Interim report January – June 2024

FINANCIAL OVERVIEW SECOND QUARTER 2024*

- Revenue amounted to SEK 52.0 m (51.1).
- Other operating income was SEK 0.8 m (3.2).
- EBITDA amounted to SEK −54.7 m (−81.1).
- R&D costs amounted to SEK −116.3 m (−87.3), corresponding to 90 percent (84) of total operating costs.
- The loss for the period was SEK 70.5 m (−91.0).
- Earnings per share was SEK −0.05 (−0.15).
- Cash and cash equivalents at the end of the period amounted to SEK 72.8 m (315.6).

FINANCIAL OVERVIEW FIRST HALF-YEAR 2024*

- Revenue amounted to SEK 66.1 m (112.9).
- Other operating income was SEK 6.1 m (7.3).
- EBITDA amounted to SEK −130.8 m (−129.5).
- R&D costs amounted to SEK −203.9 m (−145.3), corresponding to 89 percent (81) of total operating costs.
- The loss for the period was SEK 167.9 m (−149.4).
- Earnings per share was SEK −0.18 (−0.25).
- Cash and cash equivalents at the end of the period amounted to SEK 72.8 m (315.6).

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

FINANCIAL SUMMARY FOR THE GROUP

	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Revenue (SEK 000)	52,034	51,116	66,103	112,945	238,729
Research and development expenses (SEK 000)	–116,310	–87,327	–203,936	–145,254	–305,783
R&D expenses as percentage of total costs	90%	84%	89%	81%	82%
Operating profit/loss (SEK 000)	–63,665	–88,646	–148,803	–145,920	–322,164
EBITDA (SEK 000)	–54,711	–81,052	–130,750	–129,466	–288,428
Profit/loss for the period (SEK 000)	–70,502	–91,011	–167,907	–149,408	–388,172
Cash and cash equivalents (SEK 000)	72,835	315,640	72,835	315,640	65,402
Equity ratio (%)	36%	40%	36%	40%	26%
Earnings per share before dilution (SEK)	–0.05	–0.15	–0.18	–0.25	–0.63
Earnings per share after dilution (SEK)	–0.05	–0.15	–0.18	–0.25	–0.63
Number of employees on balance sheet date	71	93	71	93	93

SIGNIFICANT EVENTS DURING THE SECOND QUARTER 2024[1)]

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

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

- In August, the company announced that it was regaining full rights to BIIB801. This followed a decision by Biogen Inc. to terminate the commercialization and license agreement between the companies. All rights to the product have therefore returned to Xbrane.
- In August, Xbrane updated the continuing out-licensing of Xdivane™ (Opdivo® biosimilar candidate) and XB003 (Cimzia® biosimilar candidate) and its financial position. Given the delay in FDA approval for Ximluci® and the unforeseen termination of the licensing agreement with Biogen, Xbrane must successfully out-license both Xdivane™ and XB003 in the coming months. The company's Board and management believe that this is feasible as there is significant interest in XB003 due to the unique nature of the program, and that Xdivane™ is focused on markets outside the US with a reduced clinical program. The latter is based on positive feedback from the European Medicines Agency (EMA). The company's Board and management are fully committed and working hard to achieve this and are also investigating other possible avenues to ensure shareholder value.

1) See page 8 for more information.

"Focus on out-licensing processes."

CEO's letter

Dear shareholders

During Q2 we were pleased by the accelerated sales growth of Ximluci® and to have successfully upscaled the production processes for both Xdivane™ and XB003 with confirmed analytical similarity, which paves the way for out-licensing and taking the step into clinical development.

Ximluci®

As of July, Ximluci® had been launched in 18 European countries. In Q2 2024, the market share value well exceeded 1 percent[1] of the ranibizumab market worth around EUR 300 m[2]. We also saw a strong growth in revenue during Q2, close to 40 percent compared to Q1 2024. This was higher than expected compared to our new revised sales estimate and resulted in a greater than expected profit share for Xbrane, mainly driven by a favorable market mix. Overall, we generated revenues of SEK 52 m during Q2 2024, also including Xbranes share of the upfront from Valorum. The work towards re-submitting the BLA to FDA is progressing according to plan with re-submission envisioned in Q4 2024.

XB003 (Cimzia® biosimilar candidate)

Xbrane made significant progress with XB003 during Q2. The production process has been successfully upscaled together with Xbranes selected contract manufacturer with confirmed analytical similarity to the reference product. However, unexpectedly, the licensing agreement with Biogen Inc. was terminated due to a strategic revision by Biogen and Xbrane regained the full rights to the program. This was an unforeseen event, which will significantly impact the company´s expected income over the coming 6–12 months. Xbrane immediately initiated an out-licensing process of the biosimilar candidate with an accelerated timeline. Currently a handful of interested companies are conducting active due diligence alongside discussions on terms for a potential partnership. The out-licensing process is running according to a strict established timeline with an envisioned license agreement, which has to be signed by the end of October 2024 at the latest. The program is ready to initiate clinical trials in 2025.

Xdivane™ (Opdivo® biosimilar candidate)

Xbrane also made significant progress with the Xdivane™ program during Q2. The production process was successfully upscaled together with Xbranes selected contract manufacturer with confirmed analytical similarity to the reference product. Based on this, Xbrane received positive feedback in a Scientific Advice meeting with the EMA where the agency endorsed the analytical similarity shown and agreed to the proposed reduced clinical development plan. Out-licensing efforts for Xdivane™ are now focused outside the US territories with reduced clinical development plan as agreed with the EMA. The focus territory is expected to represent USD 5 b of reference product sales upon patent expiry, and hence a meaningful opportunity. Following the positive news from the EMA we recognized an increased interest from potential partners and we are working on a plan to conclude an out-licensing agreement by the end of October.

Financial position

Xbrane had a cash-position of SEK 73 m at the end of Q2. A positive operating cash flow is expected to be achieved, assuming FDA approval of Ximluci® (Lucentis® biosimilar candidate) in Q2 2025. Given the delay in the FDAs approval for Ximluci® and the unforeseen termination of the licensing agreement with Biogen, Xbrane must successfully out-license both Xdivane™ and XB003 in the coming months. It is essential that the company can maintain the timelines of the out licensing to ensure financing of the company from November and onwards. The company's Board of Directors and senior management believe this is feasible given the level of interest and that multiple stakeholders evaluate the programs. The Board and management are working closely with a highly regarded external biopharma outlicensing consultant to close the out-licensing program in the coming months and to fulfill Xbranes' working capital requirements from November 2024 onwards.

Thank you for your continued support!

Solna, August 28, 2024

Martin Åmark,
CEO

1) Source: Xbrane estimate based on reported sales from respective product
2) The market for VEGF inhibitors including both vial and pre-filled syringes for ophthalmic use

Biosimilar candidate portfolio

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

Ximluci®

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

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

Xbrane has received a Complete Response Letter (CRL) in response to Xbrane's application for market approval for Ximluci® in the US market. Xbrane is aiming to, and planning for, a resubmission of the BLA in Q4 2024. If successful, it would result in a BsUFA date in Q2 2025. It anticipates a standardized review process of six months. STADA is also actively working to take Ximluci® to other regions such as the Middle East, Latin America and Southeast Asia, where the application for market approval has been submitted to various regulatory authorities in these regions. In May, STADA and Xbrane signed a collaboration agreement with Valorum Biologics, which will commercialize Ximluci® in the US.

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

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

XB003

XB003 (formerly BIIB801) is a biosimilar candidate to certolizumab pegol, the original drug Cimzia®, a TNF alpha inhibitor, mainly used in the treatment of rheumatoid arthritis and psoriasis. Cimzia® has sales of over EUR 2 bn[2] and will lose its patent protection in 2024 in the US and 2025 in Europe.

Xbrane signed a licensing agreement with Biogen Inc. for XB003, in February 2022. In August 2024, it was announced that Biogen had decided to terminate the agreement. Biogen notified Xbrane that the termination relates to a recent strategic review. All rights granted to Biogen under the agreement will be terminated and the full rights to the program will thus revert to Xbrane. XB003 is currently, to Xbrane's knowledge, one of the few, or the only, biosimilar candidate for Cimzia® globally, being developed. The production process for the biosimilar candidate has been upscaled successfully together with Xbrane's selected contract manufacturers. Production of clinical material will take place in 2024, enabling the initiation of a clinical study in 2025. Analytical similarity compared to the reference product has been shown and initial scientific advice from both the EMA and FDA has been obtained. The production process that enables high productivity is patented by Xbrane. Xbrane has started a structured out-licensing process with the aim of finding a new development and commercialization partner as soon as possible. Given the program's unique nature, Xbrane is optimistic about the prospects of closing a deal in an accelerated timeline.

Xdivane™

Xdivane™ is a biosimilar candidate to nivolumab, original drug Opdivo®, a PD1 inhibitor for the treatment of various types of cancer. Opdivo® is expected to generate sales of EUR 13 billion[1] and lose its patent protection in 2026–2031, depending on the country. Upscaling of Xdivane™, has been successfully completed with contract manufacturers and Xbrane has successfully sought acceptance from regulatory authorities for a reduced clinical development program. Positive feedback regarding this has been received from the EMA on the basis of a high analytical similarity shown against a comprehensive panel of analytical methods compared to the reference product. This will affect the program's out-licensing timeline, and Xbrane is therefore currently focusing on partnership discussions with companies interested in Europe and other key markets outside the US. Xbrane assesses that the business case of a reduced clinical development plan with a focus outside the USA is positive and where the company is in talks with a number of commercialization partners about out-licensing the product.

Xdarzane™

Xdarzane™ is a biosimilar candidate to daratumumab, original drug Darzalex®, an antibody that binds to CD38 for the treatment of multiple myeloma (around EUR 9 bn[1] in estimated sales). The patent protection for Darzalex® is expected to expire in 2029–2031 depending on the country.

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

Product portfolio

Product	Original drug	Primary indication	Estimated annual sales of original drug[1]	Patent expiry of original drug	Development phase
Ximluci®	Ranibizumab (Lucentis®)	Wet age-related macular degeneration, diabetes-related eye damage and retinal vein occlusion.	EUR 2 bn[3]	2022 (Europe) 2020 (USA)	Launch phase
XB003	Certolizumab pegol (Cimzia®)	Rheumatoid arthritis, axial spondyloarthritis, psoriatic arthritis and psoriasis.	EUR 2 bn[2]	2024 (USA) 2025 (Europe)	Preclinical phase
Xdivane™,	Nivolumab (Opdivo®)	Melanoma, lung cancer, kidney cell cancer, head and neck cancer and bladder and urinary tract cancer.	EUR 13 bn[1]	2026–2031 depending on country	Preclinical phase
Xdarzane™,	Daratumumab (Darzalex®)	Multiple melanoma.	EUR 9 bn[1]	2029–2031 depending on country	Preclinical phase
			EUR 26 bn[1]		

Source:
1) Evaluate Pharma: "Originator Peak Sales Estimate 2026".
2) UCB 2023 Integrated Annual report.
3) "Novartis Full year 2023 product sales" and "Roche's Full-Year Results 2023"

Patent protection

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

Expanding patent portfolio

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

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

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

Xbrane's LEMO™ technology platform is protected by two patents in Europe and the US until 2029. Between 2020 and 2023, these two patents, originally filed in 2009, have been complemented with 16 further patents as well as 59 applications "harvested" from four different development programs.

Strengthen the Xbrane brand

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

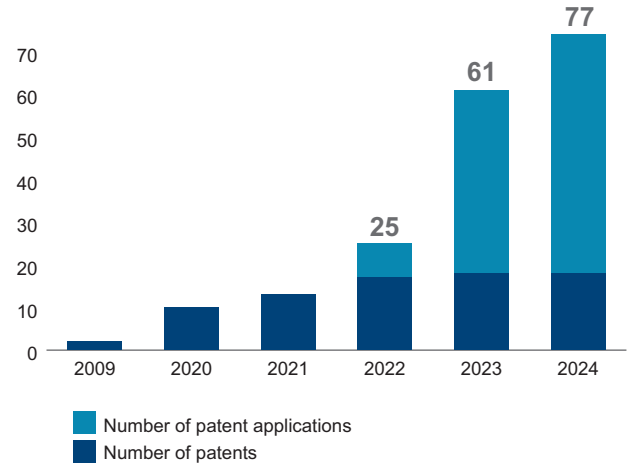
The five Swedish patents were followed up, via an international patent application, with applications in the US, Canada, Europe, India, China, South Korea, Singapore, Australia and Japan in autumn 2022. Patents were granted in Australia and South Korea in Q1 2023 and divisional applications were filed in these two countries before the patents were granted. The patent applications protect new DNA sequences in genes that are introduced into host cells and instruct the cells to express the protein of interest. These DNA sequences have resulted in a significant increase in yield and can also be applied to future biosimilar candidates to be expressed in mammalian cells. In addition, three patent applications were filed in February 2024 to protect Xdivane™ formulations.

A large portion of the rest of the patent applications relate to DNA constructs, host cells and/or methods for producing Ximluci® and XB003.

The patent applications to protect Ximluci® were filed during March–May 2023 together with STADA Arzneimittel AG in thirty-two different countries and regions such as the US, Europe, Canada, China, South Korea, India, Japan and Australia as well as MENA and some Latin American countries. In December 2023, PRV granted three patents in the XB003 program. During Q1 and Q2 2024, another 13 patent applications for XB003 were filed in Australia, Brazil, Canada, China, Europe, India, Indonesia, Japan, Mexico, Singapore, South Africa, South Korea and the US.

The expanding patent portfolio will strengthen Xbrane's brand, protect the company's products and enables more out-licensing of IP in the future.

Number of patents and patent applications (accumulated)



Shareholders

As of June 30, 2024, Xbrane had around 11,300 shareholders. The number of outstanding shares was 1,529,483,397. The ten largest shareholders at the end of the period are shown in the table below[1].

Name	Number of shares	Shareholding, %
Systematic Growth AB	181,709,252	11.9
Håkan Stödberg	71,750,000	4.7
Handelsbanken Fonder	51,935,440	3.4
Avanza Pension	36,846,130	2.4
Nordnet Pensionsförsäkring	35,695,255	2.3
Bengt Göran Westman	33,081,649	2.2
Nordea Liv & Pension	20,842,983	1.4
Souverain AB	20,407,854	1.3
Swedbank Försäkring	15,274,465	1.0
Joakim Ek	13,600,000	0.9
Total ten largest shareholders	**481,143,028**	**31.5**
Other Swedish shareholders	**644,709,701**	**42.2**
Other foreign shareholders	**403,630,668**	**26.4**
Total outstanding shares	**1,529,483,397**	**100**

1) Modular Finance. Based on complete list of owners including directly registered and nominee registered shareholders. Ownership is verified at various times.

Why invest in Xbrane?

Xbrane – a world-leading developer of biosimilars

Platform-based developer of biosimilars with low production costs

- A patented development platform to ensure a low production cost.
- Business concept to commercialize biosimilars in partnership with major global pharmaceutical companies, for the benefit of patients and payers.

The first product, Ximluci® was launched in Europe in Q1 2023 and is now available in 18 countries

- Ximluci® (biosimilar to Lucentis®) was launched in Q1 2023 and competes in a market worth around EUR 5 bn in Europe.

Attractive portfolio with more candidates to be launched when the patents expire on the original drugs.

- XB003 (previously BIIB801) is, as far as we know, the only biosimilar candidate in development for the TNF inhibitor Cimizia®, which has annual sales of more than EUR 2 bn.
- Portfolio of two biosimilar candidates in oncology addressing a combined annual peak sales of the reference products totaling EUR 22 bn for which we are discussing out-licensing.

Financial overview

Group results for April – June 2024

The Group's revenue amounted to SEK 52.0 m (51.1). During Q2, together with STADA, a license agreement was entered into with Valorum Biologics, which resulted in upfront remuneration of SEK 27.2 m. Revenue for product sales of Ximluci® amounted to SEK 21.7 m (37.0). The Group did not deliver additional products to STADA during the first half of the year. Sales to STADA vary over the quarters because they are made in larger individual deliveries. Revenue from product sales during Q2 was made up entirely of a positive effect on profit sharing, due to a positive marketmix. Last year, the Group received income from out-licensing, mainly through the licensing agreement with Biogen Inc. regarding XB003 (previously BIIB801).

The cost of goods sold regarding Ximluci® amounted to SEK 13.4 m (–39.6). The positive effect is mainly due to the company receiving a retroactive adjustment of the price from a contract manufacturer, which gave a net effect of around SEK 13 m. In addition, positive production deviations had a certain effect on the reduced cost in Q2.

Other operating income amounted to SEK 0.8 m (3.2) and consisted of exchange rate gains on operating receivables and liabilities.

Research and development costs amounted to SEK –116.3 m (–87.3). The XB003 program made up about 45 percent of the R&D costs for the quarter, and Xdivane™ and Ximluci® made up about 35 and 19 percent, respectively. During the period, XB003 produced the first scale-up batch. Xdivane™ has produced the first upscaling batches and production of clinical material will follow during the year. Administration costs amounted to SEK –9.3 m (–11.3). The cost reduction is an effect of the savings scheme that was introduced in Q4 2023.

Other operating expenses amounted to SEK –4.3 m (–5.0) and consisted of exchange rate losses on operating receivables and liabilities.

The operating loss was SEK 63.7 m (–88.6). The loss before tax was SEK 70.2 m (–90.6). During Q2, there was no taxable profit and thus no tax expense (0.0). The quarter's loss after tax from continuing operations therefore amounted to SEK 70.2 million (–90.6). The loss for the period amounted to SEK 70.5 m (–91.0). Earnings per share for continuing operations amounted to SEK –0.05 (–0.15) and earnings per share amounted to SEK –0.05 (–0.15).

The Group's cash flow for April – June 2024

Cash flow from operating activities amounted to SEK –99.5 m (–143.5), of which SEK -0.1 m (-0.3) was from discontinued operations (Primm Pharma). Q2's negative cash flow was driven, among other things, by the production of commercial batches for Ximluci® and upscaling batches for Xdivane™. Cash flow from investment activities amounted to SEK –10.5 m (–0.5) and refers to capitalized costs for Ximluci® attributable to the development of the pre-filled syringe and the work with FDA approval.

Cash flow from financing activities amounted to SEK –86.0 m (338.5). During Q2, a repayment of the bond was made amounting to SEK 62.5 m. No further repayments will be made during the year. Issuance costs, primarily remuneration to guarantors of the rights issue, burdened the cash flow with SEK –19.9 m. Amortization of leasing liabilities amounted to SEK –3.5 m (–2.5).

Group results for January – June 2024

The Group's revenue amounted to SEK 66.1 m (112.9). Revenue from product sales of Ximluci® amounted to SEK 35.7 m (84.6). The Group has not delivered any additional products to STADA during the first half of the year. Sales to STADA vary over the year because they are made in larger individual deliveries. The revenue from product sales for the first half of the year consisted entirely of a positive effect on profit sharing, as the margin has improved in line with increased sales volumes as well as a positive market mix. During Q2, together with STADA, a license agreement was entered into with Valorum Biologics, which entailed an upfront payment of SEK 27.2 million. Last year, the Group received licensing revenue of SEK 28.2 million, mainly through the agreement with Biogen Inc. regarding XB003 (previously BIIB801).

The cost of goods sold regarding Ximluci® amounted to SEK 8.6 m (–85.9). The positive effect for cost of goods sold is due to a retroactive adjustment of the raw material price from a contract manufacturer, which gave a net effect of around SEK 13 m. Otherwise, the cost was affected by obsolescence and production deviations.

Other operating income amounted to SEK 6.1 m (7.3) and consisted of exchange rate gains on operating receivables and liabilities.

Research and development costs amounted to SEK –203.9 m (–145.3). For the first half-year, Xdivane™ made up about 42 percent of the R&D costs, and XB003 and Ximluci® made up about 31 and 27 percent, respectively. Xdivane™ is working with upscaling production volumes together with contract manufacturers. Ximluci® has produced validation batches at contract manufacturers for the

pre-filled syringe and XB003 has produced a first upscaled batch. Administration costs amounted to SEK –20.3 m (–23.3). The cost reduction is primarily due to consulting and salary costs, which is an effect of the savings scheme that was introduced in Q4 2023.

Other operating expenses amounted to SEK –5.4 m (–11.6) and consisted of exchange rate losses on operating receivables and liabilities.

The operating loss was SEK148.8 m (–145.9). The loss before tax was SEK 167.3 m (–148.4). During the first half-year, there was no taxable profit and thus no tax cost (0.0). The period's loss after tax from continuing operations therefore amounted to SEK 167.3 m (–148.4). The loss for the period amounted to SEK 167.9 m (–149.4). Earnings per share for continuing operations amounted to SEK –0.18 (–0.25) and earnings per share amounted to SEK –0.18 (–0.25).

The Group's cash flow for January – June 2024

Cash flow from operating activities amounted to SEK –212.7 m (–200.1), of which SEK –0.3 m (–0.5) came from discontinued operations (Primm Pharma). The period's negative cash flow is due, among other things, to greater tied-up capital in inventory. Furthermore, cash flow was driven by intensified development work with Ximluci® and Xdivane™. The cash flow from investment activities was SEK –11.0 m (–16.4), which is mainly attributable to capitalized development expenses regarding Ximluci®.

Cash flow from financing activities was SEK 230.1 m (336.1). During the first half of the year, a rights issue was carried out, which brought in SEK 299.8 m net after issue costs. A bridging loan of a nominal SEK 50 m was taken out during Q1, which was then repaid in connection with the issue. Also, in connection with the issue, a repayment of the bond was made amounting to SEK 62.5 m. No further repayments of the bond will be made during the year. Amortization of leasing liabilities amounted to SEK –7.2 m (–4.9).

The Group's financial position and continued operations

As of the end of June, the Group's cash and cash equivalents amounted to SEK 72.8 m (315.6).

The Board and Senior Management are assessing the Companys cash position closely on a regular basis. A positive operating cash flow is expected to be achieved, assuming FDA approval of Ximluci® (Lucentis® biosimilar candidate) in Q2 2025. Given the delay in FDA approval for Ximluci® and the unforeseen termination of the licensing agreement with Biogen, Xbrane must successfully out-license both Xdivane™ and XB003 in the coming months to ensure funding until the expected positive operating cash flow. The company's board and management believe that this should be feasible as interest in XB003 is high given the unique nature of the program and Xdivane™ is focused on markets outside the US with a reduced clinical program based on positive feedback from the EMA. The timing of when exactly the out-licensing can take place is uncertain, which is why additional financing needs may arise. The company's ability to obtain additional financing depends on a number of factors, including the general situation on the financial markets, the company's creditworthiness and the company's ability to increase its indebtedness. The Board and management deems that the revised plan should be feasible and that the group should thus be able to ensure necessary liquidity for continued operation of the business for at least the next twelve months.

The company's Board and management are fully committed and working hard to achieve this and are also investigating other possible avenues to ensure shareholder value.

Fixed assets

Fixed assets amounted to SEK 185.2 m (182.9). Fixed assets consist primarily of capitalized expenditures for Ximluci®, right-of-use assets, and laboratory equipment, machinery, fixtures for office premises and customary monthly depreciation.

Inventory

Inventory amounted to SEK 214.3 m (95.2), consisting primarily of drug substance, ready to be packaged and then shipped directly to customers. Drug substance has a shelf life of five years, and no impairment is deemed necessary.

Prepaid costs and accrued income

Prepaid costs and accrued income amounted to SEK 248.5 m (254.2). Essential items consisted of advance payments for production, SEK 26.8 m (79.6), and advance payments to contract manufacturers for development and upscaling amounting to SEK 129.0 m (149.3). In addition, accrued income amounted to SEK 82.7 m (0.0), which is mainly attributable to product sales of Ximluci®.

Changes in equity

The share capital on the balance sheet date was SEK 342.9 m (6.6). Other contributed capital amounted to SEK 1,393.4 m (1,414.1). Total equity amounted to SEK 304.5 m (400.0) and the equity ratio was 36 percent (40). During the year, a rights issue was carried out, which increased equity by SEK 300.2 m net, of which SEK 336.7 million increased the share capital and the remainder was reported under other contributed capital.

Accrued expenses and prepaid income

Accrued expenses and prepaid income amounted to SEK 267.9 m (300.5), consisting of advance payments from STADA amounting to SEK 121.9 m (153.1), of which SEK 74.8 million (88.5) was attributable to commercialization. In addition, the item was mainly affected by accrued production costs of SEK 8.9 m (42.7) and accrued development costs for projects of SEK 123.1 m (75.0).

Significant events during the second quarter

- In April, it was announced that the FDA had sent a CRL in response to Xbrane's application for marketing approval for its ranibizumab biosimilar candidate (under the development name Xlucane) for the treatment of eye diseases. Xbrane will work closely with the FDA to submit answers as quickly as possible to the questions raised, which mainly relate to the reference standard, and completed inspections, of Xbrane's partner's production facilities. The FDA has not requested any additional clinical trials or any additional studies to demonstrate biosimilarity.
- In May, it was announced that Xbrane and STADA had entered into a licensing agreement for the American commercial rights to the biosimilar candidate for ranibizumab with Valorum, a specialist in the commercialization of biosimilars founded by renowned industry individuals with a solid track record of selling and marketing biosimilars in the US. Valorum will bring invaluable experience and well-established networks in the US pharmaceutical market. Valorum will be responsible for sales, marketing and all other commercialization efforts in the US following regulatory approval of the product, which is expected to be marketed under the brand name Lucamzi™. Valorum will pay a licensing fee of up to USD 45 m, split between an upfront payment, regulatory and sales-related milestones, as well as royalties on net sales. The remuneration will be shared equally by STADA and Xbrane. The three partners are committed to bringing the ranibizumab biosimilar candidate to the US market as quickly as possible, thereby contributing to more treatment options that can reduce costs and increase patient access to biologics for serious eye diseases.

Significant events after the end of the quarter

- In August, the company announced that it has regained full rights to BIIB801. This follows a decision by Biogen Inc. to terminate the commercialization and licensing agreement between the companies. All rights to the product have therefore been returned to Xbrane.
- In August, Xbrane updated the continuing out-licensing of Xdivane™ (Opdivo® biosimilar candidate) and XB003 (Cimzia® biosimilar candidate) and its financial position. Given the delay

in FDA approval for Ximluci® and the unforeseen termination of the licensing agreement with Biogen, Xbrane must successfully out-license both Xdivane™ and XB003 in the coming months. The company's Board and management believe that this is feasible as there is significant interest in XB003 due to the unique nature of the program, and that Xdivane™ is focused on markets outside the US with a reduced clinical program.
The latter is based on positive feedback from the EMA. The company's Board and management are fully committed and working hard to achieve this and are also investigating other possible avenues to ensure shareholder value.

The effects of the collaboration with STADA

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

In connection with the first delivery of Ximluci® in 2023, Xbrane also signed a supply agreement with STADA. The agreement means that Xbrane will provide the product for commercialization to STADA and will be reimbursed in accordance with the actual production cost. In accordance with the agreement, Xbrane also has the option of pre-invoicing STADA for future product deliveries.

On the balance sheet date, Xbrane had accounts receivable from STADA of SEK 15.9 m (0.0), other receivables amounting to SEK 33.2 m (55.0) and accrued costs and prepaid income from STADA amounting to SEK 121.9 m (153.1) of which SEK 74.8 m (88.5) is pre-invoicing of future product deliveries.

Effects of the planned sale of Primm Pharma

Assets held for sale

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

Parent company

The core business of Xbrane, i.e. the development of biosimilars, is conducted in the parent company. As the parent company forms such a large part of the Group, an account of the parent company's results, financial position and cash flow would not provide any additional information to that described in the report on the Group. Therefore, this is only presented in report format on pages 14–15.

Risks and uncertainty factors

Risks and uncertainty factors are described in the Annual Report 2023 on pages 60–61, available on the company's website, www.xbrane.com. At the time of publication of this interim report, these have not changed significantly.

Share information

Xbrane's share capital at the end of the period was SEK 342.9 m (6.6) divided into 1,529,483,397 shares (29,216,004). The quota value of all shares is SEK 0.224, and all the shares have equal rights to the company's assets and earnings. Since September 23, 2019, Xbrane's shares have been listed on the Nasdaq OMX main list under the XBRANE ticker. Xbrane had around 11,300 shareholders on the balance sheet date. The closing price of the share on the balance sheet date was SEK 0.26 generating a market capitalization of around SEK 402 m.

Organization and employees

Xbrane is headquartered at Campus Solna, outside of Stockholm, Sweden, where the company also has a laboratory for the research and development of biosimilars. On the balance sheet date, the Group had a total of 71 employees (93) of which 71 (93) in the parent company.

Nomination committee

According to the principles for the nomination committee in Xbrane Biopharma AB ("the Company" or "Xbrane") which were adopted at the annual general meeting on May 2, 2024, the nomination committee shall consist of three members, appointed by the Company's three largest shareholders as of September 30, 2023. if a shareholder ceases to be one of the Company's three largest shareholders before three months before the general meeting, the member must resign from the nomination committee and a new member must be appointed.

Based on the above, Oscar Bergman, appointed by Swedbank Robur Fonder, the company's third largest shareholder as of September 30, 2023, has resigned from the nomination committee. Xbrane's Chairman of the Board, Anders Tullgren, has been in contact with the company's largest shareholders, but at the time of this report's publication, no new member has been appointed. For the time being, the nomination committee consists of

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

Saeid Esmaeilzadeh has been appointed as the nomination committee's Chairman.

Annual General Meeting

The Annual General Meeting for 2024 was held on May 2, 2024. The minutes and report from the Annual General Meeting are available on Xbrane's website, www.xbrane.com

Auditor's review

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

Consolidated income statement

Amounts in SEK thousand	Notes	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Revenues	2	52,034	51,116	66,103	112,945	238,729
Cost of goods sold		13,385	–39,362	8,632	–85,945	–203,341
Gross profit		**65,419**	**11,754**	**74,735**	**27,000**	**35,388**
Other operating income		814	3,249	6,051	7,269	13,707
Administrative expenses		–9,318	–11,308	–20,283	–23,297	–40,031
Research and development expenses		–116,310	–87,327	–203,936	–145,254	–305,783
Other operating expenses		–4,271	–5,012	–5,370	–11,637	–25,445
Operating profit/loss		**–63,665**	**–88,646**	**–148,803**	**–145,920**	**–322,164**
Net financial costs		–6,534	–1,934	–18,503	–2,521	137
Profit/loss before tax		**–70,200**	**–90,580**	**–167,306**	**–148,440**	**–322,028**
Tax		–	–	–	–	–
Profit/loss for the period from continuing operations		**–70,200**	**–90,580**	**–167,306**	**–148,440**	**–322,028**
Profit/loss from discontinued operations		–302	–432	–601	–968	–66,144
Profit/loss for the period		**–70,502**	**–91,011**	**–167,907**	**–149,408**	**–388,172**
Profit/loss for the period attributable to:						
– Owners of the Company		–70,502	–91,011	–167,907	–149,408	–388,172
– Non-controlling interests		–	–	–	–	–
Total comprehensive income for the period		**–70,502**	**–91,011**	**–167,907**	**–149,408**	**–388,172**
Earnings per share from continuing operations						
– Before dilution (SEK)		–0.05	–0.15	–0.18	–0.25	–0.53
– After dilution (SEK)		–0.05	–0.15	–0.18	–0.25	–0.53
Earnings per share						
– Before dilution (SEK)		–0.05	–0.15	–0.18	–0.25	–0.63
– After dilution (SEK)		–0.05	–0.15	–0.18	–0.25	–0.63

Amounts in SEK thousand	Notes	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Number of outstanding shares at the end of the reporting period						
– Before dilution		1,529,483,397	29,216,004	1,529,483,397	29,216,004	29,810,364
– After dilution		1,529,483,397	29,216,004	1,529,483,397	29,216,004	29,810,364
Average number of outstanding shares						
– Before dilution		1,529,483,397	28,238,869	927,048,541	27,874,468	28,705,554
– After dilution		1,529,483,397	28,238,869	927,048,541	27,874,468	28,705,554

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Profit/loss for the period	–70,502	–91,011	–167,907	–149,408	–388,172
Other comprehensive income					
Items that have been transferred to, or can be transferred to the profit/loss for the year					
Reclassification of foreign currency translation differences	–57	3,284	82	4,211	–201
Comprehensive income for the period	**–57**	**3,284**	**82**	**4,211**	**–201**
Total comprehensive profit/loss attributable to:					
– Owners of the Company	–70,559	–87,727	–167,825	–145,197	–388,373
– Non-controlling interests	–	–	–	–	–
Total comprehensive income for the period	**–70,559**	**–87,727**	**–167,825**	**–145,197**	**–388,373**

Consolidated statement of financial position

Amounts in SEK thousand	Notes	06-30-2024	06-30-2023	12-31-2023
ASSETS				
Intangible assets		104,781	106,496	99,670
Property, plant and equipment		28,361	36,792	32,537
Right of use assets		48,068	35,653	55,663
Long-term receivables		3,945	3,945	3,945
Non-current assets		**185,155**	**182,887**	**191,815**
Inventory	4	214,324	95,209	106,856
Accounts receivables		15,902	–	–
Other receivables		97,801	77,824	34,213
Prepaid expenses and accrued income		248,522	254,187	251,907
Cash and cash equivalents		72,835	315,640	65,402
Assets held for sale		2,647	72,964	3,314
Current assets		**652,030**	**815,823**	**461,693**
TOTAL ASSETS		**837,185**	**998,710**	**653,508**

Amounts in SEK thousand	Notes	06-30-2024	06-30-2023	12-31-2023
EQUITY				
Share capital		342,889	6,550	6,683
Other contributed capital		1,393,350	1,414,140	1,428,530
Reserves		10,202	14,533	10,121
Retained earnings including profit/loss for the year		–1,441,906	–1,035,235	–1,273,999
Equity attributable to parent company's owners		**304,536**	**399,988**	**171,335**
Non-controlling interests		**–**	**–**	**–**
TOTAL EQUITY		**304,536**	**399,988**	**171,335**
LIABILITIES				
Long-term interest-bearing liabilities	5	88,572	145,452	112,897
Leasing liabilities		36,589	28,099	42,711
Long-term non interest-bearing liabilities	5	–	14,982	8
Total long-term liabilities		**125,161**	**188,533**	**155,616**
Short-term interest- bearing liabilities	5	31,250	62,012	62,500
Accounts payable		93,183	34,247	30,974
Other liabilities		2,083	2,933	2,810
Leasing liabilities		12,635	9,782	13,371
Accrued expenses and prepaid income		267,855	300,482	216,296
Liabilities attributable to assets held for sale		482	732	606
Total short-term liabilities		**407,488**	**410,189**	**326,557**
TOTAL LIABILITIES		**532,649**	**598,722**	**482,173**
TOTAL LIABILITIES AND EQUITY		**837,185**	**998,710**	**653,508**

Consolidated statement of changes in equity

Amounts in SEK thousand	Share Capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total
Opening balance 01-01-2024	6,683	1,428,530	10,121	–1,273,999	171,335
Total comprehensive income for the period					
Profit/loss for the period				–167,907	–167,907
Other comprehensive income for the period			82		82
Total comprehensive income for the period	**–**	**–**	**82**	**–167,907**	**–167,825**
Transactions with group shareholder					
New share issue	336,206	8,719			344,925
Issue expenses		–45,161			–45,161
Share savings program		1,263			1,263
Total contributions from and distributions to shareholders	**336,206**	**–35,180**	**–**	**–**	**301,026**
Closing balance 06-30-2024	**342,889**	**1,393,350**	**10,202**	**–1,441,906**	**304,536**

Amounts in SEK thousand	Share Capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total
Opening balance 01-01-2023	6,166	1,294,227	10,322	–885,827	424,888
Total comprehensive income for the period					
Profit/loss for the period				–388,172	–388,172
Other comprehensive income for the period			–201		–201
Total comprehensive income for the period	**–**	**–**	**–201**	**–388,172**	**–388,373**
Transactions with group shareholder					
New share issue	517	134,545			135,062
Issue expenses		–962			–962
Share savings program		720			720
Total contributions from and distributions to shareholders	**517**	**134,303**	**–**	**–**	**134,820**
Closing balance 12-31- 2023	**6,683**	**1,428,530**	**10,121**	**–1,273,999**	**171,335**

Consolidated cash flow statement

Amounts in SEK thousand	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Cash flow from operating activities					
Profit/loss for the period before tax	–70,502	–91,011	–167,907	–149,408	–388,172
Adjustments for items not included in cash flow	–968	8,565	13,243	18,462	100,650
Paid income taxes	–	–	–	–	–
Total	**–71,470**	**–82,446**	**–154,664**	**–130,947**	**–287,522**
Increase (–)/Decrease (+) of inventory	–52,535	–41,474	–132,963	–44,949	–56,596
Increase (–)/Decrease (+) of trade and other receivables	–89,355	–112,852	–60,869	–133,034	–85,132
Increase (+)/Decrease (–) of trade and other payables	113,829	93,292	135,758	108,787	22,572
Cash flow from current operations	**–99,531**	**–143,479**	**–212,738**	**–200,143**	**–406,678**
Of which discontinued operations	*–109*	*–254*	*–289*	*–489*	*–645*
Cash flow from investing activities					
Acquisition of property, plant and equipment	–	–544	–501	–6,428	–6,791
Acquisition of intangible assets	–10,547	–	–10,547	–9,978	–9,978
Cash flow from investing activities	**–10,547**	**–544**	**–11,048**	**–16,406**	**–16,769**
Of which discontinued operations	–	–	–	–	–

Amounts in SEK thousand	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Cash flow from financing activities					
Stock options redeemed by staff	–	–	–	–	18
New share issue	–	120,000	337,242	120,000	120,000
Issue expenses	–19,930	–962	–37,479	–962	–962
Loans taken out	–	225,000	50,000	225,000	225,000
Costs of loans taken out	–	–3,075	–	–3,075	–10,617
Amortization of loans	–62,499	–	–112,499	–	–20,833
Amortization of lease liability	–3,539	–2,466	–7,204	–4,895	–13,909
Cash flow from financing activities	**–85,967**	**338,498**	**230,060**	**336,068**	**298,696**
Of which discontinued operations	–	–	–	–	–
Cash flow for the period	**–196,045**	**194,474**	**6,275**	**119,519**	**–124,752**
Cash and cash equivalents reported in assets held for sale	–877	–1,405	–877	–1,405	–1,166
Cash and cash equivalents at beginning of period	269,757	118,746	65,402	193,994	193,994
Cash and cash equivalents at beginning of period (reported in assets held for sale)	1,062	1,597	1,166	1,811	1,811
Exchange rate differences in cash and cash equivalents	–1,062	2,228	869	1,721	–4,485
Cash and cash equivalents at end of period	**72,835**	**315,640**	**72,835**	**315,640**	**65,402**

Income statement, Parent company

Amounts in SEK thousand	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Revenues	52,034	51,116	66,103	112,945	238,729
Cost of goods sold	13,385	–39,362	8,632	–85,945	–203,341
Gross profit	**65,419**	**11,754**	**74,735**	**27,000**	**35,388**
Other operating income	814	3,249	6,051	7,269	13,707
Administrative expenses	–9,824	–11,675	–21,296	–24,030	–41,684
Research and development expenses	–116,444	–87,425	–204,229	–145,482	–306,299
Other operating expenses	–4,271	–5,012	–5,370	–11,637	–25,445
Operating profit/loss	**–64,306**	**–89,109**	**–150,109**	**–146,881**	**–324,332**
Financial items					
Impairment loss on shares in subsidiary	–	–	–	–	–70,300
Financial expenses	–5,756	–1,357	–16,894	–1,332	2,887
Net finance costs	**–5,756**	**–1,357**	**–16,894**	**–1,332**	**–67,413**
Profit/loss before tax	**–70,061**	**–90,467**	**–167,003**	**–148,212**	**–391,745**
Tax	–	–	–	–	–
Profit/loss for the period	**–70,061**	**–90,467**	**–167,003**	**–148,212**	**–391,745**

Income statement and other comprehensive income, Parent company

Amounts in SEK thousand	2024 Apr – Jun	2023 Apr – Jun	2024 Jan – Jun	2023 Jan – Jun	2023 Full year
Profit/loss for the period	–70,061	–90,467	–167,003	–148,212	–391,745
Other comprehensive income	–	–	–	–	–
Comprehensive income for the period	**–70,061,**	**–90,467**	**–167,003,**	**–148,212**	**–391,745**

Balance sheet, Parent company

Amounts in SEK thousand	06-30-2024	06-30-2023	12-31-2023
ASSETS			
Fixed assets			
Intangible assets	104,781	106,496	99,670
Property, plant and equipment	28,361	36,792	32,537
Financial assets			
Shares in group companies	3,766	74,066	3,766
Other non-current receivables	3,945	3,945	3,945
Total financial assets	**7,711**	**78,011**	**7,711**
Total non-current assets	**140,853**	**221,300**	**139,919**
Current assets			
Current receivables			
Inventory	214,324	95,209	106,856
Accounts receivables	15,902	–	–
Other receivables	97,801	77,824	34,213
Prepaid expenses and accrued income	250,252	254,187	254,069
Total current receivables	**578,278**	**427,220**	**395,139**
Cash and bank	72,835	315,640	65,402
Current assets	**651,113**	**742,860**	**460,541**
TOTAL ASSETS	**791,966**	**964,159**	**600,459**

Amounts in SEK thousand	06-30-2024	06-30-2023	12-31-2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	342,889	6,550	6,683
Reserve for development expenditure	104,781	105,107	99,670
Unrestricted equity			
Share premium	1,393,350	1,414,140	1,428,530
Retained earnings	–1,366,047	–974,628	–969,191
Profit/loss for the period	–167,003	–148,212	–391,745
TOTAL EQUITY	**307,970**	**402,956**	**173,947**
Long-term liabilities			
Long-term interest-bearing liabilities	88,572	145,452	112,897
Long-term non interest-bearing liabilities	–	14,982	8
Total long-term liabilities	**88,572**	**160,434**	**112,905**
Current liabilities			
Short-term interest-bearing liabilities	31,250	62,012	62,500
Liabilities to subsidiaries	1,052	1,094	1,032
Accounts payables	93,183	34,247	30,974
Other current liabilities	2,083	2,933	2,807
Deferred income and prepaid revenue	267,855	300,482	216,296
Current liabilities	**395,423**	**400,769**	**313,608**
TOTAL LIABILITIES	**483,995**	**561,203**	**426,512**
TOTAL EQUITY AND LIABILITIES	**791,966**	**964,159**	**600,459**

Notes

NOTE 1 Accounting principles

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

NOTE 2 Revenue from contracts with customers

Amounts in SEK thousand	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Full year
Net sales					
Outlicensed products	27.2	14.1	27.2	28.2	28.4
Product sales	21.7	37.0	35.7	84.6	209.5
Contract manufacturing	–	–	–	–	0.0
Other	3.1	0.0	3.2	0.1	0.9
Total	**52.0**	**51.1**	**66.1**	**112.9**	**238.7**
Of which North America		*14.1*		*28.2*	*28.7*

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

NOTE 3 Transactions with related parties

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

NOTE 4 Inventory

Amounts in SEK thousand	2024-06-30	2023-06-30	2023-12-31
Goods in progress	214,324	95,209	106,856
Finished goods	–	–	–
Total inventory	**214,324**	**95,209**	**106,856**

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

See Note 1 for the Group's other accounting principles regarding inventories.

Reported amounts in the income statement
During the 2024 financial year, the cost of goods sold has been reported in the income statement as SEK 8,632 thousand (2023 SEK –85,945 thousand). The inventory includes a reserve for obsolete goods of SEK –3,195 thousand (2023 SEK –1,025 thousand). The inventory has not been written down.

NOTE 5 Convertible debentures

On May 26, 2023, Xbrane issued convertible bonds with a nominal value of SEK 250 m. The debentures mature on May 26, 2027, if they have not been amortized or converted to shares at the holder's request before then. The debt is amortized in twenty-four equal installments during the term of the debenture. Xbrane can choose to settle the amortization with cash payments or in shares at 90% of the market price (lowest VWAP during the six trading days before the payment date). The holder of the debenture has the right to advance up to two amortization payments per interest period. The interest rate amounts to 6% until formal approval by the United States Food and Drug Administration (FDA) of the company's application in connection with its biosimilar candidate for trial to Lucentis® (ranibizumab), thereafter the interest rate is 0%. The conversion rate amounts to 125% of the offer price at the time of issue. The conversion rate may be adjusted in the event of capital restructuring. In the balance sheet as of June 30, 2024, the convertible debentures are reported as interest-bearing loans amounting to SEK 119.8 m and SEK 0.0 million as derivatives in the item long-term non-interest-bearing liabilities. The nominal value of the liability amounted to SEK 156.2 m as of June 30, 2024.

Certification

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

Stockholm August 28, 2024

Anders Tullgren
Chairman of the Board

Eva Nilsagård
Board member

Mats Thorén
Board member

Kirsti Gjellan
Board member

Kristoffer Bissessar
Board member

Martin Åmark
CEO

Alternative performance measures

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

Gross margin

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

Amounts in SEK thousand	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Full year
Gross profit	65,419	11,754	74,735	27,000	35,388
Gross margin	**126%**	**23%**	**113%**	**24%**	**15%**

EBITDA

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

Amounts in SEK thousand	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Full year
Operating profit/loss	–63,665	–88,646	–148,803	–145,920	–322,164
Depreciation and impairment	8,954	7,594	18,053	16,454	33,736
EBITDA	**–54,711**	**–81,052**	**–130,750**	**–129,466**	**–288,428**

Research and development expenses as a percentage of operating expenses

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

Amounts in SEK thousand	2024 Apr–Jun	2023 Apr–Jun	2024 Jan–Jun	2023 Jan–Jun	2023 Full year
Research and development expenses	–116,310	–87,327	–203,936	–145,254	–305,783
Operating expenses	–129,899	–103,648	–229,589	–180,188	–371,259
Research and development expenses as a percentage of operating expenses	**90%**	**84%**	**89%**	**81%**	**82%**

Equity ratio

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

Amounts in SEK thousand	06-30-2024	06-30-2023	12-31-2023
Total equity	304,536	399,988	171,335
Divided by total assets	837,185	998,710	653,508
Equity ratio	**36%**	**40%**	**26%**

Our objective – to contribute to health equality for everyone

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

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

FINANCIAL CALENDAR

Interim report January–September 2024	October 24, 2024
Interim report January–December 2024	February 21, 2025
Annual Report 2024	March 31, 2025
Annual General Meeting	May 2, 2025

FOR FURTHER INFORMATION

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

Anette Lindqvist,
CFO/IR
anette.lindqvist@xbrane.com
+46 76-325 60 90

www.xbrane.com

Xbrane in brief

Xbrane: a world-leading developer of biosimilars
Xbrane Biopharma AB is a biotechnology company that develops biosimilars, i.e. follow-up drugs on already approved biological drugs that can be introduced at a lower price after the patent expires on the original drug.

Xbrane has a patented platform technology that leads to a lower production cost of biological drugs compared to competing systems.

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

Xbrane has its headquarters and development lab at Campus Solna, just outside Stockholm. Since September 2019, Xbrane has been listed on Nasdaq Stockholm, with the ticker XBRANE.

Xbrane Biopharma AB
Retzius väg 8, 171 65 Solna, Sweden | www.xbrane.com

This information is information that Xbrane Biopharma is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 08-28-2024 08.00 CET.