FINANCIAL SUMMARY FOR THE GROUP

	2023 okt – dec	2022 okt – dec	2023 jan – dec	2022 jan – dec
Revenue (SEK 000)	66,894	17,313	238,729	57,618
Research and development expenses (SEK 000)	–78,986	–59,546	–305,783	–199,648
R&D expenses as percentage of total costs	84%	82%	82%	82%
Operating profit/loss (SEK 000)	–86,526	–55,041	–322,164	–166,217
EBITDA (SEK 000)	–69,244	–50,736	–288,428	–149,640
Profit/loss for the period (SEK 000)	–157,533	–60,733	–388,172	–172,513
Cash and cash equivalents (SEK 000)	65,402	193,994	65,402	193,994
Equity ratio (%)	26%	62%	26%	62%
Earnings per share before dilution (SEK)	–5.28	–2.25	–13.52	–6.75
Earnings per share after dilution (SEK)	–5.28	–2.25	–13.52	–6.75
Number of employees on balance sheet date	93	79	93	79

Year-end report January – December 2023

FINANCIAL OVERVIEW FOURTH QUARTER 2023*

- Revenue amounted to SEK 66.9 m (17.3).
- Other operating income was SEK 3.7 m (0.5).
- EBITDA amounted to SEK –69.2 m (–50.7).
- R&D costs amounted to SEK –79.0 m (–59.5), corresponding to 84 percent (82) of total operating costs.
- The loss for the period was SEK 157.5 m (–60.7).
- Earnings per share was SEK –5.28 (–2.25).
- Cash and cash equivalents at the end of the period amounted to SEK 65.4 m (194.0).
- Goodwill attributable to the subsidiary Primm Pharma has been written down by SEK –64.6 m (0.0).

FINANCIAL OVERVIEW FULL YEAR 2023*

- Revenue amounted to SEK 238.7 m (57.6).
- Other operating income was SEK 13.7 m (20.9).
- EBITDA amounted to SEK –288.4 m (–149.6).
- R&D costs amounted to SEK –305.8 m (–199.6), corresponding to 82 percent (82) of total operating costs.
- The loss for the period was SEK 388.2 m (–172.5).
- Earnings per share was SEK –13.52 (–6.75).
- Cash and cash equivalents at the end of the period amounted to SEK 65.4 m (194.0).
- Goodwill attributable to the subsidiary Primm Pharma has been written down by SEK –64.6 m (0.0).

*Figures in parentheses refer to the corresponding period of the previous year.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER 2023[1)]

- In November, it was announced that the company was focusing its development portfolio and ending the development of Xtrudane™ (biosimilar candidate for Keytruda®). A cost-saving scheme expected to generate approximately SEK 50 million in annual savings was introduced.
- In December, it was announced that three new patents had been approved by the Swedish Intellectual Property Office (PRV).

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER[1)]

- 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 SEK 78 million approximately. The rights issue is subject to approval at an extraordinary general meeting. The purpose of the rights Issue is primarily to finance preparatory activities for the launch of Ximluci® in the US, the launch of Ximluci® PFS, production of clinical material for BIIB801, and the development and production of clinical material for Xdivane™, general corporate purposes and prepayment in cash of the next six (6) repayments of convertible bonds to CVI Investments Inc.

1) See page 8 for more information.

CEO's letter

Dear shareholders

During Q4, we took measures to stabilize our cash flow in 2024, which meant focusing our portfolio and launching a cost savings scheme, which is expected to generate savings of SEK 50 million on an annual basis when fully implemented.

> "2023 offered both highlights and challenges. We entered the commercial phase with the European launch of Ximluci®, yet sales haven't met expectations. We've made necessary structural adjustments, and if we meet the milestones ahead, 2024 will be a pivotal year for Xbrane."

Ximluci® is now sold in fifteen markets

STADA is continuing to introduce Ximluci® in Europe, with further country launches scheduled during 2024. Therefore, Ximluci® is now available in fifteen European countries, which corresponds to about 40 percent of the European market worth about EUR 5 billion[1]. During Q4, Ximluci® had a market share close to 1 percent of the ranibizumab market of about EUR 300 million with growth of around 25 percent in sales to end customers compared to Q3 2023. The profit sharing for the fourth quarter has increased compared to previous quarters but is still a modest figure as sales and marketing costs still correspond to a major proportion, calculated as a percentage of sales revenue relative to sales generated during the launch phase. We are actively working together with STADA to increase the number of eye clinics that use Ximluci®, for example through joint training activities, and the feedback from ophthalmologists has been positive so far. Furthermore, we plan to launch Ximluci® in a pre-filled syringe in Q1 2025, which is the preferred dosing presentation by the majority of ophthalmologists.

The marketing authorization application in the US is going according to plan

Xbrane submitted a biologics license application (BLA) for Ximluci® to the FDA in April 2023 with a decision date of April 21, 2024. In parallel, the process of contract negotiations for a commercialization partner in North America continues. Assuming timely market approval, a launch in the US could take place during the fourth quarter of 2024.

The route to a positive cash flow

Assuming that we succeed in reaching the following milestones on time in 2024, we see the Company's prospects of achieving a positive cash flow in Q1 2025 as bright, with the net proceeds from the decided rights issue:

- Active processing of the market with STADA, to achieve faster sales growth for Ximluci® in Europe
- FDA approval with the subsequent launch of Ximluci® in the US together with selected commercialization partners
- Launch a pre-filled syringe of Ximluci® during the first quarter of 2025
- Successfully upscale the manufacturing process for BIIB801 to manufacture and sell clinical material to Biogen Inc, which is expected to generate revenue as well as milestone payments from Biogen Inc in accordance with the existing agreement
- Out-licensing Xdivane™ to a global commercialization partner

Thank you for your continued support.

Solna, February 26, 2024

Martin Åmark,
CEO

1) The market for VEGF inhibitors for ophthalmic use

Biosimilar candidate portfolio

Xbrane has a portfolio of four biosimilar candidates for a range of treatment areas. This includes a number of serious eye diseases, several different types of cancer and, among others, rheumatoid arthritis, psoriasis and Crohn's disease.

Ximluci®

Ximluci® is a biosimilar candidate to ranibizumab, the original drug Lucentis®, a VEGFa inhibitor used to treat a number of serious eye diseases. Ximluci® addresses a market of around EUR 13 bn[1] per year.

The European Medicines Agency (EMA) approved Ximluci® in 2022, for the treatment of wet age-related macular degeneration (AMD), diabetic macular edema (DME), proliferative diabetic retinopathy (PDR), retinal vein occlusion (RVO) and visual impairment due to choroidal neovascularization (CNV) in 27 member states in Europe. Ximluci® was launched by Xbrane's partner STADA Arzneimittel AG (STADA) in Europe during Q1 2023, and by the end of 2023, Ximluci® was available in twelve European markets.

Xbrane submitted a biologics license application (BLA) to the US Food and Drug Administration (FDA) and the date of decision on the approval, known as the BsUFA date, is set for April 21, 2024. A marketing authorization application has also been submitted to the regulatory authority in Saudi Arabia. STADA is also actively working to take Ximluci® to other regions such as the Middle East, Latin America and Southeast Asia.

Ximluci® is approved in Europe in a vial containing the active substance, from which the ophthalmologist extracts the product into a syringe for injection into the eye. Xbrane also plans to launch a prefilled syringe for Ximluci® in Q1 2025.

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

BIIB801

BIIB801 is a biosimilar candidate to certolizumab pegol, original drug Cimzia®, a TNFalpha inhibitor particularly used in the treatment of rheumatoid arthritis and psoriasis. Cimzia® has sales of EUR 2 bn[1)] and will lose its patent protection in 2024 in the US and 2025 in Europe.

In 2022, Xbrane signed a development and commercialization agreement with Biogen Inc., in which Biogen received full global rights to the product. The agreement means that Biogen made an up-front payment of USD 8 m and will pay an additional USD 80 m in development and sales-based payments and, in addition, royalties on sales.

BIIB801 has undergone preclinical development, and a cost-effective production process has been established. An agreement has been signed with AGC Biologics Inc. and an upscaling of the process is underway. In 2024, clinical material will be manufactured to be sold to Biogen Inc.

Xdivane™

Xdivane™ is a biosimilar candidate to nivolumab, original drug Opdivo®, a PD1 inhibitor for the treatment of various types of cancer. Opdivo® is expected to generate sales of EUR 13 bn and lose its patent protection during 2026–2031 depending on the country.

The transfer and upscaling to contract manufacturers is continuing for Xdivane™. Xbrane is negotiating with a number of commercialization partners regarding the out-licensing of the product.

Xdarzane™

XdarzaneTM is a biosimilar candidate to daratumumab, original drug Darzalex® , an antibody that binds to CD38 for the treatment of multiple melanomas (around EUR 9 bn1) in estimated sales). The patent protection of Darzalex® is expected to expire in 2029–2031 depending on the country.

XdarzaneTM is at the preclinical development stage with a focus on developing a cost-effective production process and demonstrating a biochemical similarity to the original drug.

Product portfolio

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 3 bn[1)]	2022 (Europe) 2020 (USA)	Launch phase
BIIB801	Certolizumab pegol (Cimzia®)	Rheumatoid arthritis, axial spondylarthrosis, psoriatic arthritis and psoriasis.	EUR 2 bn[1)]	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[1)]	2026–2031 depending on country	Preclinical phase
Xdarzane™,	Daratumumab (Darzalex®)	Multiple melanoma.	EUR 9 bn[1)]	2029–2031 depending on country	Preclinical phase
			EUR 27 bn[1)]		

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

Patent protection

Xbrane is an innovative company that invests significantly in research and development, which is why strategic patents to protect our technologies and products are essential. A growing patent portfolio strengthens the company's brand. Xbrane's most important regions for the protection of intellectual property rights (IP) are Europe and the USA, but applications may also be made in other countries.

Expanding patent portfolio

The expanding patent portfolio will facilitate the implementation of commercially important initiatives such as licensing and strategic business partnerships or alliances for commercializing biosimilars and biosimilar production platforms.

Xbrane plans to file patent applications that protect a wide range of technologies, from protein production and protein purification to novel formulations of biosimilars.

The most important regions for patents are Europe and the US, but patent applications may also be filed in Canada, China, South Korea, India, Japan and Australia if the company's products and methods are thought to have a market there. Other international patent applications may also be involved.

Xbrane's LEMO™ technology platform is patent protected in Europe and the US until 2029. Between 2020 and 2022, these two patents, originally filed in 2009, have been complemented with 13 further patents as well as 46 applications "harvested" from four different development programs.

Strengthen the Xbrane brand

The Swedish Intellectual Property Office (PRV) granted eight patents in 2021. Three related to DNA constructs for the regulation of protein production and were co-filed with CloneOpt AB. Five of the patents resulted from the development of Xdivane™ and enables a broadening of the technology platform for high-yield antibody production in mammalian cells. A large part of the upcoming development of the biosimilar candidate Xdarzane™ is based on this platform.

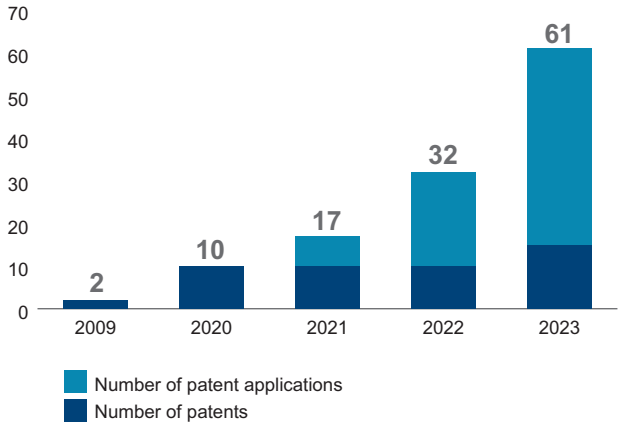
The five Swedish patents were followed up, via an international patent application, with applications in the US, Canada, Europe, India, China, South Korea, Singapore, Australia and Japan in autumn 2022. Patents were granted in Australia and South Korea in Q1 2023.

The patent applications protect new DNA sequences in genes that are introduced into host cells and instruct the cells to express the protein of interest. These DNA sequences have resulted in a significant increase in yield and can also be applied to future biosimilar candidates to be expressed in mammalian cells.

A large portion of the rest of the patent applications relate to DNA constructs, host cells and/or methods for producing Xlucane™ and BIB801.

The patent applications to protect Ximluci® were filed during March–May 2023 together with STADA Arzneimittel AG in thirty-two different countries and regions such as the US, Europe, Canada, China, South Korea, India, Japan and Australia as well as MENA and some Latin American countries. In December 2023, PRV granted 3 patents in the BIIB801 program. The expanding patent portfolio will strengthen Xbrane's brand, protect the company's products and enables more out–licensing of IP in the future.

Number of patents and patent applications (accumulated)



Shareholders

As of December 31, 2023, Xbrane had around 7,200 shareholders. The number of outstanding shares was 29,810,364. The ten largest shareholders at the end of the period are shown in the table below[1].

Name	No. of shares	Shareholding, %
Systematic Group AB	3,120,298	10.5
Bengt Göran Westman	2,448,379	8.2
STADA Arzneimittel AG	1,570,989	5.3
Avanza Pension	1,459,292	4.9
Håkan Stödberg	1,136,448	3.8
Swedbank Robur Fonder	901,892	3.0
Nordnet Pensionsförsäkring	502,461	1.7
Handelsbanken Fonder	482,144	1.6
Swedbank Försäkring	404,280	1.4
Obadja Aktiebolag	400,000	1.3
Total ten largest shareholders	**12,426,183**	**41.7**
Other Swedish shareholders	**14,072,232**	**47.2**
Other foreign shareholders	**3,311,949**	**11.1**
Total outstanding shares	**29,810,364**	**100**

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

Why invest in Xbrane?

Xbrane: a world–leading developer of biosimilars

Platform–based developer of biosimilars with low production costs

- A patented development platform that ensures a low production cost.
- Commercial agreements with major global pharmaceutical companies like STADA Arzneimittel AG and Biogen Inc.

The first product, Ximluci® was launched in Europe in Q1 2023 and is now available in 15 countries

- Ximluci® (biosimilar to Lucentis®) was launched in Q1 2023 and reaches a market worth EUR 5 bn in Europe.
- The company submitted a biologics license application (BLA) in April 2023 in the US with a decision on possible approval and subsequent launch in 2024.

Attractive portfolio with more candidates to be launched when the patent expires on the original drug.

- BIIB801 is, as far as we know, the only biosimilar candidate in development for the TNF inhibitor Cimizia® with annual sales of EUR 2 bn.
- Portfolio of two biosimilar candidates in oncology addressing a combined annual peak sales of the reference products totaling EUR 22 bn, for which we are in discussions about out–licensing.

Financial overview

Group results for October – December 2023
The Group's revenue amounted to SEK 66.9 m (17.3) mainly consisting of income from product sales of Ximluci® of SEK 66.1 m (0.0). The previous year also included revenue from out-licensing, mainly through the agreement signed with Biogen Inc. regarding BIIB801. The agreement with Biogen was signed during Q1 2022. Revenue attributable to the agreement was accrued until June 2023.

The cost of goods sold is attributable to Ximluci® and amounted to SEK –62.7 m (0.0).

Other operating income amounted to SEK 3.7 m (0.5) and mainly consisted of exchange rate gains on operating receivables and liabilities.

Research and development costs amounted to SEK –79.0 m (–59.5). The increased cost is mainly driven by the work with BIIB801 and Xdivane™ and also development work on the prefilled syringe for Ximluci®. No costs were capitalized for Ximluci® as the product has been commercialized.

Administration expenses amounted to SEK –8.5 m (–11.1).

Other operating expenses amounted to SEK –7.0 m (–2.4) and consisted of exchange rate losses on operating receivables and liabilities.

The operating loss was SEK 86.5 m (–55.0). The loss before tax amounted to SEK 92.6 m (–55.3). During the quarter, there was no taxable profit and thus no tax expense (0.0). The loss after tax from continuing operations was therefore SEK 92.6 m (–55.3). As the divestment of the subsidiary Primm Pharma has dragged on, the Group has written down goodwill in its entirety, which amounted to SEK –64.6 m. The write-down is included in the item Profit/loss from discontinued operations. The period's loss after tax was SEK 157.5 m (–60.7). Earnings per share for continuing operations amounted to SEK –3.11 (–2.05) and earnings per share amounted to SEK –5.28 (–2.25).

The Group's cash flow for October – December 2023
Cash flow from operating activities amounted to SEK –81.1 m (–115.1), of which SEK 0.0 m (–10.2) was from discontinued operations (Primm Pharma). The change with last year is mainly due to a reduction of inventory during Q4. Cash flow from investment activities amounted to SEK –0.2 m (–9.4). In the comparative period, the cash flow from investment activities was affected by the acquisition of equipment for the laboratory and the capitalization of research and development costs.

Cash flow from financing activities amounted to SEK –14.1 m (155). The outflow is explained by amortization of convertible loans of SEK -10.4 m, and amortization of leasing liabilities, SEK –3.7 m (–2.2). In Q4 last year, a capital injection was obtained through a new issue amounting to SEK 156.7 m net.

The Group's results for January – December 2023
The Group's revenue amounted to SEK 238.7 m (57.6) mainly consisting of income from product sales of Ximluci® of SEK 209.5 m (0.0). In addition, income from out-licensing of SEK 28.4 m (50.9) has been included. The cost of goods sold is attributable to Ximluci® and amounted to SEK –203.3 m (0.0).

Other operating income amounted to SEK 13.7 m (20.9) and mainly consisted of exchange rate gains on operating receivables and liabilities.

Research and development costs amounted to SEK –305.8 m (–199.6). The increase in costs is mainly driven by work on BIIB801 intensifying during the year and that upscaling of Xdivane™ has begun. In addition, no expenses for Ximluci® have been capitalized after Q1 2023. Development costs for Ximluci® now mainly consist of work on the development of the prefilled syringe.

Administration expenses amounted to SEK –40.0 m (–31.5), where the increase in costs is mainly due to greater administration in connection with commercialization.

Other operating expenses amounted to SEK –25.4 m (–13.6) and consisted of exchange rate losses on operating receivables and liabilities. The operating loss SEK 322.2 m (–166.2). The loss before tax was SEK 322.0 m (–168.5). During the year, there was no taxable profit and thus no tax expense (0.0). The loss after tax from continuing operations was therefore SEK 322.0 m (–168.5). The Group has written down the goodwill attributable to the subsidiary Primm Pharma by SEK 64.6 million. The write-down is included in the item Profit/loss from discontinued operations. The loss for the year amounted to SEK 388.2 m (–172.5). Earnings per share for continuing operations amounted to SEK –11.22 (–6.59) and earnings per share amounted to SEK –13.52 (–6.75).

The Group's cash flow for January – December 2023
Cash flow from operating activities amounted to SEK –406.7 m (–193.9). The change in cash flow from operating activities is mainly due to the continued build-up of inventory for Ximluci® and upscaling the production processes with contract manufacturers for Ximluci®, BIIB801 and Xdivane™. In addition, a milestone payment of around SEK 74 m was received in February 2022 from Biogen Inc. regarding the out-licensing of BIIB801. No corresponding milestone payment has been received during the current year.

Cash flow from investment activities amounted to SEK –16.8 m (–60.1) and consisted, among other things, of investments in tangible fixed assets for the internal laboratory and capitalization of research and development costs. The change is mainly explained by the Group no longer capitalizing any development costs attributable to Ximluci® from February 2023.

Cash flow from financing activities amounted to SEK 298.7 m (148.9), which mainly refers to capital additions in the form of new issues, SEK 119.0 m net (156.7), and issued convertible bonds, SEK 193.6 m net (0.0) after amortization

The Group's financial position and continued operations

As of the end of December, the Group's cash and cash equivalents amounted to SEK 65.4 m (194.0). The Board and CEO have assessed that the company's current liquidity is not sufficient to finance the business for the next twelve months and therefore launched an issue on January 22, 2024, which is expected to bring in around SEK 343 m before transaction costs, consisting of shares and warrants. Upon full utilization of the warrants, which expire on December 16, 2024, Xbrane can receive additional cash of around SEK 78 m before transaction costs.

The issue is intended to be used for preparatory activities for the launch of Ximluci® in the US, the launch of Ximluci® PFS, production of clinical material for BIIB801, the development and production of clinical material for Xdivane™, advance payment in cash of the next six (6) amortizations of convertible bonds to CVI Investments Inc. ("CVI") and general corporate purposes.

Xbrane is actively working according to the revised strategic plan, which was introduced in autumn 2023. Provided that the decided rights issue is carried out according to plan, accelerated sales of Ximluci® and that agreements with a commercialization partner for North America and licensing partner for Xdivane™ can be reached with the terms and conditions that the company assesses as possible, the company will have the financing needed until it is expected to achieve a positive cash flow from operations in Q1 2025.

Fixed assets

Fixed assets amounted to SEK 191.8 m (177.0), where the change is largely explained by the capitalization of research and development costs for Ximluci® , which amounted to SEK 99.7 m (102.0). Capitalization of research and development costs began on July 1, 2021, and ended in connection with the commercialization in March 2023. Remaining changes to the item consist of the acquisition of, laboratory equipment, machinery, fixtures for office premises and customary monthly depreciation.

Inventory

Inventory amounted to SEK 106.9 m (50.3), which refers to the commercial inventory for Ximluci® .

Prepaid costs and accrued income

Prepaid costs and accrued income amounted to SEK 251.9 m (151.8). Essential items consisted of advance payments for production, SEK 45.3 m (19.8) and advance payments to contract manufacturers for development and upscaling amounting to SEK 150.9 m (107.7). In addition, accrued income amounted to SEK 37.0 m (0.0), which is mainly attributable to product sales of Ximluci®.

Changes in equity

Share capital on the balance sheet date amounted to SEK 6.7 m (6.2). Other capital contributions amounted to SEK 1,428.5 m (1,294.2). Total equity amounted to SEK 171.3 m (424.9) and the equity ratio was 26 percent (62).

Accrued expenses and prepaid income

Accrued expenses and prepaid income amounted to SEK 216.3 m (200.2) and consisted of advance payments from STADA amounting to SEK 75.9 m (86.9), of which SEK 35.1 m (0.0) is attributable to the commercialization. In addition, the item was mainly affected by accrued production costs of SEK 39.0 m (12.9) and accrued development costs for projects of SEK 84.2 m (49.1).

Significant events during the fourth quarter

- In November, the company announced that it was focusing the company's development portfolio and, as a consequence, terminating the development of Xtrudane™ (biosimilar candidate for Keytruda®). Furthermore, a cost-saving scheme was introduced which is expected to result in around SEK 50 m in annual savings when it is fully implemented. Xbrane's main focus is to achieve a positive cash flow as soon as possible and, as previously announced, no later than Q1 2025. Therefore, Xbrane's Board and management decided to focus the development portfolio on biosimilar candidates with established commercialization partners for Ximluci® (Lucentis® biosimilar), BIIB801 (Cimzia® biosimilar candidate), and Xdivane™ (Opdivo biosimilar candidate), with the aim of out-licensing in the near future. Xdarzane™ (Darzalex® biosimilar candidate) is being retained in the portfolio while the development of Xtrudane™ (Keytruda® biosimilar candidate) is being completed. The cost-saving scheme is estimated to involve savings in all areas and includes reductions in around 40 positions for both employees and consultants. The savings are being realized gradually and are expected to be fully implemented in Q3 2024.
- In December, it was announced that the amortization of the convertible bond issued in May 2023 to CVI Investments, Inc. was made in cash.
- Also in December, three new patents were announced approved by the Swedish Intellectual Property Office (PRV).

Significant events after the end of the quarter

- In January, a rights issue of units worth around SEK 343 m was announced. The new shares and warrants shall be issued in units, where each unit shall consist of 50 shares and 9 warrants of series TO1. If warrants of TO1 are fully exercised, Xbrane will receive up to an additional SEK 78 m approximately. The rights issue is subject to approval at an extraordinary general meeting. The purpose of the Rights Issue is primarily to finance preparatory activities for the launch of Ximluci® in the US, the launch of Ximluci® PFS, production of clinical material for BIIB801, development and production of clinical material for Xdivane™, general corporate purposes and prepayment in cash of the next six (6) repayments of convertible bonds to CVI Investments Inc.

The effects of the collaboration 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. This meant that until June 1, 2021, Xbrane reported its share of 50 percent of the total costs for the project in the income statement. After June 1, 2021, when clinical trials showed that the primary endpoint for efficacy for Ximluci® had been reached, the project was judged to meet the criteria for capitalization of research and development costs and was reported as an intangible asset in the balance sheet and does not affect the income statement. In connection with the commercialization of Ximluci® in March 2023, no additional research and development costs will be capitalized for 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.

On the balance sheet date, Xbrane had receivables from STADA amounting to SEK 3.0 m (28.2) as well as accrued expenses and prepaid income from STADA amounting to SEK 75.4 m (86.9), of which SEK 35.1 m (0.0) is pre-invoicing of upcoming product deliveries.

Effects of the planned sale of Primm Pharma

Assets held for sale

Xbrane's intention is to continue to work towards a divestment of the subsidiary Primm Pharma. Negotiations are in progress and the conditions for a sale are still considered to be good. 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. The reclassification created some minor effects on several items in the balance sheet which is expected as Primm Pharma is a smaller part of the Group.

In the income statement, Primm Pharma's results are reported separately as "Profit/loss from discontinued operations". In December 2023, the entire goodwill attributable to Primm Pharma was written-down. This was because the divestment procedure has dragged on, which has increased the uncertainty around the actual time of the divestment. See further under Parent company below. The write-down is reported under "Profit/loss from discontinued operations". Primm Pharma's share of each business is reported in the cash flow under "Of which from discontinued operations".

Parent company

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 has therefore chosen to write-down access to its reported net assets, in this case Primm Pharma's equity. Xbrane previously wrote down the shares in the subsidiary by SEK 49.0 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 14–15.

Risks and uncertainty factors

Risks and uncertainty factors are described in the Annual Report 2022 on pages 32–33, available on the company's website, www.xbrane.com. At the time of publication of this interim report, these have not changed significantly.

Share information

Xbrane's share capital at the end of the period was SEK 6.7 m (6.2) divided into 29,810,364 shares (27,506,018). The quota value of all shares is SEK 0.224, and all the shares have equal rights to the company's assets and earnings. Since September 23, 2019, Xbrane's shares have been listed on the Nasdaq OMX main list under the XBRANE ticker. Xbrane had around 7,200 shareholders on the balance sheet date. The closing price of the share on the balance sheet date was SEK 10.0 generating a market capitalization of around SEK 298 m.

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, is located in Milan, Italy. As mentioned above, the sale of the subsidiary is in progress. On the balance sheet date, the Group had 93 (79) employees, of which 93 (79) in the parent company and 0 (0) in the subsidiary Primm Pharma.

Nomination committee

According to the principles for the nomination committee in Xbrane Biopharma AB ("the Company" or "Xbrane") which were adopted at the annual general meeting on May 4, 2023, the nomination committee shall consist of three members, appointed by the Company's three largest shareholders as of September 30, 2023. if a shareholder ceases to be one of the Company's three largest shareholders before three months before the general meeting, the member must resign from the nomination committee and a new member appointed.

Based on the above, Oscar Bergman, appointed by Swedbank Robur Fonder, the company's third largest shareholder as of September 30, 2023, resigned from the Nomination Committee.

The Chairman of the Board, Anders Tullgren is in contact with other larger shareholders, but at the time of this report's publication, the Nomination Committe consist of the following individuals:

- Saeid Esmaeilzadeh, appointed by Systematic Group AB, the company's largest shareholder
- Bengt Göran Westman, the company's second largest shareholder
- Anders Tullgren, Xbrane's Chairman of the Board, deputy member if necessary.

Saeid Esmaeilzadeh is appointed as the nomination committee's Chairman.

Presentation of the year-end report

Presentation of the year-end report for 2023 will take place digitally on February 26, at 1 p.m., where CEO Martin Åmark and CFO Anette Lindqvist will present the interim report. The presentation is held in English and is expected to last about 20 minutes, after which there will be an opportunity for questions. To participate in the presentation, follow the link below: https://ir.financialhearings.com/xbrane-biopharma-q4-2023/register

Annual General Meeting

The Annual General Meeting for 2024 will be held on May 2, 2024, 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 report it no later than March 1, 2024, to the Chairman of the Board Anders Tullgren at valberedning@xbrane.com.

Dividend

The Board proposes that no dividend be paid for the 2023 financial year.

Auditor's review

This interim report has not been subject to review by the company's auditor.

Consolidated income statement

Amounts in SEK thousand	Notes	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Revenues	2	66,894	17,313	238,729	57,618
Cost of goods sold		–62,658	–	–203,341	–
Gross profit		**4,237**	**17,313**	**35,388**	**57,618**
Other operating income		3,713	547	13,707	20,914
Administrative expenses		–8,499	–10,975	–40,031	–31,538
Research and development expenses		–78,986	–59,546	–305,783	–199,648
Other operating expenses		–6,993	–2,380	–25,445	–13,563
Operating profit/loss		**–86,526**	**–55,041**	**–322,164**	**–166,217**
Net financial costs		–6,114	–290	137	–2,296
Profit/loss before tax		**–92,640**	**–55,331**	**–322,028**	**–168,513**
Tax		–	–	–	–
Profit/loss for the period from continuing operations		**–92,640**	**–55,331**	**–322,028**	**–168,513**
Profit/loss from discontinued operations		–64,893	–5,402	–66,144	–4,001
Profit/loss for the period		**–157,533**	**–60,733**	**–388,172**	**–172,513**
Profit/loss for the period attributable to:					
– Owners of the Company		–157,533	–60,733	–388,172	–172,513
– Non-controlling interests		–	–	–	–
Total comprehensive income for the period		**–157,533**	**–60,733**	**–388,172**	**–172,513**
Earnings per share from continuing operations					
– Before dilution (SEK)		–3.11	–2.05	–11.22	–6.59
– After dilution (SEK)		–3.11	–2.05	–11.22	–6.59

Amounts in SEK thousand	Notes	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Earnings per share					
– Before dilution (SEK)		–5.28	–2.25	–13.52	–6.75
– After dilution (SEK)		–5.28	–2.25	–13.52	–6.75
Number of outstanding shares at the end of the reporting period					
– Before dilution		29,810,364	27,506,018	29,810,364	27,506,018
– After dilution		29,810,364	27,506,018	29,810,364	27,506,018
Average number of outstanding shares					
– Before dilution		29,807,780	27,018,397	28,705,554	25,569,950
– After dilution		29,807,780	27,018,397	28,705,554	25,569,950

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Profit/loss for the period	–157,533	–60,733	–388,172	–172,513
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	–2,473	507	–201	5,157
Comprehensive income for the period	**–2,473**	**507**	**–201**	**5,157**
Total comprehensive profit/loss attributable to:				
– Owners of the Company	–160,007	–60,226	–388,373	–167,356
– Non-controlling interests	–	–	–	–
Total comprehensive income for the period	**–160,007**	**–60,226**	**–388,373**	**–167,356**

Consolidated statement of financial position

Amounts in SEK thousand	Notes	12-31-2023	12-31-2022
ASSETS			
Intangible assets		99,670	101,995
Property, plant and equipment		32,537	34,830
Right of use assets		55,663	36,220
Long-term receivables		3,945	3,945
Non-current assets		**191,815**	**176,990**
Inventory	4	106,856	50,260
Accounts receivables		–	1,335
Other receivables		34,213	46,121
Prepaid expenses and accrued income		251,907	151,827
Cash and cash equivalents		65,402	193,994
Assets held for sale		3,314	69,987
Current assets		**461,693**	**513,524**
TOTAL ASSETS		**653,508**	**690,515**
EQUITY			
Share capital		6,683	6,166
Other contributed capital		1,428,530	1,294,227
Reserves		10,121	10,322
Retained earnings including profit/loss for the year		–1,273,999	–885,827
Equity attributable to parent company's owners		**171,335**	**424,888**
Non-controlling interests		–	**–**
TOTAL EQUITY		**171,335,**	**424,888**

Amounts in SEK thousand	Notes	12-31-2023	12-31-2022
LIABILITIES			
Long-term interest-bearing liabilities	5	112,897	–
Leasing liabilities		42,711	29,058
Long-term non interest-bearing liabilities	5	8	–
Total long-term liabilities		**155,616**	**29,058**
Short-term interest- bearing liabilities	5	62,500	–
Accounts payable		30,974	23,297
Other liabilities		2,810	2,933
Leasing liabilities		13,371	9,162
Accrued expenses and prepaid income		216,296	200,239
Liabilities attributable to assets held for sale		606	937
Total short-term liabilities		**326,557**	**236,569**
TOTAL LIABILITIES		**482,173**	**265,626**
TOTAL LIABILITIES AND EQUITY		**653,508**	**690,515**

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 January 1, 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	**–**	**–**	**–201**	**–388,172**	**–388,373**
Transactions with group shareholder					
New share issue	517	134,545			135,062
Issue expenses		–962			–962
Share savings program		720			720
Total contributions from and distributions to shareholders	**517**	**134,303**	**–**	**–**	**134,820**
Closing balance December 31, 2023	**6,683**	**1,428,530**	**10,121**	**–1,273,999**	**171,335**

Belopp i TSEK	Share Capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total
Opening balance January 1, 2022	5,614	1,134,276	5,165	–713,313	431,741
Total comprehensive income for the period					
Profit/loss for the period				–172,513	–172,513
Other comprehensive income for the period			5,157		5,157
Total comprehensive income for the period	**–**	**–**	**5,157**	**–172,513**	**–167,356**
Transactions with group shareholder					
New share issue	551	170,000			170,551
Issue expenses		–13,350			–13,350
Share savings program		3,301			3,301
Total contributions from and distributions to shareholders	**551**	**159,951**	**–**	**–**	**160,502**
Closing balance December 31, 2022	**6,166**	**1,294,227**	**10,322**	**–885,827**	**424,888**

Consolidated cash flow statement

Amounts in SEK thousand	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Cash flow from operating activities				
Profit/loss for the period before tax	–157,533	–60,733	–388,172	–172,513
Adjustments for items not included in cash flow	81,934	1,842	100,650	9,327
Paid income taxes	–	–	–	–
Total	**–75,599**	**–58,891**	**–287,522**	**–163,186**
Increase (–)/Decrease (+) of inventory	26,806	–50,260	–56,596	–50,260
Increase (–)/Decrease (+) of trade and other receivables	34,839	–18,023	–85,132	1,699
Increase (+)/Decrease (–) of trade and other payables	–67,171	12 117	22,572	17,829
Cash flow from current operations	**–81,125**	**–115,057**	**–406,678**	**–193,918**
Of which discontinued operations	*–48*	*–10,243*	*–645*	*–9,876*
Cash flow from investing activities				
Acquisition of property, plant and equipment	–176	–1,680	–6,791	–11,616
Acquisition of intangible assets	–	–7,726	–9,978	–48,509
Cash flow from investing activities	**–176**	**–9,406**	**–16,769**	**–60,125**
Of which discontinued operations	–	–	–	–

Amounts in SEK thousand	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Cash flow from financing activities				
Stock options redeemed by staff	–	527	18	551
New share issue	–	170,000	120,000	170,000
Issue expenses	–	–13,350	–962	–13,350
Loans taken out	–	–	225,000	–
Costs of loans taken out	–	–	–10,617	–
Amortization of loans	–10,417	–	–20,833	–
Amortization of lease liability	–3,684	–2,207	–13,909	–8,337
Cash flow from financing activities	**–14,101**	**154,970**	**298,696**	**148,864**
Of which discontinued operations	–	–	–	–
Cash flow for the period	**–95,402**	**30,507**	**–124,752**	**–105,179**
Cash and cash equivalents reported in assets held for sale	–1,166	2,203	–1,166	–53
Cash and cash equivalents at beginning of period	167,284	165,235	193,994	295,180
Cash and cash equivalents at beginning of period (reported in assets held for sale)	1,264	–1,758	1,811	–
Exchange rate differences in cash and cash equivalents	–6,578	–2,193	–4,485	4,046
Cash and cash equivalents at end of period	**65,402**	**193,994**	**65,402**	**193,994**

Income statement, Parent company

Amounts in SEK thousand	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Revenues	66,894	17,313	238,729	57,618
Cost of goods sold	–62,658	–	–203,341	–
Gross profit	**4,237**	**17,313**	**35,388**	**57,618**
Other operating income	3,713	547	13,707	20,914
Administrative expenses	–9,005	–11,306	–41,684	–32,863
Research and development expenses	–79,153	–59,653	–306,299	–199,976
Other operating expenses	–6,993	–2,380	–25,445	–13,563
Operating profit/loss	**–87,200**	**–55,479**	**–324,332**	**–167,870**
Financial items				
Impairment loss on shares in subsidiary	–70,300	–	–70,300	–
Financial expenses	–5,226	289	2,887	156
Net finance costs	**–75,526**	**289**	**–67,413**	**156**
Profit/loss before tax	**–162,725**	**–55,190**	**–391,745**	**–167,714**
Tax	–	–	–	–
Profit/loss for the period	**–162,725**	**–55,190**	**–391,745**	**–167,714**

Income statement and other comprehensive income, Parent company

Amounts in SEK thousand	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Profit/loss for the period	**–162,725**	–55,190	**–391,745**	–167,714
Other comprehensive income	–	–	–	–
Comprehensive income for the period	**–162,725**	**–55,190**	**–391,745**	**–167,714**

Balance sheet, Parent company

Amounts in SEK thousand	12-31-2023	12-31-2022
ASSETS		
Fixed assets		
Intangible assets	99,670	101,995
Property, plant and equipment	32,537	34,830
Financial assets		
Shares in group companies	3,766	74,066
Other non-current receivables	3,945	3,945
Total financial assets	**7,711**	**78,011**
Total non-current assets	**139,919**	**214,836**
Current assets		
Current receivables		
Inventory	106,856	50,260
Accounts receivables	–	1,335
Other receivables	34,213	46,121
Prepaid expenses and accrued income	254,069	151,827
Total current receivables	**395,139**	**249,543**
Cash and bank	65,402	193,994
Current assets	**460,541**	**443,537**
TOTAL ASSETS	**600,459**	**658,373**

Amounts in SEK thousand	12-31-2023	12-31-2022
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	6,683	6,166
Reserve for development expenditure	99,670	101,995
Unrestricted equity		
Share premium	1,428,530	1,294,227
Retained earnings	–969,191	–803,802
Profit/loss for the period	–391,745	–167,714
Total equity	**173,947**	**430,872**
Long-term liabilities		
Long-term interest-bearing liabilities	112,897	–
Long-term non interest-bearing liabilities	8	–
Total long-term liabilities	**112,905**	**–**
Current liabilities		
Short-term interest-bearing liabilities	62,500	–
Liabilities to subsidiaries	1,032	1,031
Accounts payables	30,974	23,297
Other current liabilities	2,807	2,933
Deferred income and prepaid revenue	216,296	200,239
Current liabilities	**313,608**	**227,501**
TOTAL LIABILITIES	**426,512**	**227,501**
TOTAL EQUITY AND LIABILITIES	**600,459**	**658,373**

Notes

NOTE 1 Accounting principles

This consolidated interim report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, as well as applicable regulations from the Annual Accounts Act. The interim report for the parent company has been prepared according to the Annual Accounts Act, chapter 9, Interim Reports. For the Group and the parent company the same accounting principles and calculation bases as the previous annual report have been applied except for the changed or additional accounting principles described below. Information according to IAS 34.16A is included in these financial statements and related notes as well in other parts of this interim report.

Revenue from agreements with customers

Xbrane's income from contracts with customers includes the revenue categories "Product licensing, Product sales, Contract manufacturing and Other". The revenue reporting has been identified based on the internal reporting that is presented to the company's top executive decision maker.

The different types of revenue are defined as follows:
- **Out–licensed products**: Milestone payments for biosimilars before market approval. Examples of this are milestone payments from Bausch + Lomb & Biogen.
- **Product sales**: Products with obtained market approval. Currently, sales of the product Ximluci® are included within this type of revenue.
- **Contract manufacturing**: This revenue type includes other activities within the company that cannot be considered covered by the above-mentioned revenue type.

Revenue attributable to the out-licensing of Ximluci® consists of the agreement with STADA for Europe. Revenue for out-licensing is recognized at a time that occurs when control of the intangible asset is transferred to the counterparty, which was at the time when the agreement with both parties was signed. Variable remuneration (for example attributable to future regulatory milestones) is recognized when there is no longer any significant risk of uncertainty as to whether these will occur. Remuneration attributable to sales-based milestones or royalties is reported when the right to milestones or royalties occur.

Revenue attributable to product sales

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 on an ongoing basis in subsequent periods.

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.

Convertible debentures

The Group's convertible debentures that can be converted into shares by the counterparty exercising its option to convert the debt into shares, are 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 initial accounting period, the liability is reported at accrued acquisition value until it is converted or matures. Transaction costs for the convertible debentures have been allocated to the debt.

NOTE 2 Revenue from contracts with customers

Amounts in SEK m	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Net sales				
Outlicensed products	0,0	14,1	28,4	50,9
Product sales	66,1	–	209,5	–
Contract manufacturing	0,0	3,2	0,0	3,2
Other	0,8	0,0	0,9	3,6
Total	**66,9**	**17,3**	**238,7**	**57,6**
Of which North America	*0,3*	*14,1*	*28,7*	*50,9*

The Group's revenue for 2023 consisted primarily of revenue from product sales from Ximluci®.

NOTE 3 Transactions with related parties

STADA Arzneimittel AG has been a shareholder in Xbrane since 2019 (see list of owners on page 6). Related party transactions with STADA refer to product sales and cost sharing for the agreement with Ximluci®.

NOTE 4 Inventory

Amounts in SEK 000s	12-31-2023	12-31-2022
Goods in progress	106,856	50,260
Finished goods	–	–
Total inventory	**106,856**	**50,260**

Determination of acquisition value of inventory

The acquisition value of assets in inventory is determined, among other things, 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 Note 1 for the Group's other accounting principles regarding inventories.

Reported in the income statement

During the 2023 financial year, cost of goods sold has been reported in the income statement at SEK 203,341 thousand (2022 SEK 0 thousand). The inventory includes a reserve for obsolete goods of SEK –1,637 thousand (2022 SEK 0,000). The inventory has not been written down.

NOTE 5 Convertible debentures

On May 26, 2023, Xbrane issued convertible bonds with a nominal value of SEK 250 m. 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% 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% until formal approval by the United States Food and Drug Administration (FDA) of the Company's application in connection with its biosimilar candidate for trial to Lucentis® (ranibizumab), thereafter the interest rate is 0%. The conversion rate amounts to 125% 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, 2023, the convertible debentures are reported as interest-bearing loans amounting to SEK 175.4 m and SEK 0.0 m as derivatives under long-term non-interest-bearing liabilities.

Certification

The Board of Directors and the CEO hereby certify that this Interim report provides a true and fair view of the Parent Company and the Group's operations, position and results and describes significant risks and uncertainties faced by the Company and the companies that are part of the Group.

Stockholm, February 26, 2024

Anders Tullgren
Chairman of the Board

Eva Nilsagård
Board member

Peter Edman
Board member

Mats Thorén
Board member

Karin Wingstrand
Board member

Kirsti Gjellan
Board member

Ivan Cohen-Tanugi
Board member

Martin Åmark
CEO

Alternative performance measures

The Company presents certain financial measures in the interim report that are not defined in accordance with IFRS. The Company believes that these measures provide valuable supplementary information to investors and the Company's management as they enable evaluation of the Company's performance. Since not all companies calculate financial measurements in the same way, these are not always comparable to measurements used by other companies. These financial measures should therefore not be seen as replacement for measures that are defined in accordance with IFRS. The tables below show measurements that are not defined in accordance with IFRS.

Gross margin
The gross margin is a measure that the Group considers important for understanding the products' profitability. The gross margin is calculated as gross profit in relation to the Revenue. The gross profit is revenue minus cost of goods sold.

Amount in SEKm	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Gross profit	4,237	17,313	35,388	57,618
Gross margin	**6%**	**100%**	**15%**	**100%**

EBITDA
EBITDA is a measure that the Group considers relevant for an investor who wants to understand profit generation before investing in fixed assets. EBITDA shows the business's earning capacity from cash flow from operating activities without regard to capital structure and tax situation and is intended to facilitate comparisons with other companies in the same industry.

Amount in SEKm	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Operating profit / loss	–86,526	–55,041	–322,164	–166,217
Depreciation and impairment	17,282	4,305	33,736	16,576
EBITDA	**–69,244**	**–50,736**	**–288,428**	**–149,640**

Research and development expenses as a percentage of operating expenses
The company's direct costs for research and development relate to personnel, materials and external services costs. Research and development expenses as a percentage of operating expenses show the proportion of operating expenses relating to research and development. This is calculated by dividing research and development expenses by total operating expenses. Total operating expenses comprise of selling and distribution expenses, administrative expenses, research and development expenses and other operating expenses.

Amount in SEKm	2023 Oct – Dec	2022 Oct – Dec	2023 Jan – Dec	2022 Jan – Dec
Research and development expenses	–78,986	–59,565	–305,783	–199,648
Operating expenses	–94,477	–72,901	–371,259	–244,749
Research and development expenses as a percentage of operating expenses	**84%**	**82%**	**82%**	**82%**

Equity ratio
The equity ratio is a measure that the Group considers relevant for an investor who wants to understand the distribution between equity and liabilities. The equity ratio consists of the proportion of assets that are financed with equity to show the company's long-term ability to pay, i.e., equity through total assets.

Amount in SEKm	12-31-2023	12-31-2022
Total equity	171,335	424,888
Divided by total assets	653,508	690,515
Equity ratio	**26%**	**62%**

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.

FINANCIAL CALENDAR

Annual Report 2023	March 27, 2024
Annual General Meeting	May 2, 2024
Interim report January–March 2024	May 16, 2024
Interim report January–June 2024	July 17, 2024
Interim report January–September 2024	October 24, 2024

FOR FURTHER INFORMATION

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Xbrane in brief

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 expertise in taking biosimilars from cell-line to approval with long collective experience in drug development.

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.

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