,415,199	609,859	3,455,872
2019	New share issue	0.2242	4,387,747	12,694,873	983,670	2,846,012
2019	New share issue	0.2242	1,977,887	8,307,126	443,415	1,862,342
2018	Conversion of convertible loan	0.2242	330,612	6,329,239	74,119	1,418,927
2018	New share issue	0.2242	41,857	5,998,627	9,384	1,344,808
2017	New share issue	0.2242	16,500	5,956,770	3,699	1,335,425
2017	Conversion of convertible loan	0.2242	528,986	5,940,270	118,591	1,331,725
2017	New share issue	0.2242	655,738	5,411,284	147,007	1,213,134
2016	Conversion of convertible loan	0.2242	132,232	4,755,546	29,644	1,066,127
2016	Share split 10:1	0.2242	2,393,024	4,623,314	536,483	1,036,483
2015	Bonus issue	–	–	2,230,290	399,100	500,000
2015	Share split 10:1	–	–	2,230,290	–	100,900
2015	New share issue	0.4524	1,989	223,029	900	100,900
2014	Share split 10:1	–	–	221,040	–	100,000
2014	New share issue	4.5241	11,052	22,104	50,000	100,000
2013	Reduction of share capital	–	–	11,052	–355,200	50,000
2013	Reduction of share capital	–	–	11,052	–700,000	405,200
2013	Company foundation	100	9,824	11,052	982,400	1,105,200

Ownership structure

Name	No. of shares	Shareholding, %
Systematic Group AB	181,709,252	11.9
Håkan Stödberg	71,750,000	4.7
Handelsbanken Fonder	51,935,440	3.4
Avanza Pension	49,703,853	3.3
Bengt Göran Westman	43,516,598	2.9
Nordnet Pensionsförsäkring	34,295,506	2.2
Nordea Liv & Pension	20,457,715	1.3
Swedbank Försäkring	19,897,521	1.3
Joakim Ek	13,461,137	0.9
Styrbjörn Zachau	13,270,000	0.9
Total ten largest shareholders	**499,997,022**	**32.7**
Other Swedish shareholders	**638,550,419**	**41.7**
Other foreign shareholders	**390,935,956**	**25.6**
Total outstanding shares	**1,529,483,397**	**100**

1) Modular Finance. Based on complete list of owners including directly registered and nominee registered shareholders.

FACTS

DIVIDENDS

The Board of Directors proposes that no dividend be paid for the 2024 financial year.

SHARE ANALYSTS FOLLOWING XBRANE

Pareto Dan Akschuti
Redeye Filip Einarsson

ABOUT XBRANE'S SHARES

Listing	Nasdaq Stockholm
Number of shares	1,529,483,397
Market cap on closing date	SEK 246 m
Ticker	XBRANE
ISIN code	SE0007789409

INVESTOR RELATIONS CONTACT

For more information about Xbrane please go to xbrane.com or contact Jane Benyamin, interim CFO, +46 73-360 37 33

Administration report

The Board of Directors and CEO of Xbrane Biopharma AB (publ), Company Registration Number 556749-2375, hereby submit the annual report and the consolidated accounts for the 2024 financial year. The company's annual report and the consolidated accounts are included on pages 29–72 of this document.

About the business

Xbrane Biopharma is a biotechnology company that develops biosimilars. The aim of the company is to make difficult-to-manufacture pharmaceuticals available to the global population based on unique platform technologies enabling cost-effective production. Xbrane has a patented protein production platform with up to 12 times greater productivity than standard systems for the production of proteins in *E. coli* host cells.

Xbrane's leading product candidate is Ximluci®, a ranibizumab biosimilar (original drug Lucentis®) used in the treatment of various eye diseases, mainly the wet form of age-related macular degeneration. Xbrane's portfolio of biosimilar candidates is aimed at a market where the reference drugs have annual sales of around EUR 25 bn.

Group structure

The Group's structure is described in the figure below, with information on the Group companies' names, registered offices and registration numbers. Xbrane owned 100 percent of Primm Pharma s.r.l on the balance sheet date. Xbrane is actively working to divest Primm Pharma.

Xbrane Biopharma AB
Registered office: Solna, Sweden
Co. Reg. No: 556749-2375

Primm Pharma s.r.l.
Registered office: Milan, Italy
Co. Reg. No: MI2075109

Significant events during the financial year

Rights issue 2024

In January, a rights issue of units worth around SEK 343 m was announced, consisting of shares and warrants of series TO1. If the TO1 warrants were fully exercised, Xbrane would receive up to an additional SEK 78 m, approximately. The rights issue was approved at an extraordinary general meeting on February 22, 2024. The purpose of the rights Issue was primarily to finance preparatory activities for the launch of Ximluci® in the US, the launch of Ximluc® PFS, production of clinical material for BIIB801, development and production of clinical material for Xdivane™, general corporate purposes and advance payment in cash of the next six (6) amortizations of convertible bonds to CVI, Investments Inc. The final outcome of the rights issue showed that 29,325,411 units, corresponding to about 98.4 percent of the issue, were subscribed for, with and without the support of unit rights. Through the issue, proceeds of around SEK 337.2 m were added before deductions of issue costs. In addition, a directed offset issue of 33,402,483 shares was resolved to guarantors in the rights issue, with the same subscription price as in the rights issue. The shares were registered and funds received during March, which is why the effects in the balance sheet and cash flow were visible in the interim report for Q1, 2024.

Response to application for marketing approval in the US

In April, it was announced that the US Food and Drug Administration (FDA) sent a Complete Response Letter (CRL) in response to Xbrane's application for market approval for its ranibizumab biosimilar candidate (under the development name Xlucane) for the treatment of eye diseases. Xbrane will work closely with the FDA to submit answers to the questions raised as quickly as possible, which primarily relate to the reference standard and completed inspections of Xbrane's partners' production facilities.

The FDA has not requested any additional clinical trials or any additional studies to demonstrate biosimilarity.

License agreement for Ximluci® for the American market

In May, it was announced that Xbrane and STADA had entered into a license agreement for the US commercial rights to the biosimilar candidate for ranibizumab with Valorum, a specialist in the commercialization of biosimilars, founded by renowned industry figures with a solid track record of selling and marketing biosimilars in the US. Valorum will bring invaluable experience and well-established networks in the US pharmaceutical market. Valorum will be responsible for sales, marketing and all other commercialization efforts in the US following regulatory approval of the product, which is expected to be marketed under the brand name Lucamzi™. Valorum will pay a license fee of up to USD 45 million, divided between an upfront payment, regulatory and sales-related milestones, and royalties on net sales. The remuneration will be shared equally by STADA and Xbrane. The three partners are committed to bringing the ranibizumab biosimilar candidate to the US market as quickly as possible, thereby contributing to more treatment options that can reduce costs and increase patient access to biologics for serious eye diseases.

Termination of licensing agreement for XB003

In August, the company announced that it was regaining full rights to XB003 (formerly BIIB801). This followed a decision by Biogen Inc. to terminate the commercialization and license agreement between the companies. All rights to the product have therefore returned to Xbrane.

Limited clinical study for Xdivane™

In September, the company announced that it had a scientific advisory meeting with the US FDA regarding development of its Opdivo® biosimilar candidate Xdivane™. The FDA agreed with the EMA's earlier feedback and believes that Xbrane's proposed clinical development plan could support a future application for market approval (BLA) in the US. The development plan included a pivotal clinical study, thereby reducing the clinical development

budget by at least 60 percent, from about EUR 120 m to EUR 50 m or less. This significantly increased Xdivane's™ attractiveness to potential commercialization partners. As previously announced, Xbrane was, together with a reputable advisor in the field of life science, engaged in an active out-licensing process with several interested potential partners and aimed to conclude the process within the coming months.

License and co-development agreement with Intas Pharmaceuticals

In November, the company announced that it had entered into an exclusive global licensing and co-development agreement with Intas Pharmaceuticals for Xbrane's Nivolumab biosimilar candidate Xdivane™ (reference product Opdivo®), which generated USD 9 bn globally in 2023. Intas will finance the clinical and regulatory development activities as well as the global commercialization via its subsidiary Accord Healthcare, which has significant expertise in oncology. Xbrane received an upfront payment of EUR 10 m and will receive milestone payments and royalties on revenue after launch. The partnership is expected to enable the launch of the Nivolumab biosimilar when the Opdivo® patent expires, which could improve access to cost-effective cancer treatments.

Resubmission of Biologics License Application (BLA) to FDA

The company announced in December that it had resubmitted a BLA for its biosimilar candidate for LUCENTIS® (ranibizumab) to the FDA . Following the initial submission to the FDA in April 2023, Xbrane received a Complete Response Letter (CRL) from the FDA in April 2024, requesting additional information on the reference standard and actions needed to be taken following inspections of contract manufacturers. Xbrane has subsequently, in consultation with the FDA, qualified a new reference standard and worked with its contract manufacturers to ensure that the required actions have been implemented. The resubmitted BLA will undergo a review with an expected cycle of six months.

Significant events after the end of the financial year

Acting CFO

The company announced in January that Jane Benyamin had been appointed as acting Chief Financial Officer to replace Anette Lindqvist who intended to scale down her operational work and therefore resigned from her position.

An agreement to sell XB003 entered

In March the company announced that it has entered into an agreement to sell XB003 (biosimilar candidate to Cimzia®) and parts of its organization, including approximately 40 employees and laboratory equipment, to Alvotech for a total consideration of approximately SEK 275 million, which consists of full assumption of the outstanding convertible bonds, XB003-related outstanding accounts payables and a cash consideration of SEK 102.25 million. The reduction in Xbrane's organization will reduce annual fixed costs by approximately SEK 120 million. Closing of the transaction is subject to approval from Xbrane's shareholders at an Extraordinary General Meeting (the "EGM") as well as FDI approval. Certain shareholders of Xbrane, including Ashkan Pouya (via company holding) and a large international institution, as well as the board of directors and members of the leadership team, have undertaken to vote in favor of the proposed transaction at the EGM.

Extra General Meeting

In March the company gave notice of an extra general meeting to be held on Monday 14 April 2025.

Financial performance 2024

The Group's results for full-year 2024

The Group's revenue amounted to SEK 198.7 m (238.7). Revenue from product sales of Ximluci® amounted to SEK 63.4 m (209.5). Sales to STADA vary over the course of the year, taking place in larger individual deliveries. During the year, Xbrane, together with STADA, entered into a licensing agreement with Valorum Biologics which resulted in an upfront payment amounting to SEK 26.3 m (USD 2.5 m). During the year, the criteria were also met for milestone payments amounting to SEK 50.6 m (USD 5 m) for XB003 from the previous license agreement with Biogen Inc. At the end of the year, Xbrane entered into a licensing and development agreement with Intas Pharmaceuticals for Xbrane's Nivolumab biosimilar candidate (Xdivane™) which resulted in a further SEK 54.1 m in licensing revenue for 2024.

The cost of goods sold attributable to Ximluci® amounted to SEK −18.2 m (−203.3). During the year, the cost was affected by, among other things, expenses for canceled production and retroactive price adjustment for raw materials from a contract manufacturer.

Other operating expenses amounted to SEK 15.8 m (13.7) and consisted of exchange rate losses on operating receivables and liabilities.

Research and development costs amounted to SEK −391.8 m (−315.8) of which SEK −78.9 m (−10.0) has been capitalized as capitalized development expenditures and presented in the consolidated balance sheet (see note 10). The remaining R&D costs amounting to SEK −312.9 m (−305.8) are reported in the consolidated income statement. For the Xdivane program, the company has worked during the year to upscale production volumes in collaboration with contract manufacturers. For the Ximluci® program, the focus was on the development of the pre-filled syringe and preparations for the resubmission of the FDA application. For the XB003 program, the production process was successfully upscaled during the year and analytical similarity to the reference product has been demonstrated.

Administrative costs amounted to SEK −40.1 m (−40.0). Personnel expenses attributable to administration amounted to SEK −16.4 m (−18.8). In addition to the usual ongoing administrative costs, the Group also had consulting and legal expenses attributable to financing activities.

Other operating expenses amounted to SEK −61.2 m (−25.4), of which SEK −46.4 m (0.0) relates to anticipated and actual bad debts during the year. Otherwise, the item consists of foreign exchange losses on operating receivables and liabilities.

The operating loss was SEK 217.9 m (−322.2). The loss before tax amounted to SEK 253.4 m (−322.0). During the year, the Group was charged with a tax payment to India of SEK 11.6 m attributable to the upfront payment from Intas Pharmaceuticals. Otherwise, there was no taxable profit during the year and thus no further tax expense (0.0). The loss after tax from continuing operations amounted to SEK 265.0 m (−322.0). Loss for the period was SEK 266.2 m (−388.2). Earnings per share for continuing operations was SEK −0.22 (−0.54) and earnings per share amounted to SEK −0.22 SEK (−0.66).

The Group's cash flow

Cash flow from operating activities amounted to SEK −133.7 m (−406.7), of which SEK −0.4 m (−0.6) was from discontinued operations (Primm Pharma).

Cash flow from investment operations amounted to SEK −52.2 m (−16.8) which is primarily attributable to capitalized expenditures for development activities relating to Ximluci® and Xdivane™.

Cash flow from financing activities amounted to SEK 243.6 m (298.7). A rights issue was carried out during the first half of the year, bringing in a net SEK 299.8 m after issue costs. A bridge loan of a nominal value of SEK 50 m was taken out during Q1 which was then repaid in connection with the rights issue. In connection with

the rights issue, the bond loan was also amortized by SEK −62.5 m. Furthermore, a bridge loan of SEK 20 m was taken out at the end of the year, which was then repaid in January 2025. Amortization of leasing liabilities amounted to SEK −13.6 m (−13.9).

The Group's financial position

The Board and the CEO continuously monitor the Group's liquidity and financial resources in both the short and long term. As of December 31, the Group's cash and cash equivalents amounted to SEK 124 m. The existing liquidity is estimated to be able to finance operations until the beginning of Q2 2025, based on the currently approved plan. This plan is dependent on the company securing a path forward for XB003 and postponing certain activities and investments. In addition, the company believes that, if the need arises, there are other alternatives to secure the company's short-term financing.

The company is also in talks with several stakeholders, including suppliers, development partners, investors, and lenders, to secure additional funding. These alternatives include licensing income through partnerships, the raising of capital from both existing shareholders and external investors, and credit and loan financing.

The Board of Directors and the CEO believe that there are alternatives with good opportunities to ensure the company's financing for at least the coming twelve-month period. If key assumptions about these options change or prove not to be feasible, there is a risk to the company's ability to continue operations, which could cast significant doubt on the company's ability to continue as a going concern.

Fixed assets

Fixed assets amounted to SEK 236.5 m (191.8) of which capitalized development expenditures amounted to SEK 167.7 m (99.7). The item also consists of right-of-use assets, and laboratory equipment, machinery, fixtures for office premises and customary monthly impairment.

Inventory

Inventory amounted to SEK 246.9 m (106.9), consisting primarily of manufactured commercial active substance for Ximluci® ready to be packaged in vials or pre-filled syringes for sale. The drug substance has a shelf life of three years, and no impairment is deemed necessary.

Prepaid costs and accrued income

Prepaid costs and accrued income amounted to SEK 198.9 m (251.9). Essential items consisted of advance payments for production of Ximluci®, amounting to SEK 12.1 m, and advance payments to contract manufacturers for raw materials associated with the development of XB003 and Ximluci® and upscaling of Xdivane™, amounting to a total of SEK 119.7 m.

Changes in equity

Share capital on the balance sheet date amounted to SEK 343.5 m (6.7) of which SEK 0.6 m related to an ongoing new share issue for subscription of shares through the use of TO1. The issue was registered in January 2025.

Other contributed capital amounted to SEK 1,395.0 m (1,428.5). Total equity amounted to SEK 208.5 m (171.3) and the equity ratio was 25 percent (26). A rights issue was carried out during the year which increased equity by a net SEK 300.2 m, of which SEK 336.7 m increased the share capital and the remainder was recognized in other contributed capital.

Accounts payable

Accounts payable amounted to SEK 242.6 m (31.0) and consisted primarily of liabilities to the company's contract manufacturers. Payment of the liabilities will be made according to the agreed payment schedule.

Accrued expenses and prepaid income

Accrued expenses and prepaid income amounted to SEK 188.4 m (216.3). This consists primarily of advance payments from STADA amounting to SEK 85.0 m (75.4), of which SEK 69.2 m (35.1) is attributable to the commercialization. In addition, the item consists of prepaid licensing revenue (upfront payment) from Intas Pharmaceuticals of SEK 62.3 m, accrued production costs attributable to Ximluci® of SEK 0.7 m, accrued development costs, primarily for the XB003 project, of SEK 24.9 m, accrued personnel costs SEK 8.6 m and other accrued expenses SEK 7.0 m.

Assets held for sale

Xbrane's intention, in accordance with its previous decision, is to continue to work towards a divestment of the subsidiary Primm Pharma. In the Q1 interim report for 2021, Primm Pharma's assets and liabilities were reclassified to "Assets held for sale" and "Liabilities attributable to assets held for sale" respectively, in the consolidated balance sheet. In the income statement, Primm Pharma's results are reported separately as "Profit/loss from discontinued operations. Primm Pharma's share of each business is reported in the cash flow under "Of which from discontinued operations". In December 2023, Xbrane chose to write-down the asset to the amount corresponding to Primm Pharma's equity.

The effects of the collaboration and supply agreement with STADA

The collaboration agreement which began in July 2018 with STADA AG regarding projects for research and development of Ximluci® meant that STADA AG and Xbrane would equally share (50/50) research and development costs attributable to the project. Receivables and liabilities attributable to the project are reported in full in Xbrane's balance sheet with a settlement of 50 percent for STADA AG's share. This applies to both the Group and the parent company.

In connection with the first delivery of Ximluci® in 2023, Xbrane also signed a supply agreement with STADA. The agreement means that Xbrane will provide the product for commercialization to STADA and will be reimbursed in accordance with the actual production cost. In accordance with the agreement, Xbrane also has the option of pre-invoicing STADA for future product deliveries. Xbrane and STADA will then share (50/50) revenue from sales to the end customer.

On the balance sheet date, Xbrane had receivables from STADA amounting to SEK 16.9 m (0.0), other receivables amounting to SEK 0.0 m (3.0), other liabilities of SEK 8.8 m (0.0) and advance payments from STADA amounting to SEK 84.9 m (75.4) of which SEK 69.2 m (35.1) is pre-invoicing of upcoming product deliveries.

Parent company's results

The core business of Xbrane, i.e. the development of biosimilars, is conducted in the parent company. Xbrane's intention is still, in accordance with previously taken decisions, to divest the subsidiary Primm Pharma, and negotiations are continuing with interested parties. However, a possible sale has become dependent on a reconstruction regarding the contract manufacturer that manufactures the main product, Spherotide. As this procedure has dragged on, uncertainty has increased around the actual time if/when the company can complete a divestment of the subsidiary. Xbrane therefore chose in 2023 to write-down the asset to Primm Pharma's equity. Write-down amounted to SEK 70.3 m, and the carrying amount of shares in Primm Pharma after the write-down was SEK 3.8 m.

As the parent company forms such a large part of the Group, an account of the parent company's results, financial position and cash flow would not provide any additional information to that described in the report on the Group. Therefore, this is only presented in report format on pages 50–53.

Risks, uncertainties and risk management

The Group's risks, uncertainties and risk management are presented in the Corporate Governance Report. If any of the risks described below were to materialize, this could have extensive adverse effects on the Group's operations, earnings, financial position and prospects.

See also previous parts of this annual report as well as Note 22 Financial risks and risk management.

Organization and employees

Xbrane is headquartered at Campus Solna, outside of Stockholm, Sweden, where the company also has a laboratory for the research and development of biosimilars. The wholly–owned subsidiary, Primm Pharma, (currently being sold) was located in Milan, Italy. As mentioned above, the sale of the subsidiary is in progress.

On the balance sheet date, the Group had 65 (93) employees, of which 65 (93) in the parent company and 0 (0) in Primm Pharma.

Annual General Meeting

The 2025 Annual General Meeting will be held on May 5, 2025, at 16:30, in Inghesalen, Widerströmska Huset, 2nd floor, Karolinska Institute, Tomtebodavägen 18a, 171 65 Solna.

Important milestones for the next 12 months

Some of the key milestones we look forward to delivering in the next 12 months are:

- FDA approval and subsequent launch of Lucamzi™ (Ximluci®) in the US together with selected commercialization partners.
- Active processing of the market with STADA, to achieve faster sales growth for Ximluci®. in Europe.
- Initiate the clinical study for Xdivane™ to be conducted by the company's partner INTAS.

IP

Enhancing our technological platform

Xbrane continues to develop intellectual property protection in the IP portfolio around its platform technology. In 2024, the company filed 22 patent applications, where 13 protect new DNA sequences in genes introduced into host cells and instruct the cells to express XB003™.

The rest of the patent applications relate to the formulation of Xdivane™ (three patent applications) and prefilled syringes (PFS) for Ximluci® (six patent applications).

The patent applications for the protection of Ximluci® PFS have been co-filed with STADA Arzneimittel AG. The expanding patent portfolio will strengthen Xbrane's brand, protect our products and enable more out-licensing of IP in the future.

Guidelines for the remuneration of the CEO and other senior executives 2024

Remuneration and terms of employment for senior executives, meaning those who are part of Group management as of December 31, 2024, shall be formulated in accordance with the company's policy for remuneration to senior executives. According to the policy, remuneration and employment conditions should be designed to ensure the company's access to executives with the required skills. Remuneration and benefits for senior managers are prepared by the Remuneration Committee and determined by the Board.

The remuneration shall consist of a fixed basic salary, potential variable remuneration in the form of a short-term cash incentive scheme, the option to participate in a long-term share savings scheme, pension provisions, insurance and certain other benefits. The remuneration shall be market-based and competitive and shall be related to the responsibilities and authority of each senior executive. Any variable remuneration shall be related to well-defined set objectives and to the fixed salary and shall be limited to a maximum amount equivalent to two months' gross salary.

Guidelines for the remuneration of the CEO and other senior executives 2025

In accordance with the Board's proposal to the Annual General Meeting (AGM) presented below is a proposal for guidelines for remuneration to the CEO and other senior executives for 2025 and up to the next AGM.

General

The guidelines shall be applied to remuneration that is agreed or in the event of changes in already agreed remuneration after the guidelines have been adopted by the AGM. The guidelines do not cover remuneration decided by the AGM. All possible remuneration paid in shares, warrants, convertibles, or other share-related instruments, such as synthetic options or employee stock options, is thus decided by the AGM.

These guidelines include the CEO and other members of Group management, as well as remuneration other than board fees to board members.

With regard to employment conditions that are subject to rules other than Swedish regulations, appropriate adjustments may be made to comply with such mandatory rules or established local practice, whereby the overall purpose of these guidelines shall be met as far as possible.

Promotion of the company's business strategy, long-term interest and sustainability through these guidelines

Xbrane's strategy is to develop and manufacture high quality and cost-effective biosimilars based on a unique platform technology and leading expertise. Xbrane is focused on difficult-to-manufacture and niche pharmaceutical products with limited competition from other biosimilar developers.

For more information regarding the company's business strategy, please see www.xbrane.com.

The guidelines shall contribute to the opportunity to create conditions for the company to retain and recruit skilled and committed employees in order to successfully implement the company's business strategy and meet the company's long-term interests, including sustainability. Furthermore, the guidelines shall encourage an increased interest in the business and earnings development as a whole, and raise motivation for the senior executives and increase positive cohesion in the company. The guidelines shall also contribute to good ethics and corporate culture.

In order to achieve the company's business strategy, the total annual remuneration must be market-based and competitive in the employment market in which the senior executive operates, considering the individual's qualifications and experience as well as the fact that exceptional performance must be reflected in the total remuneration, which these guidelines enable. The company's ambition is that remuneration should be market-based in comparison with other biotech and life science companies listed on Nasdaq Stockholm, which are in a similar phase in terms of maturity and company size and have a similar financial outlook to Xbrane.

The company implemented long-term share-related incentive schemes in 2021, 2022 and 2023 in which all employees had the opportunity to participate. These schemes have been adopted by each AGM and are therefore excluded from these guidelines. The long-term share-related incentive scheme proposed by the Board of Directors to the 2025 AGM for adoption, or any other future share-related incentive scheme adopted by the AGM, are excluded for the same reason.

For information regarding performance criteria, terms and conditions, and costs of these schemes, see the Board information on the company's website.

Variable cash payments covered by these guidelines are intended to promote the company's business strategy and long-term interests, including its sustainability.

Forms of remuneration etc.

Remuneration may consist of fixed cash salary, possible variable cash compensation, other customary benefits and pension. The total annual cash remuneration, including pension benefits, must be market-based and competitive in the employment market and in the work area in which the employee operates, considering the individual's qualifications and experience as well as the fact that outstanding achievements are to be reflected in the total remuneration. Fixed cash salary and variable cash remuneration shall be related to the executive's responsibility and authority. The fixed cash salary shall be revised annually.

The fulfilment of criteria for payment of variable cash compensation shall be measurable over a period of one year. The variable cash payment may amount to a maximum of 50 percent of the total fixed cash salary during the measurement period for such criteria. Additional variable cash compensation may be payable in exceptional circumstances, provided that such arrangements are time-limited and made only at the individual level. The purpose of such arrangements must be to recruit or retain executives, or as compensation for extraordinary work in addition to the person's regular duties. Such compensation shall not exceed an amount corresponding to 50 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the Board of Directors on proposal from the remuneration committee.

Pension benefits, including health insurance, must be defined in contribution schemes with respect to the CEO. Variable cash payments shall not entitle to pension. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary and must not exceed 10 price base amounts.

For other senior executives, pension benefits, including health insurance, must be defined in contribution schemes unless the employee is covered by defined-benefit pensions under compulsory collective agreement provisions.

Variable cash compensation must be pension-based insofar as this is compelled by compulsory collective agreement provisions applicable to the senior executive. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary. Other benefits may include life insurance, health insurance and car benefit. Such benefits may amount to a maximum of 10 percent of the fixed annual cash salary.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, considering the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may amount to a maximum of 30 percent of the fixed annual cash salary.

If a member of the Board of Directors performs work on behalf of the company, in addition to the work of the Board, consultancy fees and other remuneration for such work may be payable after special resolution by the Board of Directors, after preparation by the remuneration committee. Such compensation shall be calculated in accordance with these guidelines.

Termination of employment

Upon termination of employment, the notice period may not exceed six months. Fixed cash salary during the notice period and severance pay may not, in total, exceed an amount corresponding to the fixed cash salary for one year. In the event of resignation by a senior executive, the period of notice may not exceed six months.

In addition, compensation for any commitment to restrict competition may be paid. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former executive has no right to severance pay. Remuneration shall amount to a maximum of 60 percent of the monthly income at the time of termination and expire during the time limit for the restriction of competition, which shall not exceed 24 months after termination of employment.

Criteria for payment of variable cash compensation etc.

The variable cash remuneration shall be based on and be related to the outcome in relation to predetermined and measurable concrete defined objectives based on the Company's business strategy and the long-term business plan approved by the Board of Directors. The objectives may include financial objectives, either at the Group or unit level, operational objectives as well as objectives for sustainability and social responsibility, employee engagement or customer satisfaction, as well as individualized quantitative or qualitative goals. These objectives must be established and documented annually in order to promote the long-term development of executives. The company has established financial targets and KPIs based on strategic and business-critical initiatives and projects that ensure fulfilment in accordance with the business plan and business strategy for a sustainable continued business and safeguarding the company's long-term interests.

Conditions for variable cash compensation should be designed so that the Board of Directors, if particularly difficult economic conditions occur, has the option of limiting or neglecting to issue variable remuneration if such a resolution is deemed unreasonable and incompatible with the company's responsibility to the shareholders. For annual bonuses, there should be the option of limiting or neglecting to pay variable remuneration, if the Board of Directors deems it justified for other reasons. The company must be able to abolish, in full or in part, variable cash compensation according to law or agreement subject to any restrictions that may follow.

When the measurable period for fulfilment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The Board of Directors, after preparation from the remuneration committee, is responsible for the assessment of variable cash remuneration to the CEO, and the CEO is responsible for the assessment of variable cash remuneration to other executives. With respect to financial targets the evaluation shall be based on the company's latest publicly available financial information.

Salary and terms of employment for employees

In preparing the Board of Directors' proposal for these guidelines, salary and terms of employment for the company's employees have been considered, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and the increase over time, when the remuneration committee and the Board of Directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follow from these.

Preparation, decision-making etc.

Questions regarding cash salary and variable cash remuneration to the CEO and other senior executives are prepared by the remuneration committee and resolved by the Board of Directors and, where applicable, the CEO.

The remuneration committee shall also prepare the Board of Directors' resolution on matters regarding remuneration principles for senior executives, including guidelines for remuneration to senior executives. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration for senior executives during the year and follow and evaluate the application of these guidelines for remuneration to senior executives as well as current remuneration structures and remuneration levels in the company. The CEO and other members of the executive management are not present at the Board of

Directors' deliberations and resolutions on remuneration-related matters, insofar as they are affected by the resolutions.

The Board of Directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the AGM. The guidelines shall apply until new guidelines have been adopted by the AGM. The Board of Directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the Group.

Deviations from the guidelines

The Board of Directors shall have the right to deviate from the above guidelines if the Board of Directors considers that, in a particular case, there are special reasons which justify it and an exception is necessary to meet the company's long-term interests and sustainability, or to ensure the company's financial viability. Such deviations shall also be approved by the remuneration committee.

An agreement that deviates from the guidelines may be renewed, but any such agreement should be limited in time and not exceed 24 months or an amount that is twice as high as the compensation that the person concerned would have received without any agreement.

Information about deviations

There have been no deviations from the remuneration guidelines adopted by the AGM for 2024.

Employment contracts

In the event of notice of termination of CEO Martin Åmark, a mutual notice period of six months applies, while the notice period for the rest of Group management is three months. The CEO and other members of Group management are not entitled to severance pay.

Incentive schemes and warrants

For more information on short-term incentive schemes, the warrants scheme for senior executives and the share savings scheme, see Note 4, Employees, staff expenses and remuneration to leading executives.

Short-term incentive scheme 2024

During 2024, the company had a short-term incentive scheme that covered all employees and provided the opportunity for up to approximately two months' salary in cash payment, but due to current circumstances, it was decided that no bonus would be paid for 2024. The cost of cash bonuses therefore amounted to SEK 0.0 m including social security costs.

Incentive scheme 2024

At Xbrane's AGM on May 2, 2024, it was decided to adopt a share savings scheme ("Incentive Scheme 2024/2025") for all employees running between 2024–2025. However, due to current circumstances, Xbrane's Board of Directors chose not to proceed with the scheme for 2024.

LTIP 2023

At Xbrane's AGM on May 4, 2023, it was decided to adopt a long-term share savings scheme ("LTIP 2023") for all employees, running from 2023–2026. It was decided to issue 690,000 warrants with which the holder can subscribe for new shares at the end of the scheme. The maximum dilution for the scheme amounts to 2.45 percent of the share capital and votes in the company.

The costs for the scheme include the estimated value of the shares as well as social security costs for the amounts that the employees are expected to be allocated, which will be expensed on an ongoing basis during the period 2023–2026. The warrants will accrue to the employees who have invested in the share savings scheme without consideration. All employees have had the opportunity to participate in the scheme under the same conditions.

LTIP 2022

At Xbrane's AGM on May 5, 2022, it was decided to adopt a long-term share savings scheme ("LTIP 2022") for all employees, running from 2022–2024. It was decided to issue 540,000 warrants with which the holder can subscribe for new shares at the end of the scheme. The maximum dilution for the scheme amounted to 2.11 percent of the share capital and votes in the Company.

The costs for the scheme include the estimated value of the shares as well as social security costs for the amounts that the employees are expected to be allocated, which will be expensed on an ongoing basis during the period 2022–2024. The warrants will accrue to the employees who have invested in the share savings scheme without consideration. All employees have had the opportunity to participate in the scheme under the same conditions.

Proposed distribution of profits loss

The Board of Directors proposes that the following loss will be treated:

Proposed treatment of the Company's loss in SEK 000	
Share premium reserve	1,395,030
Profit/loss brought forward	–1,428,954
Profit/loss for the year	–264,501
Total	**–298,424**
To be carried forward	**–298,424**

The Board of Directors proposes that no dividend be paid for the financial year 2024. The Board of Directors proposes that the Company's accumulated loss to be carried forward.

The Group's and the parent Company's earnings and position in general are shown in the following income statements and balance sheets as well as cash flow statements and additional information.

Five-year summary

Amounts (SEK 000)	2024	2023	2022	2021	2020
Net revenue	198,721	238,729	57,618	10,709	–
Operating profit/loss	–217,922	–322,164	–166,217	–180,583	–217,436
Profit/loss for the year	–266,220	–388,172	–172,513	–188,376	–226,026
Balance sheet total	842,429	653,508	690,515	688,427	463,763
Equity ratio	25%	26%	62%	63%	56%
Earnings per share (continuing operations)	–0,22	–0,54	–0,32	–0,38	–0,60

Corporate Governance

Corporate Governance Report 2024

Xbrane Biopharma AB (publ) ("Xbrane" or "The company") is a public Swedish limited liability company with its registered office in Solna. The company's shares are traded on Nasdaq Stockholm (Mid Cap) and traded under the ticker XBRANE.

Corporate governance in Xbrane is based on current laws (mainly the Companies Act and the accounting regulations), the corporate structure, Nasdaq Stockholm's regulations for issuers, internal guidelines and policies and the Swedish Code of Corporate Governance (the "Code"). The purpose of corporate governance is to create a clear distribution of roles and responsibilities between owners, the Board and management. This Corporate Governance report describes Xbrane's corporate governance, which includes the management and administration of the company's operations and internal controls regarding financial reporting.

Application of the Code and deviations

Xbrane applies the Swedish Code of Corporate Governance (the "Code") without deviations. Information about the code can be found at www.bolagsstyrning.se.

Information on the company's website

The Company has a special section on its website for corporate governance issues under the heading Corporate Governance.

Examples of external regulations that affect corporate governance:

- Swedish Public Limited Companies
- Accounting legislation, including the Accounting Act and the Annual Accounts Act
- Nasdaq Stockholm's regulations for issuers
- Swedish Code of Corporate Governance (the Code, www.bolagsstyrning.se)

Examples of internal regulations that are important for corporate governance:

- Articles of Association
- The Board's Rules of Procedure (including instructions for the Board's committees)
- CEO instructions
- Corporate Policy
- Guidelines for remuneration to senior executives
- Code of conduct
- Working Environment Policy
- Finance Policy
- Information Policy
- Information Security Policy
- Insider Policy
- Privacy Policy
- IP Policy
- IT Policy
- Financial Handbook
- Employee Handbook
- Guidelines for transactions with related parties
- Sustainability Policy

Articles of Association

According to the Articles of Association, Xbrane is to conduct natural science research and development, conduct sales, own and manage movable and immovable property directly or indirectly through subsidiaries, and conduct compatible operations therewith. Xbrane's Articles of Association can be found in their entirety on Xbrane's website, www.xbrane.com. Changes to Xbrane's Articles of Association are made in accordance with the provisions of the Swedish Companies Act. According to the Articles of Association, the Board of Directors of Xbrane shall consist of a minimum of three and a maximum of ten members. The members of the Board are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. The Articles of Association do not contain any special provisions on the appointment and dismissal of board members, nor any special provisions on amendments to the Articles of Association.

Shares and shareholders

Xbrane's shares are listed on Nasdaq Stockholm. At the end of 2024, the total number of shares was 1,529,483,397 and the number of shareholders was around 11,000. For information about the company's major shareholders and ownership structure, see page 28.

Annual General Meeting

The Annual General Meeting (AGM), or, where applicable, Extraordinary General Meeting, is the company's highest decision-making body where all shareholders who are registered in the share register and who have announced their participation in time are entitled to participate and vote. Shareholders may also be represented by representatives at the AGM. An ordinary share gives the right to one vote at the AGM. There are no restrictions on how many votes each shareholder can cast at a general meeting.

Resolutions at the AGM are made by a simple majority, except in cases where the Companies Act sets requirements for a higher proportion of shares represented at the AGM and stated votes. At the AGM, shareholders exercise their voting rights on key issues, such as the establishment of income statements and balance sheets, disposition of the Company's results, granting discharge from liability for the members of the Board and the CEO, principles for appointment of the Nomination Committee, election of the Board members and auditors, remuneration to the Board and auditors and remuneration and guidelines for remuneration to senior executives. The AGM may be held at the company's registered office in Solna or in Stockholm.

Annual General Meeting 2024

At the Annual General Meeting on May 2, 2024, 31 shareholders were represented with a holding of 10,892,646 shares corresponding to 39.6 percent of the total number of shares and votes in the Company. Attorney Carl Svernlöv was elected chairman of the meeting.

At the 2024 AGM, decisions were made, among other things, on:

- Determination of income statement and balance sheet.
- Distribution of profits.
- Determination of fees to the Board and auditor
- Re-election of Eva Nilsagård, Anders Tullgren, Mats Thorén and Kirsti Gjellan as ordinary members.
- New election of Kristoffer Bissessar as an ordinary member.
- Re-election of Anders Tullgren as Chairman of the Board.
- Election of PwC as auditor with authorized auditor Magnus Lagerberg as principal auditor.
- Decision on instructions and rules of procedure for the Nomination Committee.
- Establishing guidelines for remuneration to senior executives.
- Amendment of the Articles of Association by introducing a new provision (§ 10) enabling collection of proxies and postal voting.

- Authorization for the Board to decide on one or more occasions until the next AGM on the issue of shares, convertibles and/or warrants with or without deviation from shareholders' preferential rights, corresponding to a maximum 20 percent of the Company's share capital after completed issuances based on the number of shares at the time of the AGM, to be paid in cash, in kind and/or by offsetting.
- Approval of the remuneration report that was presented

Annual General Meeting 2025

The Annual General Meeting 2025 will be held on Monday, May 5, 2025, at 16:30, in Inghesalen, Widerströmska Huset, 2nd floor, Karolinska Institute, Tomtebodavägen 18a, 171 65 Solna. For further information about the Annual General Meeting, please refer to Xbrane's website.

Notice of meeting

The Annual General Meeting shall be held within six months from the end of the financial year. In addition to the AGM, shareholders can be called to an Extraordinary General Meeting. According to the Articles of Association, notice of the AGM is given by advertising in Post- och Inrikes Tidningar and by keeping the notice available on the Company's website (www.xbrane.com).

That summons issued shall be announced at the same time in Svenska Dagbladet. In order to participate in the Annual General Meeting, shareholders must be entered in the share register kept by Euroclear Sweden AB, no later than five working days before the meeting, and registered with the company no later than the day specified in the notice. This day may not be a Saturday, Sunday, public holiday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not fall earlier than the fifth weekday before the meeting.

Right to attend the Annual General Meeting

Shareholders whose shares are registered with a nominee at a bank or other nominee must, in order to be eligible to attend the AGM and in addition to informing the company, request that their shares be temporarily registered in their own name in the share register kept by Euroclear Sweden. Shareholders should inform their nominees well in advance of the record date. Shareholders must also report any assistants in the manner stated above.

Initiatives from shareholders

Shareholders who wish to have a matter dealt with at the AGM must submit a written request to this effect to the Board of Directors. The request should normally be submitted to the Board no later than seven weeks before the AGM.

Nomination Committee

At the 2024 AGM, rules were set for the appointment of the Nomination Committee ahead of the 2025 AGM. According to the established rules, the Nomination Committee shall be appointed for the period until a new Nomination Committee is appointed, and consist of three members, appointed by the company's three largest voting shareholders as of September 30, 2024. The Chairman of the Board shall be a deputy member if necessary. As soon as reasonably possible after the end of the third quarter, the Chairman of the Board shall in a suitable manner contact the three largest owner-registered shareholders in terms of votes in the share register maintained by Euroclear Sweden AB at that time and invite them to, within a reasonable period of time considering the circumstances, which may not exceed 30 days, in writing to the Nomination Committee, name the person the shareholder wishes to appoint as a member of the Nomination Committee. If one of the three largest shareholders does not wish to exercise their right to appoint a member of the Nomination Committee, the next shareholder in line shall be offered the right to appoint a member of the Nomination Committee. In the case that several shareholders abstain from their right to nominate members of the Nomination Committee, the Chairman of the Board will not be required to contact more than eight shareholders, unless this is necessary to form a nomination committee of at least three members. Unless otherwise agreed by the members, the member appointed by the largest shareholder will be appointed Chairperson of the Nomination Committee.

If a shareholder that has appointed a member of the Nomination Committee during the year ceases to be one of the company's three largest shareholders, the member appointed by that shareholder must resign from the Nomination Committee. Instead, a new shareholder among the three largest shareholders will have the right to, independently and according to their own discretion, appoint a member of the Nomination Committee. However, no marginal differences in shareholdings and changes in shareholdings that arise later than three months before the AGM shall be the cause for any changes to the composition of the Nomination Committee, unless there are exceptional circumstances. If a member of the Nomination Committee resigns before the Nomination Committee has fulfilled its obligations for reasons other than those given in the above paragraph, the shareholder who appointed that member has the right to, independently and according to their own discretion, appoint a replacement member.

Based on the above, the Nomination Committee prior to the 2025 Annual General Meeting has been determined to consist of the following persons who together represent about 19 percent of the number of shares and votes in the Company as of September 30 , 2024:

- Jens Segren, appointed by Systematic Group AB, the company's largest shareholder
- Håkan Söderberg, the company's second largest shareholder
- Bengt Göran Westman, the company's fifth largest shareholder
- Anders Tullgren, Xbrane's Chairman of the Board, deputy
- member if necessary.
- Jens Segren has been appointed chairman of the Nomination Committee

Board of Directors

After the AGM, the Board is the Company's highest decision-making body It is the Board of Directors who is responsible for the company's organization and the management of the company's affairs, for example by setting goals and strategies, securing routines and systems for monitoring the set objectives, continuously assessing the company's financial situation and evaluating the operational management.

Furthermore, it is the Board's responsibility to ensure that correct information is provided to the company's stakeholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. The Board also appoints the CEO of the company and determines salary and other remuneration to him/her based on the guidelines adopted by the meeting.

The Board has its registered office in Solna According to Xbrane's Articles of Association, the Board must consist of a minimum of three (3) and a maximum of ten (10) members. The Board currently consists of five members elected by the AGM on May 2, 2024. At the end of the financial year, Xbrane's Board of Directors consisted of Chairman Anders Tullgren and the Board members Eva Nilsagård, Mats Thorén, Kirsti Gjellan and Kristoffer Bissessar.

Composition of the Board

According to the Swedish Code of Corporate Governance (the "Code"), the majority of the board members elected at the Annual General Meeting are independent in relation to the company and company management. In determining whether a member is independent or not, an overall assessment must be made of all the circumstances that may cause the member to question the independence of the member in relation to the company or company management. Furthermore, according to the Code, at least two of the members who are independent in relation to the company and company management must also be independent in relation to major shareholders.

Major shareholders are shareholders who directly or indirectly control ten (10) percent or more of all shares and votes in the company. To determine a member's independence, the extent of the Board member's direct and indirect relationships with the majority owner must be considered in the assessment. A Board member who is an employee or a Board member of a company that is a majority owner is not considered to be independent. All members are independent of the company, its management and major shareholders.

The work of the Board

The Board follows a written work plan that is reviewed annually and determined at the statutory board meeting. The rules of procedure regulate, among other things, the Board's working methods, duties, decision-making within the company, the Board's meeting order, the Chairman's duties and the division of work between the Board and the CEO. Instructions regarding financial reporting and instructions to the CEO are also determined at the time of the statutory board meeting.

The work of the Board is also conducted on the basis of an annual presentation plan, which meets the Board's need for information. In addition to board meetings, the Chairman of the Board and the CEO have ongoing dialogue about the management of the company.

The Board meets according to a predetermined annual plan and shall, in addition to the consistent Board meeting, hold at least six (6) regular board meetings between each Annual General Meeting. In addition to these meetings, extra meetings can be arranged to address issues that cannot be referred to any of the regular meetings.

Chairman of the Board

The task of the Chairman of the Board is to lead the work of the Board and to ensure that this work is conducted efficiently and that the Board fulfils its duties. The Chairman shall, through contacts with the CEO, monitor developments in the company and ensure that the members of the Board, through the CEO's care, continuously receive the information needed to be able to track the company's position, financial planning and development. Furthermore, the Chairman shall consult with the CEO on strategic issues and ensure that the Board's decisions are executed effectively.

The Chairman of the Board is responsible for contacts with the owners regarding ownership issues and for conveying the views of the owners to the Board. The Chairman does not participate in the operational work of the company and is not included in Group management.

Remuneration to the Board

The 2024 Annual General Meeting determined that fees to the Board, for the period up to the end of the next Annual General Meeting, should be paid to a total of SEK 2,437,800. The remuneration to the Chairman of the Board shall amount to SEK 642,600 and each of the other members shall receive SEK 321,300. The remuneration for the Chairman of the Remuneration Committee shall amount to SEK 102,000 and SEK 51,000 for other members. The remuneration for the Chairman of the Audit Committee shall amount to SEK 153,000 and SEK 76,500 for other members.

Board committees

The Board of Directors has established two committees, the Audit Committee and the Remuneration Committee. The Board has adopted rules of procedure for both committees.

Audit Committee

The Board has set up an internal Audit Committee. The current Audit Committee consists of Chairman Eva Nilsagård and committee members Mats Thorén, and Kristoffer Bissessar.

The Audit Committee works in accordance with instructions adopted by the Board. Its main duties are, without any impact on the Board's responsibilities and duties in general:

- Monitor the company's financial reporting with respect to the company's internal control and risk management,
- Keep informed about the audit of the annual accounts and the consolidated accounts,
- Inform the Board of Directors of the results of the audit and of the manner in which the audit contributed to the reliability of the financial reporting and of the function of the committee,
- Review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the Company with services other than auditing services,
- Approve the auditor's advisory services and establish a policy for the auditor's advisory services,
- Assist in the preparation of proposals for the Annual General Meeting's decision on the election of auditors, annually assess the need for an internal audit function and quality-assured year-end report and interim reports before board decisions.

The Audit Committee prepares proposals for the Board of Directors, which then either make decisions on the issues or, if necessary, approve proposals for resolutions by the Annual General Meeting.

			Attendance at meetings			Independent	
Member	Position on Boar	Board member since	Board	Audit Committee	Remuneration Committee	Company	Owner
Anders Tullgren	Chairman of the Board	2018	37/37		3/3	Yes	Yes
Ivan Cohen-Tanugi[1]	Member	2019	14/37			Yes	Yes
Peter Edman[1]	Member	2015	14/37			Yes	Yes
Kirsti Gjellan	Member	2022	37/37	2/8		Yes	Yes
Eva Nilsagård	Member	2019	34/37	8/8		Yes	Yes
Mats Thorén	Member	2020	36/37	8/8	3/3	Yes	Yes
Kristoffer Bissessar[2]	Member	2024	23/37	6/8		Yes	Yes
Karin Wingstrand[1]	Member	2015	14/37		3/3	Yes	Yes

1) Resigned from the Board at the Annual General Meeting May 2, 2024.
2) Joined the Board at the Annual General Meeting May 2, 2024.

Remuneration Committee

The Board has set up an internal Remuneration Committee. The committee includes chairman Anders Tullgren and committee members Kristoffer Bissessar and Kirsti Gjellan.

The Remuneration Committee prepares proposals for the Board of Directors, which then either make decisions on the issues or, where appropriate, adopt proposals for resolutions to the Annual General Meeting. The Remuneration Committee works in accordance with instructions adopted by the Board. The main tasks of the Remuneration Committee are to:

- Prepare the Board's decisions on matters relating to remuneration principles, remuneration and other terms of employment for company management.
- Follow and evaluate schemes for variable remuneration to company management.
- Follow and evaluate the application of the guidelines for remuneration to senior executives as decided by the AGM, as well as
- the applicable remuneration structures and remuneration levels in the company.

Auditor

The company's auditor is appointed by the AGM for the period until the end of the next AGM. The auditor discusses the external audit plan and the management of risks with the Audit Committee. The auditor conducts a review of at least one interim report, audits the annual accounts and consolidated accounts, and reviews the administration of the board and the CEO. The auditor comments on how the corporate governance report has been prepared and whether the information is consistent with the annual and consolidated accounts.

The auditor reports the result of their audit of the annual report, ESEF and the consolidated accounts and their review of the corporate governance report through the audit report and a special opinion on the corporate governance report, which they present to the AGM. In addition, the auditor submits detailed reports on audits performed and his assessment of the Company's internal controls to the Audit Committee at least twice a year and to the Board as a whole once a year.

At the Annual General Meeting on May 2, 2024, PricewaterhouseCoopers AB was elected as the Company's auditor.

The principal auditor is Magnus Lagerberg, authorized public accountant and member of FAR, the organization for auditors in Sweden. It was also decided at the AGM that fees to the auditor shall be paid in accordance with customary billing standards and approved invoices. More information regarding the auditor's fees can be found in Note 5.

CEO and Group Management

The Chief Executive Officer (CEO) in his role is subordinate to the Board and has as his main task to manage Xbrane's day-to-day management and the day-to-day operations of the company. The Board's rules of procedure and instructions for the CEO indicate which issues the company's Board of Directors shall make decisions about and which decisions fall within the CEO's area of responsibility. The CEO is also responsible for the preparation of reports and the necessary documentation for board meetings and is the rapporteur for the material at board meetings.

At the end of 2024, Xbrane had a management team consisting of six people: CEO, Chief Financial Officer (CFO), Head of Biosimilars, Head of Manufacturing and Supply Chain, Chief Technology Officer and Head of Clinical Affairs For a more detailed description of Group Management, see page 42–43.

Internal control over financial reporting

In accordance with the Companies Act and the Code, the Board is responsible for internal control. The Board's report refers to the internal control of the Group's financial reporting. The purpose of Xbrane's systems and processes for internal control and risk management for financial reporting, is to ensure that shareholders can have good confidence in the financial operations and presented reports, including the information in this annual report and all interim reports. The Board's work on internal control is based on a control environment, risk assessment, control activities, information and communication and follow-up. Internal control is a process that is influenced by the Board of Directors, the company's management and other employees, and designed to provide reasonable assurance that the company's goals are being met in terms of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Control environment

The Board has overall responsibility for Xbrane's internal control over the financial reporting. In order to create and maintain a functioning control environment, the Board and the company have adopted a number of policies, guidelines and governance documents that regulate the financial reporting. These mainly consist of the Board's rules of procedure, instructions for the CEO, authorization arrangement and a financial manual containing principles, guidelines and process descriptions for accounting and financial reporting. Finally, the Board of Directors has established an Audit Committee whose main task is to monitor the company's financial position, to monitor the efficiency of the company's internal control and risk management, to stay informed about the audit of the annual accounts and the consolidated accounts. The responsibility for the ongoing work on financial control has been delegated to the company's CEO, who in turn has delegated to the company's CFO to have overall responsibility for maintaining sound internal control over the financial reporting.

Risk assessment

Xbrane regularly evaluates financial risks and other risks that may affect operational business and financial reporting. The risk assessment covers the entire Group and is done with the aim of ensuring risk mitigation of potential errors in the financial reporting. Furthermore, new and existing risks are identified, treated and controlled through discussions in the management group, the Board and the Audit Committee.

Control activities

Xbrane has established control activities aimed at preventing, detecting and correcting errors and deviations in financial reporting. The activities include analytical follow-up and comparison of earnings performance, account reconciliations and balance sheet specifications, approval and accounting of business transactions and cooperation agreements, proxy and authorization instructions, and accounting and valuation principles.

Information and communication

As a listed company on Nasdaq Stockholm, operating in one of the world's most regulated industries – healthcare – Xbrane is subject to strict regulations and monitoring authorities regarding its disclosure and its accuracy. In addition, Xbrane has internal control functions for information and communication that aim to ensure that correct financial and other company information is communicated to employees and other stakeholders. Financial developments, market developments, the status of Xbrane's development projects and other relevant information, are reported to the Board on a monthly basis. The security of all information that can affect the company's market value and that such information is communicated externally in a correct manner and at the right time, is of the utmost importance for Xbrane's commitment as a listed company. For this, Xbrane has strict procedures that ensure compliance with the EU Market Abuse Regulation (MAR). Xbrane's Board of Directors and management have established information and communication paths to ensure completeness and accuracy in financial reporting as well as established governing documents, such as internal policies, guidelines and instructions for information and communication.

Monitoring

Group management conducts monthly earnings and liquidity monitoring with analysis of deviations from the budget and forecast. Xbrane's Swedish finance department conducts monthly checks, evaluations and follow-ups of financial reporting.

As a large part of the company's product development takes place in project form, continuous monitoring of these is done from a financial point of view.

The Board of Directors and the Audit Committee review annual accounts and interim reports prior to publication. In particular, the Audit Committee discusses accounting principles, the structure of internal control, risks and other issues related to the reports. The Company's external auditor also participates in these discussions.

Internal audit

Xbrane has no separate internal audit function. The Audit Committee and the Board evaluate the need for such a function, and given the size and structure of the company, there is not considered a need. The Board monitors internal control, regarding financial reporting, through regular follow-ups together with the Audit Committee.

Board of Directors

ANDERS TULLGREN

Chairman of the Board since 2018.

Chairman of the Remuneration Committee

Born: 1961

Education: M.Sc. in Pharmaceutical Science, Uppsala University.

Professional experience: Has over 35 years of leadership roles in the global pharmaceutical industry in the US, Germany, France, the UK and the Nordic region. Most recently as President of the Intercontinental Region at Bristol Myers Squibb with responsibility for over 30 countries, 5,000 employees and a turnover of over SEK 20 bn.

Other assignments: Chairman of the Board of BerGenBio, Norway and Board Member of BrandingScience Ltd, UK .

Previous assignments (past 5 years): Board Member of Dizlin Pharmaceuticals AB, Biotoscana Investments S.A., and Symphogen AS.

Shares: 2 570 484

Independent of the Company, its management and major shareholders.

KRISTOFFER BISSESSAR

Board member since 2024.

Member of the Audit Committee and Remuneration Committee.

Born: 1968

Education: Independent courses in leadership, tax and banking law, business administration and financial/corporate analysis

Professional experience: Extensive experience from the financial market, active in banking and finance between 1989 – 2012, with experience in asset management, institutional stock brokerage and investment banking. Previously held various senior positions at Svenska Handelsbanken AB, Deutsche Bank AG and Nordea Bank AB and was a Board Member of the Swedish Securities Dealers Association.

Other assignments: Board Member, Chairman of the Audit Committee and member of the Remuneration Committee of BioInvent International AB

Previous assignments (last five years): Evolvere Partners AB, finished as Board Member and CEO on November 30, 2022

Shares: 2,000,000

Independent of the company, its management and major shareholders.

KIRSTI GJELLAN

Board member since 2022

Member of the Remuneration Committee

Born: 1963

Education: Degree in pharmacy and Ph.D. in pharmaceutical technology from the University of Oslo.

Professional experience: More than 30 years' experience in international pharmaceutical companies including senior positions at AstraZeneca, Pfizer and Sobi. Most recent roles were as CEO of Pfizer Health AB, Global Head of Internal/External Manufacturing and QA/QC and Global Head of Biological Process Development with Supply Chain at Swedish Orphan Biovitrum AB (Sobi).

Other assignments: Board member of Bio-Works Sweden AB and KTH (Royal Institute of Technology) Stockholm and Kirsti Gjellan AB.

Previous assignments (past 5 years): Board Member of SwedenBio Service AB, OxThera AB, Bio-Works Sweden AB and Envirotainer Holding AB.

Shares: 127,500

Independent of the company, its management and major shareholders

Shareholding at December,31 2024

EVA NILSAGÅRD

Board member since 2019.

Chair of the Audit Committee.

Born: 1964

Education: B.Sc. in Business Administration and Executive MBA, School of Economics at Gothenburg University.

Professional experience: Founder and CEO of Nilsagård Consulting AB. Former CFO at Plastal Industry and Vitrolife, Senior Vice President Strategy & Business Development at Volvo Group, and senior positions in finance and business development at Volvo, AstraZeneca and SKF. Previous Board assignments with private and listed companies.

Other assignments: CEO and Board member of Nilsagård Consulting AB. Board member and Chairmanof the Audit Committee of Addlife, Aktiebolaget Svensk Exportkredit, Ernströmsgruppen AB, Bufab AB (publ), Hansa Biopharma AB, and Nimbus Group AB (publ),

Previous assignments (past 5 years): CFO of Plastal Industri and Senior Vice President Strategy & Business Development at Volvo Group Sales & Marketing EMEA. Board member and Chairman of the Audit Committee of IRRAS and Chairman of Diagonal Bio AB. Chairman of SPERMOSENS AB and Diagonal Bio AB. Board Member of eEducation Albert AB and IRRAS AB

Shares: 204,000

Independent of the company, its management and major shareholders.

MATS THORÉN

Board member since 2020.

Member of the Audit Committee.

Born: 1971

Education: Studied at the Stockholm School of Economics focusing on Accounting and Financial Economics as well as studies in medicine at the Karolinska Institute in Stockholm.

Professional experience: Experience from the financial market, primarily in the Life Science sector both as an analyst and in corporate finance. Professional investor with his own Company Vixco Capital. Previous board experience from C-Rad AB, Cellartis AB and MIP Technologies AB.

Other assignments: Board Member of C-Rad AB, Arcoma Aktiebolag Arcoma Incentive AB, Fluoguide A/S, Bioporto A/S och Herantis Pharma Oy. Board Member and CEO of Vixco Capital AB

Previous assignments (past 5 years): –

Shares: 4,312 700

Independent of the Company, its management and major shareholders.

Shareholding at December,31 2024

Group management

MARTIN ÅMARK

CEO since 2015

Born: 1980

Education: M.Sc. in Industrial Economics, Linköpings Tekniska Högskola. MBA, INSEAD.

Professional experience: Management consultant at Bain & Co where he worked with company acquisitions, strategy and organizational work within various industries including pharmaceuticals and life science.

Shares: 4,912,166

SIAVASH BASHIRI

Head of Biosimilars and Deputy CEO since 2015

Born: 1983

Education: M.Sc. in Molecular Biotechnology, Uppsala University.

Professional experience: Experience within international sales of biotechnical products at Agilent Technologies as well as various roles within business development and sales at IBM and Oriflame. CEO of Xbrane between 2012 and 2015

Shares: 4,157,752

JANE BENYAMIN

Acting CFO since January 2025

Born: 1979

Education: Master's degree in business administration, Södertörns Högskola

Professional experience: Operated in the Life Science sector for 20 years and having held senior finance roles such as Chief Accounting Officer at Oncopeptides, CFO Bluefish Pharmaceuticals and Finance Manager at Pensa Pharma.

Shares: 0

Shareholding at December,31 2024

DINA JURMAN

Head of Clinical Affairs since 2017

Born: 1982

Education: M.Sc. in Biomedicine, Uppsala University.

Professional experience: Extensive experience in clinical drug development of biologics, small molecules and medical devices. Successfully led projects from early development phase to product registration.

Shares: 420

DAVID VIKSTRÖM

CTO since 2014

Born: 1977

Education: Ph.D. Biochemistry. Stockholm University.

Professional experience: Experience of how to manufacture high quality proteins. Research within expression systems for proteins in E.coli and has published a number of articles in scientific journals. Has worked in research and development at Xbrane since 2010.

Shares: 464,953

ANDERS WALLSTRÖM

Head of Manufacturing and Supply Chain since 2019. Member of Group management since 2020.

Born: 1976

Education: M.Sc. in Biotechnology, Royal Institute of Technology.

Professional experience: Process development, manufacturing and validation of biological products at Sobi and Biovitrum. Extensive experience from managing products through external manufacturing and supply chains. In his last role at Sobi he was end-to-end supply chain director for specialty care products including Kineret® and Orfadin®.

Shares: 187,825

Anette Lindqvist, CFO, terminated her employment with Xbrane Biopharma during Q1 2025.

Shareholding at December,31 2024

Risks and risk management

Uncertainty about future events is a natural feature of all business operations. Future events may have a positive impact on the business and provide opportunities to create increased value or a negative impact through risks, which may have an adverse effect on Xbrane's business.

Risks may be an effect of events or decisions outside of Xbrane's control, but they may also be an effect of mismanagement by Xbrane or our partners. Xbrane works continuously to assess and evaluate the risks the company may be exposed to from different aspects. Any incident that could affect Xbrane's credibility or lead to a negative impact on Xbrane's performance is important to monitor and minimize.

Risk management

The ability to manage risks is part of Xbrane's governance and control. The company has a managed process where risks from different parts of the organization are compiled and assessed, and mitigating activities are identified. Continuous reports are made to the company's Board.

Risk overview

A number of risk areas have been identified as being particularly critical and are described below. The assessment of the significance of the risk factors listed has been determined on the basis of the probability of their occurrence and the expected scale of their negative effects.

High
Medium
Low

Area	Risks	Management	Likelihood and effect
Product launch in the US, market approval	**Risks associated with market approval in the US** Xbrane has applied for market approval for Ximluci® in the US. After the FDA sent a CRL (Complete Response Letter) in response to Xbrane's application, it has been resubmitted after addressing the FDA's comments. In 2025, the FDA will evaluate Xbrane's application and determine whether appropriate actions have been taken. This carries a risk that the agency will require additional data, which can be costly and time-consuming to generate and may delay the timing of market approval. The decision on an approval in the US is also dependent on inspection of processes and procedures at contract manufacturers and their facilities.	Xbrane works actively on risk mitigation by maintaining a close and continuous dialogue with the FDA. Furthermore, Xbrane actively works in close collaboration to support our contract manufacturers in their efforts to meet FDA requirements.	
Product launch in the US, product liability	**Risks around product liability ahead of upcoming launch in the US** Sales of Ximluci® involve product liability and patient liability. Prior to the launch of the product in the US, Xbrane's quality system needs to meet the requirements in accordance with Good Manufacturing Practice (GMP). If Xbrane does not meet this in time for launch, there is a risk of delays in the schedule.	Xbrane mitigates risk through a dedicated project that manages quality system improvement with clear resource allocation and timeline.	
Employees	**Risks surrounding Xbrane's ability to manage growth** Xbrane is a relatively small company that as of December 31, 2024 consisted of 65 employees. The company introduced a cost reduction scheme in November 2023, which reduced the number of employees by about 20%. The company is in a phase where several of the company's products are undergoing development in order to be commercialized, produced and sold on the global pharmaceutical market. Due to the reduction in the workforce and the simultaneous high intensity of activities, there is a risk that the resource allocation will not be able to deliver in accordance with the set schedules. The company also needs to work on the well-being of the employees, to maintain expertise at the company and attract new employees.	Xbrane is actively working on various initiatives to mitigate risks around personnel and resources, such as employee satisfaction discussions, recruitment strategies, salary surveys, coaching with managers and regular individual temp-checks. The company also has regular resource meetings to review priorities and plan effectively. The company tries to be a competitive employer in salary negotiations by following IKEM's salary levels. The company is certified as a Great Place to Work, which is also used as a tool to find strengths and opportunities for improving the corporate culture and organization. The company continuously works with the strengths and development opportunities that employees point out through GPTW surveys and continuous PULS measurements. In order to maintain a good work environment and meet the resource requirements, the company has chosen to hire consultants to deliver according to plan and maintain a good workload for the staff.	

Risks and risk management, cont.

High
Medium
Low

Area	Risks	Management	Likelihood and effect
Supply chain	**Risks related to dependence on supplier commitments** As a smaller company without its own manufacturing capacity, Xbrane is dependent on both contract manufacturers and contract laboratories for the manufacture and testing of both development products and the commercial product Ximluci®. There are therefore risks related to these suppliers not meeting their commitments regarding quality, schedules and cost, which could negatively affect Xbrane.	Risks associated with the supply chain commitment are mitigated through close collaboration with all critical suppliers. As part of this, Xbrane has a controlled process for supplier management with the aim of developing good collaboration, conducting improvement work and identifying and escalating risks early. Xbrane also performs quality control on suppliers in accordance with Good Manufacturing Practice (GMP).	Medium
IT	**Cyber risks** As a company in the global arena, there are risks associated with cyber-attacks.	Xbrane has processes to secure its IT environment and works with continuous training of employees on IT security to minimize the risks of attacks.	Low
Platform and patents	**Risk associated with the development of new product candidates** In order to continuously expand the product portfolio, Xbrane needs to find target proteins for new biosimilar candidates. Developing a biosimilar candidate needs thorough research on cell lines and protein expression to find clones that work for each protein. This is a time and resource-consuming task that risks delaying the development of more candidates. There is also a risk that the clones that are developed do not produce a product of sufficiently high quality (biosimilar).	Through its development work, Xbrane has gained good knowledge of what is required to find the right cell line for a target protein. This knowledge is used to optimize cell line development and thereby increase the chances that new biosimilar candidates can be developed. To reduce the risk of failure in developing a clone that yields a high-quality product, our R&D unit has developed a strategy where collaboration takes place with several cell line developers (CLD), and where several different products are developed simultaneously.	Medium
Financing risk	**Financing risk** As of December 31, the company's cash and cash equivalents amounted to SEK 124 m. Existing liquidity is estimated to be able to finance the operations until the beginning of Q2 2025 based on the currently approved plan. This plan is based on the company being able to secure a path forward for XB003, and postpone certain activities and investments. In addition, the company assesses that, if the need arises, there are other alternatives to secure the company's current financing. The Board of Directors and the CEO assess that there are alternatives with good possibilities to secure the company's financing for at least the next 12-month period. If important assumptions about these alternatives change, or prove to be unfulfilled, there is a risk to the company's continued operation, which could lead to significant doubts about the company's ability to continue.	The Board of Directors and the CEO continuously monitor the Group's liquidity and financial resources in both the short and long term. The company is in discussions with a number of stakeholders, including suppliers, development partners, investors and lenders to secure additional financing. These options include licensing revenues through partnerships, raising capital from both existing owners and external investors, and credit and debt financing.	High
Financing risk	**Financing of clinical studies and delay in pre-clinical development** Xbrane has three pre-clinical product candidates, XB003 (Cimzia® biosimilar), Xdivane™ (Opdivo® biosimilar) and Xdarzane™ (Darzalex® biosimilar) in ongoing development. For Xdivane™, the company has a collaboration with Intas Pharmaceuticals, which finances the registration-based clinical development. For the biosimilar candidate XB003, the company wants to find a suitable path forward to be able to finance continued development and complete the pre-clinical phase. A possible delay in an agreement could result in a lack of full financing and a delay in the initiation of the studies and thus the development of the product.	Xbrane is working intensively to conclude an agreement with a partner that best satisfies the best contractual terms for Xbrane.	Medium
Currency risk	Xbrane is exposed to a currency risk as a large part of the costs are in currencies other than Swedish kronor, mainly EUR, CHF and USD. Future revenues will also mainly be in other currencies.	To date, no hedges have been made for these exposures.	Medium
Credit risk	The Group is exposed to a limited credit risk. The credit risk arises primarily through exposure to customers and partners, i.e., the Group does not receive agreed payments or makes a loss due to a counterparty's inability to meet its obligation to the Group. The credit risk currently consists of the company's partners, STADA, not being able to pay its profit sharing for Ximluci®.	The risk is managed through continuous reconciliations	Medium
Collaboration agreement	**Termination of collaboration agreement** Xbrane has a global collaboration agreement with STADA regarding marketing and distribution of Ximluci®. With its current partnership with STADA, Xbrane has good channels to take the product to the largest markets. Should STADA change its investment strategy and product portfolio, this could result in STADA deciding to terminate the collaboration agreement with Xbrane. Terminating the collaboration agreement can only take place after market approval has been obtained and the full rights to Ximluci® would then revert to Xbrane. This could in turn result in reduced revenue from sales or expected milestone payments, which could affect Xbrane's profitability and growth opportunities in the short term.	Xbrane has a close dialogue with STADA and is following developments closely. Furthermore, the company has a good collaboration with STADA and STADA continues to see Ximluci® as a product that will generate good profitability.	Medium

Consolidated income statement

Amounts in SEK thousand	Notes	2024	2023
Revenues	2	198,721	238,729
Cost of goods sold	6	–18,225	–203,341
Gross profit		**180,496**	**35,388**
Other operating income	3	15,827	13,707
Administrative expenses	4, 5, 6	–40,107	–40,031
Research and development expenses	4, 5, 6, 10, 11, 12	–312,892	–305,783
Other operating expenses	3, 6	–61,246	–25,445
Operating profit/loss		**–217,922**	**–322,164**
Finansiella intäkter	7	501	2,407
Net financial costs	7	–36,009	–2,270
Finansnetto		**–35,508**	**137**
Profit/loss before tax		**–253,430**	**–322,028**
Tax	8	–11,589	–
Profit/loss for the period from continuing operations		**–265,018**	**–322,028**
Profit/loss from discontinued operations		–1,201	–66,144
Profit/loss for the period		**–266,220**	**–388,172**
Profit/loss for the period attributable to:			
– Owners of the Company		–266,220	–388,172
– Non-controlling interests		–	–
Total comprehensive income for the period		**–266,220**	**–388,172**
Earnings per share from continuing operations			
– Before dilution (SEK)		–0.22	–0.54
– After dilution (SEK)		–0.22	–0.54
Earnings per share			
– Before dilution (SEK)	9	–0.22	–0.66
– After dilution (SEK)	9	–0.22	–0.66
Number of outstanding shares at the end of the reporting period			
– Before dilution		1,529,483,397	612,090,412
– After dilution		1,532,162,295	612,090,412
Average number of outstanding shares			
– Before dilution		1,229,911,966	592,115,284
– After dilution		1,230,021,757	592,115,284

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	2024	2023
Profit/loss for the period	**–266,220**	**–388,172**
Other comprehensive income		
Items that have been transferred to, or can be transferred to the profit/loss for the year		
Reclassification of foreign currency translation differences	111	–201
Comprehensive income for the period	**111**	**–201**
Total comprehensive income for the year	**–266,109**	**–388,373**
Total comprehensive profit/loss attributable to:		
– Owners of the Company	–266,109	–388,373
– Non-controlling interests	–	–
Total comprehensive income for the period	**–266,109**	**–388,373**

Consolidated statement of financial position

Amounts in SEK thousand	Notes	12-31-2024	12-31-2023
ASSETS			
Goodwill	10	–	–
Intangible assets	10	167,687	99,670
Property, plant and equipment	11	23,855	32,537
Right of use assets	24	41,044	55,663
Long-term receivables	13	3,945	3,945
Non-current assets		**236,532**	**191,815**
Inventory	16	246,902	106,856
Accounts receivables	14	16,854	–
Other receivables		16,973	34,213
Prepaid expenses and accrued income	15	198,851	251,907
Cash and cash equivalents	17	124,330	65,402
Assets held for sale	10, 31	1,988	3,314
Current assets		**605,898**	**461,693**
TOTAL ASSETS		**842,429**	**653,508**

Amounts in SEK thousand	Notes	12-31-2024	12-31-2023
EQUITY	18		
Share capital		343,496	6,683
Other contributed capital		1,395,030	1,428,530
Reserves		10,231	10,121
Retained earnings including profit/loss for the year		–1,540,218	–1,273,999
Equity attributable to parent company's owners		**208,539**	**171,335**
Non-controlling interests		**–**	**–**
Total equity		**208,539**	**171,335**
LIABILITIES			
Long-term interest-bearing liabilities	19	66,371	112,897
Leasing liabilities	19, 24	29,580	42,711
Long-term non interest-bearing liabilities	19	–	8
Total long-term liabilities		**95,950**	**155,616**
Short-term interest- bearing liabilities	19	82,500	62,500
Accounts payable		242,570	30,974
Other liabilities		10,748	2,810
Leasing liabilities	19, 24	13,267	13,371
Accrued expenses and prepaid income	12, 21	188,449	216,296
Liabilities attributable to assets held for sale	31	407	606
Total short-term liabilities		**537,940**	**326,557**
TOTAL LIABILITIES		**633,890**	**482,173**
TOTAL LIABILITIES AND EQUITY		**842,429**	**653,508**

Consolidated statement of changes in equity

Amounts in SEK thousand	Share Capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total
Opening balance 01-01-2024	**6 683**	**1 428 530**	**10 121**	**–1 273 999**	**171 335**
Total comprehensive income for the period					
Profit/loss for the period				–266,220	–266,220
Other comprehensive income for the period			111		111
Total comprehensive income for the period	**–**	**–**	**111**	**–266,220**	**–266,109**
Transactions with group shareholder					
New issue, net	336,813	–36,264	–	–	300,548
New share issue	*336,206*	*8,719*			*344,925*
Ongoing share issue	*607*	*178*			*785*
Issue expenses		*–45,161*			*–45,161*
Share savings program		2,765			2,765
Total contributions from and distributions to shareholders	**336,813**	**–33,500**	**–**	**–**	**303,313**
Closing balance 12-31-2024	**343,496**	**1,395,030**	**10,231**	**–1,540,218**	**208,539**

Amounts in SEK thousand	Share Capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total
Opening balance 01-01-2023	**6,166**	**1,294,227**	**10,322**	**–885,827**	**424,888**
Total comprehensive income for the period					
Profit/loss for the period				−388,172	−388,172
Other comprehensive income for the period			−201		−201
Total comprehensive income for the period	**0**	**0**	**–201**	**–388,172**	**–388,373**
Transactions with Group's shareholders					
New issue, net	517	131,352	–	–	131,868
New share issue	*517*	*132,314*			*132,830*
Issue expenses		*–962*			*–962*
Share savings program		2,952			2,952
Total contributions from and distributions to shareholders	**517**	**134,303**	**0**	**0**	**134,820**
Closing balance 12-31- 2023	**6,683**	**1,428,530**	**10,121**	**–1,273,999**	**171,335**

Consolidated cash flow statement

Amounts in SEK thousand	Notes	2024	2023
Cash flow from operating activities	29		
Profit/loss for the period before tax		–253,430	–322,028
Profit/loss from discontinued operations		–1,201	–66,144
Adjustments for items not included in cash flow		90,225	100,650
Paid income taxes		–11,589	–
Total		**–175,995**	**–287,522**
Increase (–)/Decrease (+) of inventory		–166,002	–56,596
Increase (–)/Decrease (+) of trade and other receivables		–4,555	–85,132
Increase (+)/Decrease (–) of trade and other payables		212,824	22,572
Cash flow from current operations		**–133,728**	**–406,678**
Of which discontinued operations		*–439*	*–645*
Cash flow from investing activities			
Acquisition of property, plant and equipment		–501	–6,791
Acquisition of intangible assets		–51,745	–9,978
Cash flow from investing activities		**–52,246**	**–16,769**
Of which discontinued operations		–	–
Cash flow from financing activities			
Stock options redeemed by staff		–	18
New share issue		337,242	120,000
Issue expenses		–37,479	–962
Loans taken out		70,000	*225,000*
Costs of loans taken out		–	*–10,617*
Amortization of loans		–112,500	–20,833
Amortization of lease liability		–13,640	–13,909
Cash flow from financing activities		**243,623**	**298,696**
Of which discontinued operations		–	–
Cash flow for the period		**57,650**	**–124,752**
Cash and cash equivalents reported in assets held for sale		439	645
Cash and cash equivalents at beginning of period		65,402	193,994
Exchange rate differences in cash and cash equivalents		839	–4,485
Cash and cash equivalents at end of period		**124,330**	**65,402**

Income statement, Parent company

Amounts in SEK thousand	Notes	2024	2023
Revenues	2	198,721	238,729
Cost of goods sold	6	–18,225	–203,341
Gross profit		**180,496**	**35,388**
Other operating income	3	15,827	13,707
Administrative expenses	4, 5, 6	–42,133	–41,684
Research and development expenses	4, 5, 6, 10 11, 12	–313,359	–306,299
Other operating expenses	3, 6	–61,246	–25,445
Operating profit/loss		**–220,414**	**–324,332**
Profit/loss from financial items			
Financial income	7	501	2,407
Impairment of shares in subsidiary	7	–	–70,300
Financial costs	7	–32,999	480
Net financial items		**–32,498**	**–67,413**
Profit/loss before tax		**–252,912**	**–391,745**
Tax	8	–11,589	–
Profit/loss for the year		**–264,501**	**–391,745**

Income statement and other comprehensive income, Parent company

Amounts in SEK thousand	Notes	2024	2023
Profit/loss for the period		–264,501	–391,745
Other comprehensive income		–	–
Comprehensive income for the period		**–264,501**	**–391,745**

Balance sheet, Parent company

Amounts in SEK thousand	Notes	12-31-2024	12-31-2023
ASSETS			
Fixed assets			
Intangible assets	10	167,687	99,670
Property, plant and equipment	11	23,855	32,537
Financial assets			
Shares in group companies	28	3,766	3,766
Other non-current receivables	13	3,945	3,945
Total financial assets		**7,711**	**7,711**
Total non-current assets		**199,253**	**139,919**
Current assets			
Inventory	16	246,902	106,856
Accounts receivables	14	16,854	–
Other receivables		16,973	34,213
Prepaid expenses and accrued income	15	200,148	254,069
Total current receivables		**480,877**	**395,139**
Cash and bank	17	124,330	65,402
Current assets		**605,207**	**460,541**
TOTAL ASSETS		**804,461**	**600,459**

Amounts in SEK thousand	Notes	12-31-2024	12-31-2023
EQUITY AND LIABILITIES			
Equity	**18**		
Restricted equity			
Share capital		343,496	6,683
Reserve for development expenditure		167,687	99,670
Unrestricted equity			
Share premium		1,395,030	1,428,530
Retained earnings		–1,428,954	–969,191
Profit/loss for the period		–264,501	–391,745
Total equity		**212,759**	**173,947**
Long-term liabilities			
Long-term interest-bearing liabilities	19	66,371	112,897
Long-term non interest-bearing liabilities	19	–	8
Total long-term liabilities		**66,371**	**112,905**
Current liabilities			
Short-term interest-bearing liabilities	19	82,500	62,500
Liabilities to subsidiaries	20	1,062	1,032
Accounts payables		242,570	30,974
Other current liabilities		10,751	2,807
Deferred income and prepaid revenue	12, 21	188,449	216,296
Current liabilities		**525,331**	**313,608**
TOTAL LIABILITIES		**591,702**	**426,512**
TOTAL EQUITY AND LIABILITIES		**804,461**	**600,459**

Statement of changes in equity for Parent Company

Amounts in SEK thousand	Share capital	Fund for development expenditure	Other contributed capital	Retained earnings	Profit/loss for the year	Total
Opening balance 01-01-2024	**6,683**	**99,670**	**1,428,530**	**–1,360,937**	**–**	**173,947**
Comprehensive income for the year						
Capitalized development expenses		68,017		–68,017		0
Profit/loss for the year					–264,501	–264,501
Other comprehensive income for the year						
Comprehensive income for the year	**–**	**68,017**	**–**	**–68,017**	**–264,501**	**–264,501**
Transactions with Group's shareholders						
New issue, net	336,813		–36,264			300,548
– New issue	*336,206*		*8,719*			*344,925*
– Ongoing share issue	*607*		*178*			*785*
– Issue costs			*–45,161*			*–45,161*
Share savings scheme			2,765			2,765
Closing equity December 31, 2024	**343,496**	**167,687**	**1,395,030**	**–1,428,954**	**–264,501**	**212,759**

Amounts in SEK thousand	Share capital	Fund for development expenditure	Other contributed capital	Retained earnings	Profit/loss for the year	Total
Opening balance 01-01-2023	**6,166**	**101,995**	**1,294,227**	**–971,516**		**430,872**
Comprehensive income for the year						
Capitalized development expenses		–2,325		2,325		0
Profit/loss for the year					–391,745	–391,745
Other comprehensive income for the year						–
Comprehensive income for the year	**–**	**-2,325**	**–**	**2,325**	**-391,745**	**-391,745**
Transactions with Group's shareholders						
New issue, net	517		131,352			131,868
– New issue	*517*		*132,314*			*132,830*
– Issue costs			*–962*			*-962*
Share savings scheme			2,952			2,952
Closing equity December 31, 2023	**6,683**	**99,670**	**1,428,530**	**–969,191**	**–391,745**	**173,947**

Parent company's cash flow statement

Amounts in SEK thousand	Notes	2024	2023
Operational activities	29		
Profit/loss after financial items		–252,912	–391,745
Adjustment for items not included in cash flow		74,292	93,144
Tax paid		–11,589	–
Total		**–190,209**	**–298,601**
Increase (–)/Decrease (+) of inventory		–166,002	–56,596
Increase(–)/Decrease (+) of operating receivables		–3,763	–87,659
Increase(–)/Decrease (+) of operating liabilities		213,077	22,899
Cash flow from operational activities		**–146,897**	**–419,957**
Investment activities			
Acquisition of tangible assets		–501	–6,791
Acquisition of intangible assets		–51,745	–9,978
Cash flow from investment activities		**–52,246**	**–16,769**
Financing activities			
Share options redeemed by employees		0	18
New share issue		337,242	120,000
Issue costs		–37,479	–962
Loans raised		70,000	225,000
Costs of loans raised		0	–10,617
Amortization of loans		–112,500	–20,834
Cash flow from financing activities		**257,263**	**312,605**
Cash flow for the year		**58,120**	**–124,122**
Cash and cash equivalents at start of the year		65,402	193,994
Exchange rate difference in cash and cash equivalents		808	–4,470
Cash and cash equivalents at end of the year		**124,330**	**65,402**

Notes

NOTE 1 Accounting principles

a) Agreement with standards and legislation
The consolidated accounts of Xbrane Biopharma AB (publ) (hereinafter "Xbrane" or "the Group" have been prepared in accordance with IFRS Accounting Standards adopted by the EU. In addition, Financial Accounting Standards Council recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. Xbrane has applied IFRS since July 1, 2017. The 2015 financial year was the first year in which Xbrane prepared consolidated accounts.

The parent company applies the same accounting policies as the Group, except in the cases listed below in the section "The parent company's accounting policies".

The annual accounts and consolidated accounts were approved for issue by the Board and Chief Executive Officer on March 31, 2025. The consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of financial position and the parent company's income statement and balance sheet will be the object of adoption by the Annual General Meeting to be held on May 5, 2025.

(b) Basis of measurement applied in preparing the financial statements
Assets and liabilities are recognized at historical acquisition values, except for certain financial assets and liabilities that are measured at fair value. Financial liabilities measured at fair value are option rights in convertible bonds, deemed to constitute an embedded derivative. Liabilities relating to social security contributions attributable to share-based remuneration are initially measured at fair value at the allocation date.

(c) Functional currency and reporting currency
The parent company's functional currency is the Swedish krona (SEK), which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in Swedish kronor. All amounts in tables are, unless otherwise stated, rounded to the nearest ,000 and in the text the amounts are, unless otherwise stated, rounded to the nearest million.

(d) Assessments and estimates in the financial statements
Preparing financial statements in accordance with IFRS requires the Board of Directors and the management to make accounting assessments and estimates and make assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assessments. Estimates and assessments are regularly revised. Changes in estimates are recognized in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects both the current period and future periods. Assessments made by the management in application of IFRS which have a significant impact on the financial statements and estimates made which may lead to material adjustments to the financial statements for the subsequent year are described more fully in Note 31.

(e) Material accounting policies applied
The accounting policies indicated below, with the exception of those described more closely, have been applied consistently to all periods presented in the consolidated financial statements. The Group accounting policies have also been consistently applied by the consolidated entities.

(f) Amended accounting policies
The IFRS standards which has changed with implementation from January 1, 2024, has not had any effect on the Group's financial reporting. The accounting policies for 2024 are unchanged compared with 2023.

(g) New IFRS standards not yet applied
New and amended IFRS standards with future applications are not expected to have a material effect on the company's financial reports.

(h) Classification etc.
Fixed assets essentially consist of amounts expected to be recovered or paid after more than twelve months counting from the balance sheet date, while current assets essentially consist of amounts expected to be recovered or paid within twelve months counting from the balance sheet date. Long-term liabilities essentially consist of amounts which the Group, at the end of the reporting period, has an unconditional right to choose to pay later in time than twelve months after the end of the reporting period. If the Group does not have such a right at the end of the reporting period, or a liability is held for trading or a liability is expected to be settled within the normal business cycle, the amount of the liability is recognized as a current liability.

(i) Business segments
A business segment is a part of the Group which undertakes business operations from which it can generate income and incur costs and for which independent financial information is available. Reportable segments are identified based on internal reporting to the company's senior executive decision-maker, which in the Group's case is the CEO. The Group does not divide its operations into different segments, rather, in the internal reporting, the Group comprises one segment. The Group's income is attributable to the parent company in Sweden, and fixed assets are located in Sweden.

(j) Principles of consolidation and business combinations
(I) Subsidiaries
Subsidiaries are entities over which Xbrane Biopharma AB (publ) has a controlling influence. A controlling influence exists if the parent company has influence over the object of investment, is exposed to or is entitled to variable return from its investment and can use its influence over the investment to affect the return. In assessing whether a controlling influence exists, account is taken of potential shares carrying entitlement to vote and whether de facto control exists.

Subsidiaries are recognized using the purchase method. This method means that an acquisition of a subsidiary is regarded as a transaction through which the Group indirectly acquires the subsidiary's assets and takes over its liabilities. The acquisition analysis establishes the fair value on the day of acquisition of acquired identifiable assets and taken-over liabilities as well as any non-controlling interests.

In business acquisitions where transferred remuneration, any non-controlling interests and fair value of a previously owned participation (in the case of step-by-step acquisitions) exceed the fair value of acquired assets and taken over liabilities which are recognized separately, the difference is recognized as goodwill.

The parent company has only one subsidiary which is 100 percent-owned in terms of the shares and votes. Therefore, no subsidiaries with non-controlling interests are recognized.

(II) Transactions eliminated upon consolidation
Intra-Group receivables and liabilities, income and expenses, as well as unrealized gains or losses arising from intra-Group transactions between Group companies, are eliminated in their entirety when preparing the consolidated accounts.

(III) Joint operations
Joint operations are cooperation agreements where Xbrane and partners have the same right to all of the economic benefits related to the operations' assets. Further, the adjustment of liabilities from the joint operation is dependent on the parties' purchase of services and/or goods produced by the operation or capital injection to same. Joint operations are accounted for according to the "proportionate consolidation", which means that the parties account for, in their own financial statement, their share of the assets, liabilities, revenues and costs from the operations

(k) Foreign currency
(I) Functional currency and reporting currency
The parent company's functional currency is SEK and the subsidiary's functional currency is EUR. Upon Group consolidation, the subsidiary's functional currency is converted into the Group's reporting currency, SEK.

(II) Transactions in foreign currency
Foreign currency transactions are converted into the functional currency using the exchange rate applicable on the transaction date. The functional currency is the currency of the primary economic environment in which the companies operate. Monetary assets and liabilities in foreign currencies are converted into the functional currency using the exchange rate applicable on the balance sheet date. Gains and losses on exchange arising in conversion are recognized in the net profit or loss for the year. Non-monetary assets and liabilities which are

reported at historical cost are converted at the exchange rate applicable at the time of the transaction. Non-monetary assets and liabilities which are recognized at fair value are converted to the functional currency at the rate prevailing at the time of measurement of fair value.

(III) Financial statements of foreign operations
Assets and liabilities in foreign operations, including goodwill and other Group surpluses and deficits, are converted from the functional currency of the foreign operations, the Euro, to the Group's reporting currency, SEK, at the exchange rate applicable on the balance sheet date. Income and expenses from foreign operations are converted into SEK at an average rate which represents an approximation of the exchange rates which existed at the time of the transaction

concerned. Exchange differences arising in currency conversion of foreign operations are recognized in other comprehensive income and accumulated in a separate component of equity, known as translation reserve.

(l) Income

Performance commitments and revenue recognition principles

Revenue is reported when control of the promised goods or services is transferred to the customer in an amount that reflects the compensation that the company has received or expects to receive in exchange for these goods or services. In 2023, the company received its revenue primarily from product sales but also licenses

(I)Sales of goods

Revenue for product sales consists entirely of sales of Ximluci. in accordance with two agreements with STADA, partly a supply agreement and partly a cooperation agreement. Revenue from product sales is reported when the company's performance obligations have been fulfilled, which occurs when control of the product has passed to the buyer in connection with delivery. The transaction price consists of the price the end customer pays with deductions for certain costs in each country according to the cooperation agreement with STADA. As the transaction price cannot be determined with certainty upon delivery, a calculation is made of the estimated revenue. The calculation is based, among other things, on assessed costs according to the cooperation agreement with STADA. Any deviations between the estimated transaction price and the actual price are reported continuously during the subsequent period.

(II)License revenue

License agreements that contain more than one distinct performance obligation are divided and the revenue reported separately. Other performance obligations in the agreement are aggregated into a common, distinct performance obligation. When licensing the Group's intellectual property (IP) to a customer, a distinction is made between two types of licensing with associated distinct performance obligations that affect whether revenue is to be reported at a time or accrued over time:

a) Right to access IP – this agreement requires, or the customer can reasonably expect, that the Group will undertake activities that significantly affect the rights the customer is entitled to, that these activities directly affect the customer and that the activities do not involve the transfer of goods/services to the customer when the activities are carried out. The performance obligation and thus the income is reported over time, usually on a straight-line basis.

b) Right to use IP – the customer only has the right to use the IP in its existing condition at the time when the right was granted to the customer. The performance obligation is fulfilled initially, at one time. License agreements often include an initial payment as well as payments when certain milestones have been achieved. Reporting of the initial payment depends on the type of licensing applicable according to a) or b) above.

For sales-based royalty income from license agreements that constitute a distinct performance obligation, the Group applies an exception in IFRS 15, which means that royalties are reported as revenue at the later time between the underlying sale taking place and the fulfillment of the associated performance obligation. Revenue is reported as the amount of royalties that the Groupies entitled to receive at this time based on actual sales.

Milestone payments for license agreements issued based on sales are reported according to the exception rule at the time when the target has been reached. Other milestone payments are based on obtaining approval for sales in a certain market, and are reported in accordance with the main rule, considering the risk of revenue reversal. Therefore, income from such milestones is only reported when approval has been obtained.

(m) Leasing

When an agreement is entered into, the Group assesses whether the agreement is, or contains, a lease agreement. An agreement is, or contains, a leasing agreement if the agreement assigns the right to decide over a certain period of use over an identified asset in exchange for compensation. At the beginning of the lease or when reviewing a lease containing several components – leasing and non-leasing components – the Group distributes the compensation according to the agreement to each component based on the stand-alone price. However, for leasing of buildings and land where the Group is the lessee, the Group has chosen not to distinguish between non-leasing components and recognizes leasing and non-leasing components paid in fixed amounts as a single leasing component.

Leasing agreements where the Group is the lessee

The Group reports a right-of-use asset and a leasing debt on the date of the lease agreement. The right-of-use is initially valued at acquisition value, which consists of the original value of the lease liability with addition for lease payments paid at or before the start date plus any initial direct expenses. The right-of-use asset is written off linearly from the start date to the earliest of the end of the asset's useful life and the end of the lease term, which for the Group is normally the end of the lease term. In rarer cases, when the acquisition value of the right-of- use asset reflects the fact that the Group will utilize an option to purchase the underlying asset, the asset is impaired at the end of the right-of-use period.

The lease liability – which is divided into a non-current and current part – is valued initially at the current value of the remaining lease charges during the assessed lease period. The lease period comprises the non-terminable period with the addition of further periods in the agreement if, on the commencement date, it is considered to be reasonably certain that this option will be utilized.

The lease charges are normally discounted at the Group's average marginal rate of interest on borrowings, which, in addition to the Group's/company's credit risk, reflects the respective lease period, currency and quality of the underlying asset as intended security. In those cases where the implicit rate of interest in the lease agreement can be easily set, this interest rate is used instead.

The lease liability covers the present value of the following charges during an assessed lease period:

- fixed charges, including what are in substance fixed charges
- variable lease charges, index-linked or price-linked ("rate-linked"), initially valued using the index or price ("rate") that applied on the commencement date
- any residual value guarantees that are expected to be paid
- the exercise price for a purchase option that the Group is reasonably sure to exercise, and
- penalty fees that are payable upon termination of the lease agreement for an estimated lease period reflect the fact that such termination will occur.

The value of the liability will increase with the interest cost for each period and is reduced by the lease payments made. The interest cost is calculated as the value of the liability multiplied by the discount rate.

The lease liability for the Group's commercial premises with index-linked rent is calculated on the rent payable at the end of each reporting period. At this point in time, the liability is adjusted to the same extent as the recognized value of the right-of-use asset. The liability and the value of the asset are adjusted correspondingly in conjunction with a reassessment of the lease period. This is done upon expiry of the notice period within the previously assessed leasing period for local leases, or when significant events occur or circumstances

change in a significant way that is within the Group's control and affects the current assessment of the leasing period.

The Group presents right-of-use assets which are not classified as investment properties and lease liabilities as separate items in the financial statements. For lease agreements where the lease term is 12 months or less, or which have an underlying low-value asset, i.e. below SEK 50,000, no right-of-use asset and lease liability are recognized. Lease charges for these lease agreements are recognized as a cost on a straight-line basis over the term of the lease.

(n) Financial income and expenses

Financial income and expenses consist of interest income on bank funds, receivables, interest expenses on loans, other interest expenses that include interest rates on accounts payable, interest expenses on taxes and fees and changes in the fair value of derivative instruments used in financial operations.

Interest income or interest expense is reported using the effective interest rate method on the reported gross value of the asset (when the asset is not credit impaired). The effective interest rate is the interest rate that exactly discounts the estimated future payments received and made during the expected term of the financial instrument to:

- reported gross value of the financial asset, or
- the accrued acquisition value of the financial liability.

(o) Other operating income and operating expenses

Other operating income consist of exchange rate gains and losses on operating receivables from operating activities.

Other operating expenses consist mainly of exchange rate losses on operating receivables and operating liabilities from operating activities as well as established and anticipated bad debt losses.

Other operating income and operating expenses arise mainly from the payment or receipt of items in a currency other than the functional currency of the companies.

(p) Taxes

Income taxes consist of current tax and deferred tax. Current tax is tax to be paid or received in respect of the current year, applying the tax rates that have been decided or in practice decided as of the balance sheet date.

Deferred tax is calculated according to the balance sheet method based on temporary differences between reported and tax values of assets and liabilities. Temporary differences are not considered in Group goodwill, nor for differences that arose on the initial recognition of assets and liabilities that are not business combinations that, at the time of the transaction, do not affect either reported or taxable profit. Furthermore, temporary differences attributable to shares in subsidiaries and associated companies that are not expected to be reversed in the foreseeable future are also not considered.

No deferred tax receivables have been reported on deductible temporary differences and loss deductions as they should only be reported to the extent that it is likely that these will be able to be used.

(q) Financial instruments

(I) Accounting and first valuation

Accounts receivable and issued debt instruments are reported when they are issued. Other financial assets and liabilities are accounted for when the Group becomes part of the instrument's contractual terms.

On initial recognition, a financial asset (except for accounts receivable that do not have a significant financing component) or financial liability is measured at fair value plus, in the case of financial instruments that are not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue. Accounts receivable without a significant financing component are valued at transaction price.

(II) Classification and Subsequent Valuation

Financial assets

On initial recognition, a financial asset is classified as valued at: amortized cost; fair value through other comprehensive income – debt instrument investment; fair value via other comprehensive income – equity investment; or fair value via the result.

Financial assets are not reclassified after the first accounting period, except if the Groupchanges the business model for the management of the financial assets, in which case all affected financial assets are reclassified as of the first day of the first reporting period after the change in business model.

A debt instrument must be valued at fair value through other comprehensive income if it meets both of the following conditions and has not been identified as valued at fair value through profit or loss:
- it is held according to a business model whose goals can be achieved both by obtaining contractual cash flows and selling financial assets, and
- its agreed terms give rise at specific times to cash flows that are only payments of principal amount and interest on the outstanding principal amount.

All financial assets that are not classified as valued at acquisition value or fair value via other comprehensive income are valued at fair value.

Financial liabilities
Financial liabilities are classified at the accrued acquisition value or fair value through profit or loss. A financial liability is classified at fair value through or loss if it is classified as a holding for trading purposes, as a derivative or has been identified as such at the initial recognition date. Financial liabilities measured at fair value through profit or loss are measured at fair value and net gains and losses, including interest expenses, are recognized in profit or loss. Subsequent valuation of other financial liabilities is made at accrued cost using the effective interest rate method. Interest expenses and exchange rate gains and losses are recognized in the income statement. Profits or losses upon removal from the accounts are also recognized in the income statement.

(III) Removal from financial statements (derecognition)
Financial assets
The Group removes a financial asset from the financial reports when the contractual rights to the cash flows from the financial asset cease or if it transfers the right to receive the contractual cash flows through a transaction in which substantially all the risks and rewards of ownership have been transferred or in which the Group does not substantially transfer or retain all the risks and rewards of ownership and it does not retain control over the financial asset.

The Group enters into transactions in which it transfers assets reported in the financial reports but retains all or substantially all of the risks and rewards associated with the transferred assets. In these instances, the transferred assets are removed from the accounts.

Financial liabilities
The Group will remove a financial liability from the financial reports when the commitments specified in the agreement are fulfilled, canceled or terminated. The Group will also remove a financial liability when the contractual terms are modified and the cash flows from the modified debt are significantly different.

In that case, a new financial liability is recognized at fair value based on the modified terms.

When a financial liability is derecognized, the difference between the carrying amount that has been removed and the compensation paid (including transferred non-monetary assets or assumed liabilities) is recognized in the profit or loss.

(IV) Offsetting
Financial assets and liabilities are to be offset and reported with a net amount in the financial statements, only when the Group has a legal right to offset the reported amounts and has the intention to settle these posts with a net amount or to simultaneously realize the asset and settle the debt.

(r) Assets held for sale and discontinued operations
Fixed assets, as well as assets and liabilities, are classified by the Group as being held for sale, as if the assets are available immediately for sale in their current condition. The company has drawn up a plan to sell the assets on commercial terms. It is probable that the carrying amount will be generated primarily through a sale transaction rather than through continued use, and the sale is expected to be completed within one year from the date of the first classification.

Assets and liabilities that are classified as held for sale are presented separately as current items in the Group's statement of financial position and are valued at the lower of its carrying amount and fair value, less costs to sell. Tangible fixed assets and intangible assets are not depreciated or depreciated when they are classified as held for sale.

Discontinued operations are excluded from the result of continuing operations and are presented as an individual amount as profit or loss after tax from discontinued operations in the consolidated income statement.

(s) Tangible fixed assets
(I) Owned assets
Tangible fixed assets are reported in the Group at cost less accumulated amortization and potential write-downs. The acquisition value includes the purchase price and expenses directly attributable to the asset to put it in place and in order to be utilized in accordance with the purpose of the acquisition. Accounting policies for impairment are described below. Tangible fixed assets consisting of parts with different useful lives are treated as separate components of tangible fixed assets.

The recognized value of a tangible fixed asset is derecognized in the financial reports on disposal or divestment or when no future economic benefits are expected from use or disposal/divestment of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the selling price and the asset's book value amount less direct selling expenses. Profits and losses are recognized as other income/expenses.

(II) Additional expenses
Additional expenses are added to the acquisition value only if it is likely that the future economic benefits associated with the asset will be allocated to the Group and the acquisition value can be calculated reliably. All other additional expenses are recognized as an expense in the period they arise.

An additional expense is added to the acquisition value if the expenditure relates to exchanges of identified components or parts thereof. The cost is also added to the acquisition value if new components are added. Any non-depreciated recognized values of exchanged components, or parts of components, are eliminated and expensed in connection with the exchange. Repairs are expensed on an ongoing basis.

(VI) Depreciation principles
Depreciation occurs on a straight-line basis over the estimated useful life of the asset. Leased assets are also written off over their estimated useful life or, if shorter, over their agreed lease term. The Group applies component depreciation, which means that the estimated useful life of the components is the basis for the depreciation.

Estimated useful lives:	
– machinery and other technical facilities	5–10 years
– fixtures, tools and installations	3–5 years

(t) Intangible assets
(I) Goodwill
Goodwill is valued at acquisition cost minus any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested for impairment at least annually, or if there is an indication of a need for impairment.

(II) Research and development
Expenses for research aimed at obtaining new scientific or technical knowledge are recognized as costs when they arise. Expenditure on development, where research results or other knowledge is applied to create new or improved products or processes, is reported as an asset in the financial reports. If the product or process is technically and commercially useful and the company has sufficient resources to complete the development and then use or sell the intangible asset. The recognized amount includes all directly attributable expenses, for example, for materials and services, employee remuneration, registration of a legal right, depreciation of patents and licenses. Other development expenses are reported in profit or loss as an expense when incurred. In the financial reports, reported development expenses are stated at cost less accumulated amortization and any write-downs.

(III) Additional expenses
Additional expenses for capitalized intangible assets are reported as an asset in the statement of financial position only when they increase the future economic benefits of the specific asset to which they relate. All other expenses are expensed when they arise.

(u) Inventories
The inventory is reported at the lower of the acquisition value and the net sales value. The acquisition value of finished goods and goods in progress consists of raw materials and other direct costs and attributable indirect manufacturing costs (based on normal manufacturing capacity). The net sales value is the estimated sales price in operational activities. Through continuous monitoring of the inventory, it is ensured that it is dispatched based on its durability. Inventory write-downs take place as necessary within the framework of normal business operations and are reported in cost of goods sold.

(v) Impairments
The Group's reported assets are assessed at each balance sheet date to determine if there is an indication of impairment.

(I) Impairment of financial assets
The Group recognize reserves for expected credit losses from financial assets, at accrued acquisition value. Expected credit losses are made up of an estimation of credit losses weighted for probability. Credit losses are valued as the present value of all deficits in cash flows (i.e. the difference between the company's cash flow in accordance with the agreement and the cash flow that the Group is expecting to receive). Expected credit losses are discounted using the effective interest rate on the financial asset. See also Note 22.

(II) Impairment of intangible assets
Intangible assets that have an indefinite useful life, such as goodwill, are tested at least annually for any impairment requirements and when there is an indication of impairment. Assets written off are to be assessed for impairment whenever events or changes in conditions indicate that the carrying amount is not recoverable.

An impairment loss is made in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. An impairment loss is immediately recognized in the income statement. To test the value of intangible fixed assets, the Group uses a probability-adjusted cash flow model.

(III) Reversal of impairments
An impairment loss on assets included in the scope of IAS 36 is reversed if there is both an indication that the need for impairment no longer exists and there has been a change in the assumptions that formed the basis for calculating the recoverable amount. Impairment of goodwill is never reversed, however. A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been reported, less depreciation where applicable, if no impairment has been made.

Previously reported impairments are reversed if the recoverable amount is judged to exceed the carrying amount. However, reversals do not take place with an amount that is greater than the reported value amounts to what it would have been if the write-down had not been reported in previous periods.

(x) Earnings per share
The calculation of earnings per share before dilution is based on the profit or loss for the year at the Group, attributable to the parent company's owners and of the weighted average amount of shares at year end. When calculating the

earnings per share after dilution, adjustment is made to the profit and loss and the weighted average share in regard to effects from potential ordinary shares. Potential ordinary shares during the covered period of this report consist of rights to shares (matching and performance shares from the Group's share saving schemes), convertibles and warrants. Potential ordinary shares are only viewed as diluted at periods when it results in a lower profit or increased loss per share. If it leads to a lower earnings per share, the dilution is based on the warrants as a calculation of, the hypothetical quantity of shares that could have been bought during the time period with the specific exercise price. Shares that could not have been bought will lead to dilution.

Matching shares held by employees on the date of the report also form part of the dilution. Performance shares are also eligible for dilution to the extent that employees have reached performance targets on the date of the report. In order to calculate the effect of the dilution, an exercise price is used, corresponding to the value of the future services as per outstanding share rights, calculated as a remaining cost to be accounted for according to IFRS 2. A potential dilution from the convertible loans is calculated by increasing the number of shares by the total amount of shares that the convertible loan corresponds to.

(y) Employee remuneration
For more information about the current incentive scheme for executive management as well as the share savings scheme, see pages 32- 34 in the Administration report as well as Note 4.

(I) Current remuneration
Current employee remuneration is calculated without discounting and reported as costs when the related services are supplied. A provision is reported for the expected cost of bonus payments when the Group has a current legal or informal obligation to make such payments as a result of receiving services from employees and the obligation can be calculated reliably.

(II) Share-related remuneration
Share savings scheme
A share savings scheme enables employees to acquire shares in Xbrane, known as savings shares, and for each invested savings share the employee has the opportunity to acquire one matching share and potentially up to three performance shares at quote value at the end of the scheme. In connection with the rights issue, the outcome for the current programs were recalculated and for each invested savings share employee has the opportunity to acquire 45 matching shares and potentially up to 135 performance shares. The fair value of matching and performance shares is recognized as a personnel expense with a corresponding increase in equity. The fair value is calculated at the date of allocation and is distributed over the vesting period. The fair value of the matching and performance shares is calculated using a method that considers earnings conditions (fulfilment of predetermined targets) and terms of service (the participants are still employees of the Group). The cost recognized corresponds to the fair value of an estimate of the number of matching and performance shares expected to be earned, considering the aspects mentioned above. Social security charges attributable to equity-related instruments to employees as compensation for purchased services are expensed over the periods during which the services are performed. The provision for social security contributions is based on the fair value of matching and performance shares at the reporting date.

(z) Convertible debentures
The Group's convertible debentures that can be converted into shares by the counterparty exercising its option right to convert the debt into shares are reported divided into a debt part and an option part. The option right is deemed to constitute an embedded derivative and is valued at fair value over the income statement. The option's initial fair value has been calculated using Black & Scholes and is included in level 2 of the fair value hierarchy. The remaining part of the issue proceeds is allocated to the debt. After the first accounting period, the liability is reported at accrued acquisition value until it is converted or matures. Transaction costs for the convertible debentures have been fully allocated to the debt.

Parent company accounting principles
The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 1 Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board also apply. RFR 1 means that the parent company in the annual report of the legal entity applies all IFRS and statements adopted by the EU, as far as possible within the framework of the Annual Accounts Act, the Insurance Act and the relationship between accounting and taxation. The recommendation specifies which exceptions and additions to IFRS are to be made.

Differences between the Group's and the parent company's accounting policies.
The differences between the Group and the parent company's accounting policies are shown below. The following accounting policies for the parent company have been applied consistently to all periods presented in the parent company's financial reports.

Amended accounting principles
Unless otherwise specified below, the parent company's accounting policies were amended in 2024 as stated above for the Group. The same policies apply to the parent company as to the Group regarding the disclosure of changes in accounting policies (IAS 8.28–31); see above under the Group's amended accounting principles. However, note that this section of the parent company report lists only differences for the Group, which means that the changes listed here are only those that concern the parent company.

Classification and presenting format
The parent company uses the terms balance sheet and cash flow analysis for the reports that in the Group have the titles financial statement and statement of cash flow. Income statement and balance sheet are prepared for the parent company in accordance with the Annual Accounts Act, while the statement of income and other comprehensive income and the statement of changes in equity are based on IAS 1 Presentation of Financial Statements. The differences between the Group's reports that are relevant in the parent company's income statement and balance sheet are accounted for by investments in subsidiaries as non-current assets.

Subsidiaries
Shares in subsidiaries are recognized in the Parent Company in accordance with the acquisition value method. This means that transaction costs are included in the recognized value of holdings in subsidiaries. In the consolidated accounts, transaction costs attributable to subsidiaries are reported directly in the income statement when these arise.

Leases
The parent company does not apply IFRS 16 Leasing Agreements in accordance with the exception found in RFR 2. Leasing fees are reported as a linear cost over the lease period and thus, rights of use and lease liabilities are not reported in the balance sheet.

Shareholder contributions
Shareholder contributions implemented are reported within the giving company as an increase of the balance sheet post "Shares in Group companies". Annual impairment testing is conducted, if necessary, during the fiscal year as well to ensure that the value of the shares is reasonable. Shareholder contributions received are reported directly against unrestricted equity, at the recipient company.

NOTE 2 Revenue from contracts with customers

	The Group		Parent company	
Amounts in SEK m	2024	2023	2024	2023
Revenue				
License revenue	132.0	28.4	132.0	28.4
Product sales	63.4	209.5	63.4	209.5
Contract manufacturing	–	–	–	–
Other	3.3	0.9	3.3	0.9
Total	**198.7**	**238.7**	**198.7**	**238.7**
Of which North America	*77.0*	*28.7*	*77.0*	*28.7*
Of which Germany	*66.5*	*209.9*	*66.5*	*209.9*
Of which India	*54.1*	–	*54.1*	–

There are four individual customers that account for more than 10 percent of net revenue, these account for SEK 66.5 m (209.9) , SEK 50.6 m (28.2), SEK 26.4 (0.0) and SEK 54.1 m (0.0) respectively of net sales.

NOTE 3 Other operating income and operating expenses

Other operating income

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Exchange rate gains on operating receivables/liabilities	15,827	13,236	15,827	13,236
Other	–	470	–	470
Total other operating income	**15,827**	**13,707**	**15,827**	**13,707**

Other operating expenses

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Exchange rate losses on operating receivables/liabilities	14,882	25,445	14,882	25,445
Feared and confirmed customer losses	46,364	–	46,364	–
Total other operating expenses	**61,246**	**25,445**	**61,246**	**25,445**

NOTE 4 Employees, salaries, and senior executives' remuneration

Costs of employees' remuneration

	The Group	
Amounts in SEK 000	2024	2023
Salaries and remuneration[1]	65,236	76,857
Social security costs	10,302	11,273
Other personnel expenses	700	2,306
Total costs of employees' remuneration	**76,238**	**90,436**

Gender distribution in management

	Proportion women	
	2024	2023
Parent company		
The Board	41%	43%
Other senior executives	39%	56%
The Group		
The Board	41%	43%
Other senior executives	39%	56%

Average number of employees

	2024	of which men	2023	of which men
Parent company	71	44%	89	44%
Subsidiary	–	–	–	–
The Group total	**71**	**44%**	**89**	**44%**

Salaries and other remuneration to senior executives

The Group	2024	2023
Amounts in SEK 000	Senior executives (6 people)	Senior executives (10 people)
Salaries and other remuneration[1]	13,253	18,213
– Of which bonus payments etc.	–	5
– Of which remuneration upon termination of employment	–	318
– Of which pension costs	2,670	3,559

Salaries and other payments distributed between senior executives and other employees, as well as social security costs

Moderbolaget	2024		
Amounts in SEK 000	Senior executives (6 people[2])	Other employees	Total
Salaries and other remuneration[1]	13,253	51,984	65,236
– Of which bonus payments etc.	–	–	–
– Of which remuneration upon termination of employment	–	–	–
– Of which pension costs	2,670	7,746	10,416
Social security costs[1]	2,895	7,407	10,302

Parent company	2023		
Amounts in SEK 000	Senior executives (10 people3)	Other employees	Total
Salaries and other remuneration[1]	18,213	58,644	76,857
– Of which bonus payments etc.	5	–	5
– Of which remuneration upon termination of employment	318	–	318
– Of which pension costs	3,559	6,856	10,416
Social security costs[1]	4,313	6,960	11,273

1) Does not include Board expenses paid as salary of SEK 2,699,000 (3,180) and social security costs for these of SEK 847,000 (999).
2) Three senior executives terminated their employment with Xbrane during Q1 2024. These positions have not been replaced.
3) Erik Domines terminated his employment with Xbrane in July 2023. After that, senior executives consisted of 9 people, of which 4 were men.

NOTE 4 Employees, salaries, and senior executives' remuneration, continued

Salaries and other payments to senior executives, Group, 2024

Amounts in SEK 000	Basic salary, Directors' fees[1]	Remuneration upon termination of employment	Variable remuneration	Pension costs	Share-related remuneration[2]	Total
Chairman of the Board Anders Tullgren	773					773
Board member Eva Nilsagård	471					471
Board member Peter Edman	122					122
Board member Karin Wingstrand	122					122
Board member Ivan Cohen-Tanugi	122					122
Board member Mats Thorén	412					412
Board member Kirsti Gjellan	378					378
Board member Kristoffer Bissessar	299					299
CEO Martin Åmark	2,665			701		3,366
Deputy CEO Siavash Bashiri	1,444			312		1,756
Other senior executives (4 people)	6,473			1,657		8,130
Total	**13,282**	**–**	**–**	**2,670**	**–**	**15,952**

Salaries and other payments to senior executives, Group, 2023

Amounts in SEK 000	Basic salary, Directors' fees[1]	Remuneration upon termination of employment	Variable remuneration	Pension costs	Share-related remuneration[2]	Total
Chairman of the Board Anders Tullgren	820	–	–	–	–	820
Board member Eva Nilsagård	460	–	–	–	–	460
Board member Peter Edman	360	–	–	–	–	360
Board member Karin Wingstrand	360	–	–	–	–	360
Board member Ivan Cohen-Tanugi	360	–	–	–	–	360
Board member Mats Thorén	435	–	–	–	–	435
Board member Kirsti Gjellan	385	–	–	–	–	385
CEO Martin Åmark	2,588	–	,–	695	77	3,360
Deputy CEO Siavash Bashiri	1,402	–	–	384	–	1,786
Other senior executives (8 people)	9,929	318	5	2,481	392	13,124
Total	**17,099**	**318**	**5**	**3,559**	**469**	**21,393**

1) Committee fees are included in the Board fee and consist of the following amounts: SEK 51,000 (50) to each non-employee member of the remuneration committee and SEK 102,000 (100) to the chairman of the committee who is also not employed; SEK 76,000 (75) to each non-employee member of the audit committee and SEK 155,000 (150) to the chairman of the committee who is also not employed. In 2023, remuneration of SEK 50,000 was also paid to each non-employee member of the transaction committee and SEK 100,000 to the chairman of the committee who is also not employed.
2) Refers to the cost of the ongoing LTIP schemes in accordance with IFRS 2. Social security contributions are not included in the amounts.

Remuneration of senior executives and conditions for termination and severance pay

The Annual General Meeting in May 2024 decided on the following guidelines for determining remuneration and other terms of employment for senior executives. Remuneration to senior executives shall consist of a fixed salary, variable remuneration, the possibility of pension provisions and other customary benefits, as well as the opportunity to participate in long-term incentive schemes. The fixed salary must be market-based and revised annually. The variable remuneration for senior executives in the parent company is maximized to 50 percent of the basic salary. The Board of Directors shall have the right to deviate from the above guidelines if the Board of Directors considers that in a particular case there are special reasons that justify it. During 2024, no deviation from the principles adopted by the Annual General Meeting regarding variable remuneration to senior executives in the Group took place. Senior executives are covered by defined contribution pension plans that are designed to be similar to an ITP1 plan. The defined contribution pension plans may not exceed 30 percent or 10 price base amounts of the fixed annual salary, which was not the case in 2024. According to the employment contract, the CEO of the parent company has a mutual notice period of six months. If the employment is terminated by the company, the CEO is entitled to compensation during the period of notice. Other senior executives employed by the parent company have mutual notice periods of three months. The exception is for David Vikström, CTO, where the notice period is one month for the company but three months for the employee.

Share savings scheme

The company has two long-term share savings programs in progress as of Decmber 1, 2024. For more information, see page 34 of the Administration Report and Note 4 below.

LTIP 2022

LTIP 2022 is a long-term share savings scheme that runs during the period 2022-2024. The scheme means that the employee's participation requires an investment in Xbrane's shares, the so-called savings shares, up to a total of 1,500 shares, acquired before January 31, 2023. For each savings share (1) the employee has acquired, the employee may acquire one (1) matching share and up to three (3) performance shares. The performance of performance shares is based on the fulfillment of the targets set by LTIP 2022 and which are related to the total return on Xbrane's share. In addition, eligibility for shares is conditional on the participant being employed by the Group and all his or her savings shares being allocated to the scheme during the vesting period.

At the initiation of the scheme, the matching share was valued at SEK 86.6, performance share no. 1 to SEK 29.8, performance share no. 2 to SEK 22.8, and performance share no. 3 to SEK 18.8. No dividends are expected to be paid during the vesting period. The value of the performance shares considers the probability that the stock return conditions will be met, as calculated by Monte Carlo simulation. Opening number of share rights in financial year 2022 amounted to 6,098,895 after recalculation for the rights issue (1,524,723 matching shares and 4,574,171 performance shares) and the closing number at financial year-end 2024 amounted to 1,148,173 (1,148,173 matching shares and 0 performance shares). The costs for the scheme include the value of the shares and social security costs for the amounts that the employees are expected to be allocated, which are expensed continuously during the period 2022–2024.

NOTE 4 Employees, salaries, and senior executives' remuneration, continued

LTIP 2023
LTIP 2023 is a long-term share savings scheme that runs during the period 2023-2026. The scheme means that the employee's participation requires an investment in Xbrane's shares, the so-called savings shares, up to a total of 1,500 shares, acquired during a four-week period after the Annual General Meeting's approval of LTIP 2023. but no later than June 30, 2023. For each savings share (1) the employee has acquired, the employee may acquire one (1) matching share and up to three (3) performance shares. The performance of performance shares is based on the fulfillment of the targets set by LTIP 2023 and which are related to the total return on Xbrane's share. In addition, eligibility for shares is conditional on the participant being employed by the Group and all his or her savings shares being allocated to the scheme during the vesting period.

At the initiation of the scheme, the matching share was valued at SEK 86.9, and the performance share at SEK 35.50. The value of the performance shares considers the probability that the stock return conditions will be met, as calculated by Monte Carlo simulation. The opening number of share rights in financial year 2023 amounted to 31,172,130 after recalculation for the rights issue (7 793 032 matching shares and 23,379,097 performance shares) and the closing number at financial year-end 2024 amounted to 4,159,356 (1,039,839 matching shares and 3,119,517 performance shares). The costs for the scheme include the value of the shares and social security costs for the amounts that the employees are expected to be allocated, which are expensed continuously during the period 2023–2026.

LTIP 2024
At Xbrane's Annual General Meeting on May 2, 2024, it was decided to adopt a share savings scheme ("Incentive Scheme 2024/2025") for all employees, running between 2024–2025. However, due to current circumstances, Xbrane's Board of Directors chose not to proceed with the scheme for 2024.

	LTIP2022
Vesting period	Jan 2022 – Dec 2024
Performance targets	Percentage increase in share price
Fair value per share right (SEK)	82.1 and performance shares[1]

	LTIP2023
Vesting period	Maj 2023 – Maj 2026
Performance targets	Percentage increase in share price
Fair value per share right (SEK)	86.9 and performance shares[2]

1) Performance share No. 1 is valued at SEK 29.8; Performance share No. 2 is valued at SEK 22.8; Performance share No. 3 is valued at SEK 18.8.
2) The performance shares are valued at SEK 35.50.

The Group	Accumulated		
Amounts in SEK 000	Share-related remuneration	Social Security cost	Total costs
2022 – 2024	–4,015	–46	–4,060
2023 – 2026	–2,471	–63	–2,534
Total	**–6,486**	**–109**	**–6,595**

The Group	2024		
Amounts in SEK 000	Share-related remuneration	Social Security cost	Total costs
2021 – 2023	380	60	440
2022 – 2024	–1,840	–16	–1,856
2023 – 2026	–1,305	–30	–1,335
Total	**–2,765**	**14**	**–2,751**

The Group	2023		
Amounts in SEK 000	Share-related remuneration	Social Security cost	Total costs
2020 – 2022	841	725	1,567
2021 – 2023	–1,656	284	–1,372
2022 – 2024	–971	143	–828
2023 – 2026	–1,167	–33	–1199
Total	**–2,952**	**1,119**	**–1,833**

Personnel costs for share-related remuneration

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Costs attributable to share savings scheme	–2,751	–1,833	–2,751	–1,833
Total	**–2,751**	**–1,833**	**–2,751**	**–1,833**

NOTE 5 Fees and reimbursement of expenses to auditor

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
PricewaterhouseCoopers AB				
Audit assignments	1,868	1,345	1,868	1,345
Audit work in addition to the audit assignments	382	371	382	371
Tax advice	–	–	–	–
Other services	375	–	375	–
Total fees and reimbursement of expenses to auditors	**2,625**	**1,716**	**2,625**	**1,716**

NOTE 6 Operating expenses by type of cost

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Raw materials and consumables	34,983	46,896	34,983	46,896
Change in inventory of finished goods and products in progress	18,225	203,341	18,225	203,341
Other external expenses	249,520	170,568	267,034	185,065
Personnel costs	79,784	94,614	79,784	94,614
Depreciation	35,077	33,736	20,056	21,406
Exchange rate losses	14,882	25,445	14,882	25,445
Total	**432,470**	**574,600**	**434,963**	**576,768**

NOTE 7 Net financial items

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Interest income	501	2,407	501	2,407
Financial income	**501**	**2,407**	**501**	**2,407**
Interest charges for leasing	–3,010	–2,750	–	–
Interest expenses for interest-bearing liabilities	–30,617	–15,751	–30,617	–15,751
Write-down of shares in Group companies	–	–	–	–70,300
Change in liabilities recognized at fair value through the income statement	8	16,292	8	16,292
Other financial expenses	–2,390	–61	–2,390	–61
Financial expenses	**–36,009**	**–2,270**	**–32,999**	**–69,820**
Net financial items	**–35,508**	**137**	**–32,498**	**–67,413**

Interest income and expenses deriving from financial assets and liabilities are valued at accrued acquisition cost.

NOTE 8 Taxes

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Tax expense for the year (–) /tax revenue (+)	–11,589	–	–11,589	–
Deferred tax expense (–) /tax revenue (+)	–	–	–	–
Total tax expense reported in the Group	**–11,589**	**–**	**–11,589**	**–**

Reconciliation of effective tax

Amounts in SEK 000	2024	2023
Earnings before tax	–253,430	–322,028
Tax at the current rate for the parent company (20.6%)	52,206	66,338
Deductible issue costs reported in equity	9,303	198
Non-activated future deduction of withholding tax	–11,589	–
Non-deductible expenses	–9	–26
Non-taxable income	–	–
Non-activated negative net interest	–5,663	–
Increase of loss carry-forwards without corresponding activation of deferred tax	–55,732	–66,510
Other	–107	
Reported effective tax	**–11,589**	**–**

Amounts in SEK 000	2024	2023
Parent company		
Earnings before tax	–252,912	–391,745
Tax at the current rate for the parent company (20.6%)	52,100	80,700
Deductible issue costs reported in equity	9,303	198
Non-activated future deduction of withholding tex	–11,589	–
Non-deductible expenses	–9	–14,508
Non-taxable income	0	–
Non-activated negative net interest	–5,663	–
Increase of loss carry-forwards without corresponding activation of deferred tax	–55,732	–66,390
Reported effective tax	**–11,589**	**–**

The accumulated loss carry-forwards for the parent company, amounted to SEK 1,425,253 thousand (1,154,710) as of December 31, 2024. The loss carry-forwards have no limited useful life. No tax has been reported against other comprehensive income.

The accumulated loss carry-forwards for the Group, amounted to SEK 1,425,253 thousand (1,154,710) as of December 31, 2024. The loss carry-forwards have no limited useful life. No tax has been reported against other comprehensive income.

NOTE 9 Earnings per share

Earnings per share

	Before dilution		After dilution	
Amounts in SEK 000	2024	2023	2024	2023
Earnings per share	–0.22	–0.66	–0.22	–0.66

The amounts used in numerators and denominators are presented below.

Earnings per share before dilution
Earnings for the year attributable to the parent company's shareholders, before and after dilution.

Amounts in SEK 000	2024	2023
Earnings for the year attributable to t he parent company's shareholders, before dilution	–266,220	–388,172
Earnings attributable to the parent company's shareholders, after dilution	–266,220	–388,172

The weighted average number of shares amounted to 1,229,911,966 (592,115,284*), which was affected by new share issues in Marchf the accounting year. The number of outstanding shares at the end of the year was 1,529,483,397 (612,090,412*).

Weighted average number of ordinary shares, before and after dilution

Amounts in SEK 000	2024	2023*
Weighted average number of ordinary shares during the year, before dilution	1,229,911,966	592,115,284
Weighted average number of ordinary shares during the year, after dilution	1,230,021,757	592,115,284

*) The comparison year has been recalculated in connection with the rights issue in 2024.

Instruments which can produce future dilution effect and changes after the balance sheet date
The share scheme for executives, if fully issued, would lead to 4,600,897 new shares, but the dilution effect would depend on the difference between the exercise price and the market share price at the exercise date.

NOTE 10 Intangible assets

The Group	Internally developed intangible assets in progress	
Amounts in SEK m	Development expenses	Total
Accumulated acquisition cost		
Opening balance Jan 1, 2023	**101,995**	**101,995**
Capitalized development expenses	9,978	9,978
Closing balance Dec 31, 2023	**111,973**	**111,973**
Opening balance Jan 1, 2024	**111,973**	**111,973**
Capitalized development expenses	78,890	78,890
Closing balance Dec 1, 2024	**190,863**	**190,863**
Accumulated depreciation and impairment		
Opening balance Jan 1, 2023	**–**	**–**
Depreciation for the year[1]	–12,303	–12,303
Closing balance Dec 31, 2023	**–12,303**	**–12,303**
Opening balance Jan 1, 2024	**–12,303**	**–12,303**
Depreciation for the year[1]	–10,873	–10,873
Closing balance Dec 1, 2024	**–23,176**	**–23,176**
Carrying amount		
As of Jan 1, 2023	101,995	101,995
As of Dec 31, 2023	99,670	99,670
As of Jan 1, 2024	99,670	99,670
As of Dec 31, 2024	167,687	167,687

1) Depreciation of intangible assets is reported as research and development expenses in the income statement.
2) Source: Evaluate Pharma: "Originator Peak Sales Estimate 2026"

Intangible assets with finite service lives are stated at cost less amortization and any impairment losses. Intangible assets are amortized systematically over the estimated useful life of the asset. Service life is reviewed at each balance sheet date and adjusted if necessary. Depreciation commences on completion when the product is launched on the market. In determining the depreciable amount of assets, the residual value of the asset is considered where appropriate. Development expenditure is capitalized when it meets the criteria of IAS 38 "Intangible Assets". Otherwise, development expenditure is expensed as operating expenses on an ongoing basis.

Impairment testing 2024
Impairment testing of the capitalized development expenses was done, without any indications that impairment would be required. This is because sales of Ximluci® in 2024 amounted to SEK 63.4 m with a positive gross profit. According to sales forecasts, sales and gross profit are expected to continue to increase in the coming years. Capitalization of development expenses for Xdivane™ started during the year and the product is still in development. The reference product Opdivo® is expected to reach annual sales of around EUR 13 bn[2] in 2026. In 2024, Xbrane entered into a license and development agreement for Xdivane™, which brought in an upfront payment of EUR 10 m. Additional development-related milestones and royalties on sales are expected in the coming years. For further information, see Note 31.

Impairment testing 2023
Goodwill attributable to Primm Pharma s.r.l amounted to SEK 64.6 m. As the divestment procedure dragged on, which increased the uncertainty around the actual time of divestment, impairment was made of the entire goodwill value. The impairment is reported in the item "Earnings from discontinued operations". For further information on assets held for sale, see note 31.

Impairment testing of capitalized development expenses was done, without any indication that impairment would be required. Market approval of Ximluci® obtained in Europe means that the risk of impairment has been reduced.

Parent company	Internally developed intangible assets in progress	
Amounts in SEK m	Development costs	Total
Accumulated acquisition cost		
Opening balance Jan 1, 2023	**101,995**	**101,995**
Capitalized development expenses	**9,978**	**9,978**
Closing balance Dec 31, 2023	**111,973**	**111,973**
Opening balance Jan 1, 2024	**111,973**	**111,973**
Capitalized development expenses	78,890	78,890
Closing balance Dec 1, 2024	**190,863**	**190,863**
Accumulated depreciation and impairment		
Opening balance Jan 1, 2023	**–**	**–**
Depreciation for the year	–12,303	–12,303
Closing balance Dec 31, 2023	**–12,303**	**–12,303**
Opening balance Jan 1, 2024	**–12,303**	**–12,303**
Depreciation for the year	–10,873	–10,873
Closing balance Dec 1, 2024	**–23,176**	**–23,176**
Carrying amount		
As of Jan 1, 2023	101,995	101,995
As of Dec 31, 2023	99,670	99,670
As of Jan 1, 2024	99,670	99,670
As of Dec 31, 2024	167,687	167,687

In June 2021, Ximluci® met the primary endpoint in the Xplore study. This met the criteria for capitalization of research and development expenses. As of July 1, 2021, development expenses for Ximluci® have therefore been capitalized as intangible assets in the balance sheet. The criteria for capitalization of development expenses for Xdivane™ were met in July 2024 when analytical similarity was demonstrated at commercial production scale and a reduced clinical program was agreed with the EMA and FDA. For further information on Capitalized development expenses, see Note 31.

NOTE 11 Tangible assets

The Group

Amounts in SEK m	Machinery and other technical installations	Fixtures, tools and installations	Total
Accumulated acquisition cost			
Opening balance Jan 1, 2023	**42,569**	**12,303**	**54,872**
Other acquisitions	6,609	602	7,211
Disposal/sale	–152	–	–152
Reclassification	253	–253	–
Closing balance Dec 31, 2023	**49,279**	**12,652**	**61,931**
Opening balance Jan 1, 2024	**49,279**	**12,652**	**61,931**
Other acquisitions	–	501	501
Closing balance Dec 1, 2024	**49,279**	**13,153**	**62,431**
Accumulated depreciation and impairment			
Opening balance Jan 1, 2023	**–14,549**	**–5,761**	**–20,310**
Depreciation for the year	–6,869	–2,235	–9,103
Disposals/sale	16	2	18
Closing balance Dec 31, 2023	**–21,401**	**–7,993**	**–29,394**
Opening balance Jan 1, 2024	**–21,401**	**–7,993**	**–29,394**
Depreciation for the year	–6,929	–2,253	–9,183
Closing balance Dec 1, 2024	**–28,330**	**–10,247**	**–38,577**
Carrying amount			
As of Jan 1, 2023	28,020	6,810	34,830
As of Dec 31, 2023	27,878	4,659	32,537
As of Jan 1, 2024	27,878	4,659	32,537
As of Dec 31, 2024	20,948	2,906	23,855

Parent company

Amounts in SEK m	Machinery and other technical installations	Fixtures, tools and installations	Total
Accumulated acquisition cost			
Opening balance Jan 1, 2023	**42,569**	**12,303**	**54,872**
Acquisitions	6,609	602	7,211
Disposals/sale	–152	–	–152
Reclassification	253	–253	–
Closing balance Dec 31, 2023	**49,279**	**12,652**	**61,931**
Opening balance Jan 1, 2024	**49,279**	**12,652**	**61,931**
Acquisitions	0	501	501
Closing balance Dec 1, 2024	**49,279**	**13,153**	**62,431**
Accumulated depreciation and impairment			
Opening balance Jan 1, 2023	**–14,549**	**–5,761**	**–20,310**
Depreciation for the year	–6,869	–2,235	–9,103
Disposals/sale	16	2	18
Closing balance Dec 31, 2023	**–21,401**	**–7,993**	**–29,394**
Opening balance Jan 1, 2024	**–21,401**	**–7,993**	**–29,394**
Depreciation for the year	–6,929	–2,253	–9,183
Closing balance Dec 1, 2024	**–28,330**	**–10,247**	**–38,577**
Carrying amount			
As of Jan 1, 2023	28,020	6,810	34,830
As of Dec 31, 2023	27,878	4,659	32,537
As of Jan 1, 2024	27,878	4,659	32,537
As of Dec 31, 2024	20,948	2,906	23,855

NOTE 12 Joint operations

Amounts in SEK 000	Xbrane's share
Revenues	–
Expenses[1]	68,792
Assets[1]	–
Liabilities[2]	24,552

1) Items shown as gross value
2) See Note 21 "Advances from partners" for Xbrane and STADA's total liabilities for the Ximluci® project.

The partnership agreement signed in July 2018 with STADA regarding Ximluci® means that STADA and Xbrane will equally share (50/50) research and development expenses regarding Ximluci®. Xbrane capitalizes the development expenses that meet the criteria for capitalization. Therefore, Xbrane's entire share of the development expenses regarding Ximluci® is not recognized in the profit and loss, but capitalized to a certain extent in the balance sheet.

In Xbrane's future balance sheet, receivables and liabilities related to Ximluci® are recognized in their entirety, i.e. 100 percent. STADA's share is then deducted, i.e. 50 percent of the receivable or liability generated.

NOTE 13 Long-term receivables

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Long-term receivables				
Rental deposit	3,945	3,945	3,945	3,945
Total	**3,945**	**3,945**	**3,945**	**3,945**

NOTE 14 Accounts receivable

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Accounts receivable	38,853	–	38,853	–
Provisions for doubtful trade receivables	–21,999	–	–21,999	–
Total accounts receivable	**16,854**	**–**	**16,854**	**–**

The provision relates to a feared bad debt loss attributable to the upfront remuneration from Valorum Biologics where the agreement is being renegotiated.

NOTE 15 Prepaid expenses and accrued income

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
CMO (Contract Manufacturing Organization)	131,747	196,134	131,747	196,134
Rent for premises	3,780	3,731	3,780	3,731
CRO (Contract Research Organization) regarding Xplore study	–	1,918	–	1,918
Other prepaid expenses	4,286	13,158	5,583	15,320
Accrued income	59,039	36,965	59,039	36,965
Total prepaid expenses and accrued income	**198,851**	**251,907**	**200,148**	**254,069**

NOTE 16 Inventory

Inventory
Inventory is reported at the lower of the acquisition value and the net sales value. The acquisition value of finished goods and goods in progress consists of raw materials and other direct costs and attributable indirect manufacturing costs (based on normal manufacturing capacity). The net sales value is the estimated sales price in the current business. Through continuous monitoring of the inventory, it is ensured that it is dispatched based on its durability. Inventory impairments take place, if necessary, within the framework of normal business operations and are reported in cost of goods sold.

Amounts in SEK 000	2024	2023
Goods in progress	246,902	106,856
Total inventory	**246,902**	**106,856**

Determination of acquisition value of inventory
The acquisition value of assets in inventory is determined by using contract prices. Volume discounts or other discounts are included in the cost of inventory when it is probable that they have been earned and will accrue to the company.

See section (u) for the Group's other accounting principles regarding inventories.

Reported amounts in the income statement
During the 2024 financial year, cost of goods sold has been reported in the income statement at SEK –18,225 thousand (2023 -203,341). The inventory includes a reserve for obsolete goods of SEK –3,656 thousand (2023 -1,637). No impairment has been done on inventory.

NOTE 17 Cash and cash equivalents

	The Group		Parent company	
Amounts in SEK 000	2024	2023	202	2023
Cash and cash equivalents				
Cash and bank	124,330	65,402	124,330	65,402
Carrying amount	**124,330**	**65,402**	**124,330**	**65,402**

NOTE 18 Equity

Type of shares	2024	2023
Issued as of Jan 1	29,810,364	27,506,018
Cash issue	1,466,270,550	1,709,986
Share options/Targeted share issue	–	79,252
Offset issue/ Targeted share issue	33,402,483	515,108
Issued as of Dec 31	**1,529,483,397**	**29,810,364**

The Group only has one type of share, known as ordinary shares. As of Dec 31, 2024, the registered share capital comprised of 1,529,483,397 ordinary shares (29,810,364). At the end of the year, The Group had a new share issue in progress of 2,706,898 shares, which were registered in January 2025.

The owners of the ordinary shares are entitled to dividends which are established continuously, and shareholdings entitle to a right of vote at the AGM with one vote per share. All shares have the same rights to the company's remaining net assets.

Dividends
At the Annual General Meeting on May 5, 2025, the Board will propose that no dividend be paid. There were no dividends in the 2024 financial year or previously.

The Group
Translation reserve
The translation reserve includes all exchange rate differences that arise when converting financial statements from foreign operations that have prepared their financial statements in a currency other than that in which the Group's financial statements are presented. The parent company and the Group present their financial statements in Swedish kronor. In addition, the translation reserve consists of exchange rate differences which arise when revaluing goodwill.

Parent company
Restricted funds
Restricted funds must not be reduced through distribution of profits.

Unrestricted equity
Together with the profit for the year, the following funds constitute unrestricted equity, i.e. the amount that is available for dividends to the shareholders.

Share premium reserve
When shares are issued at a premium, i.e. more is to be paid for the shares than their quote value, an amount equivalent to the amount received in excess of the shares' quote value is transferred to the share premium reserve. From Jan 1, 2006, amounts transferred to the share premium reserve are included in unrestricted equity.

Retained earnings
Retained earnings comprise the previous years' retained earnings and earnings after deduction for dividends made during the year.

NOTE 19 Interest-bearing liabilities

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Long-term liabilities				
Convertible bonds	66,371	112,897	66,371	112,897
Leasing liabilities	29,580	42,711	–	–
Total long-term liabilities	**95,950**	**155,608**	**66,371**	**112,897**
Current liabilities				
Convertible bonds	62,500	62,500	62,500	62,500
Other interest-bearing loans	20,000	–	20,000	–
Leasing liabilities	13,267	13,371	–	–
Total current liabilities	**95,767**	**75,871**	**82,500**	**62,500**

Convertible debentures
On May 26, 2023, Xbrane issued convertible bonds with a nominal value of SEK 250 million. The debentures mature on May 26, 2027 if they have not been amortized or converted to shares at the holder's request before then. The debt is amortized in twenty-four equal installments during the term of the debenture. Xbrane can choose to settle the amortization with cash payments or in shares at 90 percent of the market price (lowest VWAP during the six trading days before the payment date). The holder of the debenture has the right to advance up to two amortization payments per interest period. The interest rate amounts to 6 percent until formal approval by the FDA of the company's application for commercialization in the American market, thereafter the interest rate is 0 percent. The conversion rate amounts to 125 percent of the offer price at the time of issue. The conversion rate may be adjusted in the event of capital restructuring. In the balance sheet as of December 31, 2024, the convertible bonds were reported as interest-bearing loans amounting to SEK 126.9 m. The nominal value of the liability was SEK 156.2 m as of December 31, 2024.

In March 2025 Xbrane entered in to an agreement in which the convertible bonds will be taken over by Alvotech in its enterity.

Terms and repayment periods
Terms and repayment periods for the Group's interest-bearing liabilities are presented in the table below. No securities have been pledged for leasing and convertible loans. At year-end, the Group had a short-term loan from Systematic Group, where the Group has assets pledged as collateral. See Note 26. The loan was repaid in full in January 2025. No defaults or breaches occurred in 2024

				2024		2023	
Amounts in SEK 000	Currency	Nominal interest%	Maturity	Nominal value	Carrying amount	Nominal value	Carrying amount
Convertible bonds	SEK	6	Within 3 years	156,250	128,871	218,750	175,397
Short-term loan	SEK	12	Within 1 years	20,000	20,000	–	–
Leasing liabilities	SEK	4.15-6	Within 4 years	48,819	42,846	66,214	56,083
Total interest-bearing liabilities				**225,069**	**191,717**	**284,964**	**231,479**

For more information about leasing liabilities, see Note 24.

NOTE 20 Liabilities to Group companies

Amounts in SEK 000	2024	2023
Opening balance Jan 1	**1,032**	**1,031**
Re-invoiced expenses from subsidiary	–	–
Translation difference	30	1
Closing balance Dec 31	**1,062**	**1,032**

NOTE 21 Accrued expenses and prepaid income

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Accrued personnel expenses	8,594	9,555	8,594	9,555
Accrued project expenses	24,861	84,193	24,861	84,193
Accrued production expenses	747	38,978	747	38,978
Other accued expenses	6,989	8,161	6,989	8,161
Prepaid income from partner STADA[1]	84,959	75,408	84,959	75,408
Prepaid income	62,297	–	62,297	–
Total accrued expenses and prepaid income	**188,449**	**216,296**	**188,449**	**216,296**

1) The item relates to prepaid income of SEK 15.7 m from the partner STADA regarding development expenses for Ximluci® and advances of SEK 69.2 m for future product deliveries of Ximluci®.

NOTE 22 Financial risks and risk management

The Group is exposed to various types of financial risk through its activities.
- Liquidity and financing risk
- Credit risk
- Market risk

Framework for financial risk management
The Group's financial policy for managing financial risks has been designed by the Board and forms a framework of guidelines and rules in the form of risk mandates and limits for financial activities. Responsibility for the Group's financial transactions and risks is handled centrally by the Group's financial function within the parent company. The overall objective of the financial function is to provide cost-effective funding and to minimize negative effects on the Group's earnings resulting from market risks. The head of the central finance function is the CFO, who reports to the CEO and Board of Directors on a continual basis.

Capital management
According to the Finance policy, the Group's financial objective is to be in a good financial position, which contributes to maintaining the confidence of investors, creditors and the market, as well as providing a basis for continued development of business operations and at the same time provide a long-term return to shareholders. The Group has no sales of its drug candidates yet and the financing of the Group's operations is mainly through partnerships and capital from the owners. Until the Group has reached long-term and sustainable profitability, the policy is to maintain a low debt and high equity ratio.

Liquidity risk and continued operation
Liquidity risk is the risk that the Group may have problems meeting its obligations associated with financial liabilities. The Group has a rolling 12-month liquidity plan that covers all the Group's units, which is updated monthly. The liquidity plan is used to manage the liquidity risk and the costs of financing the Group. The goal is for the Group to be able to meet its financial commitments in both ups and downs without significant unforeseen costs and without risking the Group's reputation. In order to minimize the borrowing requirement, surplus liquidity within the Group can be allocated between the Group companies. The liquidity risks are managed centrally for the entire Group by the parent company's finance function.

The Group's existing and forecasted cash flows are continuously monitored to ensure that the company has the financial resources needed to operate the business according to the decided plan in an optimal manner for the Group and the shareholders. As of the balance sheet date, the Group's cash and cash equivalents amounted to SEK 124 m.

Existing liquidity is expected to be able to finance the operations until the beginning of Q2 2025 based on the currently decided plan. This plan is based on the company being able to secure a path forward for XB003, postponing certain activities and investments. In addition, the company assesses that, if the need arises, there are other alternatives to secure the company's current financing. The company is also in discussions with several stakeholders, including suppliers, development partners, investors and lenders to secure additional financing. These alternatives include license revenue through partnerships, raising capital from both current owners and external investors, as well as credit and loan financing.

The Board of Directors and the CEO judge that there are alternatives with good possibilities to secure the company's financing for at least the next 12-month period. If important assumptions about these alternatives change, or prove to be unachievable, there is a risk to the company's continued operation which may cast significant doubt on the company's ability to continue as a going concern.

See the Administration Report under the heading "The Group's financial position" on page 31 and "Financing risk" on page 46 for more information.

The Group

Credit facilities

Amounts in SEK 000	2024 Nominal value
Available cash and cash equivalents	124,330
Liquidity reserve	124,330

Credit risk
The financial activities of the Group involve exposure to credit risks. These are mainly counterparty risks in connection with receivables from counterparties that arise from the sale of goods and services and from partners. On the balance sheet date, SEK 27.5 m (SEK 0.0) as of Dec 31, 2023) was found in overdue accounts receivable, wereof SEK 22.0 m (0.0) was impaired.

Credit risks in receivables from customers and partners
The risk that the Group's customers and partners do not fulfill their obligations, i.e. that payment is not received, constitutes a customer credit risk. In accordance with IFRS 9, a credit loss provision is made at the first reporting date. This is then made on an individual assessment that is based on a number of factors, estimates, assumptions about future conditions and macroeconomic aspects. A change in these estimates and assumptions could have a significant effect on the valuation of existing accounts receivable. See page 46 for more information.

Credit risks in cash and cash equivalents
Bank balances are placed with banks with a credit rating of A or higher and are available upon request. Given the short maturity and high creditworthiness of the counterparties, the credit risk in these balances is considered to be low and the expected credit losses are considered to be negligible.

Credit risk in other receivables
Other receivables relate mainly to receivables from the tax authorities in Sweden and Lithuania, therefore the credit risk in these balances is considered to be low and the expected credit losses are considered to be negligible.

The Group's accounts receivable

Amounts in SEK 000	2024	2023
SEK	–	–
EUR	11,354	–
USD	5,500	–
Summa	**16,854**	**–**

Market risk
According to IFRS, market risk is divided into three different types: currency risk, interest rate risk and other price risks. The market risk that primarily affects the Group consists of currency risks. The Board, CEO and CFO continuously review changes in the risk picture and the need for currency instruments. Interest rate risk and price risks are not considered to have a significant effect on the Group, and therefore no reporting is done in tabular format.

Maturity structure financial liabilities – undiscounted cash flows

		2024					
Amounts in SEK 000	Currency	Total	< 1 month	1–3 months	3 month–1 year	1–5 year	>5 year
Convertible bonds	SEK	156,250	10,417	10,417	41,667	93,750	
Short-term interest-bearing loan	SEK	20,000	20,000				
Accounts payable	SEK	9,653	9,653				
Accounts payable	EUR	212,806	155,537		57,269		
Accounts payable	USD	16,167	16,167				
Accounts payable	CHF	3,878	3,878				
Accounts payable	GBP	66	66				
Leasing liabilities	SEK	48,819	1,349	2,698	11,498	33,275	
Other liabilities	SEK	10,748	10,748				
Total		**478,387**	**227,814**	**13,114**	**110,433**	**127,025**	

Maturity structure financial liabilities – undiscounted cash flows

		2023					
Amounts in SEK 000	Currency	Total	< 1 month	1–3 months	3 month–1 year	1–5 year	>5 year
Convertible bonds	SEK	218,750	10,417	10,417	41,667	156,250	
Accounts payable	SEK	7,905	7,905				
Accounts payable	EUR	10,921	10,921				
Accounts payable	USD	1,903	1,903				
Accounts payable	CHF	8,624	8,624				
Accounts payable	GBP	1,619	1,619				
Leasing liabilities	SEK	66,214	1,596	3,160	12,710	45,323	3,425
Other liabilities	SEK	2,810	2,810				
Total		**318,748**	**45,797**	**13,577**	**54,376**	**201,573**	**3,425**

NOTE 22 Financial risks and risk management, continued

Currency risk

The Group is exposed to a currency risk as the Group has a large part of its revenues and expenses in currencies other than the reporting currency. Exchange rate fluctuations can create both positive and negative effects on the company's earnings, equity and competitiveness.

Transaction exposure comes from exchange rate changes in the net cash flow from business transactions in currencies other than the reporting currency. Such changes affect the income statement and balance sheet continuously throughout the year. Xbrane is exposed to currency risk on transactions in the sense that there is a mix between the currencies in which sales, purchases, receivables and liabilities are listed and the respective reporting currency of the group companies. The reporting currency of the group companies is primarily SEK and EUR. The transactions are primarily made in the currencies SEK, EUR and to some extent USD and CHF. The costs that Xbrane has on an ongoing basis during the financial year are mainly in EUR and USD. A simulated fluctuation of EUR and USD at year-end by +/- 10 percent in relation to SEK would have an effect on the Group's operating earnings of SEK 10,751 thousand (SEK 1,511 thousand) and SEK 1,747 thousand (SEK 1,740 thousand), respectively.

The Group

	2024		2023	
Amounts in SEK 000	USD	EUR	USD	EUR
Cash and cash equivalents	2,524	8,210	1,916	2,338
Accounts receivable	500	983	–	–
Total	**3,024**	**9,193**	**1,916**	**2,338**
Accounts payable	1,436	18,579	189	981
Total	**1,436**	**18,579**	**189**	**981**

NOTE 23 Valuation of financial assets and liabilities at fair value and division into categories

Group financial instruments are valued either at accrued acquisition value or fair value depending on how the instrument is classified according to IFRS 9. Items which have been the object of valuation at fair value are derivative instruments. Other items have been valued at accrued acquisition value.

The recognized value of non-interest-bearing asset and liability items such as accounts receivable, other receivables, cash and cash equivalents, non-current interest-bearing liabilities, current interest-bearing liabilities, accounts payable, other liabilities and accrued expenses and prepaid income with a remaining maturity of less than six months is assumed to reflect a fair approximation of fair value. The tables below show the recognized values compared with the estimated fair value per type of financial asset and liability.

The Group

	2024				
Amounts in SEK m	Valued at fair value via the income statement	Accrued acquisition value	Other financial liabilities	Total carrying amount	Fair value
Accounts receivable		16,854		16,854	16,854
Other receivables		16,973		16,973	16,973
Cash and cash equivalents		124,330		124,330	124,330
Total		**158,157**		**158,157**	**158,157**
Interest-bearing liabilities		148,871		148,871	148,871
Other long-term liabilities				0	0
Accounts payable		242,570		242,570	242,570
Other liabilities		10,748		10,748	10,748
Prepaid expenses and accrued income		188,449		188,449	188,449
Total	**–**	**590,637**	**–**	**590,637**	**590,637**

The Group

	2023				
Amounts in SEK m	Valued at fair value via the income statement	Accrued acquisition value	Other financial liabilities	Total carrying amount	Fair value
Accounts receivable		–		–	–
Other receivables		34,213		34,213	34,213
Cash and cash equivalents		65,402		65,402	65,402
Total	**–**	**99,615**	**–**	**99,615**	**99,615**
Interest-bearing liabilities		175,397		175,397	175,397
Other long-term liabilities	8			8	8
Accounts payable		30,974		30,974	30,974
Other liabilities		2,810		2,810	2,810
Prepaid expenses and accrued income		216,296		216,296	216,296
Total	**8**	**425,476**	**–**	**425,484**	**425,484**

NOTE 23 Valuation of financial assets and liabilities at fair value and division into categories, continued

Parent company	2024				
Amounts in SEK m	Valued at fair value via the income statement	Accrued acquisition value	Other financial liabilities	Total carrying amount	Fair value
Accounts receivable		16,854		16,854	16,854
Other receivables		16,973		16,973	16,973
Cash and cash equivalents		124,330		124,330	124,330
Total	**–**	**158,157**	**–**	**158,157**	**158,157**
Interest-bearing liabilities		148,871		148,871	148,871
Other long-term liabilities				0	0
Accounts payable		242,570		242,570	242,570
Liabilities to Group companies		1,062		1,062	1,062
Other liabilities		10,751		10,751	10,751
Accrued expenses and prepaid income		188,449		188,449	188,449
Total	**–**	**591,702**	**–**	**591,702**	**591,702**

Parent company	2023				
Amounts in SEK m	Valued at fair value via the income statement	Accrued acquisition value	Other financial liabilities	Total carrying amount	Fair value
Accounts receivable					
Other receivables		34,213		34,213	34,213
Cash and cash equivalents		65,402		65,402	65,402
Total	**–**	**99,615**	**–**	**99,615**	**99,615**
Interest-bearing liabilities		175,397		175,397	175,397
Other long-term liabilities	8	–		8	8
Accounts payable		30,974		30,974	30,974
Liabilities to Group companies	–	1,032		1,032	1,032
Other liabilities	–	2,807		2,807	2,807
Accrued expenses and prepaid income	–	216,296		216,296	216,296
Total	**8**	**426,505**	**–**	**426,512**	**426,512**

Fair value
The Group's financial instruments subject to fair value measurement are its convertible bonds. The option right in the convertible bond is deemed to constitute an embedded derivative and is valued at fair value over the income statement. The option's initial fair value has been calculated using Black & Scholes and is included in level 2 in the fair value hierarchy. The remaining part of the issue proceeds is allocated to the debt and after the first accounting period, the liability is reported at accrued acquisition value until it is converted or matures. The table below shows the different valuation levels of the financial assets and financial liabilities recognized at fair value in the consolidated balance sheet. The division of the determination of fair value is based on the three levels below.

Level 1: Listed prices in an active market for identical assets or liabilities.
Level 2: Other observable data for the asset or liability other than quoted prices included in Level 1, either directly, i.e. as price quotes or indirectly, i.e. obtained from price quotes.
Level 3: Data for the asset or liability that is not entirely based on observable market data.

The total value of the currency derivatives held shows a negative value at the balance sheet date. During 2024, no transfers were made between the different valuation

	2024	2023	2024	2023
Amounts in SEK 000	Level 2	Level 2	Level 3	Level 3
Financial assets				
Other current receivables				
Total financial assets	**–**	**–**	**–**	**–**
Financial liabilities				
Interest-bearing liabilities	148,871	175,397		
Other long-term liabilities	–	8		
Other current liabilities				
Total financial liabilities	**148,871**	**175,405**	**–**	**–**

NOTE 24 Leasing

The Group leases several types of assets including premises and machinery/equipment. No leasing agreements contain covenants or other restrictions in addition to the security of the leased asset.

Leasing liabilities

Amounts in SEK 000	2024	2023
Current leasing liabilities	13 267	13 371
Long-term leasing liabilities	29 580	42 711
Leasing liabilities included in the consolidated financial statement	**42 846**	**56 083**

For maturity analysis of leasing liabilities, see Note 22 in the section on liquidity.

Right-of-use assets 2024

Amounts in SEK 000	Premises	Machinery	Total
Opening balance Jan 1, 2024	**46 895**	**8 768**	**55 663**
Acquisitions	0	403	403
Depreciation and impairment during the year	–9 920	–5 101	–15 022
Closing balance Dec 1, 2024	**36 975**	**4 069**	**41 044**

Right-of-use assets 2023

Amounts in SEK 000	Premises	Machinery	Total
Opening balance Jan 1, 2023	**32 332**	**3 888**	**36 220**
Acquisitions	22 455	9 317	31 772
Depreciation and impairment during the year	–7 892	–4 438	–12 330
Closing balance Dec 31, 2023	**46 895**	**8 768**	**55 663**

NOTE 24 Leasing, continued

Extension and termination options
Certain lease agreements contain extension options or termination options which the Group can exercise or not exercise for up to a year before the end of the non-terminable lease period. Wherever possible, the Group seeks to include such options in new leasing agreements as it contributes to operational flexibility.

The options can only be exercised by the Group, not by the lessor. Whether it is reasonably certain that an extension option will be exercised is determined on the commencement date of the lease agreement. The Group examines whether it is reasonably certain that an extension option will be exercised if an important event occurs or there are material changes in circumstances that are within the control of the Group.

The Group's leases for office premises consist mainly of non-cancelable periods of 7 years, which are extended for a further three years if the Group does not terminate the lease nine months before the end of the lease term. Regarding offices, the Group assessment in the majority of cases is that the agreements will not be extended beyond the first term, i.e. the lease period is normally assessed to be just one term. The reported leasing liability for these agreements totals SEK 38,502 thousand.

The Group's leasing agreement for machinery consists mainly of noncancelable periods of 3–5 years, which after the end of the period fall to the Group. The reported leasing liability for these agreements totals SEK 4,344 thousand.

During the year, there has been no use of options or similar in respect of the lease liabilities/assets not previously included in the lease liabilities. Significant changes may occur in the future if a reassessment of the lease period regarding any of the Group's significant property agreements should occur.

Amount stated in the income statement via IFRS 16

	The Group	
Amounts in SEK 000	2024	2023
Depreciation of right-of-use assets	15,022	12,330
Interest on leasing liabilities	3,010	2,750
Variable leasing expenses excluded from the valuation of the leasing liability	–	–
Short-term lease expenses	–	–
Expenses for leases of low value, not short-term leases of low value	89	89
	18,120	**15,169**

Amount presented in the consolidated cash flow statement

	The Group	
Amounts in SEK 000	2024	2023
Amount presented in the consolidated cash flow statement	**16,739**	**16,749**

The above cash flow includes both amounts for leasing contracts that are reported as leasing liabilities, as well as amounts paid for variable leasing fees, short-term leases and leases of low value.

NOTE 25 Distribution of the company's profit or loss

Proposed treatment of the Company's loss

Amounts in SEK 000	
Share premium reserve	1,395,030
Earnings brought forward	–1,428,954
Earnings for the year	–264,501
Total	**–298,424**
To be carried forward	–298,424

NOTE 26 Pledged collateral

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
For own liabilities and provisions				
Tangible fixed assets	24,445	–	24,445	–
Inventory	156,697	–	156,697	–
Chattel mortgages	25,000	–	25,000	–
Total	**206,142**	**–**	**206,142**	**–**

The Group's pledged assets amounted to SEK 206.1 m (0.0) of which SEK 162.0 m is collateral pledged to contract manufacturers for the fulfillment of accounts payable and future production. In addition, the Group has provided collateral for an advance from STADA of SEK 26.1 m (0.0) and for the short-term loan from Systematic Group. The loan was repaid in January 2025.

In connection with entering into the license and development agreement with Intas Pharmaceuticals, Xbrane has pledged patents related to Xdivane™ as collateral for the fulfillment of commitments.

NOTE 27 Transactions with closely related parties

The Group

Amounts in SEK 000	Year	Goods/ service transactions	Interest costs	Interest income	Liabilities as of Dec 31
Closely related parties					
Other closely related parties	2024	–	–	–	20,000
Other closely related parties	2023	–	–	–	–

The parent company has a close relationship with its subsidiary, see Note 32.

NOTE 27 Transactions with closely related parties, continued

Parent company

Amounts in SEK 000	Year	Goods/ service transactions	Interest costs	Interest income	Liabilities as of Dec 31
Closely related parties					
Group companies	2024	–	–	–	1,062
Other closely related parties	2024	–	–	–	20,000
Group companies	2023	–	–	–	1,032
Other closely related parties	2023	–	–	–	–

Transactions with closely related parties are priced at market terms. Remuneration to senior executives and Board members is disclosed in Note 4. At the end of 2024, Xbrane took out a short-term loan from Systematic Group AB which was repaid in January 2025. For further information, see Note 19. For information regarding transactions with STADA, see page 31 of the Administration Report. After the rights issue in March 2024, STADA is no longer a related party.

Transactions with closely related parties
Closely related parties include the Group's management, Board members and their relatives, as well as companies where the above mentioned have a leading position or have an ownership connection.

NOTE 28 Group companies

The Group

Holdings in subsidiaries	Subsidiary's registered office, country	Ownership, %
Primm Pharma s.r.l.	Italy	100

Parent company

Amounts in SEK 000	2024	2023
Accumulated acquisition cost		
Opening balance Jan 1	123,907	123,097
Shareholder contribution made	–	–
Closing balance Dec 31	**123,907**	**123,907**
Accumulated impairment		
Opening balance Jan 1	–119,331	–49,031
Impairment	–	–70,300
Closing balance Dec 31	**–119,331**	**–119,331**
Closing balance Dec 31	**3,766**	**3,766**

NOTE 29 Specifications for cash flow statements

Adjustments for items not included in the cash flow

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Depreciation	35,953	33,736	20,056	21,406
Feared and confirmed customer losses	46,364	–	46,364	–
Impairment av goodwill	–	64,618	–	–
Impairment of shares in subsidiary	–	–	–	70,300
Other	7,908	2,296	7,872	1,438
Total	**90,225**	**100,650**	**74,292**	**93,144**

Cash and cash equivalents

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
The following subcomponents are included in cash and cash equivalents:				
Cash and bank balances	124,330	65,402	124,330	65,402
Total according to balance sheet	124,330	65,402	124,330	65,402
Total according to cash flow statement	**124,330**	**65,402**	**124,330**	**65,402**

Paid interest and dividends received

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Interest received	501	2,407	501	2,407
Interest paid	–17,652	–7,579	–14,643	–4,828
Total interest and dividends received	**–17,151**	**–5,172**	**–14,142**	**–2,422**

Unutilized credits

	The Group		Parent company	
Amounts in SEK 000	2024	2023	2024	2023
Unutilized credits	–	–	–	–

Changes in liabilities attributable to financing activities in 2024

The Group		Changes in non-cash flow items				
Amounts in SEK m	Opening balance 2024	Changes affecting cash flow	Revaluation to fair value/interest expenses	Translation differences	Conversion of credit facility into shares	New leasing agreement	Closing balance 2024
Interest-bearing loan	175,405	–42,500	15,966	–	–		148,871
Leasing liabilities	56,083	–13,640	–	–	–	403	42,846
Liabilities attributable to financing activities	**231,488**	**–56,140**	**15,966**	**–**	**–**	**403**	**175,743**

Changes in liabilities attributable to financing activities in 2023

The Group		Changes in non-cash flow items				
Amounts in SEK m	Opening balance 2024	Changes affecting cash flow	Revaluation to fair value/interest expenses	Translation differences	Conversion of credit facility into shares	New leasing agreement	Closing balance 2024
Convertible bonds[1]	–	193,550	–7,728	–	–10,417	–	175,405
Leasing liabilities	38,220	–13,909	–	–	–	31,772	56,083
Liabilities attributable to financing activities	**38,220**	**179,641**	**–7,728**	**–**	**–10,417**	**31,772**	**231,488**

1) The convertible bond is presented in the item long-term and current interest-bearing liabilities and long-term interest-bearing debt in the balance sheet. See Note 19.

NOTE 30 Events after the balance sheet date

Significant events after the end of the financial year

- In January, the company announced that Jane Benyamin had been appointed acting Chief Financial Officer to replace Anette Lindqvist, who left her position.
- In March the company announced that it has entered into an agreement to sell XB003 (biosimilar candidate to Cimzia®) and parts of its organization, including approximately 40 employees and laboratory equipment, to Alvotech for a total consideration of approximately SEK 275 million and consists of full assumption of the outstanding convertible bonds, XB003-related outstanding accounts payables and a cash consideration of SEK 102.25 million. The reduction in Xbrane's organization will reduce annual fixed costs by approximately SEK 120 million. Closing of the transaction is subject to approval from Xbrane's shareholders at an Extraordinary General Meeting (the "EGM") to be held on 14 April 2025 as well as FDI approval.

NOTE 31 Significant estimates and assessments

The management has discussed with the Audit Committee the development, selection and information in relation to the Group's important accounting principles and estimates, as well as the application of these principles and estimates.

Important sources of uncertainty in the estimates
The sources of uncertainty in the estimates indicated below refer to aspects which entail a significant risk that the value of assets or liabilities might need to be adjusted significantly during the forthcoming financial year.

The Group's financial position and continued operations
The year-end report has been prepared on the assumption that the company has the ability to continue as a going concern for the next 12 months, in accordance with the going-concern principle.

Capitalization of development expenses for Ximluci® and Xdivane™
According to Note 1, Accounting principles, development expenses are recognized as an asset when the product or process is technically or commercially viable and the company has sufficient resources to complete the development and subsequently use, or sell, the intangible asset. The company has assessed that all criteria for capitalization of development expenses for Ximluci® have been met as of July 2021. The assessment of the criteria for capitalization is based on the following: Market approval in Europe was obtained in November 2022. The production process for Ximluci® is fully validated and key supply agreements are in place. Ximluci® met the primary endpoint of the pivotal phase III study Xplore. The product is expected to have significant value in the market. The reference product Lucentis® is estimated to reach sales of approximately EUR 2 billion. Ximluci® is one of three known competing biosimilar candidates to Lucentis®. Ximluci® met the primary efficacy endpoint in Xplore (95% CI around the change in BCVA at week 8, compared to Lucentis®, is within the predefined equivalence margin as agreed with the EMA), and, according to Xbrane's assessment, there were no clinically significant differences in secondary efficacy and safety measures compared to Lucentis®. Capitalized expenses attributable to Ximluci® amounted to SEK 119.2 million as of the balance sheet date and are amortized over 10 years. Sales of Ximluci® amounted to SEK 63.4 million in 2024 with a positive gross profit. According to sales forecasts, sales and gross profit are expected to continue to increase in the coming years. No impairment requirement is therefore considered to exist.

From July 1 2024, the Group will capitalize development expenses for Xdivane™, i.e. at the time when the criteria for capitalization in accordance with IFRS were deemed to be met. The technical risk in the program is assessed as limited as analytical similarity has been demonstrated at commercial production scale and a reduced clinical program has been agreed with the EMA and FDA. In November 2024, the Group entered into a global license and collaboration agreement with Intas Pharmaceuticals Ltd. Under the license and development agreement, Intas will finance and be responsible for the clinical and regulatory development activities, as well as the global commercialization of the Nivolumab biosimilar candidate. This further strengthens the company's assessment that the opportunities to finance the continued development are good. As part of the agreement, the Group received an upfront payment of EUR 10 m from Intas in 2024 and in the coming years development-related milestone payments of an additional EUR 3 m are expected. After the product has been launched, Xbrane will be entitled to a royalty on the profit generated. Capitalized expenses attributable to Xdivane™ amounted to SEK 48.5 m as of the balance sheet date. No impairment requirement is considered to exist.

Assets held for sale and classification of discontinued operations
An ongoing sales process of assets has not yet led to a sale over the past year. As the sale has dragged on and thus increased uncertainty around the actual timing and price, an impairment was made on the shares in Primm Pharma in the end of 2023. However, the classification as "assets held for sale" is unchanged as the company's intention is still to sell. The company is offering the assets and operations at a commercial price adjusted to new events that have occurred during the initial period of the sales process.

Amounts in SEK 000	
Revenue	–
Cost of goods sold	–
Gross profit	**–**
Operating expenses	
Other operating income	222
Sales expenses	–
Administrative expenses	–539
R&D expenses	–875
Other operating expenses	–
Operating earnings	**–1,194**
Financial income	
Financial expenses	–7
Net financial items	**–7**
Earnings after financial items	**–1,201**
Tax	–
Earnings for the period from continuing operations	**–1,201**

Amounts in SEK 000	
Other intangible assets	1,112
Total intangible assets	**1,112**
Accounts receivable	
Prepaid expenses and accrued income	1
Other receivables	150
Receivables from subsidiary/parent company	1,062
Cash and cash equivalents	727
Total assets[1]	**3,052**
Equity	**2,646**
Accounts payable	**–**
Other liabilities	8
Accrued expenses and prepaid income	399
Total current liabilities	**407**
Total liabilities	**407**

NOTE 32 Information about the parent company

Xbrane Biopharma AB (publ), Corp ID no. 556749-2375, is a Swedish registered limited company with its registered office in Solna. The parent company's shares are registered on Nasdaq Stockholm. The address of the head office is Scheeles väg 5,171 65 Solna, Sweden. The consolidated financial statements for 2024 consist of the parent company and its subsidiary, together with the named Group. The Group also includes Primm Pharma s.r.l., Corp ID no. MI – 2075109 with its registered office in Milan, Italy. As of the balance sheet date, it is classified as an "Asset held for sale".

Signatures

The income statement and balance sheet will be presented to the AGM on May 5, 2025, for adoption. The Board of Directors and the CEO certify that the consolidated accounts have been prepared in accordance with IFRS and give a true and fair view of the Group's financial position and results. The annual financial statements have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the parent company's financial position and results. The Administration Report for the Group and parent company provides a fair review of the development of the Group and the parent company's operations, position and results and describes significant risks and uncertainty factors that the parent company and the companies included in the Group face.

Solna March 31, 2025

Anders Tullgren
Chairman of the Board

Eva Nilsagård
Board member

Mats Thorén
Board member

Kirsti Gjellan
Board member

Kristoffer Bissessar
Board member

Martin Åmark
CEO

Our audit report was presented on March 31, 2025
Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

Auditor's report

Unofficial translation

To the general meeting of the shareholders of Xbrane Biopharma AB (publ), corporate identity number 556749-2375

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Xbrane Biopharma AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 29-72 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of December 31 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinion do not cover the corporate governance statement on pages 35-43. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the consolidated statement of profit or loss and the consolidated statement of financial position for the group and the income statement and balance sheet for the parent company.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of matter

We would like to draw attention to the information in the management report under the heading Group Financial Position, Note 22 section Liquidity Risk and Going Concern, and Note 31 section Group Financial Position and Going Concern. It is stated there that the company's financing for the upcoming 12-month period is not secured. However, the Board of Directors and the CEO believe that there are alternatives with good prospects to secure the company's financing. Since the ability to realize these alternatives, in whole or in part, is beyond the company's own control, there are significant uncertainties that could lead to considerable doubt about the company's ability to continue operations. Our statement is not modified in this regard.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Capitalized expenses for development The group's reported value as of December 31, 2024 for capitalized development expenses amounts to SEK 112 million (SEK 102 million). The item refers to expenses for the development of Ximluci and Xdivane and is significant from a financial reporting perspective. Important estimates and judgments include, among other things, that the requisites for capitalization are met. When assessing the need for write-downs, the group has had to assess a number of factors such as, for example, future cash flows. Due to the degree of assessments, we have judged that capitalized expenditure for development work is a particularly significant area in the audit. In the company's note 1, Accounting principles and in note 10, it appears how the company has reported and valued the balance sheet item. Note 31 shows the significant assessments for accounting purposes that the company has made.	Our audit has, among other things, included the following audit efforts: • We have evaluated management's assumptions related to the criteria for capitalization of development expenses related to Ximluci and Xdivane being met • We have tested capitalized expenses during the year through random sampling and recalculation of the year's amortization • We have reviewed the company's analysis of any indication of the need for write-downs • We have reviewed and assessed the content of the information provided in the financial reports
Revenue The group's reported net turnover consists of two revenue streams: product sales and licenses. Revenue from product sales amounts to 63 MSEK (210), and revenue from licenses amounts to 131 (0). Net revenue is significant from a financial reporting perspective The revenue from product sales is fully recognized when Xbrane has fulfilled its performance obligation, which occurs upon delivery of products to the partner STADA. The transaction price consists partly of compensation for the delivered goods and partly of compensation based on the price paid by STADA's end customer, minus certain costs. Since the transaction price cannot be determined with certainty at the time of delivery, the revenue is estimated based on the company's best assessment of the expected future outcome. The revenue from licenses is recognized as Xbrane fulfills its performance obligations according to the agreements entered into. The agreements contain more than one distinct performance obligation, and thus the revenue is divided and recognized separately based on these. Xbrane's license revenue is divided into two types: Right to access IP, where the performance obligation and revenue are fulfilled and recognized over time, and Right to use IP, where the performance obligation is fulfilled at a specific point in time and thus the revenue is fully recognized at that point. The complexity of the above circumstances, together with the materiality of the item, makes this a significant area for our audit. The company's accounting principles for revenue appear on page 55 of the annual report.	Our audit has, among other things, included the following audit efforts: • We have created an understanding of the group's revenue recognition processes and evaluated them • We have reviewed contract terms and the performance commitment that the company has identified • We have randomly tested a selection of the transactions to make sure that these are correctly reported and carried out a counterparty confirmation • We have analyzed and reviewed the model for calculating the transaction price and assessed the reasonableness of the assumptions and data that the company used for its assessment. • We have reviewed, assessed, and analyzed the accuracy and cut-off of the license revenue. • We have reviewed and assessed the content of the information provided in the financial reports.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-28 and 76-77. The other information also consists of the remuneration report that we obtained before the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements
The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss.

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Xbrane Biopharma AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for ABC AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Xbrane Biopharma AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 35-43 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

PricewaterhouseCoopers AB, 113 97, was appointed auditor of Xbrane Biopharma AB (publ) by the general meeting of the shareholders on the 2 May 2024 and has been the company's auditor since the 6 May 2021.

Stockholm 31 March 2025

Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

Alternative key indicators

The Group presents certain financial key indicators in the Annual Report that are not defined under IFRS. The Group believes that these key indicators provide valuable supplementary information to investors and the Group's management, as they enable the evaluation of the company's performance. Since not all companies calculate financial key figures in the same way, these are not always comparable with key figures used by other companies. These financial key figures should therefore not be seen as a substitute for key figures defined under IFRS. The tables below present key figures that are not defined under IFRS.

Gross margin
Gross margin is an indicator that the Group considers important for understanding the profitability of the products. It is calculated as gross profit in relation to revenue. The gross margin is revenue minus the cost of goods sold.

Amounts in SEK 000	2024	2023
Gross earnings	180,496	35,388
Divided by revenue	198,721	238,729
Gross margin	**91%**	**15%**

EBITDA
EBITDA is an indicator that the Group considers relevant to investors who wish to understand profit generation before investments in fixed assets. EBITDA shows the operation's earning power from operational activities without taking into account capital structure and tax situation, with the aim of facilitating comparisons with other companies in the same industry.

Amounts in SEK 000	2024	2023
Operating profit/loss	–217,922	–322,164
Depreciation and impairment	35,078	33,736
EBITDA	**–182,844**	**–288,428**

Research and development expenses as a percentage of operating expenses
The company's direct expenses for research and development relate to expenses for personnel, materials and external services. Research and development expenses as a percentage of operating expenses show how great a proportion of the business expenditure relates to research and development. This is calculated by dividing research and development expenses by total business expenditure. Total business expenditure comprises selling expenses, administrative expenses, research and development expenses and other operating expenses.

Amounts in SEK 000	2024	2023
Research and development expenses	–312,892	–305,783
Operating expenses	–414,245	–371,259
Research and development expenses as a percentage of operating expenses	**76%**	**82%**

Equity ratio
The equity ratio is an indicator the Group considers relevant to investors seeking to understand the distribution between equity and liabilities. The equity ratio represents the proportion of assets funded by equity to show the company's long-term payment capacity, that is, equity divided by total assets.

Amounts in SEK 000	2024	2023
Total equity	208,539	171,335
Divided by total assets	842,429	653,508
Equity ratio	**25%**	**26%**

Shareholder information

Shareholder information

Annual General Meeting 2025 The 2025 Annual General Meeting will be held on May 5, 2025, at 4:30 p.m. in Inghesalen, Widerströmska Huset, 2nd floor, Karolinska Institutet, Tomtebodavägen 18a, 171 65 Solna.

Shareholders who wish to have a matter dealt with at the Annual General Meeting must notify the Chairman of the Board, Anders Tullgren by March 1, 2025 at valberedning@xbrane.com.

To participate

Shareholders who wish to participate in the meeting must be registered in the share register maintained by Euroclear Sweden AB on April 24, 2025. Registration must be made no later than April 28, 2025 in one of the following ways:

- by post: Baker & McKenzie Advokatbyrå, Att: Carl Isaksson, Box 180, 101 23 Stockholm
- by e-mail: Carl.Isaksson@bakermckenzie.com

When registering, shareholders must state:

- Name
- Social security number/corporate identity number
- Daytime address and telephone number
- Number of shares
- Details of any agent/assistant where appropriate

Nominee registered shares

Shareholders who have their shares registered in the name of a nominee at a bank or other manager must, to be entitled to participate in the Annual General Meeting, register their shares in their own name, so that the person in question is registered in the share register kept by Euroclear Sweden AB on April 24, 2025. Shareholders who wish to register their shares in their own name should notify the nominee in good time before this date. Such registration can be temporary.

Agents

Shareholders who are to be represented through an agent must issue written and dated power of attorney for the agent. If the power of attorney is issued by a legal entity, a certified copy of a registration certificate or corresponding "certificate" for such legal entity must be attached. Power of attorney applies for one year from issuance or the longer period of validity set out on the power of attorney, though a maximum of five years. Certificates of registration shall indicate the circumstances which apply on the date of the general meeting of shareholders and should in any event not be older than one year at the time of the Annual General Meeting. The original power of attorney plus any certificate of registration should be submitted by letter to the company to the address indicated above in good time before the meeting.

The form for power of attorney is available on the company's website www.xbrane.com and can also be sent to shareholders who so request.

Contact information

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Website: www.xbrane.com

Produktion: Xbrane i samarbete med Addira **Foto:** Peter Philips

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