Interim report January – September 2024

FINANCIAL OVERVIEW THIRD QUARTER 2024*

- Revenue amounted to SEK 66.8 m (58.9).
- Other operating income was SEK 2.7 m (2.7).
- EBITDA amounted to SEK −28.9 m (−81.6).
- R&D costs amounted to SEK −72.6 m (−81.5), corresponding to 86 percent (84) of total operating costs.
- The loss for the period was SEK 45.1 m (−81.2).
- Earnings per share was SEK −0.03 (−0.13).
- Cash and cash equivalents at the end of the period amounted to SEK 30.6 m (167.3).

FINANCIAL OVERVIEW FIRST NINE MONTHS OF 2024*

- Revenue amounted to SEK 132.9 m (171.8).
- Other operating income was SEK 8.8 m (10.0).
- EBITDA amounted to SEK −159.6 m (−211.1).
- R&D costs amounted to SEK −276.5 m (−226.8), corresponding to 88 percent (82) of total operating costs.
- The loss for the period was SEK −213.0 m (−230.6).
- Earnings per share was SEK −0.19 (−0.38).
- Cash and cash equivalents at the end of the period amounted to SEK 30.6 m (167.3).

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

FINANCIAL SUMMARY FOR THE GROUP

	2024 Jul – Sep	2023 Jul – Sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Revenue (SEK 000)	66,811	58,890	132,913	171,835	238,729
Research and development expenses (SEK 000)	–72,586	–81,543	–276,521	–226,798	–305,783
R&D expenses as percentage of total costs	86%	84%	88%	82%	82%
Operating profit/loss (SEK 000)	–37,422	–89,718	–186,226	–235,638	–322,164
EBITDA (SEK 000)	–28,858	–81,596	–159,609	–211,062	–288,428
Profit/loss for the period (SEK 000)	–45,115	–81,230	–213,022	–230,638	–388,172
Cash and cash equivalents (SEK 000)	30,591	167,284	30,591	167,284	65,402
Equity ratio (%)	31%	37%	31%	37%	26%
Earnings per share before dilution (SEK)	–0.03	–0.13	–0.19	–0.38	–0.63
Earnings per share after dilution (SEK)	–0.03	–0.13	–0.19	–0.38	–0.63
Number of employees on balance sheet date	65	92	65	92	93

SIGNIFICANT EVENTS DURING THE THIRD QUARTER 2024[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. Following the delay in FDA approval for Ximluci® and the unexpected termination of the licensing agreement with Biogen, Xbrane must successfully out-license both Xdivane™ and XB003 in the coming months to secure funding until the expected positive operating cash flow. 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.
- In September, the company announced that it had a scientific advisory meeting with the US FDA regarding development of its Opdivo® biosimilar candidate Xdivane™. The FDA agrees with the EMA's earlier feedback and believes that Xbrane's proposed clinical development plan could support a future application for market approval (BLA) in the US. The development plan includes a pivotal clinical study, thereby reducing the clinical development budget by at least 60%, from about EUR 120 m to EUR 50 m or less. This significantly increases Xdivane's™ attractiveness to potential commercialization partners. As previously announced, Xbrane is, together with a reputable advisor in the field of life science, engaged in an active out-licensing process with several interested potential partners and aims to conclude the process within the coming months.

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

- In October the company updated on the ongoing out-licensing of Xdivane™ (Nivolumab Biosimilar Candidate) and XB003 (Cimzia® Biosimilar Candidate) and its financial position. The company has reached agreement negotiation stage with Xdivane™ and received the first non-binding proposals on XB003. The company has, via agreed prolonged payment plans vs. main suppliers, extended the timing to end of November 2024 until when an agreement needs to be finalized to, via an expected upfront payment, fulfill the Company's working capital requirements. Xbranes board and management is optimistic, given the advanced stage of agreement negotiation, to be able to close a partnership with Xdivane™ before the end of November 2024.

1) See page 8 for more information

"Ximluci® volume growth of 23% in Q3."

CEO's letter

Dear shareholders

During Q3, continued to show stable volume growth regarding Ximluci's® sales to end customers of 23% compared to Q2 2024, and is estimated to have a market share of well over 1%[1-2], calculated in value, of the market for the reference product Lucentis® and other Lucentis® biosimilars. Ximluci® is available in 19 countries and ranks as the number two biosimilar on the market, estimated at around EUR 1.2 bn[1-2] in annual sales. During Q3, Ximluci® was approved in additional countries: Bahrain, UAE, Switzerland and Uzbekistan.

We still plan to be able to submit the application for market approval for Ximluci® in the US during Q4 2024, which would result in a decision date (known as a BsUFA date). during Q2 2025.

Progress in the development portfolio

The effort to identify commercialization partners for Xdivane™ and XB003 is continuing. The company has reached the contract negotiation stage with Xdivane™, and non-binding commercial terms have been reached, so we are hopeful that a deal will be signed soon.

For XB003, potential partners are working through due diligence, and initial proposals for non-binding terms have been received.

Cost savings

The cost savings scheme introduced in November 2023 has been fully implemented with SEK 22 m in realized savings since launch. Of the planned staff reduction of around 40 positions, 35 people have left the organization and we are following the plan of SEK 50 million in savings on an annual basis well.

Financing of activities

Through extended payment plans agreed to with our main suppliers, we have been able to extend the date to the end of November 2024, at which point an agreement must be concluded in order to, with an anticipated upfront payment, meet the company's working capital requirements. The company is also in active parallel discussions with all involved parties including suppliers, development partners, investors and lenders, to identify more financing solutions going forward. The company had a cash position of SEK 31 m as well as accounts receivable and other short-term receivables of 141 million at the end of Q3. We now expect that a licensing deal for Xdivane™ and/or XB003 must take place before the end of November in order to ensure the company's working capital needs are met from December and onward.

Thank you for your continued support!

Solna, October 24, 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. Eighteen months after launching, Ximluci® was available in 18 European markets and one market outside of Europe.

In April, Xbrane received a CRL (Complete Response Letter) in response to our application for market approval for Ximluci® on the US market. The aim, and plan, remains to resubmit the BLA during Q4 2024. If successful, this would result in a BsUFA date in Q2 2025. This assumes a standardized review process of six months. Xbrane's commercialization partner STADA is actively working to take Ximluci® to other regions such as the Middle East, Latin America and Southeast Asia. Applications for market approval have 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, original drug Cimzia®, a TNFalpha inhibitor particularly used in the treatment of rheumatoid arthritis and psoriasis. Cimizia® has sales of over EUR 2 bn[2] and will lose its patent protection in autumn 2024 in Europe and in November 2025 in the US.

In February 2022, Xbrane signed a licensing agreement for XB003 with Biogen Inc. In August, however, Biogen chose to terminate the agreement due to, as Xbrane understands it, an internal strategic overview of the portfolio. All rights granted to Biogen under the agreement have thereby been terminated, and full rights to the program will return to Xbrane in November 2024. To Xbrane's knowledge, XB003 is currently one of few, if not the only, biosimilar candidate to Cimzia® globally now under development. The production process for the biosimilar candidate has been successfully upscaled in collaboration with Xbrane's chosen contract manufacturers. Analytical similarity to the reference product has been demonstrated and initial scientific advice from both EMA and FDA has been obtained. The production process, which enables high productivity, is patented by Xbrane. The out-licensing process is ongoing, potential development and commercialization partners are working through due-diligence with the first non-binding terms received. Given the unique nature of the program, Xbrane is optimistic about the possibilities of concluding an agreement under 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 bn[1] and lose its patent protection during 2026–2031 depending on the country. Upscaling of Xdivane™ has successfully been implemented with contract manufacturers. The company sought acceptance from regulatory authorities for a reduced clinical development program and received feedback from both the EMA and the FDA on the basis of a demonstrated high analytical similarity against a comprehensive panel of analytical methods compared to the reference product.

This affects the program's timeline for out-licensing and increases the attraction in the business case as the reduced clinical development plan results in significant cost savings. The company is in active negotiations with Xdivane™ and hopeful to be able to conclude a deal before the end of November.

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 expiration for original drug	Development stage
Ximluci®	Ranibizumab (Lucentis®)	Wet age-related macular degeneration, diabetes-related eye damage and retinal vein occlusion.	EUR 2 bn[3]	2022 (Europe) 2020 (US)	Launch stage
XB003	Certolizumab pegol (Cimzia®)	Rheumatoid arthritis, axial spondylarthritis and psoriatic arthritis.	EUR 2 bn[2]	2024 (US) 2025 (Europe)	Preclinical stage
Xdivane™,	Nivolumab (Opdivo®)	Melanoma, lung cancer, kidney cell cancer, head and neck cancer and bladder and urinary tract cancer.	EUR13 bn[1]	2026–2031 depending on country	Preclinical stage
Xdarzane™,	Daratumumab (Darzalex®)	Multiple myeloma.	EUR 9 bn[1]	2029–2031 depending on country	Preclinical stage
			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 USA, but applications may also be made in other countries.

Expanding patent portfolio

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

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

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

Xbrane's LEMO™ technology platform is 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 submitted in these two countries before the patents were announced. In addition, patents were granted in Singapore and South Korea during Q2 2024. 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.

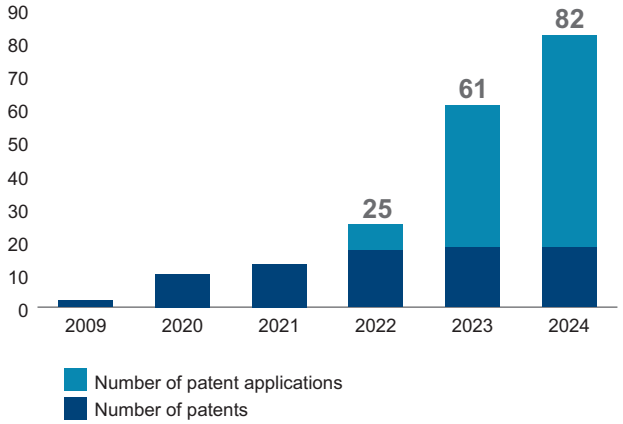
A large portion of the rest of the patent applications relate to DNA constructs, host cells and/or methods for producing Ximluci® and XB003.

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 3 patents in the XB003 program. In addition, Xbrane and Arzneimittel AG jointly submitted patent applications in Q3 2024 to protect a pre-filled Ximluci® syringe in Australia, Eurasia, Canada, Saudi Arabia, and the US.

During Q1 and Q2 2024, 13 patent applications were also submitted for XB003 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 enable more out-licensing of IP in the future.

Number of patents and patent applications (accumulated)



Shareholders

As of September 30, 2024, Xbrane had around 11,100 shareholders in total. 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	No. 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	44,356,498	2.9
Bengt Göran Westman	36,649,740	2.4
Nordnet Pensionsförsäkring	29,125,023	1.9
Souverain AB	20,407,854	1.3
Nordea Liv & Pension	20,324,176	1.3
Swedbank Försäkring	17,437,467	1.1
Styrbjörn Zachau	13,700,000	0.9
Total ten largest shareholders	**487,395,450**	**31.9**
Other Swedish shareholders	**653,905,061**	**42.7**
Other foreign shareholders	**388,182,886**	**25.4**
Total outstanding shares	**1,529,483,397**	**100.0**

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 that ensures a low production cost.
- Business concept of commercializing biosimilars in partnership with large global drug companies, to the benefit of patients and payers.

The first product, Ximluci®, launched in Europe in Q1 2023 and is now available in 19 countries.

- Ximluci® (biosimilar to Lucentis®) launched in Q1 2023 and reaches a market of EUR 5 bn in Europe.

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

- XB003 (formerly BIIB801) is, as far as we know, the only biosimilar candidate in development for the TNF inhibitor Cimizia® with annual sales of EUR 2 bn.
- Portfolio of two biosimilar candidates in oncology addressing a combined annual peak sales of the reference products totalling EUR 22 bn, for which we are in discussions about out–licensing.

Financial overview

Group results for July – September 2024
The Group's revenue amounted to SEK 66.8 m (58.9). During the quarter, the criteria were fulfilled for the milestone payment amounting to SEK 50.6 m (USD 5 m) for XB003 from the previous licensing agreement with Biogen Inc. Revenue from product sales of Ximluci® amounted to SEK 16.2 m (58.7).

The cost of goods sold regarding Ximluci® amounted to SEK –22.2 m (–54.7). The cost consists mainly of expenses for cancelled production of about SEK –15 m as well as negative production deviations.

Other operating income amounted to SEK 2.7 m (2.7) and consisted of exchange rate gains on operating receivables and liabilities.

Research and development costs amounted to SEK –72.6 m (–81.5). About 84 percent of the costs are attributable to XB003, which produced a second scale-up batch during the period. Starting in July 2024, research and development costs for Xdivane™ were capitalized, and capitalized expenditure amounted to SEK 12.9 m during the quarter. For more information see page 8, Fixed assets. Administration costs amounted to SEK –9.7 m (–8.2). During the quarter, in addition to normal operating administration costs, there were also consulting and legal costs attributable to financing activities.

Other operating expenses amounted to SEK –2.5 m (–6.8) and consisted of exchange rate losses on operating receivables and liabilities.

The operating loss was SEK 37.4 m (–89.7). The loss before tax was SEK 44.8 m (–80.9). During Q3, 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 44.8 m (–80.9). The loss for the period amounted to SEK 45.1 m (–81.2). Earnings per share for continuing operations amounted to SEK –0.03 (–0.13) and earnings per share amounted to SEK –0.03 (–0.13).

The Group's cash flow for July – September 2024
Cash flow from operating activities amounted to SEK –14.9 m (–125.4), of which SEK –0.1 m (–0.1) was from discontinued operations (Primm Pharma). During the quarter, the company received compensation for profit sharing and advance payments from STADA amounting to a total of SEK 56 m. During the same period, payments were made to a contract manufacturer for Ximluci® of about SEK –37 m, as well as for development costs referring to XB003 of SEK –9 m. In addition, operating cash flow was affected by recurring operating costs such as wages, consulting costs, rental of premises etc. Cash flow from investment activities amounted to SEK –23.9 m (–0.2) and refers to capitalized costs for Ximluci® attributable to the development of the pre-filled syringe and the work with FDA approval, as well as capitalized development costs for Xdivane™.

Cash flow from financing activities amounted to SEK –3.2 m (–23.3) which refers to amortization of leasing liabilities.

Group results for January – September 2024
The Group's revenue amounted to SEK 132.9 m (171.8). Revenue from product sales of Ximluci® amounted to SEK 51.9 m (143.4). The Group has not delivered any additional vials to STADA during the year. Sales to STADA vary over the year because they are made in larger individual deliveries. During the year, together with STADA, a license agreement was entered into with Valorum Biologics, which entailed an upfront payment of SEK 26.3 million (USD 2.5 m). During the year, the criteria were also met for a milestone payment amounting to SEK 50.6 m (USD 5 m) för XB003 from the previous licensing agreement with Biogen Inc.

The cost of goods sold regarding Ximluci® amounted to SEK –13.5 m (–140.7). The cost consists of expenses for cancelled production, retroactive adjustment of the raw material price from a contract manufacturer, obsolescence and production deviations.

Other operating income amounted to SEK 8.8 m (10.0) and consisted of exchange rate gains on operating receivables and liabilities.

Research and development costs amounted to SEK –276.5 m (–226.8). XB003 made up about 46 percent of the R&D costs, and Xdivane™ and Ximluci® made up about 33 and 20 percent, respectively. During the year, Xdivane™ has been working with upscaling production volumes together with contract manufacturers. Starting in Q3, the program is deemed to meet the criteria for capitalization of development cots. SEK 12.9 m has been capitalized as capitalized expenditures för Xdivane™ so far.

For Ximluci®, validation batches for the pre-filled syringe have been produced by contract manufacturers, and two upscaling batches have been produced for XB003. Administration costs amounted to SEK –30.0 m (–31.5). The cost reduction is primarily due to consulting and salary costs in administration, which is an effect of the savings scheme that was introduced in Q4 2023.

Other operating expenses amounted to SEK –7.9 m (–18.5) and consisted of exchange rate losses on operating receivables and liabilities.

The operating loss was SEK 186.2 m (–235.6). The loss before tax was SEK 212.1 m (–229.4). During the 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 212.1 m (–229.4). The loss for the period amounted to SEK 213.0 m (–230.6). Earnings per share for continuing operations amounted to SEK –0.19 (–0.38) and earnings per share amounted to SEK –0.19 (–0.38).

The Group's cash flow for January – September 2024

Cash flow from operating activities amounted to SEK –227.6 m (–325.6), of which SEK –0.3 m (–0.6) 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™ during the first half of the year. The cash flow from investment activities was SEK –34.9 m (–16.6), which is mainly attributable to capitalized expenditures for development costs regarding Ximluci® and Xdivane™.

Cash flow from financing activities was SEK 226.9 m (312.8). 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 –10.4 m (–10.2).

The Group's financial position and continued operations

The Board of Directors and the CEO continuously review the Group's liquidity and financial resources in both the short and long term. At the end of September, the company had a cash position of SEK 31 m as well as accounts receivable and other short-term receivables of SEK 141 m. As announced on October 21, a licensing deal for Xdivane and/or XB003 must take place before end of November in order to ensure the company's working capital needs are met from December and onward. Xbrane's Board and leadership are working intensively to conclude a deal and are optimistic that this will happen shortly.

The company is also in active parallel discussions with all involved parties including suppliers, development partners, investors and lenders in order to identify more financing solutions going forward.

The Board of Directors and the CEO still believe that the plan is feasible and that the Group should thereby be able to secure the necessary liquidity for continued operations for at least the coming twelve months.

Fixed assets

Fixed assets amounted to SEK 200.6 m (200.8).

Fixed assets consist primarily of capitalized expenditures for Ximluci® and Xdivane™, right-of-use assets, and laboratory equipment, machinery, fixtures for office premises and customary monthly depreciation. The company is capitalizing development costs for Xdivane™ as of July 1, 2024, as the criteria for capitalization in accordance with IFRS are deemed to be fulfilled. The technical risk of the program is deemed limited as analytical similarity was demonstrated on a commercial production scale and a reduced clinical program has been agreed upon with the EMA and FDA. The company also considers the possibilities for financing continued development as high, given interest from potential commercialization partners and the receipt of non-binding proposals in which the partner would finance clinical development from the program.

Inventory

Inventory amounted to SEK 213.0 m (133.7), consisting primarily of drug substance, ready to be packaged and 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 252.4 m (256.2). Essential items consisted of advance payments for production, SEK 25.5 m (65.3), and advance payments to contract manufacturers for development and upscaling amounting to SEK 156.5 m (156.1). In addition, accrued income amounted to SEK 60.9 m (12.1), 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 (6.7).

Other contributed capital amounted to SEK 1,394.1 m (1,428.5). Total equity amounted to SEK 260.1 m (331.3) and the equity ratio was 31 percent (37). During the year, a rights issue was carried out, which increased equity by SEK 300.2 m net, of which SEK 336.7 m increased the share capital and the remainder was reported under other contributed capital.

Accounts payable

Accounts payable amounted to SEK 194.7 m (36.5) and consisted mainly of liabilities owed to the company's contract manufacturers. Payment of these liabilities will occur according to the agreed payment plan.

Accrued expenses and prepaid income

Accrued expenses and prepaid income amounted to SEK 211.6 m (275.0), consisting of advance payments from STADA amounting to SEK 108.0 m (112.1), of which SEK 74.4 m (42.7) was attributable to commercialization. In addition, the item was mainly affected by accrued production costs of SEK 1.5 m (54.0) and accrued development costs for projects of SEK 90.5 m (89.4).

Significant events during the third quarter

- In August, the company announced that it had regained full rights to BIIB801. This followed 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. Following the delay in FDA approval for Ximluci® and the unexpected termination of the licensing agreement with Biogen, Xbrane must successfully out-license both Xdivane™ and XB003 during the coming months to secure funding until the expected positive operating cash flow. 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.
- In September, the company announced that it had a scientific advisory meeting with the US FDA regarding development of its Opdivo® biosimilar candidate Xdivane™. The FDA agrees with the EMA's earlier feedback and believes that Xbrane's proposed clinical development plan could support a future application for market approval (BLA) in the US. The development plan includes a pivotal clinical study, thereby reducing the clinical development budget by at least 60 percent, from about EUR 120 m to EUR 50 m or less. This significantly increases Xdivane's™ attractiveness to potential commercialization partners.

As previously announced, Xbrane is, together with a reputable advisor in the field of life science, engaged in an active out-licensing process with several interested potential partners and aims to conclude the process within the coming months.

Significant events after the end of the quarter

- In October the company updated on the ongoing out-licensing of Xdivane™ (Nivolumab Biosimilar Candidate) and XB003 (Cimzia® Biosimilar Candidate) and its financial position. The company has reached agreement negotiation stage with Xdivane™ and received the first non-binding proposals on XB003. The company has, via agreed prolonged payment plans vs. main suppliers, extended the timing to end of November 2024 until when an agreement needs to be finalized to, via an expected upfront payment, fulfill the Company's working capital requirements. Xbranes board and management is optimistic, given the advanced stage of agreement negotiation, to be able to close a partnership with Xdivane™ before the end of November 2024.

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 30.5 m (0.0), other receivables amounting to SEK 0.0 m (21.1) and accrued costs and prepaid income from STADA amounting to SEK 108.0 m (112.1), of which SEK 74.7 m (42.7) 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, except for the financing risk. See the Board's and the CEO's assessment of the company's financial position on page 8 of this report.

Share information

Xbrane's share capital at the end of the period was SEK 342.9 m (6.7) divided into 1,529,483,397 shares (29,731,112). 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 around11,100 shareholders on the balance sheet date. The closing price of the share on the balance sheet date was SEK 0.20 generating a market capitalization of around SEK 298 m.

Organization and employees

Xbrane is headquartered at Campus Solna, outside of Stockholm, Sweden, where the company also has a laboratory for the research and development of biosimilars. On the balance sheet date, the Group had a total of 65 employees (92), of which 65 (92) in the parent company.

Nomination committee

At the time of this report's publication, 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 been subject to review by the company's auditor.

Consolidated income statement

Amounts in SEK thousand	Notes	2024 Jul – Sep	2023 Jul – sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Revenues	2	66,811	58,890	132,913	171,835	238,729
Cost of goods sold		–22,160	–54,738	–13,528	–140,684	–203,341
Gross profit		**44,650**	**4,151**	**119,385**	**31,151**	**35,388**
Other operating income		2,721	2,725	8,772	9,993	13,707
Administrative expenses		–9,713	–8,235	–29,996	–31,533	–40,031
Research and development expenses		–72,586	–81,543	–276,521	–226,798	–305,783
Other operating expenses		–2,495	–6,816	–7,865	–18,452	–25,445
Operating profit/loss		**–37,422**	**–89,718**	**–186,226**	**–235,638**	**–322,164**
Net financial costs		–7,399	8,771	–25,901	6,251	137
Profit/loss before tax		**–44,821**	**–80,947**	**–212,127**	**–229,387**	**–322,028**
Tax		–	–	–	–	–
Profit/loss for the period from continuing operations		**–44,821**	**–80,947**	**–212,127**	**–229,387**	**–322,028**
Profit/loss from discontinued operations		–294	–283	–896	–1 251	–66,144
Profit/loss for the period		**–45,115**	**–81,230**	**–213,022**	**–230,638**	**–388,172**
Profit/loss for the period attributable to:						
– Owners of the Company		–45,115	–81,230	–213,022	–230,638	–388,172
– Non-controlling interests		–	–	–	–	–
Total comprehensive income for the period		**–45,115**	**–81,230**	**–213,022**	**–230,638**	**–388,172**
Earnings per share from continuing operations						
– Before dilution (SEK)		–0.03	–0.13	–0.19	–0.38	–0.53
– After dilution (SEK)		–0.03	–0.13	–0.19	–0.38	–0.53

Amounts in SEK thousand	Notes	2024 Jul – Sep	2023 Jul – sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Earnings per share						
– Before dilution (SEK)		–0.03	–0.13	–0.19	–0.38	–0.63
– After dilution (SEK)		–0.03	–0.13	–0.19	–0.38	–0.63
Number of outstanding shares at the end of the reporting period						
– Before dilution		1,529,483,397	29,731,112	1,529,483,397	29,731,112	29,810,364
– After dilution		1,529,483,397	29,731,112	1,529,483,397	29,731,112	29,810,364
Average number of outstanding shares						
– Before dilution		1,529,483,397	29,238,400	1,129,325,938	28,334,108	28,705,554
– After dilution		1,529,483,397	29,238,400	1,129,325,938	28,334,108	28,705,554

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	2024 Jul – Sep	2023 Jul – sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Profit/loss for the period	–45,115	–81,230	–213,022	–230,638	–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	–23	–1,939	59	2,272	–201
Comprehensive income for the period	**–23**	**–1,939**	**59**	**2,272**	**–201**
Total comprehensive profit/loss attributable to:					
– Owners of the Company	–45,138	–83,169	–212,964	–228,366	–388,373
– Non-controlling interests	–	–	–	–	–
Total comprehensive income for the period	**–45,138**	**–83,169**	**–212,964**	**–228,366**	**–388,373**

Consolidated statement of financial position

Amounts in SEK thousand	Notes	09-30-2024	09-30-2023	12-31-2023
ASSETS				
Intangible assets		125,960	102,389	99,670
Property, plant and equipment		26,058	34,668	32,537
Right of use assets		44,671	59,778	55,663
Long-term receivables		3,945	3,945	3,945
Non-current assets		**200,634**	**200,780**	**191,815**
Inventory	4	212,968	133,662	106,856
Accounts receivables		79,692	–	–
Other receivables		61,129	62,235	34,213
Prepaid expenses and accrued income		252,355	256,178	251,907
Cash and cash equivalents		30,591	167,284	65,402
Assets held for sale		2,299	70,679	3,314
Current assets		**639,033**	**690,038**	**461,693**
TOTAL ASSETS		**839,667**	**890,818**	**653,508**

Amounts in SEK thousand	Notes	09-30-2024	09-30-2023	12-31-2023
EQUITY				
Share capital		342,889	6,665	6,683
Other contributed capital		1 394,101	1,428,464	1,428,530
Reserves		10,179	12,594	10,121
Retained earnings including profit/loss for the year		–1,487,021	–1,116,465	–1,273,999
Equity attributable to parent company's owners		**260,148**	**331,258**	**171,335**
Non-controlling interests		**–**	**–**	**–**
TOTAL EQUITY		**260,148**	**331,258**	**171,335**
LIABILITIES				
Long-term interest-bearing liabilities	5	72,097	119,134	112,897
Leasing liabilities		33,264	46,149	42,711
Long-term non interest-bearing liabilities	5	–	752	8
Total long-term liabilities		**105,360**	**166,035**	**155,616**
Short-term interest- bearing liabilities	5	52,083	62,500	62,500
Accounts payable		194,719	36,497	30,974
Other liabilities		2,446	5,295	2,810
Leasing liabilities		12,913	13,618	13,371
Accrued expenses and prepaid income		211,551	274,973	216,296
Liabilities attributable to assets held for sale		446	642	606
Total short-term liabilities		**474,159**	**393,525**	**326,557**
TOTAL LIABILITIES		**579,519**	**559,560**	**482,173**
TOTAL LIABILITIES AND EQUITY		**839,667**	**890,818**	**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				–213,022	–213,022
Other comprehensive income for the period			59		59
Total comprehensive income for the period	**–**	**–**	**59**	**–213,022**	**–212,964**
Transactions with group shareholder					
New share issue	336,206	8,719			344,925
Issue expenses		–45,161			–45,161
Share savings program		2,014			2,014
Total contributions from and distributions to shareholders	**336,206**	**–34,429**	**0**	**0**	**301,777**
Closing balance 09-30-2024	**342,889**	**1,394,101**	**10,179**	**–1,487,021**	**260,148**

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 Jul – Sep	2023 Jul – sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Cash flow from operating activities					
Profit/loss for the period before tax	–45,115	–81,230	–213,022	–230,638	–388,172
Adjustments for items not included in cash flow	15,372	254	28,615	18,715	100,650
Paid income taxes	–	–	–	–	–
Total	**–29,743**	**–80,977**	**–184,407**	**–211,923**	**–287,522**
Increase (–)/Decrease (+) of inventory	1,394	–38,453	–131,569	–83,402	–56,596
Increase (–)/Decrease (+) of trade and other receivables	–35,171	13,063	–96,040	–119,971	–85,132
Increase (+)/Decrease (–) of trade and other payables	48,618	–19,044	184,376	89,743	22,572
Cash flow from current operations	**–14,902**	**–125,411**	**–227,640**	**–325,553**	**–406,678**
Of which discontinued operations	*–60*	*–108*	*–349*	*–597*	*–645*
Cash flow from investing activities					
Acquisition of property, plant and equipment	–	–187	–501	–6,615	–6,791
Acquisition of intangible assets	–23,898	–	–34,445	–9,978	–9,978
Cash flow from investing activities	**–23,898**	**–187**	**–34,946**	**–16,593**	**–16,769**
Of which discontinued operations	–	–	–	–	–

Amounts in SEK thousand	2024 Jul – Sep	2023 Jul – sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Cash flow from financing activities					
Stock options redeemed by staff	–	18		18	18
New share issue	–	–	337,242	120,000	120,000
Issue expenses	–	–	–37,479	–962	–962
Loans taken out	–	–	50,000	225,000	225,000
Costs of loans taken out	–	–7,543	–	–10,617	–10,617
Amortization of loans	–	–10,416	–112,499	–10,416	–20,833
Amortization of lease liability	–3,192	–5,330	–10,396	–10,225	–13,909
Cash flow from financing activities	**–3,192**	**–23,271**	**226,868**	**312,797**	**298,696**
Of which discontinued operations	–	–	–	–	–
Cash flow for the period	**–41,993**	**–148,869**	**–35,718**	**–29,350**	**–124,752**
Cash and cash equivalents reported in assets held for sale	–817	–1,264	–817	–1,264	–1,166
Cash and cash equivalents at beginning of period	72,835	315,640	65,402	193,994	193,994
Cash and cash equivalents at beginning of period (reported in assets held for sale)	877	1,405	1,166	1,811	1,811
Exchange rate differences in cash and cash equivalents	–311	372	558	2,093	–4,485
Cash and cash equivalents at end of period	**30,591**	**167,284**	**30,591**	**167,284**	**65,402**

Income statement, Parent company

Amounts in SEK thousand	2024 Jul – Sep	2023 Jul – sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Revenues	66,811	58,890	132,913	171,835	238,729
Cost of goods sold	–22,160	–54,738	–13,528	–140,684	–203,341
Gross profit	**44,650**	**4,151**	**119,385**	**31,151**	**35,388**
Other operating income	2,721	2,725	8,772	9,993	13,707
Administrative expenses	–10,217	–8,648	–31,514	–32,679	–41,684
Research and development expenses	–72,673	–81,664	–276,902	–227,146	–306,299
Other operating expenses	–2,495	–6,816	–7,865	–18,452	–25,445
Operating profit/loss	**–38,014**	**–90,252**	**–188,123**	**–237,132**	**–324,332**
Financial items					
Impairment loss on shares in subsidiary	–	–	–	–	–70,300
Financial expenses	–6,673	9,444	–23,566	8,112	2,887
Net finance costs	**–6,673**	**9,444**	**–23,566**	**8,112**	**–67,413**
Profit/loss before tax	**–44,687**	**–80,808**	**–211,690**	**–229,020**	**–391,745**
Tax	–	–	–	–	–
Profit/loss for the period	**–44,687**	**–80,808**	**–211,690**	**–229,020**	**–391,745**

Income statement and other comprehensive income, Parent company

Amounts in SEK thousand	2024 Jul – Sep	2023 Jul – sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Profit/loss for the period	–44,687	–80,808	–211,690	–229,020,	–391,745
Other comprehensive income	–	–	–	–	–
Comprehensive income for the period	**–44,687**	**–80,808**	**–211,690**	**–229,020,**	**–391,745**

Balance sheet, Parent company

Amounts in SEK thousand	09-30-2024	09-30-2023	12-31-2023
ASSETS			
Fixed assets			
Intangible assets	125,960	102,389	99,670
Property, plant and equipment	26,058	34,668	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	**159,729**	**215,068**	**139,919**
Current assets			
Current receivables			
Inventory	212,968	133,662	106,856
Accounts receivables	79,692	–	–
Other receivables	61,129	62,235	34,213
Prepaid expenses and accrued income	253,869	258,556	254,069
Total current receivables	**607,657**	**454,453**	**395,139**
Cash and bank	30,591	167,284	65,402
Current assets	**638,248**	**621,737**	**460,541**
TOTAL ASSETS	**797,977**	**836,805**	**600,459**

Amounts in SEK thousand	09-30-2024	09-30-2023	12-31-2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	342,889	6,665	6,683
Reserve for development expenditure	125,960	102,389	99,670
Unrestricted equity			
Share premium	1,394,101	1,428,464	1,428,530
Retained earnings	–1,387,226	–971,910	–969,191
Profit/loss for the period	–211,690	–229,020	–391,745
TOTAL EQUITY	**264,034**	**336,588**	**173,947**
Long-term liabilities			
Long-term interest-bearing liabilities	72,097	119,134	112,897
Long-term non interest-bearing liabilities	–	752	8
Total long-term liabilities	**72,097**	**119,887**	**112,905**
Current liabilities			
Short-term interest-bearing liabilities	52,083	62,500	62,500
Liabilities to subsidiaries	1,047	1,070	1,032
Accounts payables	194,719	36,497	30,974
Other current liabilities	2,446	5,291	2,807
Deferred income and prepaid revenue	211,551	274,973	216,296
Current liabilities	**461,846**	**380,330**	**313,608**
TOTAL LIABILITIES	**533,943**	**500,217**	**426,512**
TOTAL EQUITY AND LIABILITIES	**797,977**	**836,805**	**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 Jul – Sep	2023 Jul – Sep	2024 Jan – Sep	2023 Jan – Sep	2023 Full year
Net sales					
Outlicensed products	50.6	0.1	77.8	28.4	28.4
Product sales	16.2	58.7	51.9	143.4	209.5
Contract manufacturing	–	–	–	–	0.0
Other	0.0	0.0	3.2	0.1	0.9
Total	**66.8**	**58.9**	**132.9**	**171.8**	**238.7**
Of which North America	*50.6*	*0.1*	51.4	*28.4*	*28.7*
Of which Germany	16.2	*58.7*	81.4	*143.4*	*209.5*

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

NOTE 3 Transactions with related parties

STADA Arnzeimittel AG has been a shareholder in Xbrane since 2019. Related party transactions with STADA refers to product sales and cost sharing for the agreement with Ximluci®.

NOTE 4 Inventory

Amounts in SEK thousand	09-30-2024	09-30-2023	12-31-2023
Goods in progress	212,968	133,662	106,856
Finished goods	–	–	–
Total inventory	**212,968**	**133,662**	**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 –13,528 thousand (2023 SEK –140,684 thousand). The inventory includes a reserve for obsolete goods of SEK –3,157 thousand (2023 SEK –1,868 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 September 30, 2024, the convertible debentures are reported as interest-bearing loans amounting to SEK 124.2 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 September 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, October 24 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

Auditor's report

Xbrane Biopharma AB (publ) Corp. id. 556749-2375

Introduction
We have reviewed the condensed interim financial information (interim report) of Xbrane Biopharma AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of matter
We would like to draw attention to the section The group's financial position and continued operations on page 8, where it's stated that the company's financing for the next 12-month period is not secured. This indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our statement is not modified in this regard.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 24 2024

PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

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.

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 Jul–Sep	2023 Jul–Sep	2024 Jul–Sep	2023 Jul–Sep	2023 Full year
Gross profit	44,650	4,151	119,385	31,151	35,388
Gross margin	**67%**	**7%**	**90%**	**18%**	**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 Jul–Sep	2023 Jul–Sep	2024 Jul–Sep	2023 Jul–Sep	2023 Full year
Operating profit/loss	–37,422	–89,718	–186,226	–235,638	–322,164
Depreciation and impairment	8,564	8,122	26,617	24,576	33,736
EBITDA	**–28,858**	**–81,596**	**–159,609**	**–211,062**	**–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 Jul–Sep	2023 Jul–Sep	2024 Jul–Sep	2023 Jul–Sep	2023 Full year
Research and development expenses	–72,586	–81,543	–276,521	–226,798	–305,783
Operating expenses	–84,794	–96,594	–314,383	–276,782	–371,259
Research and development expenses as a percentage of operating expenses	**86%**	**84%**	**88%**	**82%**	**82%**

Equity ratio

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

Amounts in SEK thousand	09-30-2024	09-30-2023	12-31-2023
Total equity	260,148	331,258	171,335
Divided by total assets	839,667	890,818	653,508
Equity ratio	**31%**	**37%**	**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–December 2024	February 21, 2025
Annual Report 2024	March 31, 2025
Annual General Meeting	May 5, 2025
Interim report January–March 2025	May 8,2025

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 10-24-2024 08.00 CET.