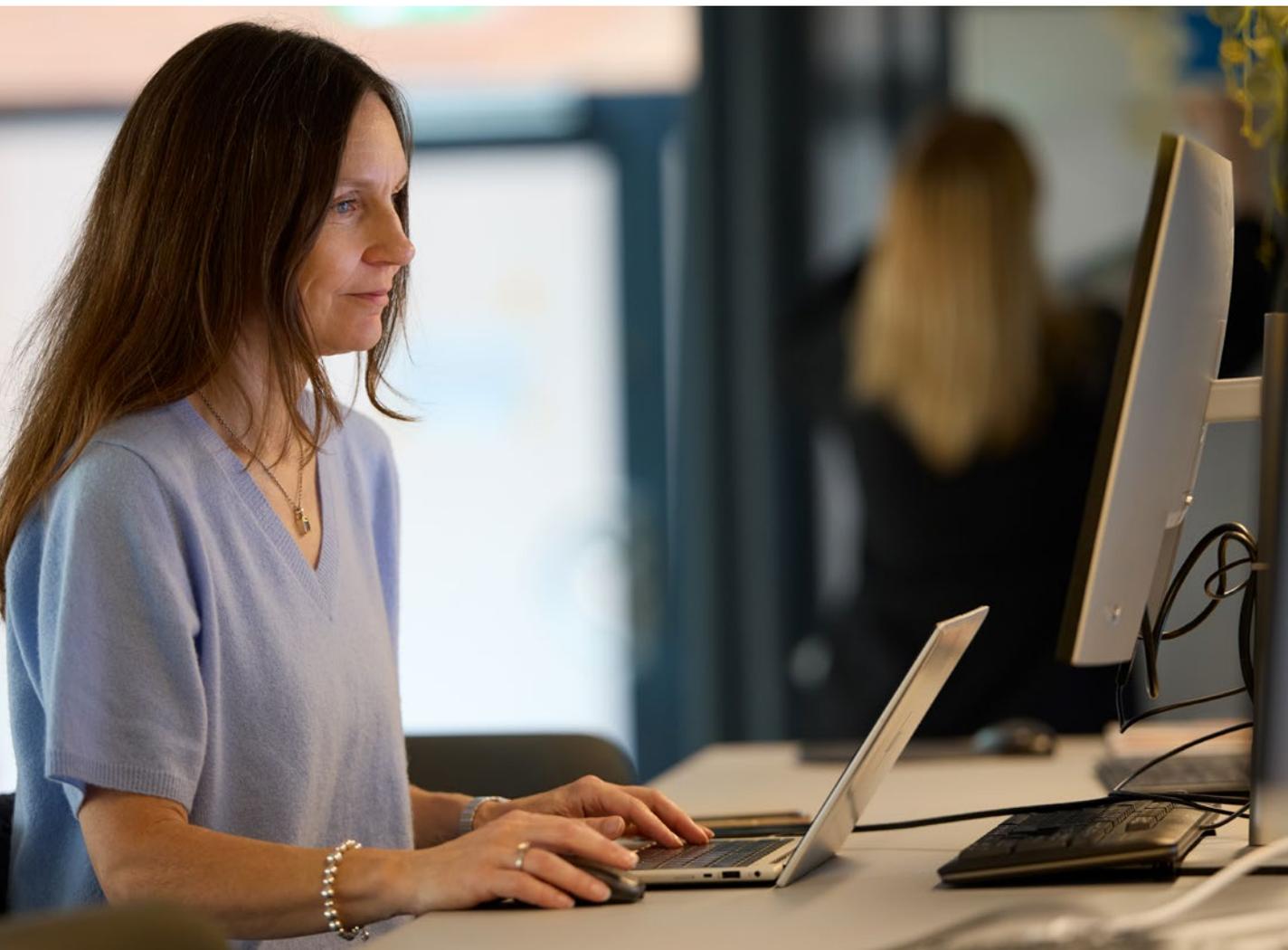




Science for high quality biosimilars

Annual and
Sustainability Report
2025



FINANCIAL CALENDAR

Annual Report 2025	March 31, 2026
Annual General Meeting	May 5, 2026
Interim Report January–March 2026	May 5, 2026
Interim Report January–June 2026	July 17, 2026
Interim Report January–September 2026	October 30, 2026

FOR FURTHER INFORMATION

Martin Åmark,
CEO
martin.amark@xbrane.com
+ 46 76-309 37 77

Jane Benyamin,
CFO
jane.benyamin@xbrane.com
+46 73-360 37 33

www.xbrane.com

Contents

Introduction	
Xbrane in brief	1
The year in brief	2
Chairman of the Board's letter	3
CEO's letter	4
Our objectives	5
What we do – long-term strategic choices	6
Product portfolio	
Ximluci® for the treatment of eye diseases	8
Product candidates for the treatment of cancer	10
Biosimilars and development	
What is a biosimilar?	12
The market for biosimilars	13
Sustainability report	
General	15
Environment	22
Social	24
Governance	28
The shares and shareholders	29
Annual Report 2025	
Administration report	31
Risks and risk management	37
Corporate governance report	39
The Board of Directors	44
Group management	46
Financial statements	48
Notes	56
Declaration by the Board	75
Auditors' Report	76
Alternative KPIs	79
Shareholder information	80

The audited annual report for Xbrane Biopharma AB (publ), with corporate registration number 556749-2375, covers pages 31–75. The statutory sustainability report covers pages 14–28. Xbrane's remuneration report is available online at www.xbrane.com

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

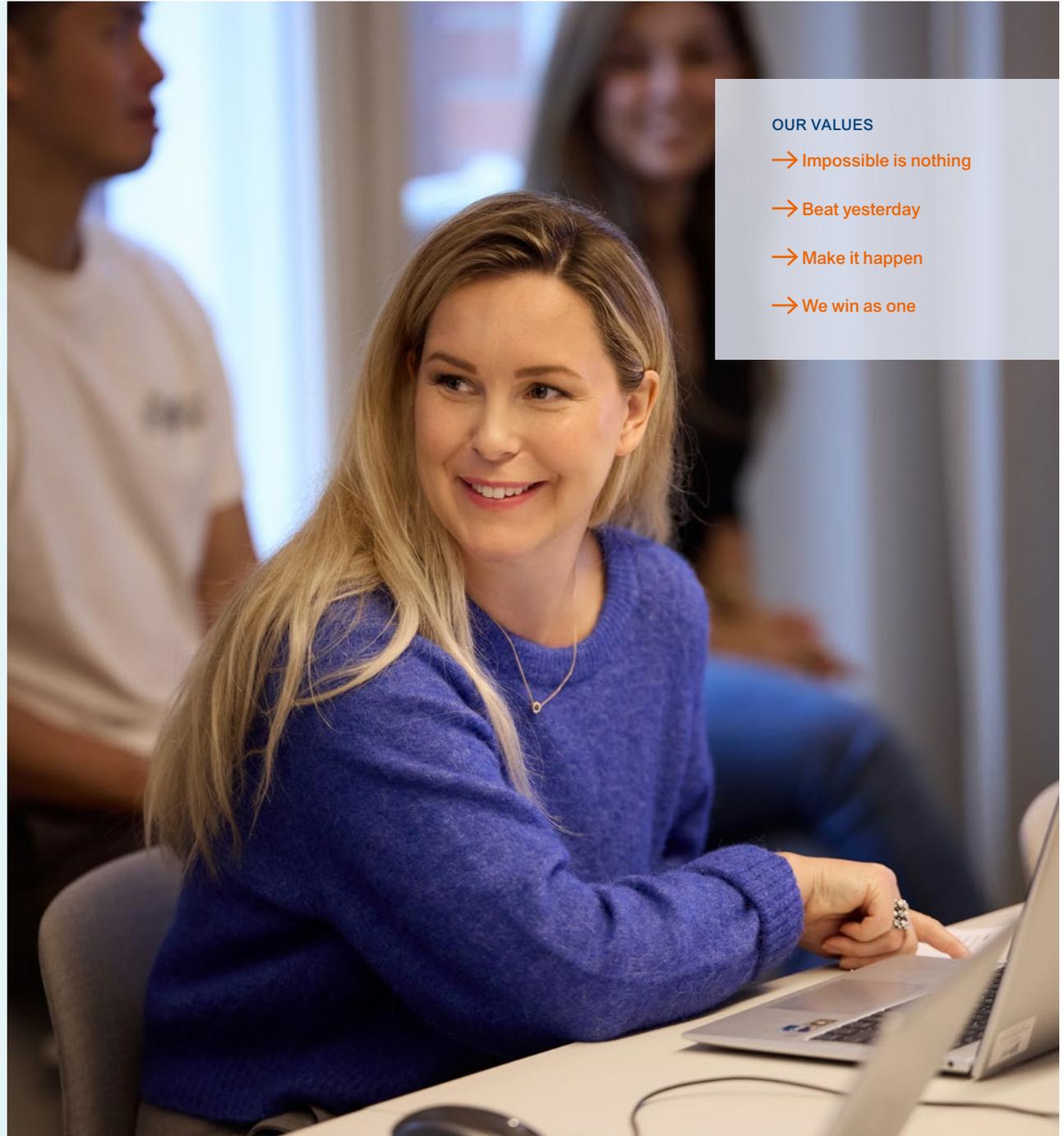
Xbrane develops and manufactures biosimilars of difficult-to-manufacture and often very expensive original drugs.

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

24
markets

Increased sales volume

63%
since 2024

Revenue amounting to

152 MSEK
was generated in 2025

29

patents pending

Q1

- The company announced in January that Jane Benyamin had been appointed interim CFO following the departure of the previous CFO.
- In March, the company announced that it had entered into an agreement to sell the biosimilar candidate XB003 (Cimzia®) and parts of the organization to Alvotech, which was expected to reduce fixed costs by around SEK 120 m per year. The Board also called an extraordinary general meeting to obtain approval for the transaction.

Q2

- In April, an extraordinary general meeting was held where shareholders approved the sale of XB003 and the R&D business to Alvotech, which completed the previously announced transaction.
- In June, the company announced its intention to carry out a direct issue of around SEK 200–240 m to Swedish and international institutional investors to strengthen the balance sheet and finance continued development.
- The transaction with Alvotech was completed and the company reported a reduction in fixed costs following the sale.
- During the period, it was announced that an official BsUFA date was set with the FDA for October 21, 2025, subject to site inspections being approved.

Q3

- At the end of July, the company announced that, according to previously published information, it had completed a direct issue totalling 1,017,488,260 shares, which changed the company's share capital and the total number of shares and votes in the company. This step was part of the financing decided earlier in the year to strengthen the balance sheet and enable continued development of the biosimilar portfolio.

Q4

- In October, an extraordinary general meeting resolved, in accordance with the Board's proposal, on a reverse split at a ratio of 1:125 and on a reduction of share capital to cover previous losses and for an allocation to unrestricted equity.
- The company announced that the U.S. Food and Drug Administration (FDA) had sent a Complete Response Letter (CRL) in response to Xbrane's marketing authorization application for its ranibizumab biosimilar candidate (under the development name Xlucane) for the treatment of eye diseases
- In October, the company announced that it had signed a financing arrangement with Fenja Capital II A/S (Fenja) involving a loan of SEK 60 m, which would be activated in

the event of a possible delay in the expected approval from the FDA for Lucamzi (proposed biosimilar to Lucentis).

- In November, the first patient was enrolled in the pivotal clinical trial for the biosimilar candidate Xdivane™, which represented an important development step for this immunology product.
- In November, the company announced a decision to issue warrants under a conditional financing arrangement with Fenja Capital II A/S to support continued financing. At the same time, regulatory updates were provided on planned resubmission and timelines for FDA decisions

SIGNIFICANT EVENTS

AFTER THE END OF THE YEAR

- No significant events have occurred after the end of the financial year.

FINANCIAL SUMMARY FOR THE GROUP

	2025	2024
Revenue (SEK 000)	152,354	148,098
Research & Development expenses, (SEK 000)	-117,865	-162,014
R&D Expenses as a % of operating expenses	69%	68%
Operating profit/loss, (SEK 000)	-28,248	-97,224
EBITDA, (SEK 000)	-13,647	-77,335
Profit/loss for the period, (SEK 000)	127,242	-266,220
Cash and cash equivalents, (SEK 000)	86,589	124,330
Equity ratio, %	83%	25%
Earnings per share before dilution, SEK	0.08	-0.22
Earnings per share after dilution, SEK	0.08	-0.22
Number of employees on the balance sheet date	29	65

Chairman of the Board's letter

Dear shareholders,

2025 was a transformative year for Xbrane as we implemented a new strategic direction. Our strategy now focuses on two biosimilar candidates, Ximluci® and Xdivane™, enabling us to reduce our cost base while maximizing shareholder value. The divestment of our Cimzia™ biosimilar project, together with parts of our organization, to Alvotech strengthened our balance sheet and significantly lowered our operating costs.

XBRANES' FOCUS GOING FORWARD IS ON MAXIMIZING THE VALUE from the existing biosimilar programs Ximluci® and Xdivane™. This means continued dedicated development over the coming year before value can begin to be realized. For Ximluci®, this means completing continuing cost reduction initiatives and achieving approval from the US FDA. For Xdivane™, it is about completing our development responsibilities until the BLA submission in Q4 2027.

WE BELIEVE BOTH PROGRAMS HAVE SIGNIFICANT INTRINSIC VALUE.

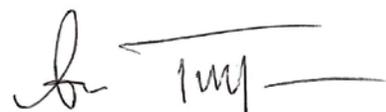
We recently carried out an external valuation of our Xdivane™ program that confirmed our previously announced scenarios, indicating a potential for annualized profit sharing to Xbrane peaking at around SEK 1 bn a few years after launch. Xdivane™ is a unique opportunity within a USD 40 bn PD1 inhibitor market that is now becoming available for biosimilars, with Xdivane™ likely to be one of the first products to be launched. As biosimilars reach the market at more affordable prices, we believe this will unlock significant volume growth, as only a fraction of patients in need of treatment have access to immuno-oncology medicines

today. Furthermore, Ximluci® generated cash profit sharing of SEK 39 m from the European operations in 2025. With potential FDA approval and lower production costs, we believe this program can continue to create value for Xbrane.

WE WILL CONTINUE TO IMPLEMENT OUR 2025 STRATEGY IN 2026, and remain focused on developing Ximluci® and Xdivane™, thereby enabling potentially significant long-term value for Xbrane.

Thank you for your continued support,

Solna, March 31, 2026



Anders Tullgren
Chairman of the Board



“The development of Xdivane™ is progressing according to plan, and we aim for Xdivane™ to be among the first biosimilar products launched globally in the PD-1 inhibitor market, which is projected to reach a value of SEK 400 billion.”

CEO's letter

Dear shareholders,

Following the sale of our Cimzia biosimilar program and parts of our organization to Alvotech, our full focus is now directed on the continued development of Ximluci® and Xdivane™, to position the company to realize the full value of these programs in the medium and long-term.

“Through growth, cost-efficient production, and regulatory progress, we are building the next phase for Xbrane.”

IN 2025 XIMLUCI® GREW BY AROUND 50% IN VOLUME, revenue and profit sharing in Europe and MENA compared to 2024. Xbrane received about SEK 39 m in cash-based profit sharing in 2025, while revenue related to Ximluci® only amounted to SEK 46 m as only a few deliveries of finished goods were sent to our partner STADA during the year.

XBRANE IS NOW INVESTING IN SEVERAL IMPORTANT INITIATIVES to significantly reduce production costs – a move that is considered crucial to meet the continuously falling prices in the European market. The expectation is that these initiatives will start to have an effect from 2027 onwards.

AT THE SAME TIME, XBRANE IS ACTIVELY WORKING, despite previous setbacks, to obtain FDA approval for Ximluci®. In the Complete Response Letter received in October 2025, the FDA

only mentioned unresolved observations following an inspection at one of the manufacturing facilities. These are now being addressed, and the BLA submission is scheduled for March 2026 with an expected BsUFA date in September 2026.

THE DEVELOPMENT OF XDIVANE™ IS PROCEEDING AS PLANNED and follows the timeline aimed at a launch in the US immediately after the originator loses its market exclusivity in December 2028. Intas has started the clinical study, and patients are now being recruited continuously. Xbrane is working in tandem with process characterization and validation together with its manufacturing partner. To reduce regulatory risks ahead of the FDA process, Xbrane is collaborating with a contract manufacturer where both production facilities involved have had FDA approvals for a long time and are currently producing commercial drugs for the US market.



After phasing out consultants and a few targeted new recruitments, our current organization is sized to carry out this work over the next two years.

Thank you for your continued support,

Solna, March 31, 2026

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 a treatment exists, 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.

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	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
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 10 bn ³⁾	2029–2031 depending on country	Preclinical phase
			EUR 24 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".



Product portfolio

Ximluci[®] for treating 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 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 bn¹⁾ per year.

Europe

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

The US

Xbrane resubmitted its BLA in December 2024 after receiving a CRL in April 2024, which was due to observations during inspections of production facilities at contract manufacturers.

The FDA carried out new inspections of both manufacturing facilities involved in the manufacture of the drug substance and drug product, respectively, in Q3 2025. Detailed documentation of corrective measures for each observation was submitted to the FDA in good time. However, Xbrane received a CRL from the FDA that listed unresolved observations following the inspection of one of the manufacturing facilities, without further specification.

No other concerns related to the BLA were addressed by the FDA in the CRL.

Additional information from the FDA was received by our contract manufacturer requesting corrective measures related to two specific observations regarding another product that was also part of the FDA inspection. These measures must be completed before the FDA can approve Xbrane's BLA. Work on the corrections continues and will be completed in conjunction with a planned winter shutdown and requalification of the production line. This will allow Xbrane to resubmit its BLA after these measures are completed, in March 2026. Xbrane expects a six-month FDA review process for the resubmitted BLA and therefore anticipates a BsUFA (decision date) in September 2026.

Other regions and pre-filled syringe

STADA is also actively working to bring Ximluci[®] to other regions such as the Middle East, Latin America and Southeast Asia, where, among other things, marketing approval applications have been submitted to various regulatory authorities in these regions. In May 2024, STADA and Xbrane signed a collaboration agreement with Valorum, which will commercialize Ximluci[®] in the US.

Ximluci[®] is approved in Europe as a vial with the active substance, from which the ophthalmologist extracts the product into a syringe for injection into the eye. Xbrane also plans to apply for approval for a pre-filled syringe in 2026.



XIMLUCI[®] FOR TREATING SEVERE EYE DISEASES

Wet age-related macular degeneration and diabetic eye diseases affect the macula, the central area of the retina, and macular degeneration causes a gradual loss of central vision. The most common is age-related macular degeneration, which, after cataracts, is by far the leading cause of vision loss in people over 70 years old 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)

The market for Ximluci®

An estimated 7 million people in Europe suffer from wet AMD, with around 500,000 new patients each year¹ and the market is worth more than EUR 12 bn per year. This is a significant market that the product addresses. The market has also grown by 8–10% in recent years.

Reference products

Ximluci® addresses a market totalling around EUR 13 bn¹ per year. In addition to Lucentis®, the drugs Eylea®, Beuvo, 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 EMA's 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.

Source

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



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. 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.

Product candidates for the treatment of cancer

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 continuing according to plan with the production process scaled up at contract manufacturers. The next step in development is to conduct the clinical study that the company's partner Intas will conduct, which has also begun with the first patient included in the study in November 2025, and finalize the documentation from the manufacturing process needed for regulatory approval.

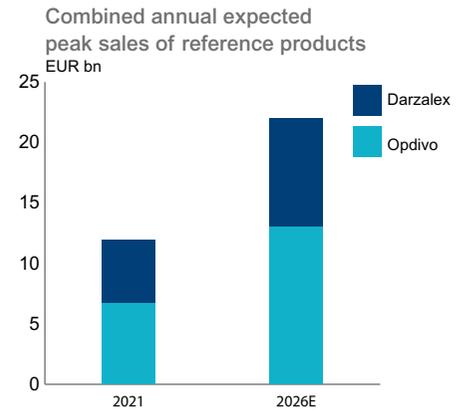
Xdarzane™

XDARZANE™ is a biosimilar candidate to the reference product Darzalex® (daratumumab), a monoclonal antibody targeting CD38 for the treatment of multiple myeloma (MM).

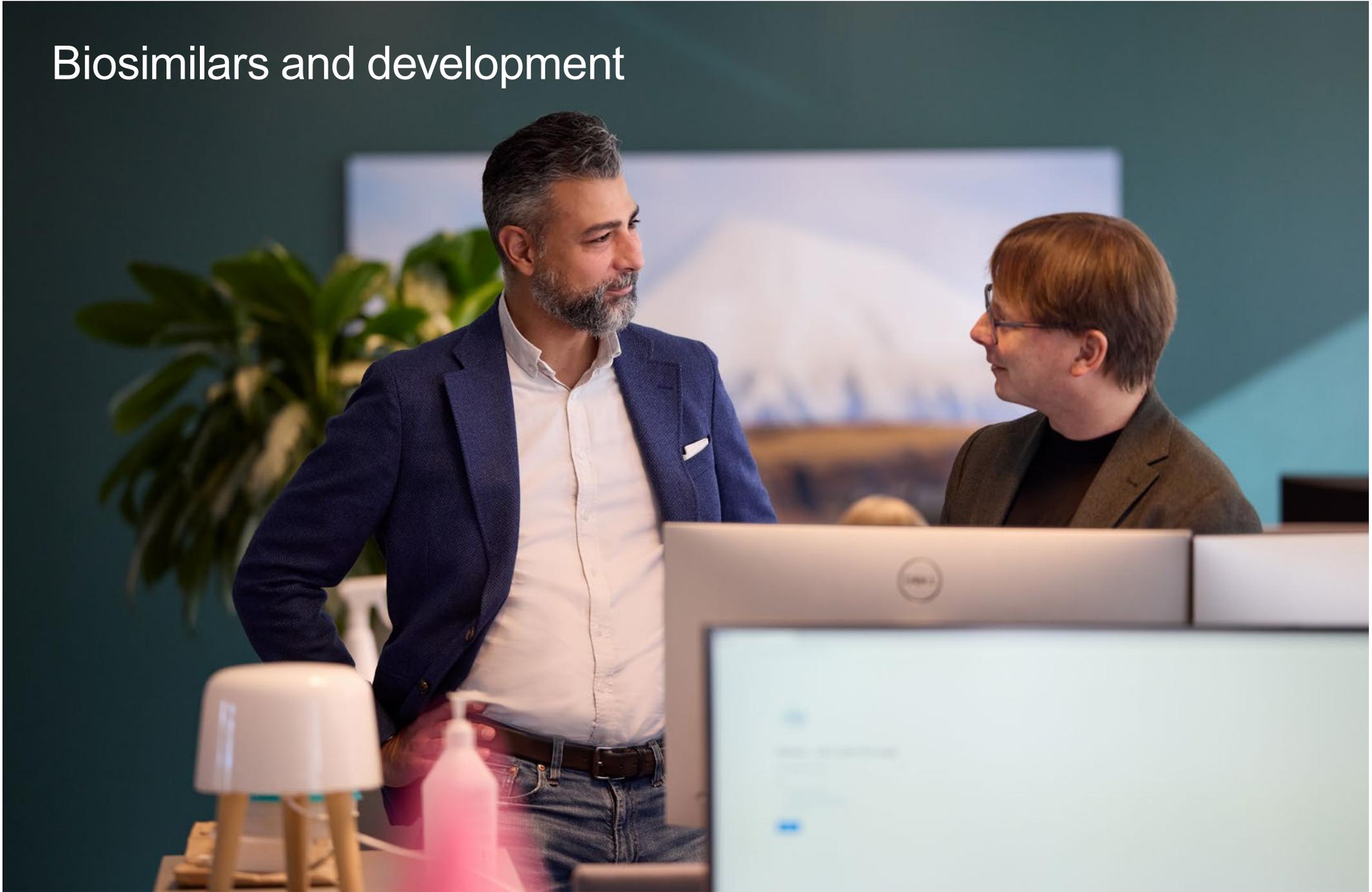
Darzalex® was approved by the FDA in 2015 for the treatment of MM after three previous therapies, but the approval was later extended to include Darzalex® as a first-line treatment option. Darzalex®'s good treatment effects have also translated into great commercial success as global sales exceeded USD 1 bn in the second year of commercialization and sales reached around USD 11.7 bn2 in 2024.

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.

Sources:
1) 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

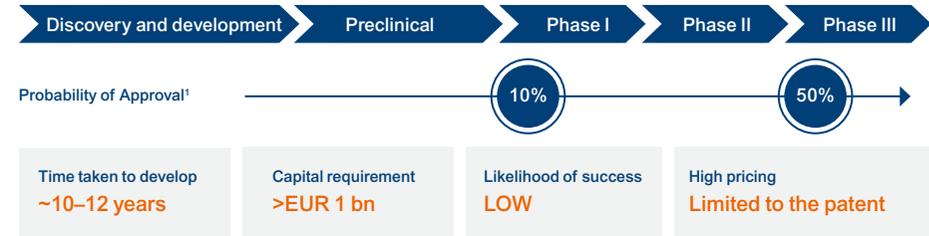
Complex development and manufacturing

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

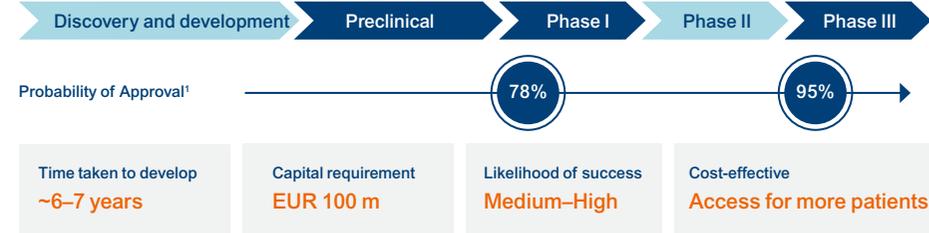
quality, safety and efficacy are comparable to the biological reference product. This is done using a solid comparative analysis based on a large number of laboratory tests at the preclinical phase. Provided that high analytical similarity has been demonstrated preclinically, the clinical phase can be initiated. Typically, a phase I study is conducted in healthy volunteers where safety and pharmacokinetics compared

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

New biological drug



Biosimilar



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

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 has historically taken approximately 7–8 years and required investments of around 100 million euros or more. However, the risk is generally lower compared to the development of entirely new biological drugs, since the reference product's efficacy and safety are already established. In recent years, regulatory changes have improved the conditions for biosimilar development. The U.S. Food and Drug Administration and the European Medicines Agency have, in certain cases, allowed phase 3 clinical efficacy studies to be omitted if biosimilarity

can be demonstrated through analytical characterization as well as pharmacokinetic and immunological data.

This means that development programs can in some cases be shortened to approximately 5–6 years and require investments of around 50–75 million euros.

For example, both the U.S. Food and Drug Administration and the European Medicines Agency have accepted a simplified clinical development plan—where a traditional phase 3 study is not required—for Xbrane's biosimilar candidate Xdivane™.

These developments may contribute to shorter development timelines and reduced costs within the biosimilar segment.

The biosimilars market

The biosimilars market generated USD¹ 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.

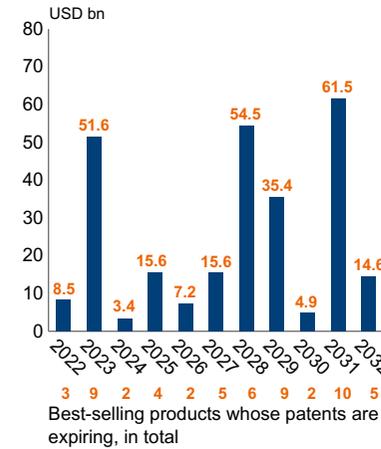
Biosimilars increase availability and provide major savings

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.

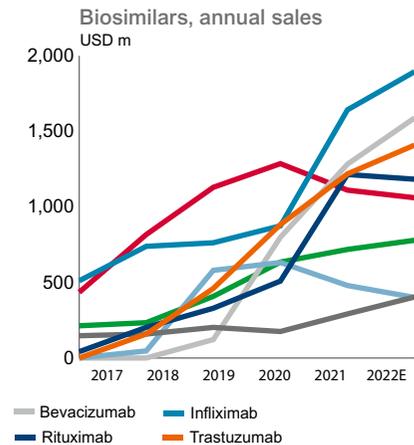
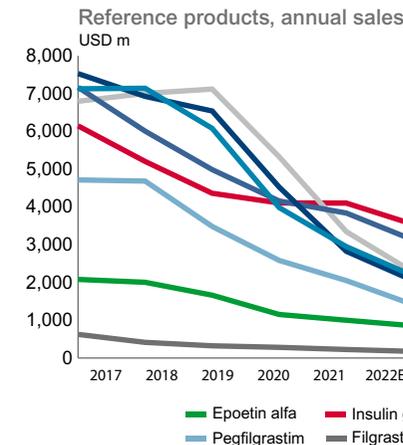
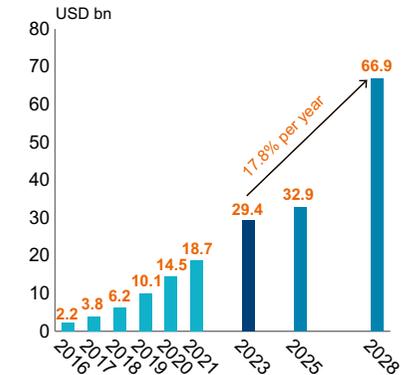
Biosimilars lead to significant cost savings in healthcare that can be used to offer new and more effective treatments, increase staff and reduce care queues. In the US, biosimilars are expected to generate savings of over USD 100 bn over the period 2020–2024.

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

Biological drugs with a total of >USD 260 bn in annual global sales will lose their exclusivity over the next 10 years²



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



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.

Sustainability report

Contents

General information

Basis for preparation (B1)	15
Sustainability-related certifications (B1)	15
Practices, policies and future initiatives for transitioning towards a more sustainable economy (B2, C2)	16
Strategy: Business model and sustainability (C1)	17
Disclosure of any other general and/or entity-specific information about the reporting period	17
Double Materiality Assessment	18

Environment

Energy and greenhouse gas emissions (B3, C3)	22
Pollution of air, water and soil (B4)	22
Biodiversity (B5)	23
Water (B6)	23
Resource use, circular economy and waste management (B7)	23

Social

Own workforce – General characteristics (B8, C5)	24
Own workforce – Health and safety (B9)	25
Own workforce - Remuneration, collective bargaining and training (B10)	26
Additional own workforce information – Human rights policies and processes (C5)	26
Severe negative human rights incidents (C7)	26
Disclosure of any other social and/or entity-specific social disclosures: Consumers and end-users	27

Governance

Convictions and fines for corruption and bribery (B11)	28
Gender diversity ratio in the governance body (C9)	28
Disclosure of any other governance and/or entity-specific governance disclosures	28

General information

Basis for preparation (B1)

This report describes Xbrane Biopharma AB's (Xbrane's) sustainability work in the environment, social and governance (ESG) areas for the period January 1, 2025 – December 31, 2025. This is our seventh sustainability report.

The report covers all of Xbrane's operations and describes how sustainability is connected to our business as well as how we govern and manage our sustainability work.

We have chosen to follow the VSME Basic Model, as well as the Comprehensive module (2025/1710 COMMISSION RECOMMENDATION (EU) 2025/1710 of 30 July 2025 on a voluntary sustainability reporting standard for small and medium-sized undertakings) as a standard for the report as we welcome transparency and clarity in sustainability reporting. In light of the company's restructuring in 2025, in which the internal R&D operations with 35 employees as well as one of the company's development programs were divested, the reporting for the period will not be comprehensive in accordance with the standard, but any discrepancies are noted in the text. Certain additions considered essential to the business, such as social aspects for consumers, have also been made with inspiration from the CSRD regulations.

Details concerning countries with planned launches, names of the company's primary suppliers, and details of manufacturing intensity are considered confidential and have therefore been omitted from the report.

Information

NACE sector classification code	NACE C - 21 Manufacture for basic pharmaceutical products and pharmaceutical formulations
Size of the balance sheet (total assets in SEK)	Reference to financial information page 49
Revenue in SEK	Reference to financial information page 48
Number of employees	29
Employee counting methodology (in the end of the reporting period or as an average across the reporting period)	At the end of the reporting period
Employee counting methodology (Headcount of full-time equivalents)	Headcount
Country of primary operations and location of significant asset(s)	Sweden

Sustainability-related certifications (B1)

Great Place to Work certification for the fifth year in a row; see more under the Social section.

List of sites (B1)

Sites	Address	Post Code	City	Country	Coordinates (geolocation)
Registered office	Scheeles väg 5	171 65	Solna	Sweden	59,34808°N, 18,02230°O



Practices, policies and future initiatives for transitioning towards a more sustainable economy (B2, C2)

Xbrane has a policy structure that includes a Code of Conduct and policies that cover responsibilities in the Environment, Social and Governance areas. Specifically, areas such as corporate governance, sustainability management, environmental impact, work environment, financial management, anti-corruption, human rights (including discrimination and gender equality), whistleblowing, supplier management, quality assurance and IT security are governed. These policies and the Code of Conduct are approved

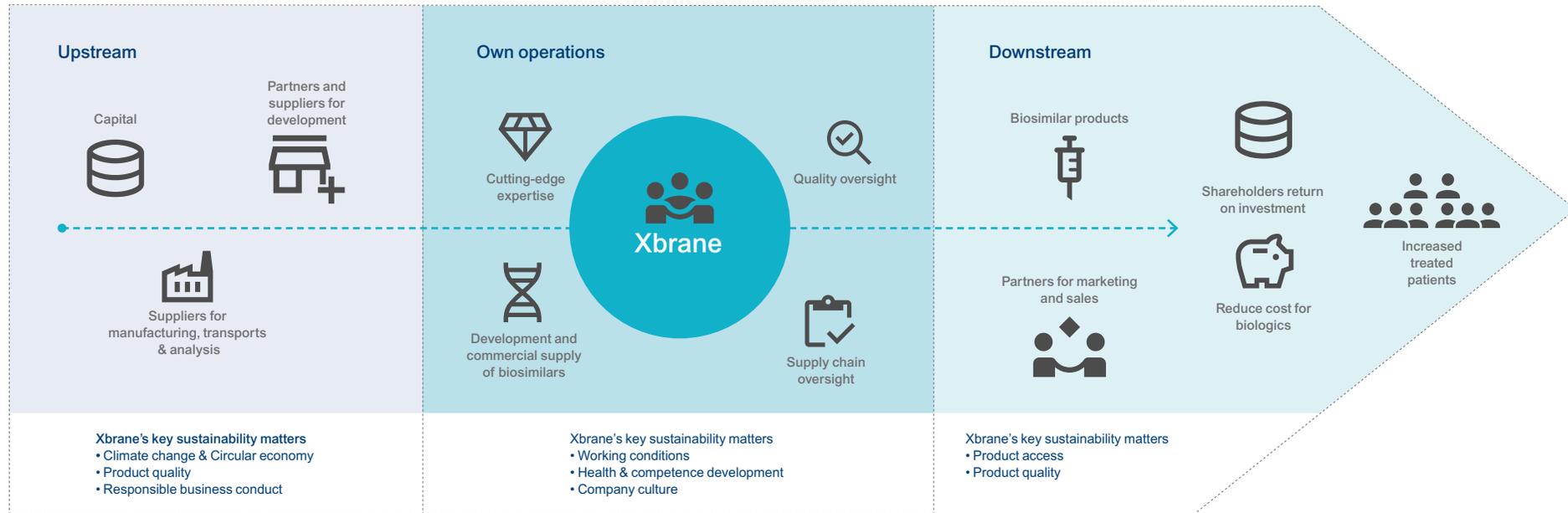
by the company's Board of Directors and are anchored by the signatures of all employees and consultants on an annual basis.

For sustainability areas that are considered material according to the Double Materiality Assessment carried out (see separate section), we have developed strategies for how we want to work with each area to reduce negative impact and risks and increase positive impact and opportunities. These strategies are integrated into the company's business plan, and progress is monitored

both based on the company's goals and based on an annual sustainability plan. To measure progress, various metrics have also been set up that aim to monitor the company's movement towards a more sustainable economy with reduced risks for it. The strategies and the link to Impact, Risks and Opportunities (IROs) are described in more detail under the respective sections.

	Do you have existing sustainability practices/ policies/ future initiatives that address any of the following sustainability issues?	Description of practices/ policies/ future initiatives for transitioning towards a more sustainable economy	Are they publicly available?	Do the policies have any targets?	Description of target related to the policies	Most senior level accountable for implementing practices/ policies/ future initiatives
Climate Change	Yes	<ul style="list-style-type: none"> • Make manufacturing more efficient • Close collaboration with suppliers 	No	Yes	<ul style="list-style-type: none"> • Greenhouse gas emissions • Yield in manufacturing 	Board of Directors
Pollution	Yes			No		
Water and Marine Resources	Yes	No				
Biodiversity and Ecosystems	No	No				
Circular Economy	Yes	<ul style="list-style-type: none"> • Make manufacturing more efficient • Close collaboration with suppliers 		Yes	<ul style="list-style-type: none"> • Yield in manufacturing 	
Own Workforce	Yes	<ul style="list-style-type: none"> • Ensure a healthy work environment • Keep the positive company culture • Work actively to stimulate equality & diversity • Ensure value creating company compensation and benefits • Enhance and ensure training & competence development for employees 		Yes	<ul style="list-style-type: none"> • Great Place to Work score • Employee turnover • Work related long-term sickness • Reported SHE incidents • Training events • Gender diversity in Board, management and staff 	
Workers in the Value Chain	Yes	<ul style="list-style-type: none"> • Close collaboration with suppliers 		No		
Affected Communities	No			No		
Consumers and end-users	Yes	<ul style="list-style-type: none"> • Ensure good collaboration with partners • Make manufacturing processes more cost-efficient • Close collaboration with suppliers • Internal Quality Management System to secure product quality • Strengthen the Xbrane brand 		Yes	<p>Patient access:</p> <ul style="list-style-type: none"> • Savings for society • Number of treated patients • Number of new product registrations <p>Patient health and safety:</p> <ul style="list-style-type: none"> • Quality management system KPIs 	
Business conduct	Yes	<ul style="list-style-type: none"> • Close collaboration with suppliers • Keep a corporate culture with high ethical standard 		Yes	<p>Supplier sustainability:</p> <ul style="list-style-type: none"> • Agreements with sustainability clause • Suppliers evaluated with regards to sustainability • Suppliers that have read and understood Supplier CoC <p>Company culture:</p> <ul style="list-style-type: none"> • Annual training in the Code of Conduct and company policies for employees and consultants 	

Strategy: Business model and sustainability (C1)



Xbrane's business model is connected to global sustainability through a desire to improve access to effective, high-quality drugs at a lower cost for society. Biological drugs are complex to manufacture and are therefore expensive. We develop biosimilars, see also section "What is a biosimilar", and make them commercially available on the global market with the aim of providing equal treatment at a lower price. In this way, we can help more patients gain access to treatment of severe diseases. Efforts to ensure the availability and quality of the products we develop are therefore cornerstones of our sustainability work.

Our expertise is in conducting development, manufacturing and regulatory approval processes for our biosimilars. This work is done in collaboration with our development and manufacturing suppliers as well as our marketing and supply partners. Our primary customers are therefore the partners we work with to make our products available on the market. Together with our partner STADA we have a commercial product, Ximluci®, a biosimilar to the reference drug Lucentis® for the treatment of retinal vascular diseases. At year-end, Ximluci® had been launched in a total of 24 countries in Europe, the Middle East and Central Asia. A registration process has been underway during the year to make the product available in the US.

We also have a product in development, Xdivane™, a biosimilar candidate for the programmed cell death 1 (PD1) inhibitor nivolumab (Opdivo®), for which the goal is to, together with our partner Intas Pharmaceuticals Ltd., make the product commercially available.

Xbrane's primary business relationships therefore revolve around suppliers for development, manufacturing, transportation and analysis (upstream) as well as partners for development, marketing and supply (downstream). Secondary stakeholders include the patients who use our products and whose safety we ensure by maintaining a high and uncompromising level of quality in our products.

The manufacturing of biological drugs is resource-intensive, entailing impacts on the environment and the climate. Work involving climate change and circularity are therefore also key sustainability matters for us, with the work happening in close collaboration with our suppliers. In a global supply chain, issues of ethical behavior are also an important area for us.

In order for Xbrane to carry out its mission, we require a competent workforce with cutting-edge expertise in the areas of development and commercialization of biological drugs, quality assurance, regulatory affairs and supplier management. Main-

taining an inclusive company culture where employees thrive and grow is therefore a prioritized sustainability area, as is providing sound working conditions and a basis for health and competence development.

Disclosure of any other general and/or entity-specific information about the reporting period

WE SUPPORT



UN Global Compact

Since 2023, Xbrane has been 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 applying the Ten Principles to the entirety of its operations and integrate them into business strategies and processes. These are included in the company's Code of Conduct, policy package and Supplier Code of Conduct.

Double Materiality Assessment

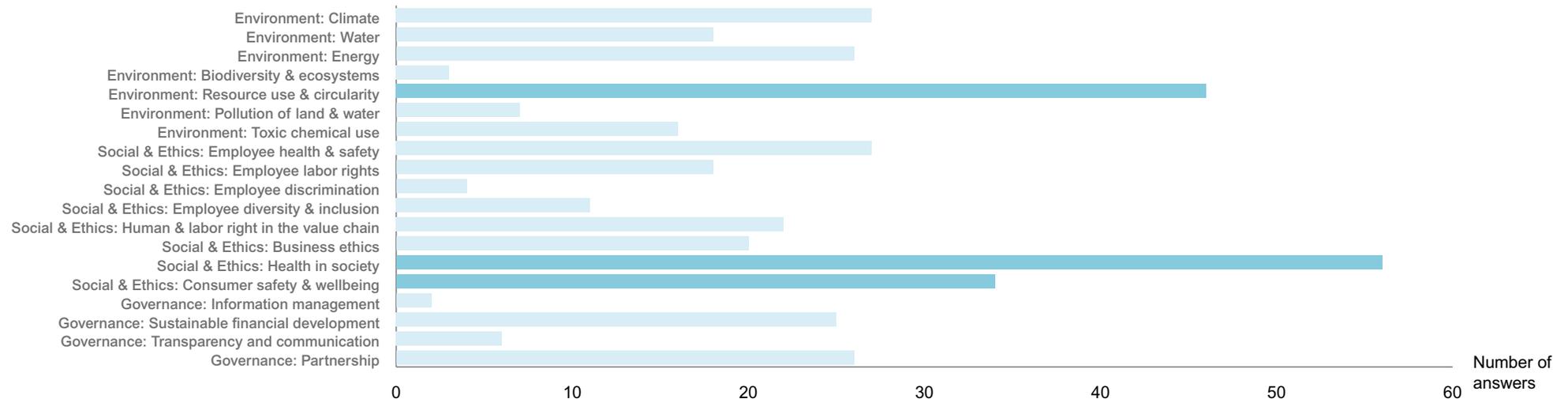
Method

In 2025, Xbrane carried out a Double Materiality Assessment where we took inspiration from guidelines in ESRS 1 and EFRAG's implementation guidance on materiality assessment (EFRAG IG 1). The assessment included identifying Impact, Risks and Opportunities (IROs) for different sustainability areas and objectively scoring them based on a risk analysis model. Based on Xbrane's business ecosystem, stakeholders, value chain and business relations, an analysis was carried out per area to identify the areas which are most significant for the company from both an impact perspective and a financial perspective. The areas that were not seen as relevant to Xbrane's activities were excluded from deeper analysis.

A stakeholder analysis was carried out in 2023–2024, in which stakeholders both upstream, downstream, and from our own

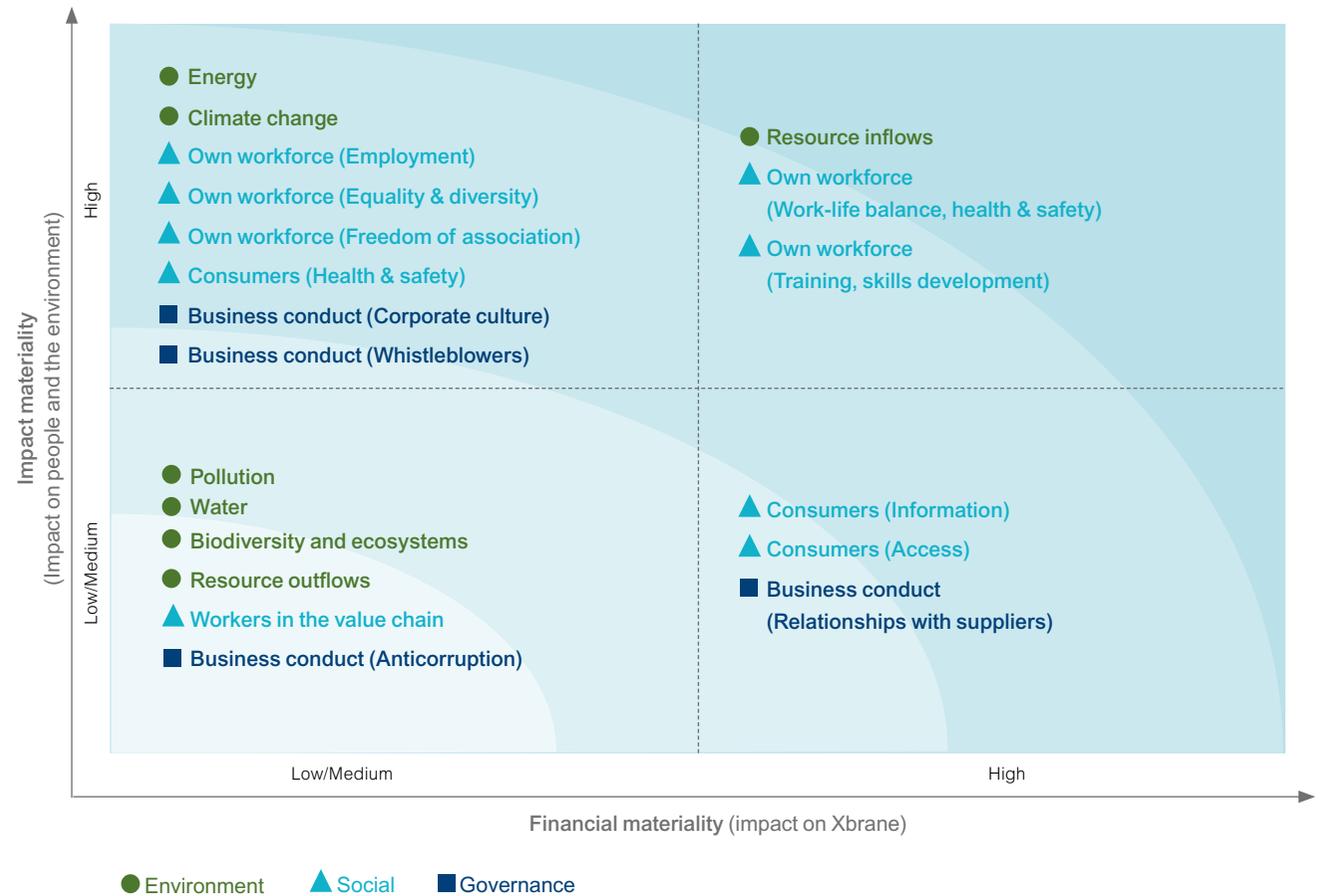
operations were asked via a survey to provide their views on Xbrane's impact, risks and opportunities in different sustainability areas. The selected stakeholders included internal stakeholders such as employees, management and Board of Directors, as well as external stakeholders such as consultants, partners and suppliers. The analysis showed that the areas with the most engagement were those linked to Health in Society, Resource use & Circularity and Consumer safety & wellbeing. For the area Health in Society, the stakeholders could identify mostly positive impacts and opportunities, whereas for the area Consumer safety & wellbeing, risks were also identified. For the area Resource use & Circularity, it was considered that there was a negative impact in the form of resource use, but also a positive impact in the form of new technology and innovation..

When the double materiality assessment was carried out, the outcome of the stakeholder analysis was taken into account, in addition to detailed knowledge of the company's activities and value chain, information from previous materiality assessments, historical data from the company's sustainability reporting, public information on various sustainability areas and public tools such as the WWF Biodiversity Risk Filter and WWF Water Risk Filter. In total, 55 sustainability topics, sub-topics and sub-sub-topics were assessed. A quantitative scale (1-5) was set based on EFRAG's guidance to analyze the impact (scale, scope and irremediability, and likelihood) as well as financial risks and opportunities (magnitude of impact and likelihood of occurrence). Cut-off limits were set to harmonize the method with the existing risk management process at the company, to make the outcome comparable with other risks in the company.



Outcome

The sustainability topics assessed to have high impact materiality (impact on people and environment) and/or high financial materiality (impact on Xbrane) were regarded as material for the company. For these areas, we have set up strategies and targets/metrics to actively work to reduce negative impacts and risks and increase positive impacts and opportunities. The IROs identified and the strategies set up are described in more detail in the respective sections below.



Material impact, risks and opportunities (IRO)

Sustainability area	Identified IRO	Category	Actual/ potential	Time horizon (short/ medium/ long)	Value chain			
					Upstream	Own operations	Downstream	
Environment	Climate change	CO ₂ e emissions across our operations and value chain contribute to climate change	-	Actual	All	↑	○	↓
		Potential reputational risks associated with CO ₂ e emissions	R	Potential	All	↑	○	↓
	Energy	High energy usage due to energy intensive manufacturing processes	-	Actual	All	↑	○	↓
		High energy price affecting product price	R	Potential	Medium/long	↑	○	↓
	Resource inflows	Resource use associated with manufacturing of products	-	Actual	All	↑		
		Potential reputational risks related to resource consumption	R	Potential	All	↑		↓
	Optimizations of manufacturing processes to reduce resource inflow	O	Actual	Medium/long	↑			
Social, Own workforce	Work-life balance, health & safety	Unhealthy and unsafe work environment would impact employees physically and mentally.	-	Potential	All		○	
		Enabling work-life balance through flexible conditions	+	Actual	All		○	
		An unhealthy work environment can risk losing personnel	R	Potential	All		○	
		Reputation as an attractive employer with sound company culture and work environment attracts new talent.	O	Actual	All		○	
	Training, skills development	The possibilities of competence development brings positive impact to both individuals in the company and to industry and society through our collaborations and employee movement	+	Actual	All		○	
		Low possibilities for skills development risks company success	R	Potential	Medium/long		○	
	Employment	A trusting company culture where mistakes are allowed and shared in the company, fosters and drives innovation	O	Actual	All		○	
		Employee benefits and flexible working conditions give positive impact on people working for Xbrane and on the business	+	Actual	Medium/long		○	
	Freedom of association	Possible risk for retaining personnel if working conditions are not aligned with benchmark/market practice in Sweden	R	Potential	All		○	
	Equality & diversity	Risk to lose/not attract employees if culture does not respect union associations or offers conditions in line with collective bargaining agreement	-	Potential	All		○	
Social, Consumers	Information	Positive impact on individuals by working actively with equality	+	Actual	All		○	
		Incorrect information and labelling of products could impact patient safety	-	Potential	All	↑	○	↓
	Access	Increasing biosimilar knowledge in society could increase use and access	O	Potential	Long		○	↓
		Increased access to biological medicines by cost-effective products contributes to health equality.	+	Actual	Long	↑	○	↓
		Meet global need of cost-effective biologics which Xbrane can serve	O	Actual	All	↑	○	↓
	Health & safety	Potential reputational risks related to high cost of products limiting access and ability to comply with tenders	R	Potential	Medium/long	↑	○	↓
		Improving quality of life through our products	+	Actual	All	↑	○	↓
	If product quality fails, patient safety can be impacted	-	Potential	All	↑	○	↓	
	Potential reputational and regulatory risks if quality or compliance fails	R	Potential	All	↑	○	↓	
Governance	Relationships with suppliers	Failed interaction with stakeholders to uphold our business ethics standards would give negative impact on business ethics in the territories where Xbrane works.	-	Potential	Medium/long	↑	○	↓
		Potential reputational risk if bad business ethics exists in the value chain	R	Potential	All	↑	○	↓
		Good ethics by direct partners/suppliers strengthens the brand	O	Potential	Medium/long	↑	○	↓
	Corporate culture	Ethical and inclusive working culture through Xbrane way of working gives positive impact on business culture and employees	+	Actual	All		○	
		Nurturing an unethical business behavior or company culture would risk the company's reputation and the pursuit of behaviors that benefit the company's best interests	R	Potential	All		○	
Whistler-blowers	Whistleblower policy and external reporting partner contributes to security for whistler-blowers.	+	Actual	All		○		

+ = Positive impact - = Negative impact R = Risk O = Opportunity

Interpretation sustainability area, ESRS topic and VSME datapoint

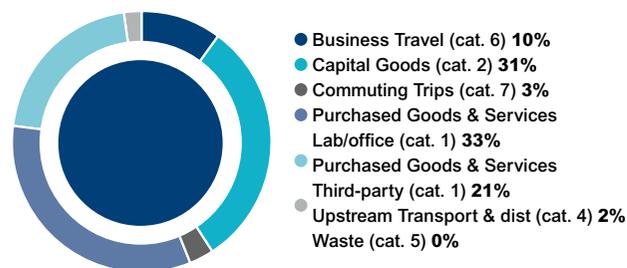
Xbrane's sustainability area	ESRS reference	ESRS topic/sub-topic/sub-sub-topic	VSME reference	VSME datapoint
Climate change	ESRS E1	Climate change / Climate change mitigation	B3, C3	Energy and greenhouse gas emissions
Energy	ESRS E1	Climate change / Energy	B3, C3	Energy and greenhouse gas emissions
Pollution	ESRS E2	Pollution	B4	Pollution of air, water and soil
Water	ESRS E3	Water and marine resources / Water	B6	Water
Biodiversity and ecosystems	ESRS E4	Biodiversity and ecosystems	B5	Biodiversity
Resource inflows	ESRS E5	Circular economy / Resource inflows including resource use	B7	Resource use, circular economy and waste management
Resource outflows	ESRS E5	Circular economy / Resource outflows related to products and services	B7	Resource use, circular economy and waste management
Own workforce, Employment	ESRS S1	Own workforce / Working conditions / Secure employment, Working time, Adequate wages, Social dialogue	B8, C5	Own workforce – General characteristics
Own workforce, Freedom of association	ESRS S1	Own workforce / Working conditions / Freedom of association, Collective bargaining	B10	Own workforce – Remuneration, collective bargaining and training
Own workforce, Work-life balance, health & safety	ESRS S1	Own workforce / Working conditions / Work-life balance, Health and safety	B9	Own workforce – Health and safety
Own workforce, Equality & diversity	ESRS S1	Own workforce / Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value, Diversity	B8, C5, C9	Own workforce – General characteristics
Own workforce, Training, skills development	ESRS S1	Own workforce / Equal treatment and opportunities for all / Training and skills development	B10	Own workforce – Remuneration, collective bargaining and training
Workers in the value chain	ESRS S2	Workers in the value chain	N/A	N/A
Consumers, Information	ESRS S4	Consumers and end-users / Information-related impacts for consumers and/or end-users / Access to (quality) information	N/A	Covered in the section Disclosure of any other social and/or entity-specific social disclosures
Consumers, Health & safety	ESRS S4	Consumers and end-users / Personal safety of consumers and/or end-users / Health and safety	N/A	Covered in the section Disclosure of any other social and/or entity-specific social disclosures
Consumers, Access	ESRS S4	Consumers and end-users / Social inclusion of consumers and/or end-users / Access to products and services	N/A	Covered in the section Disclosure of any other social and/or entity-specific social disclosures
Business conduct, Corporate culture	ESRS G1	Business conduct / Corporate culture	N/A	Covered in the section Disclosure of any other governance and/or entity-specific governance disclosures
Business conduct, Whistleblowers	ESRS G1	Business conduct / Protection of whistleblowers	N/A	Covered in the section Disclosure of any other governance and/or entity-specific governance disclosures
Business conduct, Relationships with suppliers	ESRS G1	Business conduct / Management of relationships with suppliers, including payment practices	N/A	Covered in the section Disclosure of any other governance and/or entity-specific governance disclosures
Business conduct, Anti-corruption	ESRS G1	Business conduct / Corruption and bribery	B11	Convictions and fines for corruption and bribery

Environment

Energy and greenhouse gas emissions (B3, C3)

As a company involved with development and manufacturing, Xbrane has an environmental impact. The company's greenhouse gas emissions were measured during the years 2022–2024 based on the GHG protocol in order to analyze the largest sources of emissions. No Scope 1 emissions were identified, and Scope 2 includes electricity, district heating and district cooling for the office and laboratory that the company rents. As renewable energy is used for both electricity and district cooling, the Scope 2 emissions are low, and the largest emissions are instead found in Scope 3. When the emissions data from the years 2022-2024 was analyzed, the largest emissions were linked to purchased goods and services, partly to internal operations and partly to manufacturing at suppliers, as well as to capital goods for internal operations. Since the divestment of internal R&D operations on June 1, 2025, however, only suppliers are now used for development, which means that emissions from internal operations have been greatly reduced. The largest sources of emissions are now found instead in the supply chain.

Average Scope 3 emissions 2022-2024



The double materiality assessment included the company's emissions data along with information about our manufacturers' energy supply, which resulted in an assessment that climate change mitigation and energy are material areas for us. The greatest impact and risks were identified as greenhouse gas emissions linked to the supply chain as well as energy consumption in manufacturing.

Summary material IRO

Sustainability area	Identified IRO	Category	Strategy
Climate change	CO ₂ e emissions across our operations and value chain contribute to climate change	–	
	Potential reputational risks associated with CO ₂ e emissions	R	<ul style="list-style-type: none"> • Make manufacturing more efficient • Close collaboration with suppliers
Energy	High energy usage due to energy intensive manufacturing processes	–	
	High energy price affecting product price	R	

The strategies to reduce greenhouse gas emissions and energy consumption have therefore been concentrated on streamlining the manufacturing of our products in order to obtain better returns on the materials and raw materials used. As a client of our suppliers, we are dependent on the suppliers' own climate and energy efforts, which requires close collaboration surrounding climate mitigation and energy consumption. We therefore strive to raise these issues in dialogue with our suppliers, collect information through surveys and discuss material selections and energy use.

Due to the company's divestment of part of the business in 2025, Scope 3 emissions were not measured during the reporting year and data on Scope 3 is therefore not reported. The goal is to take up measurement and reporting of Scope 3 emissions in 2026 based on Xbrane's current operations and to report these for FY2026.

Total Energy Consumption (in MWh)

2025	Renewable	Non-renewable	Total
Electricity*	7	0	7
Fuel (District heating)*	0	39	39
District cooling*	22	0	22

Estimated Greenhouse Gas Emissions (tCO₂e)

2025	Greenhouse Gas Emissions
Scope 1*	0
Scope 2 (location-based)*	3
Scope 2 (market-based)*	2
Total (gross GHG emissions)*	3
GHG intensity (gross GHG emissions/turnover)*	0,02 CO ₂ e/SEK

* Consumption reflects Xbrane's portion of office space after the divestment of parts of the organization including about 35 employees on June 1, 2025, as well as the number of employees at year-end. Due to the aforementioned divestment, comparative figures for energy consumption and greenhouse gas emissions for previous years are not included, as the operations and scope of the company have changed.

Pollution of air, water and soil (B4)

Based on the company's double materiality assessment, the impact and risks associated with pollution of air, water and soil were identified as emissions of volatile gases as well as the emission of wastewater from manufacturing in the supply chain and manufacturing of raw materials used. However, the impact and risks are assessed as moderate to low based on the company's manufacturing intensity and the fact that manufacturing facilities are located in countries with high standards for sewage treatment.

Biodiversity (B5)

In the company's double materiality assessment, an analysis was carried out with the help of the WWF Biodiversity Risk Filter to identify the impact, risks and opportunities with regard to biodiversity and ecosystems. The impact identified is linked to greenhouse gas emissions and pollution in the value chain as well as to suppliers' newly constructed production facilities, which can affect ecosystems and the loss of biodiversity. The risks identified are linked to risks in the supply chain caused by extreme weather events and a dependence on ecosystem services, such as clean water, clean air, and dependence on certain species in specific product analyses. However, the impact and risks are assessed as moderate to low based on the company's manufacturing intensity and the location of manufacturing.

Xbrane does not own any of its own facilities, and none of the suppliers' facilities are located adjacent to biologically sensitive areas.

Resource use, circular economy and waste management (B7)

The manufacturing of biological drugs is resource-intensive, and the double materiality assessment identified impact and risks relating to circular economy. These are linked primarily to resource use and waste generation in manufacturing, as well as material consumption after use of the company's commercial product. Of these, the impact of resource inflows linked to manufacturing was deemed high, while the impact of resource outflow and waste were deemed low and moderate, respectively.

Our strategy for working toward better resource use is to streamline manufacturing processes so that a greater output of product can be produced from the input of raw materials. To achieve this, Xbrane is working closely and actively with its suppliers to reduce waste and increase output, which will be measured and followed up.

Summary material IRO

Sustainability area	Identified IRO	Category	Strategy
Resource inflows	Resource use associated with manufacturing of products	–	
	Potential reputational risks related to resource consumption	R	<ul style="list-style-type: none"> • Make manufacturing more efficient • Close collaboration with suppliers
	Optimizations of manufacturing processes to reduce resource inflow	O	

Water (B6)

In the double materiality assessment, impact and risks associated with high water use were observed in our manufacturing processes. In the type of manufacturing processes we employ, large amounts of water are withdrawn from the public water supply of the cities where the manufacturing takes place, though most of that water is returned to the sewage system. Water withdrawal is therefore high, while water consumption is relatively low. Based on the company's manufacturing intensity and the fact that no manufacturing facilities are located in areas with high water stress, the impact and risks are deemed moderate to low.

Water consumption linked to Xbrane's employees in the office was not measured in 2025 but is considered to be insignificant in comparison with water consumption in manufacturing.

In our manufacturing processes, the most used materials (by weight) are chemicals, plastic and glass. For the company's commercial product, we have compiled overview data of material use per manufactured batch. The number of batches produced during the year is considered confidential and is not presented. Material use per batch, however, can be used to measure streamlining of the manufacturing process and followed up in the coming years.

Material use per manufactured batch

	Kg material
Chemicals	270
Plastic	810
Glass	70

Generated waste (ton)

Fraction	2022		2023		2024	
	Laboratory	Office	Laboratory	Office	Laboratory	Office
Liquid hazardous waste	1,0	0,0	1,2	0,0	0,6	0,0
Solid hazardous waste	0,2	0,0	0,2	0,0	0,0	0,0
Non-recyclable waste	1,0	1,7	0,6	2,2	0,5	1,0
Carton	1,1	0,2	1,0	0,2	2,1	1,8
Plastic	0,4	0,1	0,5	0,1	1,7	0,1
Metal	0,2	0,0	0,0	0,0	0,0	0,0
Glass	0,3	0,0	0,2	0,1	0,2	0,0

For the years 2022–2024, the company's waste in the office and laboratory was measured, divided into different fractions. Due to the company's divestment of parts of the organization, including the laboratory, office waste was not measured for 2025. As of June 1, 2025, Xbrane generates only household waste in its own operations.

Social

Own workforce – General characteristics (B8, C5)

Xbrane is a knowledge-intensive company and our workforce is characterized by a high level of education and extensive experience within the pharmaceutical and biotech sectors. The majority of the workforce has higher education qualifications, and many positions are senior roles with more than 10 years' experience in the industry.

In the double materiality assessment, employment and equality and diversity were identified as material areas. We see a positive impact inked to our employees by providing good working conditions as well as a culture based on respect and equality. We are proud of our common core values, which unite all employees and are the key to our company culture. Our values are a natural and integrated part of our day-to-day business and a crucial factor in how we work together and meet each other every day. Every project and collaboration, success and setback, is characterized by our core values and the feeling that we stand together. Retaining competent staff is a prerequisite for the company's success, and we therefore want to give each employee the best conditions in which to thrive and flourish.

The Great Place to Work (GPtW) result shows that employees can be themselves on the job. In this year's survey, 100 percent of the employees responded that they were treated fairly at the company regardless of background. Inclusion and transparency are important cornerstones for building a safe and progressive company culture in which employees are strengthened by the knowledge that they can have an impact and make their voices heard. During the year, we have continued in the same spirit and focused on participation, transparency and being an inclusive workplace. We want to preserve our flat organizational structure and transparent company culture and are working with activities designed to maintain the feeling of inclusion in the decision-making

Summary material IRO

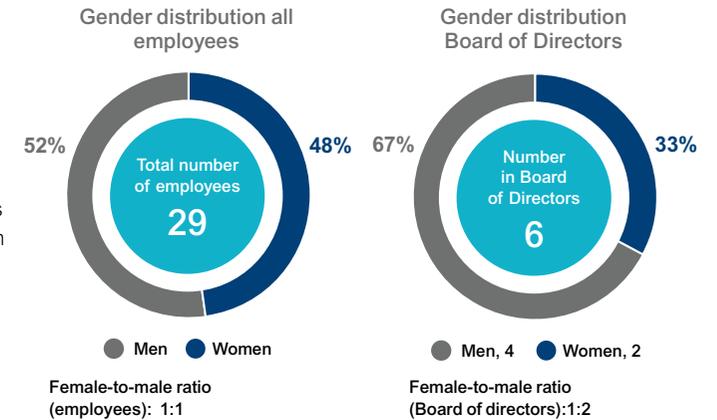
Sustainability area	Identified IRO	Category	Strategy
Employment	Employee benefits and flexible working conditions give positive impact on people working for Xbrane and on the business	+	• Ensure value creating company compensation and benefits
	Possible risk for retaining personnel if working conditions are not aligned with benchmark/market practice in Sweden	R	• Keep the positive company culture
Equality & diversity	Positive impact on individuals by working actively with equality	+	• Work actively to stimulate equality & diversity • Keep the positive company culture

ing process, for example through meeting and decision-making structures.

In addition to continuing to promote a positive and strong company culture, our strategies for striving for good working conditions for our employees include evaluating the company's compensation and benefits package to ensure competitiveness within the industry. By giving the employees independence surrounding working hours and flexible rules concerning working in the office versus working from home, we create flexibility for employees to be in charge of their own work planning. This is confirmed in the year's GPtW results, in which 100% responded that they have the ability to take time off work when needed. Strategies connected to equality and diversity were also established, including salary mapping in accordance with Sweden's Discrimination Act but also the upcoming EU Pay Transparency Directive (for more information see the section Remuneration, collective bargaining and training) as well as mapping of gender distribution at various levels within the company (employees, management and executives).

Type of contract	Number of employees (headcount)
Temporary contract	0
Permanent contract	29
Total employees	29

Gender	Number of employees (headcount)	Number in management team	Number in Board of Directors
Male	15	4	4
Female	14	1	2
Other	0	0	0
Not reported	0	0	0
Total employees	29	5	6



Country of employment:
All employees of Xbrane are employed in Sweden.

Employee turnover:
7% (Number of employees terminated during the year / Average number of employees during the year)
During the year, employee turnover was affected by the divestment of one of the company's development programs as well as R&D operations. During the transfer of operations, 35 employees left the company in connection with the divestment. Total employee turnover including the employees who left in connection with the sale: 106%. Adjusted employee turnover of 7% is a more accurate number which indicates the number of employees who naturally left the company. During the last quarter of 2025, the company recruited seven key individuals to strengthen the company's upcoming growth and strategy.

Employee engagement:
91% believes Xbrane to be a Great Place to Work®

Great Place to Work®
For the fifth year in a row, Xbrane has been certified as a Great Place to Work® (GPtW). This year's survey shows the best results since the company began measuring. With a Trust Index of 91%, we are proud to be an attractive workplace where employees are happy. This is not just an award for us but also an important part of our improvement efforts, as it provides us with valuable insights into the company's strengths and areas for improvement. Over the course of the year, efforts are ongoing to maintain our strong culture and identify what can be improved at Xbrane. Of particular note is that employees think their colleagues are willing to go the extra mile, we care about each other and together we have created a strong company culture where we help one another and trust one another's expertise.



Own workforce – Health and safety (B9)

Employee health and safety is a material area for Xbrane, and we see a positive impact through providing opportunities for work-life balance to promote health. To ensure safety and a good working environment, the company has an active Safety Committee which carries out regular risk assessments of the work environment, follows up on reported incidents in accordance with the controlled processes and carries out other activities linked to systematic working environment efforts (SAM).

A strategy for having a positive impact on health and safety is connected to maintaining the positive company culture that has characterized Xbrane for several years. We work actively with employee surveys to follow wellbeing and stress levels and arrange activities to promote health, such as lectures, “health week,” HLR training and group activities outside of working hours to increase team spirit. Our high flexibility regarding working from home and working hours improves employees' ability to find balance in their

daily lives while also performing at a high level. In this year's GPtW results, 97% responded that employees are encouraged to have a good work-life balance. To promote employee engagement and curiosity, we work to create cross-functional teams in areas such as AI use, new technology in the industry and sustainability, which has been a way to continue fostering good collaborations and working on new issues.

Summary material IRO

Sustainability area	Identified IRO	Category	Strategy
Work-life balance, health & safety	Unhealthy and unsafe work environment would impact employees physically and mentally.	–	
	Enabling work-life balance through flexible conditions	+	• Ensure a healthy work environment
	An unhealthy work environment can risk losing personnel	R	• Keep the positive company culture
	Reputation as an attractive employer with sound company culture and work environment attracts new talent.	O	

Work-related accidents:

Rate of work-related accidents: 6.9. Number of work-related accidents: 2

Two minor work-related accidents took place during the year. Incidents that were reported to have occurred in the workplace or on the way to or from the workplace were addressed in accordance with the company's guidelines for incident reporting. None of the injuries resulted in sick leave and the injuries were assessed as minor. Nevertheless, the company has taken preventive measures to reduce the risk of future injuries.

Fatalities as a result of work-related injuries and work-related ill health:

No fatalities or work-related long-term sick leave occurred during the reporting period.

Own workforce – Remuneration, collective bargaining and training (B10)

As the knowledge-intensive company that Xbrane is, employee training and skills development are considered material to the company's success. In the double materiality assessment, positive impacts could be seen through the skills development employees are given the opportunity for, which affects both individuals and society as Xbrane operates in a field that constantly requires new thinking, innovation and technical development. Xbrane has worked actively with work rotation and internal training as strategies to increase employees' breadth of knowledge and understanding of other roles. This contributes to personal as well as professional development for employees and, at the same time, benefits the company in the form of resource reallocation, changed ways of working, and employees with broad skill sets. After the restructuring of the company, we will now carry out a competence mapping to ensure that we have the right skills to serve the company's needs. Skills development is also one of the company's strategic goals for 2026. Because of the high level of knowledge among the company's employees, much of the training takes place through on-the-job learning as well as the sharing of experiences and skills between employees. The number of hours

spent on training during the year therefore cannot be reported. Internal yearly trainings in Good Manufacturing Practice (GMP) och Code of Conduct are conducted regularly.

The company has no collective bargaining agreement but follows salary developments according to IKEM's collective agreement for white-collar employees. The company has applied the salary increases in this collective agreement and implemented a general salary increase annually. In addition, the company carries out annual structural salary reviews and salary mappings to ensure that no unjustified pay differences exist and to facilitate adjustments in cases where structural pay differences are identified and are deemed to require action. In the fall of 2025 we worked on the salary mapping process and job evaluations in order to be prepared for the EU's upcoming Pay Transparency Directive and to meet the new requirements of the directive. During the fall of 2025 we also conducted another external salary benchmark to evaluate the company's current salary situation in relation to the market and to ensure competitiveness. All salary adjustments and applications thereof are deemed gender neutral.

Additional own workforce information

– Human rights policies and processes (C5)

Xbrane does not have a process for due diligence connected to human rights. However, the company does have a whistleblower process to detect incidents identified by our own workforce or other stakeholders linked to the company. The whistleblower function is managed by a third party to ensure objectivity and anonymity, and there is a detailed process for how reported incidents are to be handled.

Severe negative human rights incidents (C7)

The company has no incidents in the workforce connected to child labor, forced labor, human trafficking or discrimination, nor any incidents related to workers in the value chain or affected communities.

In the company's materiality assessment, these topics were assessed as immaterial for the company.

Summary material IRO

Sustainability area	Identified IRO	Category	Strategy
Training, skills development	The possibilities to competence development brings positive impact to both individuals in the company and to industry and society through our collaborations and employee movement	+	
	Low possibilities for skills development risks company success	R	<ul style="list-style-type: none"> • Enhance and ensure training & competence development for employees • Keep the positive company culture
	A trusting company culture where mistakes are allowed and shared in the company fosters and drives innovation	O	
Freedom of association	Risk to lose/not attract employees if culture does not respect union associations or offers conditions in line with collective bargaining agreement	–	<ul style="list-style-type: none"> • Keep the positive company culture • Ensure value-creating company compensation and benefits

Xbrane average wage 2025:
 SEK 72,197 (adjusted value SEK 66,365 excluding CEO), in comparison with SEK 23,287 which is the minimum wage according to IKEM's collective agreement. The company has no employees paid less than the minimum wage according to the collective agreement.

Unadjusted pay gap between female and male employees:
 79.9% (adjusted pay gap taking into account profession, level, role, responsibilities, experience, performance: –11.4%).

Disclosure of any other social and/or entity-specific social disclosures

Consumers and end-users

As a developer and manufacturer of biosimilars, Xbrane's business concept is connected to making treatment with expensive and difficult-to-produce drugs available to patients on the global market. The accessibility of the products as well as the health and safety of the consumers are therefore central to the company's operations.

In the double materiality assessment, the impact, risks and opportunities linked to consumers and end users could be identified. Positive impacts can be seen through the company's contribution to increased quality of life in people receiving treatment and promoting more equal health through cost-effective drugs. Opportunities were also identified through increased knowledge of biosimilars and an increased need for cost-effective biosimilars in society. Potential negative impacts and risks are associated with patient safety if the product quality were to fail.

Several strategies have been developed in relation to information, product access and consumer health and safety. Because Xbrane works with suppliers upstream for development, manufacturing and analysis as well as partners downstream for sales and distribution, a positive and productive collaboration with both suppliers and partners is of the utmost importance. Strategic collaboration and relationship-building along with clear agreement structures and regular assessments are important components we work with to strengthen our collaborations. Cooperation around the optimization of manufacturing processes and the strengthening of quality systems are also important components in which we work side by side with our suppliers and partners. We also work internally to build and maintain a robust quality system that fulfils Good Manufacturing Practices (GMP) as well as externally to strengthen the company's brand and increase knowledge about biosimilars.



Summary material IRO

Sustainability area	Identified IRO	Category	Strategy
Information	Incorrect information and labelling of products could impact patient safety	–	• Close collaboration with suppliers
	Increasing biosimilar knowledge in society could increase use and access	O	• Internal Quality Management System to secure product quality • Strengthen Xbrane brand
Access	Increased access to biological medicines by cost-effective products contributes to health equality.	+	• Ensure good collaboration with partners
	Meet global need of cost-effective biologics which Xbrane can serve	O	• Make manufacturing processes more cost-efficient
	Potential reputational risks related to high cost of products limiting access and ability to comply with tenders	R	• Close collaboration with suppliers
Health & safety	Improving quality of life through our products	+	• Ensure good collaboration with partners
	If product quality fails, patient safety can be impacted	–	• Internal Quality Management System to secure product quality
	Potential reputational and regulatory risks if quality or compliance fails	R	• Close collaboration with suppliers

Treated patients and savings for society:

In 2025, Xbrane delivered the commercial product Ximluci® corresponding to the treatment of approximately 11,000 patients, which can be estimated to have resulted in a savings of EUR 20 m for society (closer to EUR 50 m compared to if biosimilars had not been introduced to the market at all), compared to the price of the original product.

Product registration:

Together with our partner STADA, additional marketing authorizations have been obtained in two countries outside the EU and Ximluci® has now been launched in 24 markets.

Quality management system follow-up:

Supplier quality assessments were carried out with the help of surveys, audits and performance evaluations in accordance with the company's procedures as well as active work with critical suppliers to fulfil the high quality requirements for goods and services. A review of the company's quality management system was also carried out to ensure that the requirements prescribed in Good Manufacturing Practices (GMP) are met.

Governance

Disclosure of any other governance and/or entity-specific governance disclosures

Xbrane has a strong company culture based on respect, inclusivity and transparency. Maintaining and reinforcing this as well as the ethical working principles is an important factor in the company's success, as is working with partners and suppliers that act ethically and responsibly. In the double materiality assessment, the greatest risks and negative impacts were therefore linked to maintaining a positive and close relationship with partners and suppliers to ensure an ethical value chain as well as upholding the ethical company culture. Carefully developed whistleblowing processes are also considered essential to ensure reporting to a third party for objective and anonymous handling, which creates safety for whistleblowers.

As a strategy to reduce risks associated with the value chain, we work with supplier evaluations that take into account the environment, workforce, and responsible business conduct.

Evaluations are carried out both for potential new suppliers and for established suppliers to follow up on development, and active efforts are also being made to include responsible business practices in business agreements. Based on the evaluations, we work with risk reduction and risk mitigation to reduce the financial risks for Xbrane. Xbrane has a Supplier Code of Conduct which all critical suppliers are asked to read and comply with.

The company culture is essential to creating a positive effect on both business and employees. This includes setting up sound financial processes as well as training employees and consultants in the Code of Conduct. The general company culture characterized by inclusion and transparency is also important in continuing to foster an ethical and responsible company culture. For more, see the Social section.

Convictions and fines for corruption and bribery (B11)

Xbrane has never been subject to investigation, convictions, or fines related to corruption and bribery, including during the reporting period.

Gender diversity ratio in the governance body (C9)

The gender diversity ratio in the governance body is presented in the Social section.

Company culture:

Number of employees and consultants trained in the Code of Conduct and ethical policies: As the company's Code of Conduct and ethical policies were reworked in 2025, these were read and signed again by all employees and consultants during the year. No separate training was carried out.

Summary material IRO

Sustainability area	Identified IRO	Category	Strategy
Relationships with suppliers	Failed interaction with stakeholders to uphold our business ethics standards would give negative impact on business ethics in the territories where Xbrane works.	–	<ul style="list-style-type: none"> • Close collaboration with suppliers • Keep a corporate culture with high ethical standards
	Potential reputational risk if bad business ethics exists in the value chain	R	
	Good ethics by direct partners/suppliers strengthens the brand	O	
Corporate culture	Ethical and inclusive working culture through Xbrane way of working gives positive impact on business culture and employees	+	<ul style="list-style-type: none"> • Keep a corporate culture with high ethical standards
	Nurturing an unethical business behavior or company culture would risk the company's reputation and the pursuit of behaviors that benefit the company's best interests	R	
Whistleblowers	Whistleblower policy and external reporting partner contributes to security for whistleblowers.	+	<ul style="list-style-type: none"> • Keep a corporate culture with high ethical standards

Supplier sustainability:

	2023	2024	2025
Agreements with sustainability clause for critical suppliers:	Not reported	19%	21%
Critical suppliers evaluated with regards to sustainability:	36%	54%	68%
Critical suppliers that have read and understood Supplier CoC:	Not reported	41%*	55%

* Extended scope compared with what was reported in the Sustainability Report 2024.

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 22.00 to SEK 10.20 during 2025. Xbrane's market capitalization at the end of the year was SEK 210 m. During 2025, the highest closing price was SEK 36.40 on August 12, 2025, and the lowest was SEK 9.98 on December 9, 2025. The turnover of shares amounted to 42,939,070 m shares at a value of SEK 1,586 m.

According to Xbrane's articles of association as of December 31, 2025, the share capital shall be a minimum of SEK 2,000,000 and a maximum of SEK 8,000,000, divided into a minimum of 20,000,000 shares and a maximum of 80,000,000 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.

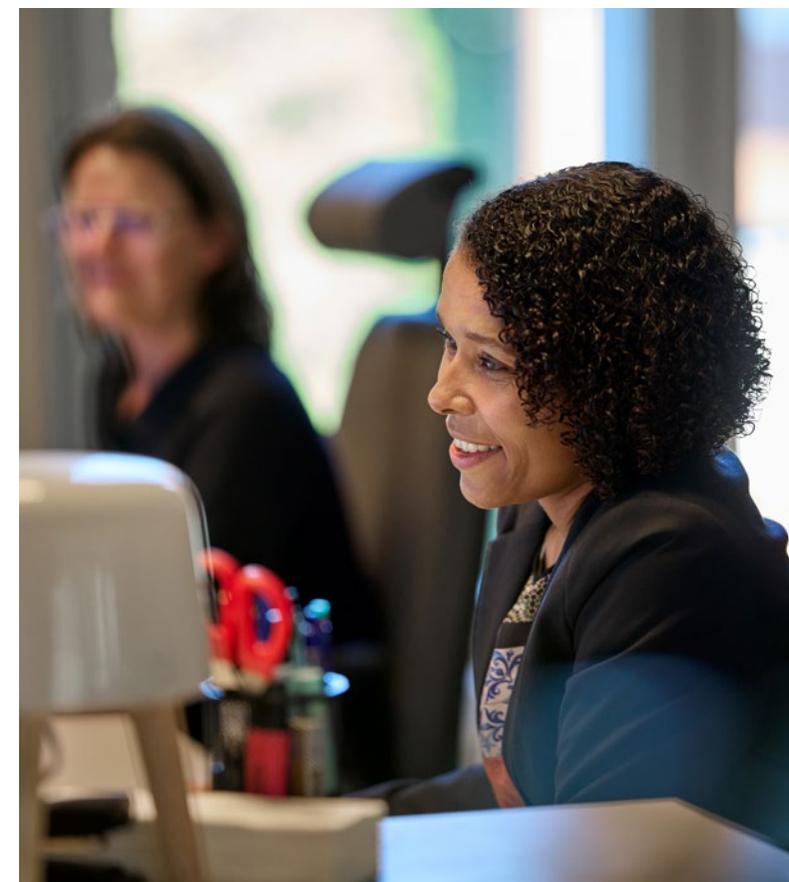
Share capital

At year-end, the total number of outstanding shares in Xbrane was 20,605,348. The company has only one share class. Each ordinary share entitles the holder to one vote. The reduction in the number of shares and votes in 2025 was attributable to the consolidation of the company's shares at a ratio of 1:125, which the extraordinary general meeting (EGM) decided on October 13, 2025, whereby 125 existing shares were combined into 1 new share.

The EGM also decided to reduce the share capital by SEK 298,424,074.25 to SEK 27,900,4914.461063 to cover losses in the company. Furthermore, the EGM decided to reduce the company's share capital by SEK 27,694,4379.661063 to SEK 2,060,534.80 for an allocation to unrestricted equity. At the end of the year, the share capital amounted to SEK 2,060,535.80, divided into 20,605,348 shares, with a quota value of SEK 0.10 per share.

Shareholders

As of December 31, 2025, Xbrane had around 10,560 shareholders. The number of outstanding shares was 20,605,348. The ten largest shareholders at the end of the period are shown in the table on the next page.



Share capital's progression

Year	Event	Quota value	Change in number of shares	Total number of shares	Change in share capital	Total share capital
2025	Share split 1:125/ Reduction of share capital	0.10	-2,555,063,207	20,605,348	-575,368,454	2,060,535
2025	New issue	0.22	25,990,000	2,575,668,555	5,826,596	577,428,989
2025	New issue	0.22	1,017,488,260	2,549,678,555	228,1406,686	571,602,393
2025	New issue	0.22	2,706,898	1,532,190,295	606,848	343,495,709
2024	Offset issue	0.22	33,402,483	1,529,483,397	7,488,372	342,888,859
2024	Rights issue	0.22	1,466,270,550	1,496,080,914	328,717,419	335,400,487
2023	Share subscription	0.22	79,252	29,810,364	17,767	6,683,068
2023	Offset issue	0.22	515,108	29,731,112	115,480	6,665,301
2023	New issue	0.22	1,709,986	29,216,004	383,355	6,549,821
2022	New issue	0.22	2,361,112	27,506,018	529,361	6,166,466
2022	Share subscription	0.22	105,000	25,144,906	23,541	5,637,138
2021	New issue	0.22	2,817,700	25,039,906	631,689	5,613,597
2021	Share subscription	0.22	21,791	22,832,104	4,885	4,981,908
2020	New issue	0.22	2,919,708	22,200,415	654,558	4,977,023
2020	Share subscription	0.22	11,709	19,280,707	2,625	4,322,465
2020	New issue	0.22	3,853,799	19,268,998	863,968	4,319,840
2019	New issue	0.22	2,720,328	15,415,199	609,859	3,455,872
2019	New issue	0.22	4,387,747	12,694,873	983,670	2,846,012
2019	New issue	0.22	1,977,887	8,307,126	443,415	1,862,342
2018	Conversion of convertible loan	0.22	330,612	6,329,239	74,119	1,418,927
2018	New issue	0.22	41,857	5,998,627	9,384	1,344,808
2017	New issue	0.22	16,500	5,956,770	3,699	1,335,425
2017	Conversion of convertible loan	0.22	528,986	5,940,270	118,591	1,331,725
2017	New issue	0.22	655,738	5,411,284	147,007	1,213,134
2016	Conversion of convertible loan	0.22	132,232	4,755,546	29,644	1,066,127
2016	Share split 10:1	0.22	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 issue	0.45	1,989	223,029	900	100,900
2014	Share split 10:1	-	-	221,040	-	100,000
2014	New issue	4.52	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	Number of shares	Shareholding, %
Ashkan Pouya	2,493,593	12.10
Six Rays Pte. Limited	2,353,000	11.42
Bengt Göran Westman	1,256,491	6.39
Avanza Pension	913,039	4.43
Håkan Stödborg	743,725	3.61
Nordnet Pensionsförsäkring	456,736	2.22
Onesource Specialty Pte. Limited	333,840	1.62
Handelsbanken Fonder	307,770	1.49
Futur Pension	301,252	1.46
Håkan Lejonkula	270,000	1.31
Total ten largest shareholders	9,429,446	45.76
Other Swedish shareholders	7,684,230	37.29
Other foreign shareholders	3,491,672	16.95
Total outstanding shares	20,605,348	100

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

FACTS

DIVIDEND

The Board of Directors proposes that no dividend be paid for the 2025 financial year.

SHARE ANALYSTS WHO FOLLOW XBRANE

Pareto Dan Akschuti
Redeye Filip Einarsson

ABOUT XBRANE'S SHARES

Listing Nasdaq Stockholm
Number of shares 20,605,348
Market cap.
on the balance sheet date SEK 210 m
Ticker XBRANE
ISIN code SE0007789409

INVESTOR RELATIONS CONTACT

For more information about Xbrane please go to xbrane.com or contact Jane Benyamin, 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 2025 financial year. The company's annual report and the consolidated accounts are included on pages 31–75 of this document.

About the business

Xbrane Biopharma is a biotechnology company that develops biosimilars – drugs that correspond to existing original biological products. 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	Primm Pharma s.r.l.
Registered office: Solna, Sweden	Registered office: Milan, Italy
Co. Reg. No: 556749-2375	Co. Reg. No: MI2075109

Significant events during the financial year

Acting CFO

In January, the company announced that Jane Benyamin had been appointed as acting Chief Financial Officer, replacing Anette Lindqvist, who intended to scale back her operational work and therefore resigned from her position.

Agreement to divest XB003

In March, the company announced that it had signed an agreement to divest XB003 (a biosimilar candidate for Cimzia[®]) and parts of its organization, including around 40 employees and laboratory equipment, to Alvotech hf for a total consideration of about SEK 275 m and including the assumption of the convertible bond in its entirety, a share of accounts payable directly attributable to XB003 and a cash consideration of SEK 102.25 m. The reduction of Xbrane's organization will reduce annual fixed costs by approximately SEK 120 m. Final implementation of the transaction was subject to approval by Xbrane's shareholders at an Extraordinary General Meeting (EGM) and approval in accordance with the Act (2023:560) on the Review of Foreign Direct Investments (the FDI Act). Xbrane's shareholders, including Ashkan Pouya (through corporate holdings) and a major international institution, as well as the Board of Directors and members of the Management Team, committed to vote in favor of the proposed transaction at the EGM. The company called an EGM in March, which was held on April 14, 2025. The EGM resolved, in accordance with the Board of Directors' proposal, to approve the Board of Directors' sale of certain assets of the company to Alvotech hf. The transaction was completed on June 4, 2025.

Update on FDA Biologics License Application (BLA)

In May, the company announced that the FDA had set October 21 as the BsUFA date (decision date) for the company's BLA for its biosimilar candidate to LUCENTIS[®] (ranibizumab). Any approval

can only be obtained after a successful re-inspection of both manufacturing facilities.

Directed Issue 2025

In June, the Board of Directors announced the decision, subject to approval at an EGM to carry out a directed issue of 1,043,478,260 shares for around SEK 240 m. The subscription price in the directed issue was SEK 0.23 per share and was determined through an accelerated bookbuilding procedure. Various Swedish and international institutional and strategic investors, including OneSource Specialty Pharma Limited, a family office based in Singapore, Hallberg Management, a Swedish fund manager specialized in healthcare, and the company's largest shareholder, Ashkan Pouya, subscribed for shares in the directed issue through companies. The company appointed Pareto Securities AB as Sole Manager and Bookrunner in connection with the issue. The purpose of the issue was primarily to finance the regulatory process for the launch of Lucamzi[®] in the US, development of the Ximluci[®] pre-filled syringe, payment of the accumulated accounts payable related to Xdivane[™], development and production of clinical materials for Xdivane[™] and general corporate purposes. The private placement was approved at an EGM on July 3, 2025. The issue raised issue proceeds of around SEK 240 m in total before deduction of costs for the issue.

Extraordinary General Meeting (EGM)

In September, the Board of Directors called an EGM. The Board proposed that the Articles of Association be amended so that "The number of shares shall be a minimum of 20,000,000 and a maximum of 80,000,000" and some minor linguistic adjustments. A share reverse split was then proposed at a ratio of 1:125, which reduced the number of shares from just over 2,575,668,555 to 20,605,348. Any surplus shares in the reverse split would be sold by the company and the proceeds distributed to the shareholders

concerned without commission. To strengthen the balance sheet, the Board also proposed that the share capital be reduced by SEK 298,424,074.25 to SEK 27,900,4914.461,063 to cover losses, without any shares being cancelled. The Articles of Association limits for share capital were then proposed to be adjusted to "a minimum of SEK 2,000,000 and a maximum of SEK 8,000,000" in line with the new capital structure. A further reduction in share capital was proposed, by SEK 2,769,443,79.661063 to SEK 2,065,34.80, for an allocation to unrestricted equity. After this reduction, the quota value of the shares amounts to SEK 0.10. Finally, the Board of Directors proposed an authorization to issue shares, warrants or convertibles corresponding to up to 20 percent of the share capital after the merger. The EGM voted on October 13, 2025, to approve all of the Board of Directors' proposals.

Conditional financing arrangement with Fenja Capital II A/S

In October, it was announced that Xbrane had entered a financing arrangement with Fenja Capital II A/S for a loan of SEK 60 m, which will be activated in the event of a delay in FDA approval for Lucamzi, the company's proposed biosimilar to Lucentis®. The financing arrangement with Fenja involves a loan of SEK 60 m with an interest rate of 7% above STIBOR and a term of 18 months, which can be redeemed early without additional cost. An unconditional arrangement fee of 4% will be paid even if approval occurs as planned. Upon activation of the loan, options corresponding to 2% dilution will be issued, with a term of five years and an exercise price of 140% above the share price at issue. The purpose of the loan is to secure Xbrane's working capital and financial flexibility in the event of delays in FDA approval. The Board and management believe that this solution strengthens the company's ability to manage uncertainties surrounding regulatory decisions while maintaining business continuity.

Regulatory Update on FDA Review of Ranibizumab Biosimilar Candidate

In October, Xbrane Biopharma announced that the FDA had issued a Complete Response Letter (CRL) for the company's BLA for its ranibizumab biosimilar candidate, following observations during an inspection of one of Xbrane's contract manufacturers. The CRL received referred to unresolved observations at one of the facilities, without further details, and no other parts of the BLA were addressed. Xbrane plans to work with the facility to address the issues and resubmit the BLA as soon as possible. The company's Lucentis biosimilar has already been approved by the EMA and MHRA since November 2022 and has been supplied to patients since March 2023, with approximately 200,000 vials dis-

tributed without any observations. CEO Martin Åmark expressed disappointment with the CRL and underlined the company's commitment to work quickly towards a new submission.

Update on resubmission of BLA to FDA

Xbrane Biopharma announced in November that the company plans to resubmit its BLA for the biosimilar candidate for Lucentis® (ranibizumab) to the FDA in March 2026. The CRL from the FDA in October 2025 referred to unresolved issues at one of the contract manufacturers' manufacturing facilities, as well as two observations for another product. Xbrane and the facility are currently working on corrective measures, which are planned to be completed during a winter shutdown and requalification of the production line. Once the measures are complete, the BLA will be resubmitted, with an expected six-month review. The company therefore anticipates a BsUFA date of September 2026.

New issue of 420,517 warrants

In November, Xbrane Biopharma announced that the company had decided on a directed issue of 420,517 warrants to Fenja Capital II A/S, as part of the conditional loan agreement of SEK 60 m. The loan was activated due to the delay in the FDA approval of Lucamzi, the company's biosimilar to Lucentis. Each warrant gives the right to subscribe for one new share until September 2030, with a subscription price of 140% of the share's volume-weighted average price in November 2025. The issue is without preferential rights for other shareholders and aims to secure the company's short-term financing. If all warrants are exercised, the share capital will increase by SEK 42,051.70 and the number of shares by 420,517, which corresponds to a dilution of around 2 percent. The Board assesses that the issue and loan are in line with market conditions and strengthen the company's financial position during regulatory uncertainty.

Significant events after the end of the financial year

No significant events have been reported after the end of the financial year.

Financial performance 2025

The Group's results for full-year 2025

The Group's revenue amounted to SEK 152.4 m (148.1). Revenue from product sales of Ximluci® amounted to SEK 67.5 m (63.4). Sales to STADA are made through larger individual deliveries, which means that revenue is irregular during the year. During the year, the criteria for the milestone payment from Intas Pharmaceuticals for Xbrane's Nivolumab biosimilar candidate (Xdivane™)

were met, resulting in an additional SEK 84.3 m (54.1) in license revenue for 2025.

Cost of goods sold for Ximluci® amounted to SEK –62.8 m (–18.2). During the year, the cost was affected by expenses caused by problems with the production of Ximluci® and retroactive price adjustments for raw materials from a contract manufacturer.

Other operating income amounted to SEK 52.2 m (11.7) and consisted of exchange rate gains on operating receivables and liabilities.

Total research and development costs amounted to SEK –257.5 m (–240.9), of which SEK –139.6 m (–78.9) was capitalized as capitalized development expenditure and is presented in the consolidated balance sheet (see note 10). The remaining research and development costs amounting to SEK –117.9 m (–162.0) are reported in the consolidated income statement. For the Xdivane™ program, work has been done during the year to scale up production volumes with contract manufacturers. For the Ximluci® program, the focus has been on preparations for resubmitting the FDA application and measures to reduce production costs to increase competitiveness.

Administrative expenses amounted to SEK –43.8 m (–40.8). Personnel expenses attributable to administration amounted to SEK –12.12 m (–16.4). In addition to customary ongoing administrative expenses, the Group also had consulting and legal fees attributable to the transaction with Alvotech and other financing activities.

Other operating expenses amounted to SEK –8.3 m (–35.9). The rest of the item consists of exchange rate losses on operating receivables and liabilities.

The operating loss was SEK 28.2 m (–97.2). The loss before tax was SEK 43.9 m (–129.7). During the year, the Group was charged with a tax from India of SEK –2.2 m (–11.6) attributable to the milestone payment from, and re-invoicing to Intas Pharmaceuticals. Otherwise, there was no taxable profit during the year and thus no additional tax expense (0.0). The loss for the period after tax from continuing operations was SEK 46.2 m (–141.3). The profit for the period amounted to SEK 127.2 m (–266.2). Earnings per share for continuing operations amounted to SEK –0.03 (–0.11) and earnings per share amounted to SEK 0.08 (–0.22).

The Group's cash flow

Cash flow from operating activities amounted to SEK –250.7 m (–133.7), of which SEK –0.5 m (–0.4) was from discontinued operations (Primm Pharma).

Cash flow from investment activities was SEK –37.1 m (–52.2), which was mainly attributable to capitalized expenditure for Ximluci® and Xdivane™.

Cash flow from financing activities was SEK 255.6 m (243.6). During the first half of the year, a directed new issue was carried out, which generated a net SEK 299.8 m after issue costs. A bridging loan of a nominal SEK 20 m was raised during Q1 and was then repaid in connection with the issue. As part of the issue, the bond was also amortized by SEK –62.5 m. Amortization of leasing liabilities amounted to SEK –13.6 m (–13.9) during the year. A loan of SEK 60 m was taken out with Fenja Capital II during Q4 and will be repaid at the end of January 2027.

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 86.6 m (124.3).

The company is in continuous dialogue with relevant stakeholders regarding the capital requirements related to the ongoing Xdivane™ project, with the aim of ensuring long-term sustainable financing solutions. In addition to the financing of the Xdivane™ project, there is uncertainty regarding the timing of expected cash inflows from sales of goods and profit sharing during the year, as these cannot be forecast with sufficient certainty.

Bearing in mind current conditions and assuming that identified and significant premises are met, the Board of Directors and the CEO assess that the company has the conditions to secure financing for at least twelve months from the balance sheet date. However, the assessment is dependent on the realization of key assumptions regarding the development of the business and external factors. If these conditions are not met, this could give rise to a significant uncertainty factor regarding the company's ability to continue operations as a going concern.

Fixed assets

Fixed assets amounted to SEK 296.5 m (236.5), of which capitalized development expenditure amounted to SEK 296.5 m (167.7). The rest of the item consists of right-of-use assets as well as laboratory equipment, machinery, office equipment and customary monthly depreciation.

Inventories

Inventories amounted to SEK 194.3 m (246.9), mainly consisting of manufactured commercial active substance for Ximluci® ready to be packaged in vials or prefilled syringes for sale. Drug substance

has a shelf life of three years, and no impairment is deemed necessary.

Prepaid expenses and accrued income

Prepaid expenses and accrued income amounted to SEK 81.5 m (198.9). Significant items consisted of advance payments for the production of Ximluci®, amounting to SEK 20.6 m, and advance payments to contract manufacturers for raw materials related to the development of Ximluci® and the upscaling of Xdivane™, totalling SEK 60.89 m.

Changes in equity

Share capital amounted to SEK 2.1 m (343.5) on the balance sheet date. Other contributed capital amounted to SEK 1,386.1 m (1,395.0). Total equity amounted to SEK 560.7 m (208.5) and the equity ratio amounted to 83 percent (25). During the year, a rights issue was carried out, which increased equity by SEK 240.0 m net, of which SEK 233.9 m increased the share capital and the remainder was reported in other contributed capital. On October 13, 2025, an EGM was held and resolved, in accordance with the Board's proposal, to reduce share capital to cover previous years' losses and for an allocation to unrestricted equity. The share capital was reduced by SEK 575,368,453.911 and amounted to SEK 2.1 m (343.5) on the balance sheet date. Other contributed capital amounted to SEK 1,386.1 m (1,395.0). Total equity amounted to SEK 560.7 m (208.5).

Accounts payable

Accounts payable amounted to SEK 9.0 m (242.6) consisting mainly of liabilities to the company's contract manufacturers. Payment of these liabilities will be made according to an agreed payment plan.

Accrued costs and prepaid income

Accrued costs and prepaid income amounted to SEK 36.2 m (188.4). This consisted mainly of advance payments from STADA, totalling SEK 26.0 m (85.0), of which SEK 26.0 m is related to commercialization. The item also included accrued production costs attributable to Ximluci® of SEK 2.9 m, accrued personnel costs of SEK 4.8 m and other accrued costs of SEK 3.3 m.

Assets held for sale

Xbrane's intention continues to be to promote the sale of the subsidiary Primm Pharma, in accordance with previously taken decisions. In the interim report January – March 2021, Primm Pharma's assets and liabilities were reclassified to "Assets held

for sale" and "Liabilities attributable to assets held for sale" in the consolidated balance sheet. In the income statement, Primm Pharma's results are reported separately as "Results from discontinued operations". In the cash flow, Primm Pharma's share of each operation is reported in the item "Of which from discontinued operations". Xbrane chose to write down the asset in December 2023 to a value corresponding to Primm Pharma's equity.

The effects of the collaboration with STADA on the income statement and balance sheet

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 will 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 28.0 m (16.9), other receivables amounting to SEK 0.0 m (0.0), other liabilities of SEK 0.0 m (8.8) and advance payments from STADA amounting to SEK 26.0 m (85.0) of which SEK 26.0 m (69.2) 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 52–55.

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. 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 29 (65) employees, of which 29 (65) in the parent company and 0 (0) in Primm Pharma.

Annual General Meeting

The 2026 Annual General Meeting will be held on May 5, 2026, at 16:00, in i Baker McKenzie Advokatbyrå's premises at Mäster Samuelsgatan 17, 111 44, Stockholm.

Key milestones over the next 12 months

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

- Obtain marketing authorization from the FDA and subsequently launch Luzamci™ (Ximluci®) in the US in collaboration with the company's commercialization partner.
- Continue active marketing efforts together with STADA Arzneimittel AG to drive further sales growth for Ximluci® in Europe.
- Complete the process characterization, validation and upscaling of the production process and complete the activities in line with the clinical study schedule for Xdivane™ to be conducted by the company's partner Intas Pharmaceuticals.

IP – Strengthening the technology platform

Xbrane and Stada co-own a portfolio of 26 pending and 5 granted patents which protect Ximluci®. Four of the patents were granted in 2025 by the European Patent Office, Eurasian Patent Office, South Africa and Vietnam. The European patent was registered in

Austria, Belgium, Bulgaria, Germany, Denmark, Estonia, Finland, France, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Portugal, Romania, Sweden, Switzerland, Spain, United Kingdom, Ireland, Liechtenstein, Monaco, and Poland. Xbrane and Stada also co-own a portfolio of 6 pending patents which protect the Ximluci® pre-filled syringe.

Xbrane owns a portfolio of 3 pending and 13 granted patents which protect Xdivane™. Two of the patents were granted in 2025 in Australia and China while one patent was in 2026 granted in Canada. Previously, patents had been granted in Sweden, Australia, South Korea, Japan and Singapore. Moreover, Xbrane filed an international (PCT) application which protects the Xdivane™ formulation

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

Remuneration and terms of employment for senior executives, meaning those who are part of Group management as of December 31, 2025, 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 2026

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 2026 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.

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 established a share-based incentive scheme in 2023, according to which senior executives have had the opportunity to participate. This scheme was decided by the AGM and was therefore not covered by these guidelines. For the same

reason, any future share-based incentive schemes decided by the AGM are also not covered. For information on performance requirements, terms and costs for this scheme, see the Board of Directors' information on the company's website.

Variable cash remuneration covered by these guidelines shall aim 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 remuneration 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 remuneration 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 remuneration 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 schemes 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 remuneration 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 2025.

Changes to the guidelines from the 2025 AGM

The Board's proposal to the 2026 AGM involves an adjustment, in relation to the guidelines adopted by the 2025 AGM, in the form of an additional variable cash remuneration being paid in extraordinary circumstances, provided that such arrangements are time-limited and are only made at an individual level at an amount that can be up to a maximum of 100 percent of the fixed annual cash salary (previously 50 percent of the fixed annual cash salary).

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.

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 between 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 of the scheme includes the estimated value of the shares and social security costs for the amounts that the employees are expected to be allocated, which are recognized as an expense continuously 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 on the same terms.

Proposed distribution of 2025's results

The Board of Directors proposes that the following earnings be treated:

Proposal for the treatment of the company's earnings in SEK 000

Share premium reserve	1,386,088
Profit/loss brought forward	–1,246,857
Profit/loss for the year	125,325
Total	264,556
To be carried forward	264,556

The Board of Directors proposes that no dividend be paid for the 2025 financial year. 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 in SEK 000	2025	2024	2023	2022	2021
Revenue	152,354	148,098	238,729	57,618	10,709
Operating profit/loss	–28,248	–97,224	–322,164	–166,217	–180,583
Profit/loss for the year	127,242	–266,220	–388,172	–172,513	–188,376
Balance sheet total	671,623	842,429	653,508	690,515	688,427
Equity ratio	83%	25%	26%	62%	63%
Earnings per share (continuing operations)	–0.03	–0.11	–0.54	–0.32	–0.38

Risks and risk management

Uncertainty about future events is a natural part of all business operations. Such events can have both positive and negative consequences for the business. On the one hand, they can create opportunities for increased value creation, on the other hand, they can entail risks that negatively affect Xbrane's operations, results or position.

- High
- Medium
- Low

Risks can arise because of events or decisions that are beyond the company's control, but also as a result of mismanagement by the company or its partners. Xbrane continuously works to identify, analyze and evaluate potential risks from various perspectives. Events that may affect confidence in Xbrane or have negative effects on the company's results are monitored particularly closely with the aim of preventing and limiting negative consequences.

Risk management

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

Risk overview

Various 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 potential negative effects.

Area	Risks	Management	Likelihood and effect
Product launch in the US, marketing authorization	Risks related to marketing authorization in the US Xbrane has applied for marketing authorization for Ximluci® in the US. In October 2025, the FDA sent a Complete Response Letter (CRL) in response to Xbrane's application. In 2026, a new application will be submitted to the FDA after completing the requested corrective measures from the FDA. However, there is 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 authorization in the US is also dependent on the inspection of processes and procedures at contract manufacturers and their facilities.	Xbrane works actively and in close collaboration with our contract manufacturer to meet the FDA's requirements.	●
Employees	Risks surrounding Xbrane's ability to manage growth Xbrane is a relatively small company that as of December 31, 2025 had 29 employees. During 2025, the company sold one of its development projects and parts of its organization. The workforce was reduced by around 50%. At the same time, the company is in a period where several products are being developed for future commercialization, production and global sales. The combination of fewer employees and high workload means that there is a risk that available resources will not be sufficient to achieve set time targets. It is also important that the company ensures the health and well-being of its employees, retains critical skills and continues to be attractive to new talent.	Xbrane has several initiatives to reduce the risks associated with personnel and resource provision. This includes regular employee satisfaction discussions, strategic recruitment work, salary surveys, coaching with management and individual temp-checks. The company also has regular resource meetings to ensure the right priorities and effective planning. The company tries to be an attractive employer in salary negotiations by following salary levels according to ICIS' guidelines. For the fifth year in a row, the company has been 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. To ensure a sustainable work environment and meet the resource requirements, the company has brought in consultants when necessary. This enables planned activities to be carried out without placing an unsustainable workload on regular staff.	●

Risks and risk management, cont.

● High
● Medium
● Low

Area	Risks	Management	Likelihood and effect
Supply chain	<p>Risks related to dependence on supplier commitments</p> <p>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 the development product Xdivane™ 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.</p>	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).	●
Geopolitical	<p>Risks related to geopolitical conditions</p> <p>The global macroeconomic and geopolitical environment, including trade policy measures such as tariffs and other trade barriers, may affect international supply chains and cost structures within the pharmaceutical industry.</p>	The Group continuously monitors developments in the external environment and assesses potential impacts on its operations, including with respect to access to raw materials, manufacturing capacity and logistics costs. As of the balance sheet date, the Company has not identified any material direct impact on its operations; however, future developments may affect the Company's operating conditions going forward.	●
IT	<p>Cyber-risks</p> <p>As a company in the global arena, there are risks associated with cyber-attacks.</p>	Xbrane has processes to secure its IT environment and works with continuous training of employees on IT security to minimize the risks of attacks.	●
Financing risk	<p>Financing risk</p> <p>As of December 31, the company's cash and cash equivalents amounted to SEK 87 m. Current liquidity and the conversion of the company's inventory into cash and cash equivalents are expected to be able to finance the fixed costs of the business based on the current approved plan. In addition, the company believes that, if the need arises, there are other alternatives to ensure the company's financing needs.</p> <p>If the key assumptions underlying these financing alternatives change or cannot be met, this could pose a significant risk to the company's continued operations. This could in turn create significant uncertainty about the company's ability to continue operations in its current form.</p>	<p>The Board and the CEO continuously monitor the Group's liquidity and financial resources in both the short- and long-term.</p> <p>The company is in discussions with several stakeholders to ensure access to additional financing, should it be required.</p>	●
Financing risk	<p>Financing of clinical studies and delay in pre-clinical development</p> <p>Xbrane has a clinical product candidate, as well as a pre-clinical product candidate, Xdarzane™ (Darzalex® biosimilar) in continuing development. For Xdivane™, the company has a collaboration with Intas Pharmaceuticals that finances the registration-based clinical development and future regulatory application for marketing authorization. Xbrane is contractually bound to complete the CMC-related development costs, which is a very liquidity-intensive commitment and may require an external financing solution. A possible delay in an agreement for Xdarzane™ could result in a lack of full financing and a delay in the initiation of the studies and thus the development of the product.</p>	Xbrane is actively working and focused on evaluating various potential partnership agreements that provide the most favorable terms for Xbrane and best support the company's long-term goals.	●
Currency risk	<p>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.</p> <p>Future revenues will also mainly be in other currencies.</p>	To date, no hedges have been made for these exposures.	●
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	●
Collaboration agreement	<p>Termination of collaboration agreement</p> <p>Xbrane has a global collaboration agreement with STADA regarding marketing and distribution of Ximluci®.</p> <p>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.</p>	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.	●

Corporate Governance



Corporate Governance Report 2025

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.bolagsstyning.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.bolagsstyning.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 2025, the total number of shares was 20,605,348 and the number of shareholders was around 10,500. 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 2025

At the Annual General Meeting on May 5, 2025, eight shareholders were represented with a holding of 51,851,289 shares corresponding to 3.38 percent of the total number of shares and votes in the company. Attorney Carl Svernlöv was elected chairman of the meeting.

At the 2025 AGM, decisions were made, including:

- Determination of income statement and balance sheet.
- Distribution of profits.
- Discharge from liability for the 2024 financial year.
- Determination of fees to the Board and auditor.
- Re-election of Eva Nilsagård, Anders Tullgren, Mats Thorén, Kirsti Gjellan and Kristoffer Bissessar as ordinary members.
- Re-election of Anders Tullgren as Chairman of the Board.
- Election of PwC as auditor with authorized auditor Magnus Lagerberg as principal auditor.
- Adoption of principles for the Nomination Committee.

- Approval of the remuneration report presented.
- Establishing guidelines for remuneration to senior executives.

Annual General Meeting 2026

The Annual General Meeting 2026 will be held on Tuesday, May 5, 2026 at 16.00 at Baker McKenzie Law Firm's premises at Mäster Samuelsgatan 17, 111 44, Stockholm. 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

The 2025 AGM established rules for the appointment of the Nomination Committee for the 2026 AGM. According to the established rules, the Nomination Committee shall be appointed for the period until a new Nomination Committee is appointed, and shall consist

of three members, who shall be appointed by the company's three largest shareholders in terms of voting rights as of September 30, 2025. The Chairman of the Board shall be an additional member if necessary. The Chairman of the Board shall, as soon as reasonably possible after the end of Q3, contact the three largest shareholders registered in terms of voting rights in the share register maintained by Euroclear Sweden AB at that time in an appropriate manner and urge them to, within a reasonable time, taking into account the circumstances, which may not exceed 30 days, to name in writing to the Nomination Committee 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 its right to appoint a member of the Nomination Committee, the next shareholder in succession shall be offered the right to appoint a member of the Nomination Committee. In the event that several shareholders waive their right to appoint members of the Nomination Committee, the Chairman of the Board shall not need to contact more than eight shareholders, unless it is necessary to assemble a Nomination Committee consisting of at least three members.

Unless otherwise agreed between the members, the member appointed by the largest shareholder shall be appointed as the Chairman of the Nomination Committee.

If a shareholder who 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 such shareholder shall resign from the Nomination Committee. Instead, a new shareholder from among the three largest shareholders shall have the right to independently, and at its 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 lead to any changes in the composition of the Nomination Committee, unless special circumstances exist.

If a member of the Nomination Committee resigns before the Nomination Committee has completed its assignment, for reasons other than those stated in the paragraph above, the shareholder who appointed such a member shall have the right to independently and at its own discretion appoint a replacement member. Based on the above, the Nomination Committee for the 2026 Annual General Meeting has been determined to consist of the following persons who together represent approximately 26 percent of the number of shares and votes in the company as of September 30, 2025.

- Simon Törnqvist, appointed by Systematic Group AB, the company's largest shareholder

- Carl-Åke Carlsson, appointed by Six Rays Pte. Limited, the company's second largest shareholder
- Bengt Göran Westman, the company's third largest shareholder
- Anders Tullgren, Xbrane's Chairman of the Board, co-opted when necessary.
- Simon Törnqvist 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 5, 2025. 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 AGM 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 contact 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 2025 AGM determined that the remuneration to the Board, for the period until the end of the next AGM, shall amount to a total of SEK 2,483,000.

The remuneration to the Chairman of the Board shall amount to SEK 655,000 and each of the other members shall receive SEK 327,000. The remuneration for the Chairman of the Remuneration Committee shall amount to SEK 104,000 and SEK 52,000 for the other members. The remuneration for the Chairman of the Audit Committee shall amount to SEK 156,000 and SEK 78,000 for the other members.

Board committees

The Board 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 AGM'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 AGM.

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

Member	Position on Board	Board member since	Attendance at meetings			Independent	
			Board	Audit Committee	Remuneration Committee	Company	Owner
Anders Tullgren	Chairman of the Board	2018	32/32		2/2	Yes	Yes
Kirsti Gjellan	Member	2022	32/32		2/2	Yes	Yes
Eva Nilsagård	Member	2019	31/32	4/5		Yes	Yes
Mats Thorén	Member	2020	32/32	5/5		Yes	Yes
Kristoffer Bissessar	Member	2024	32/32	5/5	2/2	Yes	Yes

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 AGM on May 5, 2025, 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 2025, Xbrane had a management team consisting of five people: CEO, Chief Financial Officer (CFO), Head of Biosimilars, Chief Technology Officer and Head of Clinical Affairs. For a more detailed description of Group Management, see pages 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 pre-

ented 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 of Directors has, in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance, the overall responsibility for the company's internal control. The Board continuously evaluates the company's risk management and internal control, including through the audit committee.

The purpose of Xbrane's system and processes for internal control and risk management regarding financial reporting, is to ensure that shareholders can have a high level of confidence in the company's financial operations and reporting, including information in the annual report and all interim reports.

The Board's work with internal control is based on the following components: control environment, risk assessment, control activities, information and communication flows and follow-up. Internal control is a continuous process that involves the Board, company management and other employees and is designed to provide reasonable assurance that the company's objectives are achieved in terms of appropriate and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

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). The Board 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: Board Member of BrandingScience Ltd, UK.

Previous assignments (past 5 years): Chairman of BerGenBio, Norway, Board Member of Dizlin Pharmaceuticals AB and Farmalisto, Colombia..

Shares: 20,564

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 (past 5 years): Evolvere Partners AB, finished as Board Member and CEO on November 30, 2022.

Shares: 16,000

Independent of the Company, its management and major shareholders.



KIRSTI GJELLAN

Board member since 2022

Member of the Audit 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: KTH (Kungliga Tekniska Högskolan) Stockholm och Kirsti Gjellan AB.

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

Shares: 1,020

Independent of the Company, its management and major shareholders.



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 Chairman of the Audit Committee of Addlife AB, Ernströmsgruppen AB, Aktiebolaget Svensk Exportkredit, Bufab AB (publ), Hansa Biopharma AB, and Nimbus Group AB (publ).

Previous assignments (past 5 years): Chairman of SPERMOSENS AB and Diagonal Bio AB. Board Member of eEducation Albert AB, IRRAS AB, Nanexa AB and Silex Microsystems AB

Shares: 1,632

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 and Herantis Pharma Oy. Board Member and CEO of Vixco Capital AB.

Previous assignments (past 5 years): –

Shares: 34,501

Independent of the Company, its management and major shareholders.

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: 39,297



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: 18,367



JANE BENYAMIN

Acting CFO since January 2025

Born: 1979

Education: Master's degree in Business Administration, Södertörn 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

**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.

Arbetslivserfarenhet: 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: 1,503

**BJÖRN LAGER**

Head of Quality Assurance.

Born: 1980

Education: MSc. in Chemistry from the Royal Institute of Technology (KTH) in Stockholm.

Arbetslivserfarenhet: Over 15 years' experience in quality assurance and quality control at Octapharma. In addition, he has extensive experience in health authority inspections and supplier audits for commercial products, both for aseptically filled and biotechnological products.

Shares: 612

Consolidated income statement

Amounts in SEK 000	Notes	2025	2024
Revenue	2	152,354	148,098
Cost of goods sold	6	-62,808	-18,225
Gross profit		89,546	129,873
Other operating income	3	52,214	11,659
Administrative expenses	4, 5, 6	-43,824	-40,805
Research & development expenses	4, 5, 6, 10, 11, 12	-117,865	-162,014
Other operating expenses	3, 6	-8,320	-35,936
Operating profit/loss		-28,248	-97,224
Financial income	7	711	501
Financial expenses	7	-16,396	-32,999
Net financial items		-15,685	-32,498
Profit/loss before tax		-43,933	-129,723
Tax	8	-2,234	-11,589
Profit/loss for the period from continuing operations		-46,167	-141,311
Profit/loss from discontinued operations		173,409	-124,908
Profit/loss for the year		127,242	-266,220
Profit/loss for the year attributable to:			
– Owners of the company		127,242	-266,220
– Non-controlling interests		–	–
Profit/loss for the year		127,242	-266,220
Earnings per share from continuing operations			
– Before dilution (SEK)		-0.03	-0.11
– After dilution (SEK)		-0.03	-0.11
Earnings per share			
– Before dilution (SEK)	9	0.08	-0.22
– After dilution (SEK)	9	0.08	-0.22
Number of outstanding shares at the end of the reporting period			
– Before dilution		20,605,348	1,529,483,397
– After dilution		20,611,192	1,532,162,295
Average number of outstanding shares			
– Before dilution		1,521,789,791	1,229,911,966
– After dilution		1,521,794,210	1,230,021,757

Consolidated income statement and other comprehensive income

Amounts in SEK 000	2025	2024
Profit/loss for the year	127,242	-266,220
Other comprehensive income		
Items that have been transferred to, or can be transferred to profit/loss for the year		
Translation differences for the year when translating discontinued operations	-120	111
Other comprehensive income for the year net after tax	-120	111
Comprehensive income for the year	127,122	-266,109
Comprehensive income for the year attributable to:		
– Owners of the company	127,122	-266,109
Comprehensive income for the year	127,122	-266,109

Consolidated statement of financial position

Amounts in SEK 000	Notes	2025-12-31	2024-12-31
ASSETS			
Goodwill	10	–	–
Intangible assets	10	296,458	167,687
Tangible assets	11	36	23,855
Right-of-use assets	25	–	41,044
Long-term receivables	14	–	3,945
Total assets		296,494	236,532
Inventory	17	194,268	246,902
Accounts receivable	15	6,740	16,854
Other receivables		5,559	16,973
Prepaid expenses and accrued income	16	81,499	198,851
Cash and cash equivalents	18	86,589	124,330
Assets held for sale	10, 32	474	1,988
Total current assets		375,129	605,898
TOTAL ASSETS		671,623	842,429

Amounts in SEK 000	Notes	2025-12-31	2024-12-31
EQUITY	19		
Share capital		2,061	343,496
Other contributed capital		1,386,088	1,395,030
Reserves		10,111	10,231
Retained earnings including profit/loss for the year		–837,608	–1,540,218
Equity attributable to parent company's owners		560,652	208,539
Total equity		560,652	208,539
LIABILITIES			
Long-term interest-bearing liabilities	20	58,308	66,371
Leasing liabilities	20, 25	–	29,580
Total long-term liabilities		58,308	95,950
Current part of interest-bearing liability	20	–	82,500
Accounts payable		8,955	242,570
Other liabilities		7,389	10,748
Leasing liabilities	20, 25	–	13,267
Accrued expenses and prepaid income	13, 22	36,187	188,449
Liabilities attributable to assets held for sale	32	132	407
Total current liabilities		52,663	537,940
TOTAL LIABILITIES		110,971	633,890
TOTAL LIABILITIES AND EQUITY		671,623	842,429

Consolidated statement of changes in equity

Amounts in SEK 000	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total equity
Opening balance 01-01-2025	343,496	1,395,030	10,231	-1,540,218	208,539
Comprehensive income for the year					
Profit/loss for the year				127,242	127,242
Other comprehensive income for the year			-120	-	-120
Comprehensive income for the year	-	-	-120	127,242	127,122
Transactions with Group shareholders					
New issue, net					
<i>Reduction of share capital</i>	-575,368	-	-	575,368	-
<i>New issue</i>	233,933	6,067			240,000
<i>Ongoing new issue</i>	-	-			-
<i>Transaction costs</i>		-14,214			-14,215
Share-related remuneration		-795			-795
Total transactions with Group shareholders	-341,435	-8,942	-	575,368	224,991
Closing equity 12-31-2025	2,061	1,386,088	10,111	-837,608	560,652

Amounts in SEK 000	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total equity
Opening balance 01-01-2024	6,683	1,428,530	10,121	-1,273,999	171,335
Comprehensive income for the year					
Profit/loss for the year				-266,220	-266,220
Other comprehensive income for the year			111		111
Comprehensive income for the year	-	-	111	-266,220	-266,109
Transactions with Group shareholders					
New issue, net	336,813	-36,264	-	-	300,548
<i>New issue</i>	336,206	8,719			344,925
<i>Ongoing new issue</i>	607	178			785
<i>Transaction costs</i>		-45,161			-45,161
Share-related remuneration		2,765			2,765
Total transactions with Group shareholders	336,813	-33,500	-	-	303,313
Closing equity 12-31-2024	343,496	1,395,030	10,231	-1,540,218	208,539

Consolidated cash flow statement

Amounts in SEK 000	Notes	2025	2024
Operating activities	30		
Profit/loss from financial items		-43,933	-129,723
Profit/loss from discontinued operations		173,409	-124,908
Adjustments for items not included in cash flow		-128,161	90,225
Income tax paid		-2,234	-11,589
Total		-919	-175,995
Increase(-)/Decrease(+) of inventory		48,978	-166,002
Increase(-)/Decrease(+) of operating receivables		70,027	-4,555
Increase(+)/Decrease(-) of operating liabilities		-368,777	212,824
Cash flow from operating activities		-250,691	-133,728
<i>Of which discontinued operations</i>		-506	-439
Investment activities			
Acquisition of tangible assets		-	-501
Acquisition of intangible assets		-139,644	-51,745
Divestment of discontinued operations, net liquidity impact		102,500	-
Cash flow from investment activities		-37,144	-52,246
Financing activities			
New issue		240,000	337,242
Transaction costs		-14,215	-37,479
Loans taken out		77,600	70,000
Amortization of loans		-43,500	-112,500
Amortization of leasing liability		-4,280	-13,640
Cash flow from financing activities		255,605	243,623
Cash flow for the year		-32,230	57,650
Cash and cash equivalents reported in assets held for sale ¹		534	439
Cash and cash equivalents at start of the year		124,330	65,402
Exchange rate differences in cash and cash equivalents		-6,045	839
Cash and cash equivalents at the end of the period		86,589	124,330

1) See note 31 for more information.

Parent company income statement

Amounts in SEK 000	Notes	2025	2024
Revenue	2	152,354	198,721
Cost of goods sold	6	-62,808	-18,225
Gross profit/loss		89,546	180,496
Other operating income	3	188,995	15,827
Administrative expenses	4, 5, 6	-44,401	-42,133
Research & development expenses	4, 5, 6, 10 11, 12	-82,577	-313,359
Other operating expenses	3, 6	-8,320	-61,246
Operating profit/loss		143,244	-220,414
Profit/loss from financial items			
Financial income	7	711	501
Financial expenses	7	-16,396	-32,999
Net financial items		-15,685	-32,498
Profit/loss before tax		127,558	-252,912
Tax	8	-2,234	-11,589
Profit/loss for the year		125,325	-264,501

Parent company income statement and other comprehensive income

Amounts in SEK 000	Notes	2025	2024
Profit/loss for the year		125,325	-264,501
Comprehensive income for the year		125,325	-264,501

Parent company balance sheet

Amounts in SEK 000	Notes	2025-12-31	2024-12-31
ASSETS			
Assets			
Intangible assets	10	296,458	167,687
Tangible assets	11	36	23,855
Financial assets			
Shares in Group companies	29	3,766	3,766
Other long-term receivables	14	–	3,945
Total financial assets		3,766	7,711
Total assets		300,260	199,253
Current assets			
Inventory	17	194,268	246,902
Accounts receivable	15	6,740	16,854
Other receivables		5,559	16,973
Prepaid expenses and accrued income	16	81,499	200,148
Total current receivables		288,066	480,877
Cash and bank	18	86,589	124,330
Total current assets		374,655	605,207
TOTAL ASSETS		674,915	804,461

Amounts in SEK 000	Notes	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity	19		
Share capital		2,061	343,496
Reserve for development expenditure		296,458	167,687
Unrestricted equity			
Share premium reserve		1,386,088	1,395,030
Retained earnings		–1,246,857	–1,428,954
Profit/loss for the period		125,325	–264,501
Total equity		563,075	212,759
Long-term liabilities			
Long-term interest-bearing liabilities	20	58,308	66,371
Long-term non-interest-bearing liabilities	20	–	–
Total long-term liabilities		58,308	66,371
Current liabilities			
Current part of interest-bearing liabilities	20	–	82,500
Liabilities to Group companies	21	1,002	1,062
Accounts payable		8,955	242,570
Other liabilities		7,389	10,751
Accrued expenses and prepaid income	13, 22	36,187	188,449
Total current liabilities		53,532	525,331
TOTAL LIABILITIES		111,841	591,702
TOTAL LIABILITIES AND EQUITY		674,915	804,461

Parent company's changes in equity

Amounts in SEK 000	Share capital	Fund for development expenditure	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
Opening balance 01-01-2025	343 496	167 687	1 395 030	-1 428 954	-264 501	212 759
Comprehensive income for the year						
Capitalized development expenses		128,771		-128,771		-
Profit/loss for the year					125,325	
Other comprehensive income for the year						
Comprehensive income for the year	-	128,771	-	-128,771	125,325	125,325
Transactions with Group owners						
Appropriation of profits				-264,501	264,501	-
Reduction of share capital	-575,368			575,368		-
New issue, net						240,000
– <i>New issue</i>	233,933		6,067			-14,215
– <i>Ongoing new issue</i>						-
– <i>Transaction costs</i>			-14,215			-
Share-related remuneration			-795			-795
Closing equity 12-31-2025	2,061	296,458	1,386,088	-1,246,857	125,325	563,075

Amounts in SEK 000	Share capital	Fund for development expenditure	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
Opening balance 01-01-2024	6,683	99,670	1,428,530	-969,191	-	173,947
Comprehensive income for the year						
Capitalized development costs		68,017		-68,017		-
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 owners						
Appropriation of profits				-391,745	391,745	-
Reduction of share capital	-		-	-	-	-
New issue, net	336,813		-36,264			300,548
– <i>New issue</i>	336,206		8,719			344,925
– <i>Ongoing new issue</i>	607		178			785
– <i>Transaction costs</i>			-45,161			-45,161
Share-related remuneration			2,765			2,765
Closing equity 12-31-2024	343,496	167,687	1,395,030	-1,428,954	-264,501	212,759

Parent company's cash flow statement

Amounts in SEK 000	Notes	2025	2024
Operating activities	30		
Profit/loss from financial items		127,558	-252,912
Adjustment for items not included in cash flow		-169,959	74,292
Income tax paid		-2,234	-11,589
Total		-44,634	-190,209
Increase(-)/Decrease(+) of inventory		48,978	-166,002
Increase(-)/Decrease(+) of operating receivables		71,252	-3,763
Increase(+)/Decrease(-) of operating liabilities		-368,578	213,077
Cash flow from operating activities		-292,982	-146,897
Investment activities			
Acquisition of tangible assets		-	-501
Acquisition of intangible assets		-139,643	-51,745
Divestment of discontinued operations, net liquidity impact		102,500	-
Cash flow from investment activities		-37,143	-52,246
Financing activities			
New issue		240,000	337,242
Transaction costs		-14,215	-37,479
Loans taken out		77,600	70,000
Amortization of loan		-4,992	-112,500
Cash flow from financing activities		298,393	257,263
Cash flow for the year		-31,732	58,120
Cash and cash equivalents at start of the year		124,330	65,402
Exchange rate differences in cash and cash equivalents		-6,009	808
Cash and cash equivalents at end of the year		86,589	124,330

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 International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as 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, 2026. 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, 2026.

(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 thousand 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 32.

(e) Material accounting policies applied

The accounting policies indicated below, except for 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, 2025, has not had any effect on the Group's financial reporting. The accounting policies for 2025 are unchanged compared with 2024.

(g) New IFRS that has not yet been applied

IFRS 18 replaces large parts of IAS 1 and will be applied from 2027, with requirements for retrospective application. IFRS 18 introduces, among other things, a new structure for the income statement where items are divided into defined categories such as operating, investing and financing activities. The standard also introduces several defined sub-results, including a standardized operating profit/loss, and expanded disclosure requirements regarding management's alternative performance measures.

The Group is currently analyzing the effects of the introduction of IFRS 18. The assessment is that the standard will primarily affect the presentation and disclosures in the financial statements, while no significant impact on the Group's performance, financial position or cash flows is expected.

(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 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 ac-

quired 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 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" method, 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 a 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 2025, the company received its revenue mainly from product sales and upfront and milestone payments from out-licensing.

(j) Sales of products

Revenue for product sales consists entirely of sales of Ximluci® in accordance with two agreements with STADA, partly a supply agreement and partly a collaboration agreement. The Group has reported the sales transactions arising from the agreements in accordance with the principles of IFRS 15 as it has been assessed that this best reflects the meaning of the collaboration arrangement and is thus considered to provide relevant and reliable information. Revenue from product sales is reported when the company's performance obligations have been fulfilled, which arises when control of the product has been transferred to the buyer in connection with delivery. The transaction price consists of the price the end customer pays less certain costs in each country according to the collaboration agreement with STADA. Since the transaction price cannot be determined with certainty upon delivery, an estimate of the estimated revenue is made. The calculation is based, among other things, on estimated costs according to the collaboration agreement with STADA. Any deviations between the estimated transaction price and the actual price are reported on a continual basis in subsequent periods.

(ll) 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:

- 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.
- 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 a point in time, and is recognized as revenue in full.

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 Group is 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 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. No income tax is reported for the Group as no taxable result has arisen.

(q) Financial instruments

(l) 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.

(ll) 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 Group changes 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.

Financial liabilities

Interest-bearing liabilities are reported in accordance with IFRS9 and are classified as financial liabilities measured at amortized cost. The liability is initially recognized at fair value less directly attributable transaction costs. After initial recognition, the liabilities are measured at amortized cost using the effective interest method in accordance with IFRS 9. Interest expenses, including the amortization of transaction costs and any discounts or premiums, are recognized in the income statement over the term of the liability as financial expenses.

(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 transactions in which it transfers assets reported in the financial reports but retains all or substantially all 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 reported in accordance with IFRS 5 Discontinued operations and assets when the criteria for discontinued operations are deemed to be met. The result after tax from the divested operations is reported separately in the income statement from continuing operations.

To increase comparability between periods, the comparative figures for the financial year 2024 have been reclassified to reflect the divested operations as discontinued operations. The presentation means that profit and loss items attributable to the divested operations have been reclassified in the income statement and cash flow statement. The opening balance as of January 1, 2025, has also been adjusted to reflect the presentation as if the divestment had occurred at the beginning of the comparative period. The reclassification does not affect the Group's total profit, cash flows or equity but only relates to the presentation in the financial statements.

(s) Tangible assets**(I) Owned assets**

Tangible 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 to be utilized

in accordance with the purpose of the acquisition. Accounting policies for impairment are described below.

Tangible assets consisting of parts with different useful lives are treated as separate components of tangible 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
– intangible assets	10 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 the results 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.

Internally generated intangible assets, mainly attributable to the development of biosimilar projects, are reported in accordance with IAS 38 and are only amortized when it is determined that they can generate economic benefits. Assets that are not yet amortized are therefore tested annually for impairment and when there are indications that the carrying amount may exceed the recoverable amount, in accordance with IAS 36. When testing for impairment, the Group assesses the assets' recoverable amount, which is defined as the higher of value in use and fair value less costs to sell. Since there is normally no active market for the Group's development projects, the assessment is generally based on value in use. An impairment loss is made by 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 costs to sell and its value in use. An impairment loss is immediately expensed in the income statement.

To test the value of intangible 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 regarding 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 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. 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 32-35 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 because 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, to have the opportunity to acquire one matching share and potentially up to three performance shares at quota value when the scheme ends. In connection with the rights issue, the outcome for the current scheme was calculated and for each invested savings share, the opportunity to acquire 45 matching shares and potentially up to 135 performance shares was given. The fair value of the matching and performance shares is recognized as a personnel expense with a corresponding increase in equity. The fair value is calculated at the time of allocation and distributed over the vesting period. The fair value of the matching and performance shares

is calculated using a method that considers vesting conditions (fulfillment of predetermined goals for the performance shares) and service conditions (that the participants remain employed in the group). The cost recognized continuously during the vesting period corresponds to the fair value of an increase in the number of matching and performance shares expected to vest, considering the above aspects. Social security contributions attributable to share-based 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 the 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 2 Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board also apply. RFR 2 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 2023 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

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Revenue				
License revenue ¹	84.9	81.4	84.9	81.4
Product sales ²	67.5	63.4	67.5	63.4
Other	–	3.3	–	3.3
Total	152.4	148.1	152.4	148.1
<i>Of which North America</i>	–	26.4	–	26.4
<i>Of which Germany</i>	67.5	66.5	67.5	66.5
<i>Of which India</i>	84.3	54.1	84.3	54.1

There are two individual customers that account for more than 10% of revenue, these account for SEK 84.9 m (81.4) and SEK 67.5 m (63.4) of revenue respectively

1) Includes accrued revenue in the balance sheet

2) Includes prepaid revenue in the balance sheet

NOTE 3 Other operating income and operating expenses**Other operating income**

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Exchange rate gains on operating receivables/liabilities	7,183	15,827	7,183	15,827
Divestment of operations ¹	41,044	–4,169	165,764	–
Forgiven debt	–	–	12,061	–
Other	3,987	–	3,987	–
Total other operating income	52,215	11,659	188,995	15,827

1) Including divestment of right-of-use assets

Amounts in SEK m	The Group		Parent company	
	2025	2024	2025	2024
Exchange rate losses on operating receivables/liabilities	8,320	14,882	8,320	14,882
Divestment of operations	–	–25,310	–	–
Fear and confirmed customer losses	–	46,364	–	46,364
Total other operating expenses	8,320	35,936	8,320	61,246

NOTE 4 Employees, salaries, and senior executives' remuneration**Costs of employees' remuneration**

Amounts in SEK 000	The Group	
	2025	2024
Salaries and remuneration ¹	39,336	65,236
Social security costs	9,380	10,302
Other personnel expenses	630	700
Total costs of employees' remuneration	49,347	76,238

Gender distribution for board members and senior executives

Amounts in SEK 000	Proportion women	
	2025	2024
Parent company		
The Board	40%	41%
Other senior executives ²	20%	39%
The Group		
The Board	40%	41%
Other senior executives ²	20%	39%

Average number of employees

Amounts in SEK 000	2025	of which men		2024	of which men	
		2025	2024		2024	2025
Parent company	42	52%	71	44%		
Subsidiary	–	–	–	–		
The Group total	42	52%	71	44%		

Salaries and other remuneration to senior executives

Amounts in SEK 000	The Group	
	2025	2024
Senior executives (5 people)		
Senior executives (6 people)		
Salaries and other remuneration ¹	11,180	13,253
– Of which pension costs	11,180	2,670

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

Amounts in SEK 000	Parent company		
	Senior executives (4 people ²)	Other employees	Total
Salaries and other remuneration ¹	11,180	28,156	39,336
– Of which pension costs	1,811	8,605	10,416
Social security costs ¹	2,686	6,694	9,380

Amounts in SEK 000	Parent company		
	Senior executives (10 people ²)	Other employees	Total
Salaries and other remuneration ¹	13,253	51,984	65,236
– Of which pension costs	2,670	7,746	10,416
Social security costs ¹	2,895	7,407	10,302

1) Does not include Board expenses paid as salary of SEK 2,468 (2,699) and social security costs for these of SEK 847 (999).

2) Two senior executives terminated their employment with Xbrane during the first half of 2026. These positions have not been replaced.

NOTE 4 Employees, salaries, and senior executives' remuneration, continued**Salaries and other payments to senior executives, Group, 2025**

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	754					754
Board member Eva Nilsagård	480					480
Board member Mats Thorén	403					403
Board member Kirsti Gjellan	377					377
Board member Kristoffer Bissessar	454					454
CEO Martin Åmark	2,756		100	725		3,581
Deputy CEO Siavash Bashiri	1,493		100	320		1,913
Other senior executives (4 people)	5,120		200	766		6,086
Total	11,837	–	400	1,811	–	14,048

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

1) Committee fees are included in the Board fee and consist of the following amounts: SEK 52 (51) to each non-employee member of the remuneration committee and SEK 104 (102) to the chairman of the committee who is also not employed; SEK 78 (76.5) to each non-employee member of the audit committee and SEK 156 (153) 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 2025 resolved 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 possibility to participate in long-term incentive schemes. The fixed salary shall be market-based and shall be reviewed annually. The variable remuneration for senior executives in the parent company is capped at 50 percent of the basic salary.

The Board shall have the right to deviate from the above guidelines if the Board deems that in an individual case there are special reasons that justify it. During 2025, there was no deviation from the principles decided by the Annual General Meeting regarding variable remuneration to senior executives in the Group.

Senior executives are covered by defined contribution pension plans that are designed to broadly match ITP1. The defined contribution pension plans may not exceed 30 percent of the fixed annual salary or 10 price base amounts, which is not the case in 2025. The CEO of the parent company has a mutual notice period of 6 months according to the employment agreement. If the employment is terminated by the company, the CEO is entitled to compensation during the notice period. Other senior executives and employees of the parent company have a mutual notice period of three months except for David Vikström, CTO, where the company has a notice period of 1 month but the notice period at the employee's request is 3 months.

Share savings scheme

The company had one long-term share savings program in progress as of December 31, 2025. For more information, see page 34 of the Administration Report and Note 4 below.

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 35.5. 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.

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

LTIP2023	
Vesting period	May 2023 – May 2026
Performance targets	Percentage increase in share price
Fair value per share right (SEK)	86.9 and performance shares ¹

1) The performance shares are valued at SEK 35.50.

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

The Group	2025		
	Share-related remuneration	Social security costs	Total costs
Amounts in SEK 000			
2021 – 2023	0	6	6
2022 – 2024	466	46	511
2023 – 2026	329	39	368
Total	795	90	886

The Group	2024		
	Share-related remuneration	Social security costs	Total costs
Amounts in SEK 000			
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

Personnel costs for share-related remuneration

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2022	2024
Costs attributable to share savings scheme	886	–2,751	886	–2,751
Total	886	–2,751	886	–2,751

NOTE 5 Fees and reimbursement of expenses to auditor

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
PricewaterhouseCoopers AB				
Audit assignments	1,864	1,868	1,864	1,868
Audit work in addition to the audit assignments	159	382	159	382
Tax advice	65	–	65	–
Other services	–	375	–	375
Total fees and reimbursement of expenses to auditors	2,088	2,625	2,088	2,625

NOTE 6 Operating expenses by type of cost

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Raw materials and consumables	34,350	34,983	34,350	34,983
Change in inventory of finished goods and products in progress	62,808	18,225	62,808	18,225
Other external expenses	18,998	74,030	25,331	267,034
Personnel costs	52,645	79,784	52,645	79,784
Depreciation	55,696	35,077	14,652	20,056
Exchange rate losses	8,320	14,882	8,320	14,882
Total	232,816	256,981	198,106	434,963

NOTE 7 Net financial items

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Interest income	711	501	711	501
Financial income	711	501	711	501
Interest charges for leasing	–	–	–	–
Interest expenses for interest-bearing liabilities	–12,038	–30,617	–12,038	–30,617
Change in liabilities recognized at fair value through the income statement	–	8	–	8
Other financial expenses	–4,358	–2,390	–4,358	–2,390
Financial expenses	–16,396	–32,999	–16,396	–32,999
Net financial items	–15,685	–32,498	–15,685	–32,498

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

NOTE 8 Taxes

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Tax expense for the year (–) / tax revenue (+)	–2,234	–11,589	–2,234	–11,589
Total tax expense reported in the Group	–2,234	–11,589	–2,234	–11,589

Reconciliation of effective tax

Amounts in SEK 000	2025	2024
Profit/loss before tax	–43,933	–129,723
Tax at the current rate for the parent company (20.6%)	9,050	26,723
Deductible issue costs recognized in equity	2,928	9,303
Non-activated future deduction at source tax	–2,234	–11,589
Non-deductible expenses	–38	–9
Non-capitalized negative net interest income	–3,541	–5,663
Increase of loss carry-forwards without corresponding activation of deferred tax	–8,399	–30,248
Other	–	–107
Reported effective tax	–2,234	–11,589

Amounts in SEK 000	2025	2024
Parent company		
Profit/loss before tax	127,558	–252,912
Tax at the current rate for the parent company (20.6%)	–26,277	52,100
Deductible issue costs recognized in equity	2,928	9,303
Non-activated future deduction at source tax	–2,234	–11,589
Non-deductible expenses	–38	–9
Non-capitalized negative net interest income	–3,541	–5,663
Increase of loss carry-forwards without corresponding activation of deferred tax	26,928	–55,732
Reported effective tax	–2,234	–11,589

The unbalanced, accumulated loss carryforwards for the parent company amounted to SEK1,023,990 thousand (1,425,253) as of 12-31-2025. The loss carryforwards have no limited useful life. No tax has been reported against other comprehensive income.

The unbalanced, accumulated loss carryforwards for the Group amounted to SEK 1,023,990 thousand (1,425,253) as of 12-31-2025. The loss carryforwards have no limited useful life. No tax has been reported against other comprehensive income.

NOTE 9 Earnings per share

Amounts in SEK 000	Before dilution		After dilution	
	2025	2024	2025	2024
Earnings per share	0.08	–0.22	0.08	–0.22

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	2025	2024
Earnings for the year attributable to parent company's shareholders, before dilution	127,242	–266,220
Earnings attributable to parent company's shareholders, after dilution	127,242	–266,220

On October 13, an extraordinary general meeting resolved, in accordance with the Board's proposal, to approve the Board's decision on a reverse share split at a ratio of 1:125, which meant that 125 shares were merged into 1 new share. The total number of shares in the company fell through the merger from 2,575,668,555 shares to 20,605,348 shares (rounded down). The weighted average number of shares over the year has been recalculated due to the above reverse share split and amounted to 16,430,424 (9,839,295¹) as of the balance sheet date. The number of shares outstanding at the year-end was 20,605,348 (12,235,867*).

Weighted average number of ordinary shares, before and after dilution

Amounts in SEK 000	2025	2024
Weighted average number of ordinary shares during the year, before dilution	16,430,424	1,229,911,966
Weighted average number of ordinary shares during the year, after dilution	16,434,843	1,230,021,757

1) The comparison year has been restated due to the reverse share split in 2025.

Instruments that may have a future dilutive effect and changes after the balance sheet date

Share schemes for senior executives and other employees would, if fully subscribed, give rise to 18,536 new shares, but the dilutive effect depends on the difference between the exercise price and the share price at the time of exercise.

NOTE 10 Intangible assets

The Group	Internally developed intangible assets in progress	
	Development expenses	Total
Amounts in SEK 000		
Accumulated acquisition cost		
Opening balance January 1, 2024	111,973	111,973
Capitalized development expenses	78,890	78,890
Closing balance December 31, 2024	190,863	190,863
Opening balance January 1, 2025	190,863	190,863
Capitalized development expenses	139,644	139,644
Closing balance December 31, 2025	330,507	330,507
Accumulated depreciation and impairment		
Opening balance January 1, 2024	-12,303	-12,303
Depreciation for the year ¹	-10,873	-10,873
Closing balance December 31, 2024	-23,176	-23,176
Opening balance January 1, 2025	-23,176	-23,176
Depreciation for the year ¹	-10,873	-10,873
Closing balance December 31, 2025	-34,049	-34,049
Carrying amount		
As of 01-01-2024	99,670	99,670
As of 12-31-2024	167,687	167,687
As of 01-01-2025	167,687	167,687
As of 12-31-2025	296,458	296,458

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 2025

Internally generated intangible assets, primarily related to the development of biosimilar projects, are recognized in accordance with the rules in IAS 38. Amortization begins when it is determined that the assets are expected to generate economic benefits. Assets that are not yet amortized are therefore subject to annual impairment tests and tests for indications of impairment, in accordance with IAS 36. The test calculates the recoverable amount, which is the higher of the value in use and fair value less costs to sell. Since there is normally no active market for the Group's development projects, the valuation is generally based on the value in use. An impairment loss is recognized by the amount by which the carrying amount exceeds the recoverable amount and is immediately expensed in the income statement.

Impairment testing of the capitalized development expenses has been carried out, without any indications that impairment would be required. This is because sales of Ximluci® in 2025 amounted to SEK 67.5 m with a positive gross profit. According to sales forecasts, sales and gross profits are expected to continue to increase in the coming years. Capitalization of development expenses for Xdivane™ started in 2024 and the product is still being developed. The reference product Opdivo® is expected to reach annual sales of approximately EUR 13 bn² in 2026. In 2024, Xbrane signed a licensing 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. The asset has been valued at fair value, and an external valuation institute has valued this significantly higher than the carrying amount. For further information, see Note 32.

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 32.

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	
	Development expenses	Total
Amounts in SEK 000		
Accumulated acquisition cost		
Opening balance January 1, 2024	111,973	111,973
Capitalized development expenses	78,890	78,890
Closing balance December 31, 2024	190,863	190,863
Opening balance January 1, 2025	190,863	190,863
Capitalized development expenses	139,644	139,644
Closing balance December 31, 2025	330,507	330,507
Accumulated depreciation and impairment		
Opening balance January 1, 2024	-12,303	-12,303
Depreciation for the year	-10,873	-10,873
Closing balance December 31, 2024	-23,176	-23,176
Opening balance January 1, 2025	-23,176	-23,176
Depreciation for the year	-10,873	-10,873
Closing balance December 31, 2025	-34,049	-34,049
Carrying amount		
As of 01-01-2024	99,670	99,670
As of 12-31-2024	167,687	167,687
As of 01-01-2025	167,687	167,687
As of 12-31-2025	296,458	296,458

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, all 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 000	Machinery and other technical installations	Fixtures, tools and installations	Total
Accumulated acquisition cost			
Opening balance January 1, 2024	49,279	12,652	61,931
Other acquisitions	–	501	501
Closing balance December 31, 2024	49,279	13,153	62,431
Opening balance January 1, 2025	49,279	13,153	62,431
Discontinued operations	–49,279	–10,403	–59,681
Closing balance December 31, 2025	–	2,750	2,750
Accumulated depreciation and impairment			
Opening balance January 1, 2024	–21,401	–7,993	–29,394
Depreciation for the year	–6,929	–2,253	–9,183
Closing balance December 31, 2024	–28,330	–10,247	–38,577
Opening balance January 1, 2025	–28,330	–10,247	–38,577
Discontinued operations	28,330	7,826	36,157
Depreciation for the year	–	–293	–293
Closing balance December 31, 2025	–	–2,714	–2,714
Carrying amount			
As of 01-01-2024	27,878	4,659	32,537
As of 12-31-2024	20,948	2,906	23,855
As of 01-01-2025	20,948	2,906	23,854
As of 12-31-2025	–	36	36

Parent company

Amounts in SEK 000	Machinery and other technical installations	Fixtures, tools and installations	Total
Accumulated acquisition cost			
Opening balance January 1, 2024	49,279	12,652	61,931
Other acquisitions	–	501	501
Closing balance December 31, 2024	49,279	13,153	62,431
Opening balance January 1, 2025	49,279	13,153	62,431
Discontinued operations	–49,279	–10,403	–59,681
Closing balance December 31, 2025	–	2,750	2,750
Accumulated depreciation and impairment			
Opening balance January 1, 2024	–21,401	–7,993	–29,394
Depreciation for the year	–6,929	–2,253	–9,183
Closing balance December 31, 2024	–28,330	–10,247	–38,577
Opening balance January 1, 2025	–28,330	–10,247	–38,577
Discontinued operations	28,330	7,826	36,157
Depreciation for the year	–	–293	–293
Closing balance December 31, 2025	–	–2,714	–2,714
Carrying amount			
As of 01-01-2024	27,878	4,659	32,537
As of 12-31-2024	20,948	2,906	23,855
As of 01-01-2025	20,948	2,906	23,854
As of 12-31-2025	–	36	36

NOTE 12 Assets held for sale and classification of discontinued operations

During Q1 2025, an agreement was signed with Alvotech hf regarding the divestment of XB003 and parts of the organization with associated assets. In connection with the general meeting voting in favor of the proposal, assets and liabilities attributable to the divested operation were reclassified to "Assets held for sale" and "Liabilities attributable to assets held for sale" in the Group's balance sheet. In the income statement, the result for the discontinued operation is reported separately as "Earnings from discontinued operations". The reclassification has also been made to income and expenses for the comparison year, which means that the comparative figures are no longer consistent with previous reports.

The operation was divested on June 2, 2025, and is reported in the current period as a discontinued operation. Financial information regarding the discontinued operation for the period up to the divestment date is provided below.

Financial overview and cash flow information

The financial information presented below relates to the period up to the divestment on June 2, 2025, and for the full year 2024.

Amounts in SEK 000	2025	2024
Revenue	0	50 624
Other operating income/operating expenses	12,280	-20,919
Expenses	-6,755	-151,594
Operating profit/loss	5,525	-121,890
Net financial items	-1,018	-3,019
Tax	0	0
Earnings after tax of discontinued operations	4,507	-124,908
Profit on disposal of business after tax	168,902	0
Profit/loss attributable to divested operations	173,409	-124,908
Translation differences	0	0
Other comprehensive income from divested operations	173,409	-124,908
Cash flow from operational activities	-39,389	-25,817
Cash flow from investment activities	102,500	-501
Cash flow from financing activities	-4,280	-13,640
Total cash flow from divested operations	58,831	-39,958

Divestment of operations in SEK 000

	2025	2024
Purchase price received		
Cash and cash equivalents	102,500	-
Fair value convertible bonds	132,233	-
Assumed liability of contract manufacturer	20,000	-
Total purchase price	254,733	0
Net assets divested	-85,831	-
Profit from disposal of business before tax	168,902	-
Tax expense on profit from divestment of business	0	-
Profit on disposal of business after tax	168,902	-

Carrying amount for assets and liabilities divested as of June 2, 2025

Amounts in SEK 000	2025
Tangible assets ¹	55,410
Total assets	55,410
Prepaid expenses and accrued income	68,929
Total assets	124,339
Leasing liabilities	38,508
Total liabilities	38,508
Net assets	85,831

1) Inc. right-of-use assets

NOTE 13 Joint operations

Amounts in SEK 000	Xbranes andel
Revenue	-
Expenses ¹	22,630
Assets ¹	-
Liabilities ²	-2,919

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 charged to the results 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 14 Long-term receivables

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Long-term receivables				
Rental deposit	-	3,945	-	3,945
Total	-	3,945	-	3,945

NOTE 15 Accounts receivable

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Accounts receivable	28,358	38,853	28,358	38,853
Provisions for doubtful trade receivables	-21,618	-21,999	-21,618	-21,999
Total accounts receivable	6,740	16,854	6,740	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 16 Prepaid expenses and accrued income

Amounts in SEK 000	The Group		Parent company	
	2025	2024	20245	2024
CMO (Contract Manufacturing Organization)	50,691	131,747	50,691	131,747
Rent for premises	–	3,780	–	3,780
CRO (Contract Research Organization) regarding Xplore study	–	–	–	–
Other prepaid expenses	1,538	4,286	1,538	5,583
Accrued income	29,270	59,039	29,270	59,039
Total prepaid expenses and accrued income	81,499	198,851	81,499	200,148

NOTE 17 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	2025	2024
Goods in progress	194,268	246,902
Total inventory	194,268	246,902

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.

Amounts reported in the income statement

During the 2025 financial year, cost of goods sold was reported in the income statement as SEK –62,808,000 (–18,225). No impairment of inventory has been made.

NOTE 18 Cash and cash equivalents

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Cash and cash equivalents				
Cash and bank	86,589	124,330	86,589	124,330
Carrying amount	86,589	124,330	86,589	124,330

NOTE 19 Equity

Type of shares	2025	2024
Issued as of January 1	1,529,483,397	29,810,364
Share options/Targeted share issue	2,706,898	1,466,270,550
Share options / Directed share issue	1,043,478,260	–
Offset issue/Directed share issue	–	33,402,483
Share split 1:125	–2,555,063,207	–
Issued as of December 31	20,605,348	1,529,483,397

The Group has only one class of shares, known as ordinary shares. As of December 31, 2025, the registered share capital comprised 20,605,348 ordinary shares (1,529,483,397). Holders of ordinary shares are entitled to dividends as determined from time to time and the shareholding entitles them to one vote per share at the Annual General Meeting. All shares have the same right to the remaining net assets of the company.

Dividends

At the Annual General Meeting on May 5, 2026, the Board will propose that no dividend be paid. There were no dividends in the 2025 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.

NOTE 19 Equity, continued**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 more than the shares' quote value is transferred to the share premium reserve. From January 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 20 Interest-bearing liabilities

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Long-term liabilities				
Long-term interest-bearing liability	58,308	–	58,308	–
Convertible bonds	–	66,371	–	66,371
Leasing liabilities	–	29,580	–	–
Total long-term liabilities	58,308	95,950	58,308	66,371
Current liabilities				
Convertible bonds	–	62,500	–	62,500
Other interest-bearing loans	–	20,000	–	20,000
Leasing liabilities	–	13,267	–	–
Total current liabilities	–	95,767	–	82,500

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 128.9 m. The nominal value of the liability was SEK 156.2 m as of December 31, 2024.

In March 2025, Xbrane entered into an agreement where the convertible bond was taken over by Alvotech in its entirety.

Interest-bearing liabilities

Interest-bearing liabilities are recognized in accordance with IFRS 9 and are classified as financial liabilities measured at amortized cost. The liability is initially recognized at fair value less directly attributable transaction costs. After initial recognition, the liabilities are measured at amortized cost using the effective interest method in accordance with IFRS 9. Interest expenses, including the amortization of transaction costs and any discounts or premiums, are recognized in the income statement over the term of the liability as financial expenses.

On October 16, 2025, Xbrane signed an agreement with Fenja Capital II A/S for a loan amounting to SEK 60 m (SEK 57.6 m net after deduction of the arrangement fee). The loan is amortized until January 1, 2027, with a fixed interest rate of 9%. Within the framework of the loan agreement, Xbrane has issued 420,517 warrants to Fenja (series 2025/2030). The warrants were allocated free of charge. Each 2025/2030 series warrant entitles the holder to subscribe for one new share in the company during the period from registration of the warrants with the Swedish Companies Registration Office, up to and including, September 30, 2030. The subscription price per share amounts to SEK 13.2, which corresponds to 140 percent of the volume-weighted average price of the company's shares during the five trading days following the allocation on Nasdaq Stockholm. When subscribing for shares, the part of the subscription price that exceeds the quota value of the previous shares shall be added to the free share premium fund. The 2025/2030 series warrants are subject to customary conditions, which include that the subscription price, as well as the number of shares that each warrant entitles to subscription, will be recalculated in certain cases. In the balance sheet as of December 31, 2025, the loan is reported as an interest-bearing loan amounting to SEK 56.0 m. The warrants are reported in equity at a value of SEK 2.3 m.

Terms and repayment periods

The terms and repayment periods for the Group's interest-bearing liabilities are shown in the table below. No collateral has been issued. No defaults or breaches occurred in 2025.

Amounts in SEK 000	Valuta	Nominal interest, %	Maturity	2025		2024	
				Nominal value	Carrying amount	Nominal value	Carrying amount
Long-term interest-bearing liability	SEK	9	Within 2 years	60,000	58,308	–	–
Convertible bonds	SEK	6	Within 2 years	–	–	156,250	128,871
Current loan	SEK	12	Within 1 year	–	–	20,000	20,000
Leasing liabilities	SEK	4, 15-6	Within 4 years	–	–	48,819	42,846
Total interest-bearing liabilities				60,000	58,308	225,069	191,717

For more information about leasing liabilities, see Note 24.

NOTE 21 Parent company's liabilities to the Group

Amounts in SEK 000	2025	2024
Opening balance January 1	1,045	1,032
Translation difference	–43	30
Closing balance December 31	1,002	1,062

NOTE 22 Accrued expenses and prepaid income

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Accrued personnel expenses	4,846	8,594	4,846	8,594
Accrued project expenses	1,646	24,861	1,646	24,861
Accrued production expenses	2,916	747	2,916	747
Other accrued expenses	3,300	6,989	3,300	6,989
Prepaid income from partner STADA ¹	23,031	84,959	23,031	84,959
Prepaid income	448	62,297	448	62,297
Total accrued expenses and prepaid income	36,187	188,449	36,187	188,449

1) The item relates to prepaid income of SEK 23.0 m from the partner STADA regarding development expenses for Ximluci®.

NOTE 23 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. 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 December 31, the Group's cash and cash equivalents amounted to SEK 86.6 m (124.3).

The company is in continuous dialogue with relevant stakeholders regarding financing needs related to the ongoing Xdivane™ project, with the aim of ensuring long-term sustainable financing solutions. In addition to planned financing of the Xdivane™ project, the timing of expected cash inflows from sales of goods and profit sharing during the financial year is subject to uncertainty.

Considering current conditions and assuming that identified assessments and significant assumptions are met, the Board of Directors and the CEO assess that the Group has sufficient financial resources to run its operations for at least the next twelve months. However, the assessment is dependent on assumptions regarding the development of the operations and external circumstances being realized. If these conditions are not met, there may be a material uncertainty regarding the Group's ability to continue operations on a going concern basis.

See the Administration Report under the headings "The Group's financial position" on page 33 and "Financing risk" on page 47 for more information.

The Group

Credit facilities	2025
Amounts in SEK 000	Nominal value
Available cash and cash equivalents	86,589
Liquidity reserve	86,589

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 5.4 m (SEK 27.5 m as of Dec 31, 2024) was found in accounts receivable of which SEK 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 several 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 45 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 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 low and the expected credit losses are negligible.

The Group's accounts receivable

Amounts in SEK 000	2025	2024
SEK	–	–
EUR	2,136	11,354
USD	4,604	5,500
Total	6,740	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

Amounts in SEK 000	Cur- rency	2025				
		Total	< 1 month	1–3 months	3 months -1 year	1–5 years
Convertible bonds	SEK	–	–	–	–	–
Current interest-bearing loan	SEK	–	–	–	–	–
Long-term interest-bearing loan	SEK	58,308	–	–	–	58,308
Accounts payable	SEK	4,916	4,916	–	–	–
Accounts payable	EUR	2,820	2,820	–	–	–
Accounts payable	USD	96	96	–	–	–
Accounts payable	CHF	1,102	1,102	–	–	–
Accounts payable	GBP	21	21	–	–	–
Leasing liabilities	SEK	–	–	–	–	–
Other liabilities	SEK	7,389	7,389	–	–	–
Total		74,652	16,344			58,308

Maturity structure financial liabilities – undiscounted cash flows

Amounts in SEK 000	Cur- rency	2024				
		Total	< 1 month	1–3 months	3 months -1 year	1–5 years
Convertible bonds	SEK	156,250	10,417	10,417	41,667	93,750
Current 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

NOTE 23 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 by +/- 10 percent in relation to SEK would have an effect on the Group's operating earnings of SEK 6,521 thousand (SEK 10,751 thousand) and SEK 516 thousand (SEK 1,747 thousand), respectively.

The Group

Amounts in SEK 000	2025		2024	
	USD	EUR	USD	EUR
Cash and cash equivalents	71	5,800	2,524	8,210
Accounts receivable	500	494	500	983
Total	571	6,294	3,024	9,193
Accounts payable	11	261	1,436	18,579
Total	11	261	1,436	18,579

NOTE 24 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

Amounts in SEK 000	2025				
	Valued at fair value via the income statement	Accrued acquisition value	Other financial liabilities	Total carrying amount	Fair value
Accounts receivable	–	6,740	–	6,740	6,740
Other receivables	–	5,559	–	5,559	5,559
Cash and cash equivalents	–	86,589	–	86,589	86,589
Total	–	98,888	–	98,888	98,888
Interest-bearing liabilities	–	58,308	–	58,308	58,308
Convertible bonds	–	–	–	–	–
Other long-term liabilities	–	–	–	–	–
Accounts payable	–	8,955	–	8,955	8,955
Other liabilities	–	7,389	–	7,389	7,389
Prepaid expenses and accrued income	–	36,187	–	36,187	36,187
Total	–	110,839	–	110,839	110,839

The Group

Amounts in SEK 000	2024				
	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	–	–	–	–	–
Convertible bonds	–	148,871	–	148,871	148,871
Other long-term liabilities	–	–	–	–	–
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

NOTE 24 Valuation of financial assets and liabilities at fair value and division into categories, continued

Parent company	2025				
	Valued at fair value via the income statement	Accrued acquisition value	Other financial liabilities	Total carrying amount	Fair value
Amounts in SEK 000					
Accounts receivable	–	6,740	–	6,740	6,740
Other receivables	–	5,559	–	5,559	5,559
Cash and cash equivalents	–	86,589	–	86,589	86,589
Total	–	98,888	–	98,888	98,888
Interest-bearing liabilities	–	58,308	–	58,308	58,308
Other long-term liabilities	–	–	–	–	–
Accounts payable	–	8,955	–	8,955	8,955
Liabilities to Group companies	–	1,002	–	1,002	1,002
Other liabilities	–	7,389	–	7,389	7,389
Accrued expenses and prepaid income	–	36,187	–	36,187	36,187
Total	–	111,841	–	111,841	111,841

The Group	2024				
	Valued at fair value via the income statement	Accrued acquisition value	Other financial liabilities	Total carrying amount	Fair value
Amounts in SEK 000					
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	–	–	–	–	–
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

Fair values

The Group's financial liabilities that have been subject to fair value measurement are the convertible bonds in 2024. The option right in the bond is seen as an embedded derivative and is measured at fair value through profit or loss. The initial value of the option right is initially measured according to Black & Scholes and is included in level 2 of the fair value hierarchy. The remaining part of the issue proceeds is allocated to the liability and is measured after the first recognition at amortized cost until it is converted or matures. The table shows the different valuation levels for the financial assets and financial liabilities that are reported at fair value in the Group's balance sheet. The division for how fair value is determined 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.

Upon the divestment of XB003 and parts of the organization to Alvotech hf, Alvotech hf took over the convertible loan in its entirety as part of the purchase price.

Amounts in SEK 000	2025	2024	2025	2024
	Level 2	Level 2	Level 3	Level 3
Financial assets				
Other current receivables	–	–	–	–
Total financial assets	–	–	–	–
Financial liabilities				
Interest-bearing liabilities	–	148,871	–	–
Other long-term liabilities	–	–	–	–
Other current liabilities	–	–	–	–
Total financial liabilities	–	148,871	–	–

NOTE 25 Leasing

The Group leased several types of assets including premises, machinery/ inventory until June 2025. No lease agreements have contained covenants or other restrictions beyond the security of the leased asset.

Leasing liabilities

Amounts in SEK 000	2025	2024
Current leasing liabilities	–	13,267
Long-term leasing liabilities	–	29,580
Leasing liabilities included in the consolidated financial statement	–	42,846

For maturity analysis of leasing liabilities, see Note 23 in the section on liquidity.

Right-of-use assets 2025

Amounts in SEK 000	Premises	Machinery	Total
Opening balance January 1, 2025	36,975	4,069	41,044
Acquisitions	–	–	–
Divestments during the year	–31,359	–	–31,359
Depreciation and impairment during the year	–5,616	–4,069	–9,685
Closing balance December 31, 2025	–	–	–

Right-of-use assets 2024

Amounts in SEK 000	Premises	Machinery	Total
Opening balance January 1, 2024	46,895	8,768	55,663
Acquisitions	–	403	403
Depreciation and impairment during the year	–9,920	–5,101	–15,022
Closing balance December 31, 2024	36,975	4,069	41,044

NOTE 25 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.

In connection with the divestment of XB003 and parts of the company's organization to Alvotech hf, all lease agreements were transferred to Alvotech hf. No new lease agreements have been signed as of the balance sheet date.

Amount stated in the income statement via IFRS 16

Amounts in SEK 000	The Group	
	2025	2024
Depreciation of right-of-use assets	41,044	15,022
Interest on easing liabilities	1,012	3,010
Expenses for low-value leases other than low-value short-term leases	22	89
Total	42,078	18,120

Amount presented in the consolidated cash flow statement

Amounts in SEK 000	The Group	
	2025	2024
Total cash flows attributable to leasing agreements	5,314	16,739

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 26 Distribution of the company's profit or loss**Proposed distribution of the Company's profit or loss**

Amounts in SEK 000

Share premium reserve	1,386,088
Earnings brought forward	-1,246,857
Profit/loss for the year	125,325
Total	264,556
To be carried forward	264,556

NOTE 27 Pledged collateral

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
For own liabilities and provisions				
Tangible assets	-	24,445	-	24,445
Inventory	137,000	156,697	137,000	156,697
Chattel mortgages	-	25,000	-	25,000
Total	137,000	206,142	137,000	206,142

The Group's pledged assets amounted to SEK 137.0 m (206.1) of which SEK 112.3 m constitutes collateral pledged to contract manufacturers for the fulfillment of future production. In addition, the Group has issued collateral for advances from STADA of SEK 24.7 m (0.0).

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 28 Transactions with closely related parties**Koncernen**

Amounts in SEK 000	År	Goods/ services transactions	Interest expense	Interest income	Skuld per December 31
Closely related parties					
Other closely related parties	2025	-	-	-	-
Other closely related parties	2024	-	-	-	20,000

The parent company has a closely related party relationship with its subsidiary, see note 33.

NOTE 28 Transactions with closely related parties, continued**Parent company**

Amounts in SEK 000	Year	Goods/ services transactions	Interest expense	Interest income	Liabilities
					as of December 31
Closely related parties					
Group companies	2025	-	-	-	1,002
Other closely related parties	2025	-	-	-	-
Group companies	2024	-	-	-	1,062
Other closely related parties	2024	-	-	-	20,000

Transactions with related parties are priced at market terms. Remuneration to senior executives and board members is disclosed in Note 4. 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 29 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	2025	2024
Accumulated acquisition cost		
Opening balance January 1	123,097	123,907
Shareholder contribution made	-	-
Closing balance December 31	123,097	123,907
Accumulated impairment		
Opening balance January 1	-119,331	-119,331
Closing balance December 31	-119,331	-119,331
Closing balance December 31	3,766	3,766

NOTE 30 Specifications for cash flow statements**Adjustments for items not included in the cash flow**

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Depreciation	21,143	35,953	14,652	20,056
Divestment of discontinued operations, net, no liquidity impact	-168,902	-	-168,902	-
Fearful and confirmed customer losses	-	46,364	-	46,364
Impairment of goodwill	-	-	-	-
Impairment of shares in subsidiary	-	-	-	-
Other	19,598	7,908	-15,709	7,872
Total	-128,161	90,225	-169,959	74,292

Cash and cash equivalents

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
The following subcomponents are included in cash and cash equivalents:				
Cash and bank balances	86,589	124,330	86,589	124,330
Total according to balance sheet	86,589	124,330	86,589	124,330
Total according to cash flow statement	86,589	124,330	86,589	124,330

Paid interest and dividends received

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Interest received	711	501	711	501
Interest paid	-5,480	-17,652	-4,468	-14,643
Total interest and dividends received	-4,769	-17,151	-3,757	-14,142

Unutilized credits

Amounts in SEK 000	The Group		Parent company	
	2025	2024	2025	2024
Unutilized credits	-	-	-	-

Changes in liabilities attributable to financing activities 2025

Amounts in SEK 000	Changes in non-cash flow items						
	Opening balance 2025	Changes affecting cash flow	Discontinued operations	Revaluation fair value/interest expenses	New leasing agreement	Interest expenses	Closing balance 2025
Interest-bearing loan	148,871	34,100	-132,233	-	-	7,571	58,308
Leasing liabilities	42,846	-4,280	-38,508	-	-	-	58
Liabilities attributable to financing activities	191,717	29,820	-170,741	-	-	7,571	50,795

Changes in liabilities attributable to financing activities in 2024

Amounts in SEK 000	Changes in non-cash flow items						
	Opening balance 2024	Changes affecting cash flow	Discontinued operations	Revaluation fair value/interest expenses	New leasing agreement	Interest expenses	Closing balance 2024
Interest-bearing loan ¹	175,405	-42,500	-	-8	-	15,974	148,871
Leasing liabilities	56,083	-13,640	-	-	403	-	42,846
Liabilities attributable to financing activities	231,488	-56,140	-	-8	403	15,974	191,717

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

NOTE 31 Events after the balance sheet date

No significant events have occurred after the end of the financial year that would affect the company's financial position.

NOTE 32 Significant estimates and assessments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, income and expenses. The estimates and judgments are based on historical experience, available information and reasonable and supportive assumptions as of the balance sheet date.

Reassessment is continual and changes are reported in the period in which they are identified. Areas that involve significant judgment or valuation uncertainty and that may result in a material adjustment to the carrying amount in future financial years are described below.

The Group's financial position and continued operation

The consolidated financial statements have been prepared on a theoretic going concern basis for at least twelve months from the balance sheet date. The Board of Directors and the CEO continuously monitor the Group's liquidity and financial position, both in the short and long term. The Company is in continuous dialogue with relevant stakeholders regarding the financing needs linked to the ongoing Xdivane™ project, with the aim of ensuring long-term sustainable financing solutions. In addition to the financing of the Xdivane™ project, the timing of expected liquidity inflows from sales of goods and profit sharing during the year cannot be determined with certainty. Considering current conditions, the Board of Directors and the CEO assess that the company has the conditions to secure sufficient financing for the operations for at least the next twelve months. The assessment is based on several assumptions regarding the development of the operations and external financing opportunities. If these assumptions are not met, this could result in significant uncertainty regarding the company's ability to continue operations according to the principle of continuing.

Capitalization of development expenses for Ximluci® and Xdivane™

Development expenses are capitalized in accordance with IAS 38 when the criteria for capitalization are deemed to be met. 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 Xplora.

Important sources of uncertainty in valuations

The sources of uncertainty in valuations listed below refer to those that involve a significant risk that the value of assets or liabilities may need to be adjusted to a significant degree during the coming financial year.

Impairment testing of intangible assets

The carrying amounts for capitalized development expenses and related assets are based on estimates of future cash flows and probabilities of commercial success. The asset's carrying amount is sensitive to changes in central valuation estimates. A reasonable change in sales forecasts of ±10 percent or in gross

margin of ±5 percentage points would have a significant impact on future cash flows and thus the value of the asset. An isolated negative change in any of these parameters may therefore lead to an impairment requirement. The assets are tested for impairment when an indication exists and at least annually. Balance sheet expenses attributable to Ximluci® amounted to SEK 184.8 m as of the balance sheet date and are amortized over 10 years. Sales of Ximluci® in 2025 amounted to SEK 67.5 m with a positive gross profit. According to the sales forecasts, sales and gross profit are assumed to continue to increase in the coming years. No impairment requirement is therefore assessed.

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. According to 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 million 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 is assessed.

Geopolitical and macroeconomic effects

The Group is exposed to global geopolitical and macroeconomic risks that may affect future cash flows, asset values and operating conditions. Significant risk factors include trade policy restrictions, sanctions, changes in regulatory requirements, supply chain disruptions, currency risk and exposure to different geographical markets. These factors are considered when preparing forecasts, assessing probabilities and establishing assumptions in valuation models. Significant changes in the geopolitical environment may result in adjustments to valuations and may in some cases lead to impairment losses.

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 has been made on the shares in Primm Pharma. 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.

NOTE 33 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, 2026, 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.

The annual report has been approved on March 31, 2026.

Solna, March 31, 2026

Anders Tullgren
Chairman

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, 2026
Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

Auditors report

To the general meeting of the shareholders of Xbrane Biopharma AB (publ), org.nr 556749-2375

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Report on the Annual Report and Consolidated Financial Statements Opinions

We have performed an audit of the annual report and consolidated financial statements of Xbrane Biopharma AB (publ) for the year 2025. The company's annual report and consolidated financial statements are included on pages 31-75 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and provides, in all material respects, a true and fair view of the parent company's financial position as of December 31, 2025, and of its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and provide, in all material respects, a true and fair view of the group's financial position as of December 31, 2025, and of its financial performance and cash flows for the year in accordance with IFRS accounting standards as adopted by the EU and the Annual Accounts Act. Our statements do not cover the corporate governance report on pages 39-47. The statutory administration report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the group and the income statement and balance sheet for the parent company.

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

Basis for opinions

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

Material Uncertainty Related to Going Concern

We would like to draw attention to the information in the management report under the heading Group's Financial Position, Note 23 Liquidity Risk and Going Concern, and Note 32 Group Financial Position and Going Concern. It is stated there that the company's financing for the coming 12-month period is not secured. However, the Board of Directors and the Managing Directors assess that there are alternatives with good prospects of securing the company's financing. Since the ability to realize these alternatives in whole or in part is outside the company's own control, material uncertainties exist that may give rise to significant doubts about the company's ability to continue as a going concern. Our statement is not modified in this respect.

Key Audit matters

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

Key Audit matter

Capitalized expenses for development

The group's reported value of capitalized development expenditures as of December 31, 2025 amounts to SEK 331 million (191). This item relates to expenses for the development of Ximluci® and Xdivane™, has increased by 73% compared to the previous year, and is material from a financial reporting perspective.

Key estimates and judgments include, among other things, the assessment that the criteria for capitalization are met as well as valuation. In evaluating the need for impairment, the group has had to assess a number of factors, such as future cash flows. Due to the degree of judgment involved, we consider capitalized development expenditures to be a key audit matter.

Note 1, Accounting Policies, and Note 10 describe how the company has accounted for and valued the balance sheet item. Note 32 discloses the significant accounting judgments the company has made.

How our audit addresses the Key Audit matter

Our audit has, among other things, included the following audit procedures:

- We have evaluated management's assumptions regarding whether the criteria for capitalizing development expenditures related to Ximluci® and Xdivane™ have been met.
- We have tested the capitalized expenditures during the year through sampling and performed verification calculations of the year's depreciation.
- We have reviewed the company's analysis of any impairment needs as well as the company's impairment testing and assessed the reasonableness of key assumptions.
- We have reviewed and assessed the disclosures provided in the financial statements.

Revenue

The group's reported net revenue consists of two revenue streams: product sales and license income. Revenue from product sales amounts to SEK 68 million (63), and revenue from licenses amounts to SEK 85 million (81). Net revenue is material from a financial reporting perspective.

Revenue from product sales is recognized in full when Xbrane has fulfilled its performance obligation, which occurs upon delivery of products to the collaboration partner STADA. The transaction price consists partly of compensation for delivered goods and partly of compensation based on the price STADA's end customer pays, less certain costs. Since the transaction price cannot be determined with certainty at the time of delivery, the revenue is calculated based on the company's best estimate of the expected future outcome.

Revenue from licenses is recognized when Xbrane fulfills its performance obligations according to the agreements entered into. The agreements contain more than one distinct performance obligation, and the revenue is therefore allocated and recognized separately based on these. Xbrane's license income 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 point in time and the revenue is recognized in full at that time.

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 policies for revenue are described in Note 1.

Our audit has, among other things, included the following audit procedures:

- We have mapped and evaluated the group's revenue recognition processes.
- We have reviewed and analyzed contract terms and the performance obligations identified by the company.
- We have tested a selection of transactions to ensure that they have been properly recognized.
- We have analyzed and reviewed the model for calculating the transaction price related to product sales and assessed the reasonableness of the assumptions and data used by the company in its assessment.
- We have reviewed, assessed, and analyzed the accuracy and timing of license revenue recognition.
- We have reviewed and assessed the disclosures provided in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains information other than the annual report and consolidated financial statements, which can be found on pages 1–30 and 79–80. The other information also includes the remuneration report, which we obtained prior to the date of this auditor's report. The board of directors and the Managing Director are responsible for this other information.

Our opinion regarding the annual report and consolidated financial statements does not cover this other information, and we do not express any form of assurance conclusion regarding it.

As part of our audit of the annual report and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated financial statements. In doing so, we also take into account the knowledge obtained during the audit and assess whether the other information appears to contain material misstatements.

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

Responsibility of the board of Directors and the managing Director

The board of directors and the Managing Director are responsible for preparing the annual report and consolidated financial statements and for ensuring that they provide a true and fair view in accordance with the Annual Accounts Act and, with respect to the consolidated financial statements, in accordance with IFRS as adopted by the EU and the Annual Accounts Act. The board of directors and the Managing Director are also responsible for the internal control they consider necessary to prepare annual and consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the annual report and consolidated financial statements, the board of directors and the Managing Director are responsible for assessing the company's and the group's ability to continue as a going concern. They disclose, when applicable, matters related to the company's or group's ability to continue operations and the use of the going concern assumption. However, the going concern assumption is not applied if the board of directors and the Managing Director intend to liquidate the company, cease operations, or have no realistic alternative but to do so.

The board's audit committee shall, without affecting the board's responsibilities and duties in other respects, among other things, monitor the company's financial reporting.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated financial statements 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 ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if one 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 annual report and consolidated financial statements.

A further description of our responsibilities for the audit of the annual report and consolidated financial statements is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

The Auditors 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 report and consolidated financial statements, we have also audited the administration of the board of directors and the Managing Director of Xbrane Biopharma AB (publ) for the year 2025, as well as the proposed appropriations of the company's profit or loss.

We recommend that the general meeting of shareholders approve the appropriation of profit as proposed in the management report and discharge the board members and the Managing Director from liability for the financial year.

Basis for opinions

We have conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the section Auditor's Responsibilities. We are independent of the parent company and the group in accordance with generally accepted auditing practices in Sweden and have otherwise fulfilled our professional 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 Directors and the Managing Director

The board of directors is responsible for the proposed appropriations of the company's profit or loss. In the case of a proposed dividend, this includes, among other things, an assessment of whether the dividend is justifiable with regard to the requirements that the nature, scope, and risks of the company's and the group's operations place on the size of the parent company's and group's equity, consolidation needs, liquidity, and overall financial position.

The board is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing the company's and the group's financial situation and ensuring that the company's organization is designed so that accounting, asset management, and the company's financial affairs are controlled in a reliable manner. The Managing Director shall manage the day-to-day operations in accordance with the board's guidelines and instructions and, among other things, take the measures necessary to ensure that the company's accounting is carried out in accordance with the law and that asset management is conducted in a secure manner.

Auditor's responsibility

Our objective regarding the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence to a reasonable degree of assurance about whether any member of the board of directors or the CEO, in any material respect:

- has taken any action or been guilty of any omission that may give rise to liability to compensate the company, or
- has otherwise acted in breach of the Companies Act, the Annual Accounts Act, or the Articles of Association.

Our objective regarding the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion on this matter, is to obtain reasonable assurance that the proposal is consistent 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 may give rise to liability to compensate the company, or that a proposal for appropriations of the company's profit or loss is not consistent with the Companies Act.

A further description of our responsibilities regarding the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

The Auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual report and consolidated financial statements, we have also reviewed whether the board of directors and the Managing Director have prepared the annual report and consolidated financial statements in a format that enables uniform electronic reporting (the ESEF report) in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528) for Xbrane Biopharma AB (publ) for the year 2025.

Our review and opinion relate solely to the statutory requirement.

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 conducted the review in accordance with FAR's recommendation RevR 18, The Auditor's Review of the ESEF Report. Our responsibilities under this recommendation are described in more detail in the section Auditor's Responsibilities. We are independent of Xbrane Biopharma AB (publ) in accordance with generally accepted auditing practice in Sweden and have otherwise fulfilled our professional 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 preparing the ESEF report in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528), and for such internal control as the board and the Managing Director determine is necessary to enable the preparation of the ESEF report free from material misstatement, whether due to fraud or error.

Auditors responsibility

Our responsibility is to express reasonable assurance on whether the ESEF report has, in all material respects, been prepared in a format that complies with the requirements of Chapter 16, Section 4 a of the Securities Market Act (2007:528), based on our review.

RevR 18 requires us to plan and perform our review procedures to obtain reasonable assurance that the ESEF report has been prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that a review conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement if one 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 International Standard on Quality Management 1, which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The review involves obtaining evidence through various procedures that the ESEF report has been prepared in a format enabling uniform electronic reporting of the annual report and consolidated financial statements. The auditor selects the procedures to be performed, including assessing the risks of material misstatement in the reporting, whether due to fraud or error. In this risk assessment, the auditor considers those parts of the internal control relevant to how the board of directors and the CEO prepare the underlying information in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the board's and CEO's assumptions.

The review procedures mainly comprise validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation to ensure that the ESEF report corresponds with the audited annual report and consolidated financial statements.

Furthermore, the review includes an assessment of whether the group's income statement, balance sheet, statement of changes in equity, cash flow statement, and notes in the ESEF report have been tagged with iXBRL in accordance with the requirements set out in the ESEF regulation.

The auditors examination of the corporate governance statement

The board of directors is responsible for the corporate governance report on pages 35–44 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's statement RevR 16, The Auditor's Review of the Corporate Governance Report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our statements.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same act are consistent with the other parts of the annual report and consolidated financial statements and comply with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, appointed to Xbrane Biopharma AB (publ)'s auditors by the general meeting 5th of May 2025 and have been the appointed auditors since 6th of May 2021.

Stockholm 31 March 2026

Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg

Authorized Public Accountant

Alternative key performance indicators

The Group presents certain financial key indicators in the Annual Report 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

The 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	2025	2024
Gross earnings	89,546	129,873
Divided by revenue	152,354	148,098
Gross margin	59%	88%

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 considering capital structure and tax situation, with the aim of facilitating comparisons with other companies in the same industry.

Amounts in SEK 000	2025	2024
Operating profit/loss	-28,248	-97,224
Depreciation and impairment	14,601	19,890
EBITDA	-13,647	-77,335

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	2025	2024
Research & development expenses	-117,865	-162,014
Operating expenses	-170,009	-238,756
Research & development expenses as a percentage of operating expenses	69%	68%

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	2025	2024
Total equity	560,652	208,539
Divided total assets	671,623	842,429
Equity ratio	83%	25%

Shareholder Information

Annual General Meeting 2026

The Annual General Meeting for 2026 will be held on May 5, 2026, at 4:00 PM at Baker McKenzie Advokatbyrå's premises at Mäster Samuelsgatan 17, 111 44, Stockholm.

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, 2026. Registration must be made no later than April 28, 2026, 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, 2026.

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

Xbrane Biopharma AB (publ)
171 65 Solna, Sweden

Visitors: Scheeles väg 5, 171 65 Solna
Phone: +46 760 34 67 33
E-mail: info@xbrane.com
Website: www.xbrane.com



Xbrane Biopharma AB | Scheeles väg 5, 171 65 Solna, Sweden | www.xbrane.com