



Interim report January – September 2020

Despite the impact from Covid-19, the last patient was recruited in November to the ongoing registration based phase III study, Xplore.

Financial summary third quarter 2020

- » Revenue amounted to SEK 0.0 M (0.0).
- » Other operating income amounted to SEK 5.2 M (1.4).
- » EBITDA was SEK -55.8 M (-35.6*).
- » R&D expenses amounted to SEK 52.0 M (31.4*) representing 83% (80*) of total operating expenses.
- » The loss for the period was SEK -57.7 M (-38.0*).
- » Earnings per share was SEK -2.99 (-2.63*).
- » Cash and cash equivalents at the end of the period amounted to SEK 123.8 M (162.2).

Financial summary of first nine months 2020

- » Revenue amounted to SEK 0.0 M (0.0).
- » Other operating income amounted to SEK 15.4 M (4.4).
- » EBITDA was SEK -157.4 M (-114.6*).
- » R&D expenses amounted to SEK 144.7 M (101.3*) representing 81% (81) of total operating expenses.
- » The loss for the period was SEK -163.0 M (-121,3*).
- » Earnings per share was SEK -9.49 (-12.42*).

Significant events during the third quarter 2020

- » An Extraordinary General Meeting on September 22 authorized the Board to decide on an issue corresponding to 20% dilution.
- » Margareta Hagman entered the position as CFO from 30 September.

Significant events after the end of the quarter

- » As of the 11th of November, the last patient in the ongoing pivotal phase III trial XPLORE was recruited.
- » Xbrane completed a directed share issue of approximately SEK 200 M. A number of Swedish and international institutional investors, including Swedbank Robur Fonder, TIN Fonder, Andra AP-fonden and Lancelot Asset Management have subscribed for shares in the directed share Issue.

This report is a translation of the Swedish version. When in doubt the Swedish version shall prevail.

*This period has been recalculated due to restatement, see Appendix 1 for the effects.



Science for high quality biosimilars

Financial summary for the Group

Amounts in SEK thousand	2020 Q 3	2019 Q 3	2020 Q 1–3	2019 Q 1–3	2019 Full year
Revenue	-	-	-	-	-
Research and development (R&D)	-52,025	-31,354*	-144,666	-101,318*	-137,665*
R&D expenses as a percentage of operating expenses	83%	80%*	81%	81%*	79%*
Operating loss	-57,514	-37,731*	-162,339	-120,249*	-186,572*
EBITDA	-55,848	-35,617*	-157,395	-114,592*	-162,439*
Loss for the period	-57,742	-38,002*	-162,973	-121,314*	-187,989*
Cash and cash equivalents	123,768	162,195	123,768	162,195	164,197
Equity ratio, %	43%	56%*	43%	56%*	47%*
Number of shares at end of period before dilution	19,280,707	15,415,199	19,280,707	15,415,199	15,415,199
Number of shares at end of period after dilution	19,280,707	15,415,199	19,280,707	15,415,199	15,415,199
Average number of shares before dilution	19,280,707	14,468,999	17,177,891	9,766,913	11,190,591
Average number of shares after dilution	19,280,707	14,468,999	17,177,891	9,766,913	11,190,591
Earnings per share before dilution (SEK)	-2.99	-2.63*	-9.49	-12.42*	-16.80*
Earnings per share after dilution (SEK)	-2.99	-2.63*	-9.49	-12.42*	-16.80*

* This period has been recalculated due to restatement, see Appendix 1 for the effects.

About Xbrane

Xbrane Biopharma AB develops biological drugs based on a platform technology that provides significantly lower production costs compared to competing systems. Xbrane's leading product Xlucane, a Lucentis® biosimilar candidate, addresses the EUR 10.4b ophthalmic VEGFa inhibitor market. Xlucane is in phase III and marketing

authorization is expected in line with the patent expiration of Lucentis in 2022. Xbrane has additionally four biosimilars in its pipeline targeting EUR 8.7b in originator sales. Xbrane's head office is in Solna, just outside Stockholm. Xbrane is listed on Nasdaq Stockholm under the ticker XBRANE.



Martin Åmark, CEO

CEO's letter

Dear shareholders

Since the publication of the last interim report we have taken a number of important steps towards a launch in the near future, of our leading biosimilar candidate Xlucane. The Xplore study was fully recruited as of the 11th of November. This means that we will be able to submit our application for market approval according to plan in time to get approval in line with EU patent expiration of Lucentis. Xbrane also completed a directed share issue of approximately SEK 200 M and welcomed Andra AP-fonden and Lancelot Asset Management as new institutional investors.

The Xplore study is fully recruited and the Xlucane is on path to market approval in line with patent expiration of Lucentis in EU.

The last patient was recruited for the registration-based phase III study-Xplore in the middle of November. The study aims to demonstrate the equivalent efficacy and safety of Xlucane compared to Lucentis and includes a total of 580 patients globally with age-related macular degeneration. The patients undergo 12 months of treatment within the framework of the study and an interim read-out

will be made when the last patient has reached month 6 in the treatment schedule. We will, in agreement with both the EMA and the FDA, submit an application for market approval on the basis of the interim read-out. We thus expect to apply for market approval to both the EMA and the FDA in time to get approval in line with EU patent expiration of Lucentis.

Paradigm shift for biosimilars in the US

The use of biosimilars in the US has lagged behind Europe for a long time. According to recently published report from IQVIA¹, we can now see a paradigm shift. At the last three launches, biosimilars for two original drugs have taken 40% volume share in the first 12 months on the market and in the third case 20% in the first 6 months. It is the fastest uptake of biosimilars in the US to date and echoes what we have seen in Europe in recent years.

The biosimilars have been priced at 11-25% under each original drug at these launches. According to the report, the total biosimilar market in the US is expected to grow to around USD 25 billion by 2024 and to realize USD 100 billion in savings over the period.

Source:

1) Biosimilars in the United States 2020–2024

Xbrane's financial position strengthened through a private placement of around SEK 200 M

During November, Xbrane completed a directed share issue of approximately SEK 200 M. We welcome new shareholders such as Andra AP-fonden and Lancelot Asset Management and thank existing shareholders who participated for their continued support and confidence in our business. This capital significantly strengthens our financial position and gives us capital to complete the application for Xlucane's market approval, secure production capacity and produce the launch volume for Xlucane, and start scaling up the production process for Xcimzane (Cimzia biosimilar) to a commercial scale before its clinical study.

Investor presentations

We continue to actively meet investors. During the third quarter, we presented Xbrane at the Pareto Healthcare conference, from which a video recording is available on our website. We will next present Xbrane at Redeye Life Science Day on November 26. I was also positiv that Xbrane's share from late November is included in the MSCI Global Micro Cap Index.

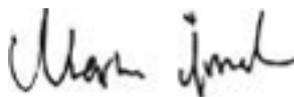
Important milestones for the next 12 months

Xbrane has many important milestones to deliver over the next 12 months which are summarized below:

- To present top-line data from Xplore
- To apply for market approval for Xlucane in Europe and the US
- To license the rights for the sale and marketing of Xlucane in Latin America, Japan and China.

We also have the ambition of establishing further partnerships, primarily for Xcimzane and Xdivane, and to continue to strengthen our platform technology and its IP protection.

Finally, I would like to thank my employees who have made it possible for Xbrane to take these important steps in our development. We all feel great enthusiasm for Xbrane's journey towards becoming a leading global biosimilar developer and, with our unique patented production platform, to be able to develop cost-effective biosimilars for the world's patients.



Martin Åmark, CEO

Product portfolio

Product	Biosimilar to	Primary indication	Sales originator drug, 2019* (SEK billion)	Patent expire date for originator drug	Phase of development
Xlucane	Ranibizumab (Lucentis®)	Wet age-related macular degeneration, diabetic related macular edema, and retinal vein occlusion.	37 ^{1,2}	2022 (Europe) 2020 (US)	Phase III
Xcimzane	Certolizumab pegol (Cimzia®)	Rheumatoid arthritis, axial spondylarthritis, psoriatic arthritis, psoriasis and Crohn disease.	18 ³	2024 (US) 2025** (Europe)	Pre-clinical phase
Xdivane	Nivolumab (Opdivo®)	Melanoma, lung cancer, renal cell carcinoma, head- and neck cancer, bladder and urinary tract cancer.	68 ⁴	2026-2031 Depending on country	Pre-clinical phase
Xoncane	Pegaspargase (Oncaspar®)	Acute lymphocytic leukemia.	25	Expired	Pre-clinical phase
Spherotide	Triptorelin (Decapeptyl®)	Prostate cancer, breast cancer, endometriosis, and myoma	4 ⁶	Expired	Pre-clinical phase



Sources:

- 1) Novartis Year-end report 2019
- 2) Roche Year-end report 2019
- 3) UCB Year-end report 2019
- 4) BMS Year-end report 2019
- 5) EvaluatePharma 2018
- 6) IQVIA 2018

* If sales figures for the full year 2019 are not available, sales figures for 2018 have been used.

** Includes six months patent extension due to pediatric indication.

Xlucane

Xlucane is a biosimilar to ranibizumab (original drug Lucentis®), a so-called VEGFa-inhibitor, and it is used to treat a number of serious eye diseases: wet age-related macular degeneration (AMD), diabetic macular edema (DME), diabetic retinopathy (DR), as well as retinal vein occlusion (RVO). The market for VEGFa-inhibitors for ophthalmic use had sales of more than EUR 10 billion^{1,2,3} in 2019, and has grown by more than 10 percent in the past few years^{1,2,3}.

A clinical registration-based phase III study, Xplore, is being conducted to demonstrate equivalence compared with Lucentis®. Xplore continues without any safety concerns raised. In November, the Xplore study was fully recruited. Xbrane will, in agreement with the EMA and FDA, apply for market approval for Xlucane in Europe and the US, based on six months of Xplore treatment data.

Xbrane has a co-development agreement with STADA for the development, sale and marketing of Xlucane, which means that STADA and Xbrane are sharing the development costs and future profits for Xlucane equally. During Q2 2020 the commercialization rights for the US and Canada were licensed to Bausch + Lomb.

Xcimzane

Xcimzane is a biosimilar to certolizumab pegol (original drug Cimzia®), a TNF inhibitor used in the treatment of rheumatoid arthritis and Crohn's disease in particular. The market for TNF inhibitors had a turnover of approximately SEK 240 billion in 2018⁴ and Cimzia® sold for SEK 18 billion⁵ in 2019. Cimzia® patent protection is expected to expire in 2024 in the US and 2025 in Europe.

Xcimzane is now undergoing pre-clinical development with a focus on developing a cost-efficient production process and demonstrating biochemical similarity to the original drug. When this step is completed, upscaling along with a production partner will follow, after which the product can be taken into clinical trials.

Xdivane

Xdivane is a biosimilar to nivolumab (original drug Opdivo®), a PD1 inhibitor for the treatment of various cancers with a turnover of approximately SEK 68 billion in 2019⁶. Opdivo® patent protection is expected to expire during 2026-2031, depending on the country.

Xdivane is undergoing pre-clinical development with a focus on developing a cost-efficient production process and demonstrating biochemical similarity to the original drug. When this step is completed, upscaling with a production partner will follow, after which the product can be taken into clinical trials.

Xoncane

Xoncane is a biosimilar to pegaspargase (original drug Oncaspar®), used in treatment for Acute Lymphatic Leukemia. In 2018, Oncaspar® sold for about SEK 2 billion⁷. Xoncane is now undergoing pre-clinical development.

Spherotide

Spherotide is a long-acting formulation with the active substance triptorelin, which is mainly used for the treatment of prostate cancer, breast cancer, endometriosis and myoma. Triptorelin had annual sales of SEK 4 billion⁸ in 2018, and despite the fact that the patents expired several years ago, there are still no generics within long-acting formulations.

The product candidate is in the pre-clinical phase where the next step is to initiate a registration-based phase III study in endometriosis patients as a basis for market approval in Europe and China.

In January 2020, Finchimica S.p.A., parent company of contract manufacturer International Chemical Industry S.p.A. (ICI), was declared bankrupt by the Milan court. Primm Pharma is closely following the process and is taking appropriate measures to protect its interests in future production of Spherotide.

During the year, Xbrane started dialogues with stakeholders who showed interest in acquiring the subsidiary Primm Pharma, which develops Spherotide.

Source:

- 1) Novartis Year-end report 2019
- 2) Roche Year-end report 2019
- 3) Regeneron Year-end report 2019
- 4) Research and markets Global Tumor Necrosis Factor (TNF) Inhibitors Market 2018-2026: A \$181.13 Billion Market Opportunity by 2026 UCB Year-end report 2019
- 5) UCB Year-end report 2019
- 6) BMS Year-end report 2019
- 7) Evaluate Pharma
- 8) IQVIA

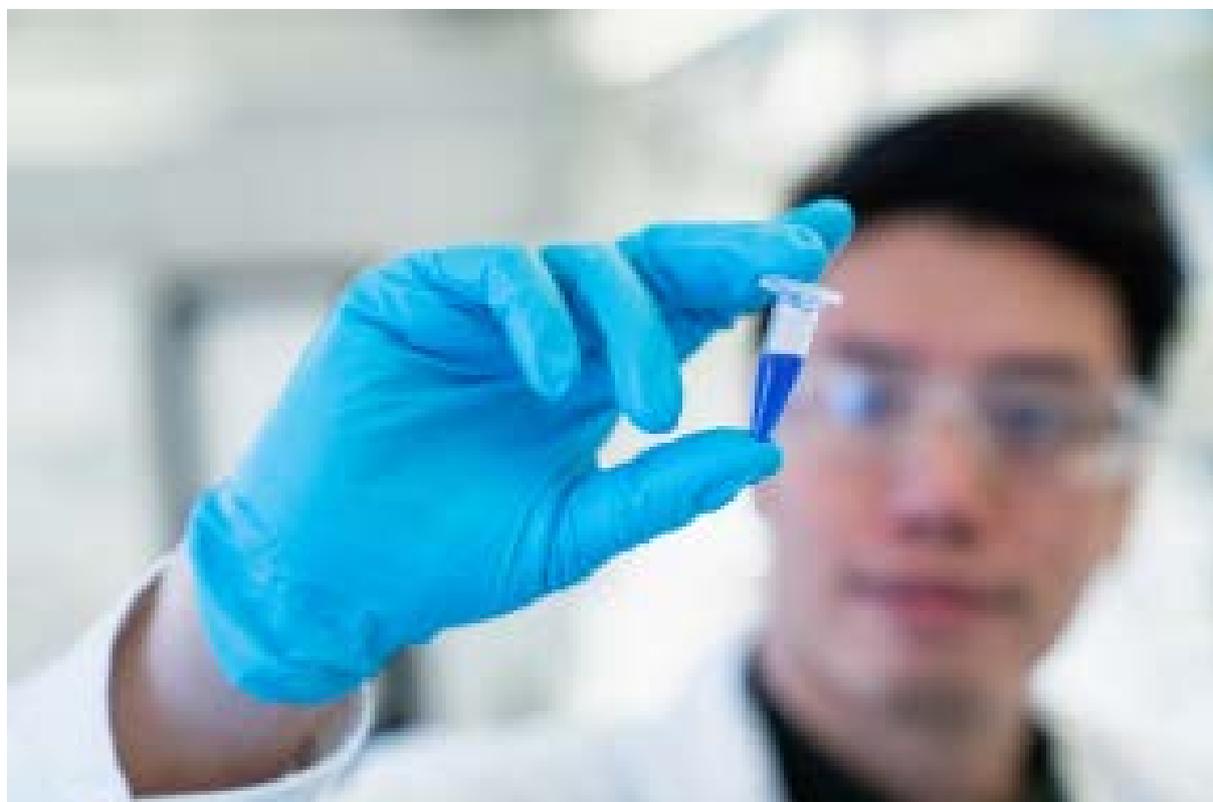
Shareholders

As per September 30, 2020, Xbrane had around 5,000 shareholders distributed over 19,280,707 shares. The ten largest shareholders by the end of this report's period are shown in the table below¹.

Name	Number of shares	Ownership, %
Serendipity Group	2,819,967	14.6%
Swedbank Robur Fonder	1,882,402	9.8%
Bengt Göran Westman	1,658,903	8.6%
STADA Arzneimittel AG	1,570,989	8.1%
TIN Fonder	1,050,000	5.4%
Avanza Pension	721,903	3.7%
Futur Pension	571,763	3.0%
Nordnet Pensionsförsäkring	391,085	2.0%
Swedbank Försäkring	332,177	1.7%
Paolo Sarmientos	296,939	1.5%
Ten largest shareholders in total	11,296,128	58.6%
Other Swedish shareholders	6,350,365	32.9%
Other foreign shareholders	1,634,214	8.5%
Total outstanding shares	19,280,707	100.0%

Source:

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



Financial overview

Financial Overview

The Group's results for July – September 2020

(Figures in parentheses refer to the corresponding period last year)

During the third quarter, no sales took place (0.0), and thus no cost of goods sold was incurred (0.0).

Other operating income amounted to SEK 5.2 M (1.4) and relates mainly to income from the licensing of the American and Canadian rights for Xlucane to Bausch + Lomb and is accrued over two years. The remaining amount relates to license income from non-core operations, and exchange rate gains on receivables and liabilities of an operating nature.

Sales costs amounted to SEK 0.0 M (+0.1). The positive amount in 2019 refers to a reversal of a previous provision regarding a trade receivable. Administrative expenses amounted to SEK 7.1 M (7.0). The increase is explained due to a growing organization. The comparative period includes costs related to the listing change in September last year, which is why total administrative expenses increased only marginally.

Research and development costs amounted to SEK 52.0 M (31.4 *), of which SEK 50.5 M (27.5 *) relates to biosimilars and primarily Xlucane and SEK 1.5 M (3.8) relates to the long-acting injectable drug Spherotide. The largest part of the R&D costs relates to the ongoing Xplore study for Xlucane, the parallel regulatory work and the establishment of a production chain. The increase is because the Xlucane project is in a more intensive phase now than last year.

Other operating expenses amounted to SEK 3.6 M (0.9) and relate primarily to exchange rate losses on receivables and liabilities of an operating nature.

The operating loss was SEK -57.5 M (-37.7*).

The loss before tax was SEK -57.7 M (-38.0*). During the quarter, no taxable profit arose and thus no tax expense (0.0)

The loss after tax for the quarter was SEK -57.7 M (-38.0*) and earnings per share was SEK -2.99 (-2.63*).

The Group's cash flow for July – September 2020

The cash flow from operating activities amounted to SEK -103.4 M (-83.9). Changes in operating receivables and operating liabilities amounted to SEK 17.3 M (-45.4) and SEK -61.1 M (-2.3*), respectively. The fluctuations at the operating receivables is mainly due to payment of the pre-

vious described license agreement with Bausch & Lomb. Further, changes in working capital can vary greatly between quarters, primarily as a result of advance payments from STADA regarding the development work for Xlucane and costs for the clinical study. During the quarter, there were no prepayments from STADA and thus operating liabilities were reduced.

The cash flow from investment activities consisted of investments in tangible fixed assets that amounted to SEK -3.8 M (-0.2).

The cash flow from financing activities amounted to SEK -0.8 M (75.1). The previous year's cash flow included a rights issue of SEK 75.9 M after deductions for transaction costs.

The Group's earnings for January – September 2020

During the first nine months, no sales took place (0.0) and thus no cost of goods sold was reported (0.0).

Other operating income amounted to SEK 15.4 M (4.4) and relates mainly to income from the licensing of the American and Canadian rights for Xlucane to Bausch + Lomb which is accrued over two years. The remaining amount relates to license income from non-core operations, and exchange rate gains on receivables and liabilities of an operating nature.

Sales costs amounted to SEK 0.0 M (0.3).

Administrative expenses amounted to SEK 23.9 M (18.1). The increase is explained due to a growing organization.

Research and development costs amounted to SEK 144.7 M (101.3*), of which SEK 139.7 M (91.5*) relates to biosimilars and primarily Xlucane and SEK 4.9 M (9.8) relates to the long-acting injectable drug Spherotide. The largest part of the R&D costs relates to the ongoing Xplore study for Xlucane, the parallel regulatory work and the establishment of a production chain. The increase is because the Xlucane project is in a more intensive phase now than last year.

Other operating expenses amounted to SEK 9.2 M (4.9) and relate primarily to exchange rate losses on receivables and liabilities of an operating nature.

The operating loss was SEK -162.3 M (-120.2*).

Net financial items amounted to SEK -0.6 M (-1.1) and relate to interest expenses for leasing agreements. The loss before tax was SEK -163.0 M (-121.3 *). During the period, no taxable profit arose and thus no tax expense (0.0).

* This period has been recalculated due to restatement, see Appendix 1 for the effects.

The loss after tax SEK -163.0 (-121.3 *) and earnings per share was SEK -9.49 (-12.42 *).

The Group's cash flow January – September 2020

The cash flow from operating activities was SEK -170.8 M (-154.8). The change in operating receivables and operating liabilities was SEK -17.9 M (-75.1) and SEK 7.7 M (39.9*), respectively. The change in operating receivables and operating liabilities can vary greatly between the periods, primarily as a result of re-invoicing to STADA regarding the development work for Xlucane and costs for the clinical study.

The cash flow from investing activities amounted to SEK -3.9 M (-1.0) and consisted of investments in tangible fixed assets.

The cash flow from financing activities amounted to SEK 133.7 M (216.9), of which SEK 146.4 M (252.5) relates to the issue proceeds, and SEK -10.3 M (-33.4) relates to transaction costs and repayment of leasing liabilities amounting to SEK -2.4 M (-2.0).

The Group's financial position and going concern

On the balance sheet day, the cash amounted to SEK 123.8 M (162.2). In November the Company completed a directed share issue of approximately SEK 200 M before transaction costs. This capital significantly strengthens the Company's financial position and contributes with capital to complete the application for Xlucane's market approval, secure production capacity and produce the launch volume for Xlucane and start scaling up the production process for Xcimzane.

Besides the additional revenues that partnerships and transactions may bring in the near future, Xbrane is expected to need additional capital during the second half of 2021. In addition, it is estimated that further financing of the business will be needed until 2022, when the company is expected to generate sales revenue from Xlucane. The company continues to evaluate various financing alternatives together with its financial advisers and dialogues with investors.

Goodwill

Goodwill amounted to SEK 61.4 M (62.5) on the balance sheet date and the marginal fall compared with the previous year is due to exchange rate changes.

Inventories

When sales of Spherotide were put on hold, inventories were written down and thus amounted to SEK 0.0 (10.1) M. Impairment occurred in the fourth quarter last year.

Prepaid expenses and accrued income

Prepaid expenses and accrued income amounted to SEK 90.0 M (88.4), of which SEK 28.1 M (52.2) relates to the purchase and packaging costs of reference drugs for the ongoing Phase III study that will be used on an ongoing basis. SEK 51.5 M (27.4) refers to the advance payment to CRO (Contract Research Organization) conducting the clinical study and the remaining SEK 10.4 M (8.8) refers to other prepaid expenses and accrued income.

Changes in equity

Equity amounted to SEK 4.3 M (3.5) on the balance sheet date. Other capital contributions amounted to SEK 585.3 M (446.9) and during the first nine months was impacted by SEK 135,2 M from the new share issue after transaction costs and reserved share-related remuneration to employees of SEK 2.0 (0,9) M. Total equity amounted to SEK 135.0 M (227.5*).

The equity ratio was 43 percent (56*).

Accrued expenses and prepaid income

Accrued expenses and prepaid income amounted to SEK 147.2 M (139.6*) and primarily relate to advance payments from STADA for Xlucane of SEK 90.4 M (110.0*).

Impact of the joint development agreement with STADA on the results and balance sheet

Since the joint development agreement with STADA for Xlucane was concluded in July 2018, Xbrane's net costs for the research and development attributable to the development of Xlucane have been reported in the results, i.e. 50 percent of the total cost of the project. With regard to the balance sheet, assets and liabilities attributable to the development of Xlucane are reported in their entirety, i.e. 100 percent and then STADA's share of these, i.e. 50 percent, is reported as the receivable or liability arising between Xbrane and STADA. This applies to both the Group and parent company. On the closing date, Xbrane had a long-term non-interest-bearing liability to STADA amounting to SEK 4.2 M (4.3) relating to STADA's share of the long-term advance payment to CRO. In addition, accrued expenses and prepaid income from STADA amounted to SEK 90.4 M (110.0*).

Parent company

The core business of Xbrane, which is the development of biosimilars, is run by the parent company. As the parent company constitutes the major part of the Group, a statement in text format of the parent company's earnings, financial position and cash flow would provide no further information than described in the report. Hence, this is only presented in reporting format on pages 19-21.

* This period has been recalculated due to restatement, see Appendix 1 for the effects.

Risks and uncertainties

Risks and uncertainties are described in the 2019 Annual Report on pages 27-29. The Annual Report is available on the company's website. At the time of publishing of this interim report, these have not been significantly changed except for the risks described below.

The 2019 Annual Report describes the risk that Xbrane and its partner STADA not succeeding in reaching agreements with third-party distributors for major markets, for example the US and LATAM. During 2020, this risk has changed as Xbrane and STADA have signed an agreement with Basuch + Lomb, which has obtained the rights to distribute Xlucane in the US and Canada.

Impact of the COVID-19 pandemic

The 2019 Annual Report describes the risk that the ongoing COVID-19 pandemic means an increased risk for delays in the Xplore study. This risk has now been reduced as the Xplore study has been fully recruited during November.

The Company also described a risk that the pandemic will make it more difficult to cover its capital needs in the nearest future as it has had a major impact on the economy and capital markets worldwide. This risk has been reduced as the Company has accomplished two new share issues during the 9 month period.

Furthermore, Xbrane has changed its working methods to be able to follow the local health guidelines from the authorities. This has led to cancelled travels, digital meetings and that most of the employees who are not working in the lab have been working from home. The company has continuously followed, and continue to follow, local health guidelines from the authorities in the places where it operates. Those employees who need access to the lab have been offered a safe means of travel and scheduled work to comply with guidelines on social distancing. Absence due to illness has been relatively low. Together, the company has found effective ways of working and an even stronger cohesion that allows the company to be sustainable in this situation and continue to make the staff, partners and patients' health and safety as first priority.

Share information

Xbrane's share capital at the end of the period was SEK 4.3 M (3.5), divided into 19,280,707 shares (15,415,199). The quota value of all shares is SEK 0.224 and all shares have an equal right to a share in the company's assets and earnings. Xbrane's shares have been listed on Nasdaq OMX since September 23, 2019 and the number of shareholders in Xbrane on the balance sheet date was around 5,000. The share's closing price on the balance sheet date was SEK 82.8, resulting in a market capitalization of SEK 1,596 M.

Organization and employees

Xbrane is headquartered in Solna, outside Stockholm, Sweden, where the company also has a laboratory for the research and development of biosimilars. Xbrane has one wholly-owned subsidiary, Primm Pharma, located in Milan, Italy. On the balance sheet date, the Group had 41 (34) employees.

Important events during the third quarter

Extraordinary General Meeting (EGM)

An EGM was held on September 22, 2020, where the meeting resolved to amend the company's Articles of Association regarding, among other things, the limits of the share capital and an amendment to the provision on participation at the AGM due to an adjustment in the Swedish Companies Act. Furthermore, the EGM resolved to authorize the Board to decide on the issue of shares, convertibles and/or warrants on one or more occasions, until the next Annual General Meeting, with or without deviation from shareholders' preferential rights, corresponding to a maximum of 20 percent dilution.

New interim CFO

Margareta Hagman took up the position of interim CFO from September 30, until a new permanent CFO is appointed.

Important events after the end of the reporting period

XPLORE study fully enrolled

At the 11th of November, the last patient in the ongoing pivotal phase III trial XPLORE was recruited.

Directed share issue carried out in November

Xbrane completed a directed share issue of approximately SEK 200 M. A number of Swedish and international institutional investors, including Swedbank Robur Fonder, TIN Fonder, Andra AP-fonden and Lancelot Asset Management have subscribed for shares in the directed share Issue.

Nomination committee

In accordance with the principles for the Nomination Committee adopted at the AGM on May 14, 2020, a Nomination Committee has been appointed. The Nomination Committee consists of Xbrane's Chairman of the Board Anders Tullgren and Saeid Esmaeilzadeh who represents the Serendipity Group, the company's largest shareholder, Ulrik Grönvall, representing the company's second largest shareholder Swedbank Robur Fonder and Bengt Göran Westman, the company's third largest shareholder. To get in touch with the Nomination Committee, please send an email to valberedning@xbrane.com no later than January 15, 2021.

Auditor's review

This interim report has been subject to a review by the company's auditor.

Consolidated income statement

Amounts in SEK thousand	Notes	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Revenues	2	-	-	-	-	-
Cost of goods sold		-	-	-	-	-18,271
Gross profit		-	-	-	-	-18,271
Other income	2	5,186	1,373	15,371	4,369	6,355
Selling and distribution expenses		0	111	0	-271	-454
Administrative expenses		-7,079	-6,998	-23,856	-18,115	-26,415
Research and development expenses		-52,025	-31,354	-144,666	-101,318	-137,665
Other expenses		-3,596	-864	-9,188	-4,914	-10,122
Operating profit/loss	2	-57,514	-37,731	-162,339	-120,249	-186,572
Financial income		-	-	-	52	51
Financial costs		-228	-272	-634	-1,116	-1,468
Net financial costs	2	-228	-271	-634	-1,064	-1,417
Profit/loss before tax		-57,742	-38,002	-162,973	-121,314	-187,989
Income tax expense		-	-	-	-	-
Profit/loss for the period		-57,742	-38,002	-162,973	-121,314	-187,989
Profit/loss attributable to:						
- Owners of the Company		-57,742	-38,002	-162,973	-121,314	-187,989
- Non-controlling interests		-	-	-	-	-
Total comprehensive income for the period		-57,742	-38,002	-162,973	-121,314	-187,989
Earnings per share						
- Basic earnings per share (SEK)		-2.99	-2.63	-9.49	-12.42	-16.80
- Diluted earnings per share (SEK)		-2.99	-2.63	-9.49	-12.42	-16.80
Number of outstanding shares at the end of the reporting period						
- Before dilution		19,280,707	15,415,199	19,280,707	15,415,199	15,415,199
- After dilution		19,280,707	15,415,199	19,280,707	15,415,199	15,415,199
Average number of outstanding shares						
- Before dilution		19,280,707	14,468,999	17,177,891	9,766,913	11,190,591
- After dilution		19,280,707	14,468,999	17,177,891	9,766,913	11,190,591

* This period has been recalculated due to restatement, see Appendix 1 for the effects.

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Total comprehensive income for the period	-57,742	-38,002	-162,973	-121,314	-187,989
Other comprehensive income					
Items that have been transferred and can be transferred to profit/loss for the period to profit/loss for the period					
Reclassification of foreign currency translation differences	398	1,382	476	3,815	1,171
Comprehensive income for the period	398	1,382	476	3,815	1,171
Total comprehensive profit/loss attributable to:					
- Owners of the Company	-57,345	-36,620	-162,498	-117,499	-186,818
- Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period	-57,345	-36,620	-162,498	-117,499	-186,818

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Consolidated statement of financial position

Amounts in SEK thousand	09-30-2020	09-30-2019*	12-31-2019*
ASSETS			
Goodwill	61,386	62,479	60,760
Intangible assets	4,492	5,403	5,053
Property, plant and equipment	8,983	25,163	7,004
Right of use assets	6,800	-	9,204
Trade and other receivables	13,013	9,218	8,982
Non-current assets	94,673	102,263	91,003
Inventories	-	10,102	-
Trade receivables	-	38,180	-
Other receivables	7,658	5,293	5,889
Prepaid expenses and accrued income	89,985	88,376	77,850
Cash and cash equivalents	123,768	162,195	164,197
Current assets	221,411	304,147	247,937
TOTAL ASSETS TOTAL ASSETS	316,083	406,410	338,940
EQUITY			
Share capital	4,322	3,456	3,456
Share premium	585,343	446,915	448,089
Reserves	7,194	9,363	6,719
Retained earnings including the loss of the period	-461,885	-232,235	-298,912
Equity attributable to owners of the Company	134,976	227,499	159,352
Non-controlling interests	-	-	-
Total equity	134,976	227,499	159,352
LIABILITIES			
Leasing liability	4,419	7,149	6,281
Non-current non-interest-bearing liabilities	4,216	4,291	4,173
Provisions	5,046	4,667	4,547
Non-current liabilities	13,681	16,107	15,001
Current interest-bearing liabilities	-	49	12
Trade and other payables	16,111	18,818	21,097
Other current liabilities	1,431	1,085	2,903
Leasing liability	2,665	3,235	3,144
Deferred income/revenue	147,219	139,617	137,431
Current liabilities	167,426	162,805	164,586
TOTAL LIABILITIES	181,108	178,911	179,588
TOTAL EQUITY AND LIABILITIES	316,083	406,410	338,940

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Consolidated cash flow statement

Amounts in SEK thousand	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Cash flow from operating activities					
Profit/loss before tax	-57,742	-38,002	-162,973	-121,314	-187,989
Adjustments for items not included in cash flow	-1,859	1,786	2,408	5,965	24,718
Paid income taxes	-	-	-	-	-
Total	-59,602	-36,217	-160,566	-115,349	-163,271
Increase (-)/Decrease (+) of inventories	-	-21	-	-4,242	-
Increase (-)/Decrease (+) of trade and other receivables	17,296	-45,378	-17,911	-75,144	-28,286
Increase (+)/Decrease (-) of trade and other payables	-61,087	-2,261	7,653	39,890	42,968
Cash flow from current operations	-103,393	-83,877	-170,824	-154,845	-148,589
Cash flow from investing activities					
Acquisition of property, plant and equipment	-3,788	-209	-3,864	-1,017	-1,187
Cash flow from investing activities	-3,788	-209	-3,864	-1,017	-1,187
Cash flow from financing activities					
Proceeds from exercise of share options	-	-	3	-	-
New share issue	-	91,131	146,444	252,457	252,457
Transaction expense	-	-15,199	-10,337	-33,430	-33,430
Amortization of loan	-	-36	-12	-106	-140
Amortization of lease liability	-786	-846	-2,350	-2,037	-2,846
Cash flow from financing activities	-786	75,050	133,748	216,884	216,041
Cash flow for the period	-107,967	-9,036	-40,940	61,022	66,265
Cash and cash equivalents at beginning of period	232,506	171,410	164,197	100,972	100,972
Exchange rate differences in cash and cash equivalents	-771	-178	510	202	-3,039
Cash and cash equivalents at end of period	123,768	162,195	123,768	162,195	164,197

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Consolidated statement of changes in equity

Amounts in SEK thousand	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
Balance at January 1, 2020	3,456	448,089	6,719	-273,941	184,323
Recalculation*	-	-	-	-24,970	-24,970
Balance at January 1, 2020 after recalculation	3,456	448,089	6,719	-298,911	159,352
Total comprehensive income for the period					
Profit/loss for the period	-	-	-	-162,973	-162,973
Other comprehensive income for the period	-	-	476	-	476
Total comprehensive income for the period	-	-	476	-162,973	-162,498
Transactions with group shareholder					
New share issue	864	135,243	-	-	136,107
- <i>New share issue</i>	864	145,580	-	-	146,444
- <i>Transaction expenses</i>	-	-10,337	-	-	-10,337
Share savings program	3	2,011	-	-	2,014
Total contributions from and distributions to shareholders	867	137,254	-	-	138,121
Balance at September 30, 2020	4,322	585,343	7,194	-461,885	134,976

Amounts in SEK thousand	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
Balance at January 1, 2019	1,419	184,007	5,548	-107,903	83,070
Recalculation*				-3,019	-3,019
Balance at January 1, 2019 after recalculation	1,419	184,007	5,548	-110,922	80,052
Total comprehensive income for the period					
Profit/loss for the period	-	-	-	-121,314	-121,314
Other comprehensive income for the period	-	-	3,815	-	3,815
Total comprehensive income for the period	-	-	3,815	-121,314	-117,499
Transactions with group shareholder					
New share issue	2,037	261,990	-	-	264,027
- <i>New share issue</i>	2,037	295,420	-	-	297,457
- <i>Transaction expenses</i>	-	-33,430	-	-	-33,430
Share savings program	-	918	-	-	918
Total contributions from and distributions to shareholders	2,037	262,908	-	-	264,945
Balance at September 30, 2019	3,456	446,915	9,363	-232,235	227,499

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Consolidated statement of changes in equity, cont.

Amounts in SEK thousand	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
Balance at January 1, 2019	1,419	184,007	5,548	-107,903	83,070
Recalculation*				-3,019	-3,019
Balance at January 1, 2019 after recalculation	1,419	184,007	5,548	-110,922	80,051
Total comprehensive income for the period	-	-	-	-	-
Profit/loss for the period	-	-	-	-187,989	-187,989
Other comprehensive income for the period	-	-	1,171	-	1,171
Total comprehensive income for the period			1,171	-187,989	-186,818
Transactions with group shareholder					
New share issue	2,037	261,990	-	-	264,027
- <i>New share issue</i>	2,037	295,420	-	-	297,457
- <i>Transaction expenses</i>	-	-33,430	-	-	-33,430
Share savings program	-	2,092	-	-	2,092
Total contributions from and distributions to shareholders	2,037	264,082	-	-	266,119
Balance at December 31, 2019	3,456	448,089	6,719	-298,912	159,352

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Income statement, Parent company

Amounts in SEK thousand	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Revenues	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	-	-	-	-	-
Other income	4,894	1,039	14,485	3,238	4,416
Administrative expenses	-6,139	-5,945	-20,352	-14,632	-21,595
Research and development expenses	-45,593	-27,903	-135,036	-91,856	-126,509
Other expenses	-3,539	-860	-9,026	-4,886	-10,090
Operating profit/loss	-50,377	-33,668	-149,929	-108,135	-153,777
Financial items					
Financial income	-	-	11	-	4
Financial expenses	-112	-110	-261	-880	-995
Net finance costs	-112	-110	-250	-880	-990
Profit/loss before tax	-50,489	-33,778	-150,179	-109,015	-154,767
Income tax expense	-	-	-	-	-
Total comprehensive income for the period	-50,489	-33,778	-150,179	-109,015	-154,767

Parent company statement of comprehensive income

Amounts in SEK thousand	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Profit/loss for the period	-50,489	-33,778	-150,179	-109,015	-154,767
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-50,489	-33,778	-150,179	-109,015	-154,767

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Balance Sheet, Parent company

Amounts in SEK thousand	09-30-2020	09-30-2019*	12-31-2019*
ASSETS			
Fixed assets			
Non-current assets Property, plant and equipment	5,729	3,995	3,697
Financial non-current assets			
Shares in group companies	110,391	100,783	102,319
Other non-current receivables	13,013	9,218	8,982
Total financial non-current assets	123,404	110,001	111,301
Total non-current assets	129,133	113,996	114,998
Current assets			
Current receivables			
Trade receivables	-	38,180	-
Receivables from group companies	-	83	-
Other receivables	6,164	2,203	2,962
Prepaid expenses and accrued income	89,895	88,344	77,752
Total current receivables	96,059	128,810	80,714
Cash and bank	122,326	159,386	163,601
Current assets	218,385	288,196	244,315
TOTAL ASSETS	347,518	402,192	359,313
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	4,322	3,456	3,456
Unrestricted equity			
Share premium	586,029	447,601	448,775
Retained earnings	-252,474	-97,707	-97,707
Profit/loss for the period	-150,179	-109,015	-154,767
Total equity	187,699	244,334	199,757
Non-current liabilities			
Non-current interest-bearing liabilities	4,216	4,291	4,173
Non-current non-interest-bearing liabilities	4,216	4,291	4,173
Current liabilities			
Liabilities to subsidiaries	349	-	-
Trade and other payables	15,678	17,212	20,377
Other current liabilities	1,292	958	2,708
Deferred income/revenue	138,284	135,395	132,298
Current liabilities	155,603	153,566	155,383
TOTAL LIABILITIES	159,819	157,858	159,556
TOTAL EQUITY AND LIABILITIES	347,518	402,192	359,313

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Cash flow statement, Parent company

Amounts in SEK thousand	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Cash flows from operating activities					
Earnings before income and tax	-50,489	-33,778	-150,179	-109,015	-154,767
Adjustments for items not included in cash flow	-1,333	849	-1,509	2,950	6,706
Paid income taxes	-	-	-	-	-
Total	-51,822	-32,929	-151,688	-106,065	-148,061
Increase (-)/Decrease (+) of trade and other receivables	-7,987	-48,424	-19,376	-94,348	-46,015
Increase (+)/Decrease (-) of trade and other payables	-42,994	-2,529	4,597	43,689	46,462
Cash flow from current operations	-102,803	-83,882	-166,467	-156,723	-147,614
Cash flow from investing activities					
Investments in subsidiaries	-1,554	-	-8,073	-	-1,536
Acquisition of property, plant and equipment	-3,427	-16	-3,503	-386	-565
Cash flow from investing activities	-4,981	-16	-11,576	-386	-2,101
Cash flow from financing activities					
Exercised share options by employees	-	-	3	-	-
New share issue	-	91,131	146,444	252,457	252,457
Transaction expense	-	-15,199	-10,337	-33,430	-33,430
Amortization of loan	-	-	-	-3,042	-3,042
Cash flow from financing activities	-	75,932	136,110	215,985	215,985
Cash flow for the period	-107,784	-7,965	-41,933	58,875	66,270
Cash and cash equivalents at beginning of period	230,746	167,429	163,601	100,380	100,380
Exchange rate differences in cash and cash equivalents	-636	-78	658	131	-3,049
Cash and cash equivalents at end of period	122,326	159,386	122,326	159,386	163,601

*This period has been recalculated due to restatement, see Appendix 1 for the effects.

Notes

Note 1 Accounting principles

This interim report 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 Report. For the Group and the Parent company the same accounting principles and calculation bases as the previous annual report has been applied with the exception of the additional applications principles for accounting for license revenues described below on the new license agreements which is different in nature to licensing agreements previously reported. Information according to IAS 34.16A is included in these financial statements and related notes as well in other parts of this interim report.

License revenue

License revenue refers to the out-licensing of the parent company's patented platform for protein production, as well as licensing rights for sales and marketing of the Group's products. License agreements that contain more than one distinct performance obligation are divided and revenue reported separately. Other performance obligation in the agreement are aggregated

into a common distinct performance obligation. When licensing the Group's intellectual property (IP) to a customer, a distinction is made between two types of licensing with associated distinct performance obligation that affect whether revenue is to be reported at a certain time or accrued over time:

- a) Right to access IP - the agreement requires, or the customer can reasonably expect, that the Group will take measures that significantly affect the rights the customer is entitled to, that these measures directly affect the customer and that the measures do not involve the transfer of goods/services to the customer when the measures are carried out. The performance obligation and thus the income is reported over time, usually linearly.
- b) Right to use IP - the customer only has the right to use the IP in its existing state at the time when the right was granted to the customer. The performance obligation is fulfilled initially, in time.

License agreements often include an initial payment as well as payments when certain milestones have been reached. Accounting for the initial payment depends on the type of licensing available under a) or b) above.

Note 2 Segment reporting

Report of revenue, operating profit/loss and profit/loss before tax per segment

Amounts in SEK thousand	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Other revenues per segment					
Biosimilars	2,545	-	4,242	-	-
Long-acting injectable drugs	-	467	0	1,324	-
Unallocated revenue	2,640	906	11,129	3,044	6,355
Total	5,186	1,373	15,371	4,369	6,355
Operating profit or loss per segment					
Biosimilars	-47,952	-27,534	-135,494	-91,486	-125,675
Long-acting injectable drugs	-1,527	-3,820	-4,930	-8,507	-30,261
Unallocated revenue	-8,035	-6,377	-21,915	-20,256	-30,637
Operating profit/loss	-57,514	-37,731	-162,339	-120,249	-186,572
Net finance costs					
Biosimilars	-97	-221	-317	-221	-354
Long-acting injectable drugs	-19	110	-78	33	-71
Unallocated revenue	-112	-160	-239	-876	-993
Total	-228	-271	-634	-1,064	-1,417
Profit/loss before tax	-57,742	-38,002	-162,973	-121,313	-187,989
Depreciation, amortization and write downs					
Biosimilars	1,087	1,044	3,231	2,523	3,624
Long-acting injectable drugs	469	953	1,382	2,792	20,068**
Unallocated revenue	111	118	331	343	441
Total	1,666	2,115	4,944	5,658	24,134

* This period has been recalculated due to restatement, see Appendix 1 for the effects.

** Whereof SEK 16,808 thousand relates to write down of inventory and production facilities for Spherotide.

Note 3 Distribution of Income

Amounts in SEK thousand	Q3 2020			
Note 3 Distribution of Income	Biosimilars	Long-acting injectable drugs	Unallocated/ administration	Group
Middle East	-	-	-	-
Asia	-	-	-	-
Europe	-	-	2,621	2,621
United States	2,545	-	19	2,565
Total	2,545	-	2,640	5,186
Income per category				
Pharmaceuticals	-	-	-	-
Milestone payments from partners	2,545	-	-	2,545
Services and other	-	-	2,640	2,640
Total	2,545	-	2,640	5,186

Amounts in SEK thousand	Q3 2019			
Income per region	Biosimilars	Long-acting injectable drugs	Unallocated/ administration	Group
Middle East	-	-	-	-
Asia	-	-	-	-
Europe	-	467	882	1,349
United States	-	-	24	24
Total	-	467	906	1,373
Income per category				
Pharmaceuticals	-	-	-	-
Milestone payments from partners	-	-	-	-
Services and other	-	467	906	1,373
Total	-	467	906	1,373

Note 3 Distribution of Income, cont.

Amounts in SEK thousand	Q1–3 2020			
	Biosimilars	Long-acting injectable drugs	Unallocated/administration	Group
Income per region				
Middle East	-	-	-	-
Asia	-	-	-	-
Europe	-	-	11,010	11,010
United States	4,242	-	118	4,360
Total	4,242	-	11,129	15,371
Income per category				
Pharmaceuticals	-	-	-	-
Milestone payments from partners	4,242	-	-	4,242
Services and other	-	-	11,129	11,129
Total	4,242	-	11,129	15,371

Amounts in SEK thousand	Q1–3 2019			
	Biosimilars	Long-acting injectable drugs	Unallocated/administration	Group
Income per region				
Middle East	-	-	-	-
Asia	-	-	-	-
Europe	-	1,324	2,974	4,299
United States	-	-	70	70
Total	-	1,324	3,044	4,369
Income per category				
Pharmaceuticals	-	-	-	-
Milestone payments from partners	-	-	-	-
Services and other	-	1,324	3,044	4,369
Total	-	1,324	3,044	4,369

Note 3 Distribution of Income, cont.

Amounts in SEK thousand

Full year 2019

Income per region	Biosimilars	Long-acting injectable drugs	Unallocated/ administration	Group
Middle East	-	-	-	-
Asia	-	-	-39	-39
Europe	-	-	6,132	6,132
United States	-	-	262	262
Total	-	-	6,355	6,355
Income per category				
Pharmaceuticals	-	-	-	-
Milestone payments from partners	-	-	-	-
Services and other	-	-	6,355	6,355
Summa	-	-	6,355	6,355

Not 4 Transactions with related parties

Since 2019, STADA Arzneimittel AG has been a shareholder in Xbrane (see the list of owners on page 7). Transactions with STADA relate to shared costs for the collaboration agreement with Xlucane.

During the second quarter a targeted issue was carried out and related parties participated on market conditions. The following related transaction was carried out:

- Serendipity Group participated in the issue and signed for 563,991 shares.
- Stada Arzneimittel AG also participated in the issue and signed for 314,197 shares.

Note 5 Financial instruments

The below table shows the different valuation levels of the financial assets and liabilities that are reported at fair value in the consolidated balance sheet. For a description of how fair value has been calculated, see Note 26 in the 2019 Annual Report. All

entries assessed at fair value are defined as being Level 2. The fair value of financial assets and liabilities to acquisition value or accrued acquisition value is estimated to correspond to book values in all material aspects.

Group Amounts in SEK thousand	09-30-2020 Level 2	09-30-2019 Level 2	12-31-2019 Level 2
Financial assets			
Other current receivables fordringar	-	-	24
<i>Whereof currency derivatives</i>	-	-	24
Total financial assets	-	-	24
Financial liabilities			
Other current payables	-	-	1,729
<i>Whereof currency derivatives</i>	-	-	1,729
Total financial liabilities	-	-	1 729

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 November 13, 2020

Anders Tullgren
Chairman of the Board

Ivan Cohen-Tanugi
Board member

Peter Edman
Board member

Eva Nilsagård
Board member

Karin Wingstrand
Board member

Mats Thorén
Board member

Giorgio Chirivi
Board member

Martin Åmark
CEO

Review report

To the Board of Directors of 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 2020 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the 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 International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information 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 and other generally accepted auditing practices and consequently does 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.

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, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Uncertainty related to going concern

Without qualifying our opinion above, we bring to your attention the information on page 9 of the administration report which notes that the company will need additional financing and that the Company is assessing various financing options. This financing has not been finalized as of the date of this report. This condition indicates the existence of uncertainty as to the company's ability to continue as a going concern.

Stockholm den 13 november 2020

KPMG AB

Duane Swanson
Auktoriserad revisor

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.

EBITDA

Shows the business's earning ability from current operations 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	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Operating profit or loss	-57,514	-37,731	-162,339	-120,249	-186,572
Depreciation, amortization and write downs	-1,666	-2,114	-4,944	-5,658	-24,134
EBITDA	-55,848	-35,617	-157,395	-114,592	-162,439

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	2020 Q 3	2019 Q 3*	2020 Q 1-3	2019 Q 1-3*	2019 Full year*
Research and development expenses	-52,025	-31,354	-144,666	-101,318	-137,665
Total operating expenses	-62,700	-39,104	-177,710	-124,618	-174,657
R&D expenses as a percentage of operating expenses	83%	80%	81%	81%	79%

Equity ratio

Equity ratio is the proportion of assets funded by equity to show the company's long-term ability to pay, i.e. equity through total assets.

Amounts in SEK thousand	09-30-2020	09-30-2019*	12-31-2109*
Total equity	134,976	227,499	159,352
Total assets	316,083	406,410	338,940
Equity ratio	43%	56%	47%

*This period has been recalculated due to restatement, see Appendix 1 for the effects.



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Financial calendar

Year-end report 2020 February 26, 2021

Annual report 2020 March 31, 2021

Interim report January-March 2021 May 6, 2021

Annual General Meeting 2021 May 6, 2021

Interim report January-June 2021 August 13, 2021

Interim report January-September 2021 October 29, 2021



Appendix 1 Adjustment

Retroactive adjustment of revenue recognition of STADA's share of research and development costs

In 2018, Xbrane signed a cooperation agreement with STADA for Xlucane where both parties share costs equally for the development of Xlucane. Prior to the registration-based phase III study Xplore, the original drug Lucentis® was purchased for use in the study and for research and development purposes. The costs for Lucentis® will be charged to the results as it is used in the ongoing Xplore-studie. The recognition of STADA's share of the cost has been done too early, which has resulted in lower research and development expenses, due to the recognition of STADA's share, and advance payments from STADA, which are reported under accrued costs and prepaid income, have also been deducted too early. The correction is an adjustment of when in time the revenues are to be recognized. All advances from STADA are estimated to be recognized as revenues within twelve months.

In connection with the interim report for January-June 2020, a correction has been made for this, which runs from the third quarter of 2018 to the first quarter of 2020. The correction leads to an increase in research and development expenses for the last seven quarters, a reduction in equity and an increase in accrued income and prepaid expenses.

Advance payments from STADA will be recognized as revenue against research and development expenses for the remainder of the Xplore study and thus the advance will not be refunded to STADA.

The reports listed below are shown in following order to demonstrate the quantifiable effects:

- The consolidated income statement and report on comprehensive income for Q1 2020, Q 1-4 2019 and full year 2019.
- The consolidated balance sheet on the balance sheet date for March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019, and March 31, 2019.
- The parent company's income statement for Q1 2020, Q 1-4 2019 and full year 2019.
- The parent company's balance sheet on the balance sheet date for March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019, and March 31, 2019.

Group - January-March 2020**Consolidated income statement**

Amounts in SEK thousand	After correction Q1 2020	Correction	Before correction Q1 2020
Research and development expenses	-47,543	-2,947	-44,597
Operating profit/loss	-51,628	-2,947	-48,681
Profit/loss before tax	-51,833	-2,947	-48,887
Total comprehensive income for the period	-51,833	-2,947	-48,887
Earnings per share			
- Basic earnings per share (SEK)	-3.36	-0.19	-3.17
- Diluted earnings per share (SEK)	-3.36	-0.19	-3.17

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction Q1 2020	Correction	Before correction Q1 2020
Total comprehensive income for the period	-51,833	-2,947	-48,887
Other comprehensive income	3,820	-	3,820
Total comprehensive income for the period	-48,013	-2,947	-45,067

Consolidated statement of financial position

Amounts in SEK thousand	After correction 03-31-2020	Correction	Before correction 03-31-2020
TOTAL ASSETS	311,354	-	311,354
Retained earnings	-350,744	-27,917	-322,827
Equity attributable to owners of the Company	111,582	-27,917	139,499
Deferred income/revenue	136,641	27,917	108,724
Current liabilities	184,675	27,917	156,758
Total liabilities	199,773	27,917	171,856
TOTAL EQUITY AND LIABILITIES	311,354	-	311,354

In the Group's cash flow for Q1 2020, profit before tax has decreased by SEK 2,947 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Group - January-December 2019**Consolidated income statement**

Amounts in SEK thousand	After correction 2019	Correction	Before correction 2019
Research and development expenses	-137,665	-21,952	-115,713
Operating profit/loss	-186,572	-21,952	-164,620
Profit/loss before tax	-187,989	-21,952	-166,037
Total comprehensive income for the period	-187,989	-21,952	-166,037
Earnings per share			
- Basic earnings per share (SEK)	-16,80	-1,96	-14,84
- Diluted earnings per share (SEK)	-16,80	-1,96	-14,84

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction 2019	Correction	Before correction 2019
Total comprehensive income for the period	-187,989	-21,952	-166,037
Other comprehensive income	1,171	-	1,171
Total comprehensive income for the period	-186,818	-21,952	-164,866

Consolidated statement of financial position

Amounts in SEK thousand	After correction 12-31-2019	Correction	Before correction 12-31-2019
TOTAL ASSETS	338,940	-	338,940
Retained earnings	-298,912	-24,971	-273,941
Equity attributable to owners of the Company	159,352	-24,971	184,323
Deferred income/revenue	137,431	24,971	112,460
Current liabilities	164,587	24,971	139,616
Total liabilities	179,588	24,971	154,617
TOTAL EQUITY AND LIABILITIES	338,940	-	338,940

In the Group's cash flow for the full year 2019, profit before tax has decreased by SEK 21,952 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Group - October-December 2019**Consolidated income statement**

Amounts in SEK thousand	After correction Q4 2019	Correction	Before correction Q4 2019
Research and development expenses	-36,347	-10,749	-25,598
Operating profit/loss	-66,322	-10,749	-55,573
Profit/loss before tax	-66,675	-10,749	-55,926
Total comprehensive income for the period	-66,675	-10,749	-55,926
Earnings per share			
- Basic earnings per share (SEK)	-5.96	-0.96	-5.00
- Diluted earnings per share (SEK)	-5.96	-0.96	-5.00

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction Q4 2019	Correction	Before correction Q4 2019
Total comprehensive income for the period	-66,675	-10,749	-55,926
Other comprehensive income	-2,790		-2,790
Total comprehensive income for the period	-69,465	-10,749	-58,716

In the Group's cash flow for Q4 2019, profit before tax has decreased by SEK 10,749 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Group - January-September 2019**Consolidated income statement**

Amounts in SEK thousand	After correction Q1-3 2019	Correction	Before correction Q1-3 2019
Research and development expenses	-101,318	-11,203	-90,115
Operating profit/loss	-120,249	-11,203	-109,046
Profit/loss before tax	-121,314	-11,203	-110,111
Total comprehensive income for the period	-121,314	-11,203	-110,111
Earnings per share			
- Basic earnings per share (SEK)	-12.42	-1.15	-11.27
- Diluted earnings per share (SEK)	-12.42	-1.15	-11.27

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction Q1-3 2019	Correction	Before correction Q1-3 2019
Total comprehensive income for the period	-121,314	-11,203	-110,111
Other comprehensive income	3,815	-	3,815
Total comprehensive income for the period	-117,499	-11,203	-106,296

Consolidated statement of financial position

Amounts in SEK thousand	After correction 09-30-2019	Correction	Before correction 09-30-2019
TOTAL ASSETS	406,410	-	406,410
Retained earnings	-232,235	-14,221	-218,014
Equity attributable to owners of the Company	227,499	-14,221	241,720
Deferred income/revenue	139,617	14,221	125,396
Current liabilities	162,804	14,221	148,583
Total liabilities	178,911	14,221	164,690
TOTAL EQUITY AND LIABILITIES	406,410	-	406,410

In the Group's cash flow for Q1-3 2019, profit before tax has decreased by SEK 11,203 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Group - July-September 2019**Consolidated income statement**

Amounts in SEK thousand	After correction Q3 2019	Correction	Before correction Q3 2019
Research and development expenses	-31,354	-5,604	-25,750
Operating profit/loss	-37,731	-5,604	-32,127
Profit/loss before tax	-38,002	-5,604	-32,398
Total comprehensive income for the period	-38,002	-5,604	-32,398
Earnings per share			
- Basic earnings per share (SEK)	-2.63	-0.39	-2.24
- Diluted earnings per share (SEK)	-2.63	-0.39	-2.24

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction Q3 2019	Correction	Before correction Q3 2019
Total comprehensive income for the period	-38,002	-5,604	-32,398
Other comprehensive income	1,382	-	1,382
Total comprehensive income for the period	-36,620	-5,604	-31,016

In the Group's cash flow for Q3 2019, profit before tax has decreased by SEK 5,604 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Group - January-June 2019**Consolidated income statement**

Amounts in SEK thousand	After correction Q1-2 2019	Correction	Before correction Q1-2 2019
Research and development expenses	-69,964	-5,599	-64,365
Operating profit/loss	-82,518	-5,599	-76,919
Profit/loss before tax	-83,311	-5,599	-77,712
Total comprehensive income for the period	-83,311	-5,599	-77,712
Earnings per share			
- Basic earnings per share (SEK)	-9.90	-0.67	-9.24
- Diluted earnings per share (SEK)	-9.90	-0.67	-9.24

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction Q1-2 2019	Correction	Before correction Q1-2 2019
Total comprehensive income for the period	-83,311	-5,599	-77,712
Other comprehensive income	2,433	-	2,433
Total comprehensive income for the period	-80,878	-5,599	-75,279

Consolidated statement of financial position

Amounts in SEK thousand	After correction 06-30-2019	Correction	Before correction 06-30-2019
TOTAL ASSETS	455,189	-	455,189
Retained earnings	-194,232	-8,617	-185,615
Equity attributable to owners of the Company	279,075	-8,617	287,692
Deferred income/revenue	123,788	8,617	115,171
Current liabilities	163,794	8,617	155,177
Total liabilities	176,114	8,617	167,497
TOTAL EQUITY AND LIABILITIES	455,189	-	455,189

In the Group's cash flow for Q1-2 2019, profit before tax has decreased by SEK 5,599 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Group - April-June 2019**Consolidated income statement**

Amounts in SEK thousand	After correction Q2 2019	Correction	Before correction Q2 2019
Research and development expenses	-40,804	-2,962	-37,842
Operating profit/loss	-46,949	-2,962	-43,987
Profit/loss before tax	-47,361	-2,962	-44,399
Total comprehensive income for the period	-47,361	-2,962	-44,399
Earnings per share			
- Basic earnings per share (SEK)	-5.63	-0.35	-5.28
- Diluted earnings per share (SEK)	-5.63	-0.35	-5.28

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction Q2 2019	Correction	Before correction Q2 2019
Total comprehensive income for the period	-47,361	-2,962	-44,399
Other comprehensive income	1,144	-	1,144
Total comprehensive income for the period	-46,217	-2,962	-43,255

In the Group's cash flow for Q2 2019, profit before tax has decreased by SEK 1,502 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Group - January-March 2019**Consolidated income statement**

Amounts in SEK thousand	After correction Q1 2019	Correction	Before correction Q1 2019
Research and development expenses	-29,160	-2,637	-26,523
Operating profit/loss	-35,569	-2,637	-32,932
Profit/loss before tax	-35,950	-2,637	-33,313
Total comprehensive income for the period	-35,950	-2,637	-33,313
Earnings per share			
- Basic earnings per share (SEK)	-5.68	-0.42	-5.26
- Diluted earnings per share (SEK)	-5.68	-0.42	-5.26

Consolidated income statement and other comprehensive income

Amounts in SEK thousand	After correction Q1 2019	Correction	Before correction Q1 2019
Total comprehensive income for the period	-35,950	-2,637	-33,313
Other comprehensive income	1,289	-	1,289
Total comprehensive income for the period	-34,661	-2,637	-32,024

Consolidated statement of financial position

Amounts in SEK thousand	After correction 03-31-2019	Correction	Before correction 03-31-2019
TOTAL ASSETS	294,165	-	294,165
Retained earnings	-146,871	-5,655	-141,216
Equity attributable to owners of the Company	95,463	-5,655	101,118
Deferred income/revenue	103,219	5,655	97,564
Current liabilities	142,597	5,655	136,942
Total liabilities	198,702	5,655	193,047
TOTAL EQUITY AND LIABILITIES	294,165	-	294,165

In the Group's cash flow for Q1 2019, profit before tax has decreased by SEK 2,637 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - January-March 2020**Income statement, parent company**

Amounts in SEK thousand	After correction Q1 2020	Correction	Before correction Q1 2020
Research and development expenses	-45,804	-2,947	-42,857
Operating profit/loss	-48,588	-2,947	-45,641
Profit/loss before tax	-48,647	-2,947	-45,700
Total comprehensive income for the period	-48,647	-2,947	-45,700

The Parent Company has no transactions in other comprehensive income, which is why the profit for the year corresponds to the profit for the year above.

Balance sheet, Parent company

Amounts in SEK thousand	After correction 03-31-2020	Correction	Before correction 03-31-2020
TOTAL ASSETS	332,570	-	332,570
Retained earnings	-252,474	-24,971	-227,503
Profit/loss for the period	-48,647	-2,947	-45,700
Total equity	151,353	-27,917	179,270
Deferred income/revenue	132,449	27,917	104,532
Current liabilities	176,784	27,917	148,867
TOTAL LIABILITIES	181,217	27,917	153,300
TOTAL EQUITY AND LIABILITIES	332,570	-	332,570

In the parent company's cash flow for Q1 2020, profit before tax has decreased by SEK 2,947 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - January-December 2019**Income statement, parent company**

Amounts in SEK thousand	After correction 2019	Correction	Before correction 2019
Research and development expenses	-126,509	-21,952	-104,557
Operating profit/loss	-153,777	-21,952	-131,825
Profit/loss before tax	-154,767	-21,952	-132,815
Total comprehensive income for the period	-154,767	-21,952	-132,815

The Parent Company has no transactions in other comprehensive income, which is why the profit for the year corresponds to the profit for the year above.

Balance sheet, Parent company

Amounts in SEK thousand	After correction 12-31-2019	Correction	Before correction 12-31-2019
TOTAL ASSETS	359,313	-	359,313
Retained earnings	-97,707	-3,019	-94,688
Profit/loss for the period	-154,767	-21,952	-132,815
Total equity	199,757	-24,971	224,728
Deferred income/revenue	132,298	24,971	107,327
Current liabilities	155,383	24,971	130,412
TOTAL LIABILITIES	159,556	24,971	134,585
TOTAL EQUITY AND LIABILITIES	359,313	-	359,313

In the parent company's cash flow for full year 2019, profit before tax has decreased by SEK 21,952 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - October-December 2019**Income statement, parent company**

Amounts in SEK thousand	After correction Q4 2019	Correction	Before correction Q4 2019
Research and development expenses	-34,653	-10,749	-23,904
Operating profit/loss	-45,642	-10,749	-34,893
Profit/loss before tax	-45,752	-10,749	-35,003
Total comprehensive income for the period	-45,752	-10,749	-35,003

The Parent Company has no transactions in other comprehensive income, which is why the profit for the year corresponds to the profit for the year above.

In the Parent company's cash flow for Q4 2019, profit before tax has decreased by SEK 10,749 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - January-September 2019**Income statement, parent company**

Amounts in SEK thousand	After correction Q1 -3 2019	Correction	Before correction Q1-3 2019
Research and development expenses	-91,856	-11,203	-80,653
Operating profit/loss	-108,135	-11,203	-96,932
Profit/loss before tax	-109,015	-11,203	-97,812
Total comprehensive income for the period	-109,015	-11,203	-97,812

The Parent Company has no transactions in other comprehensive income, which is why the profit for the year corresponds to the profit for the year above.

Balance sheet, Parent company

Amounts in SEK thousand	After correction 09-30-2019	Correction	Before correction 09-30-2019
TOTAL ASSETS	402,192	-	402,192
Retained earnings	-97,707	-3,019	-94,688
Profit/loss for the period	-109,015	-11,203	-97,812
Total equity	244,336	-14,221	258,557
Deferred income/revenue	135,395	14,221	121,174
Current liabilities	153,565	14,221	139,344
TOTAL LIABILITIES	157,856	14,221	143,635
TOTAL EQUITY AND LIABILITIES	402,192	-	402,192

In the parent company's cash flow for Q1-3 2019, profit before tax has decreased by SEK 11,203 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - July-December 2019**Income statement, parent company**

Amounts in SEK thousand	After correction Q3 2019	Correction	Before correction Q3 2019
Research and development expenses	-27,903	-5,604	-22,299
Operating profit/loss	-33,668	-5,604	-28,064
Profit/loss before tax	-33,778	-5,604	-28,174
Total comprehensive income for the period	-33,778	-5,604	-28,174

The Parent Company has no transactions in other comprehensive income, which is why the profit for the year corresponds to the profit for the year above.

In the Parent company's cash flow for Q3 2019, profit before tax has decreased by SEK 5,604 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - January-June 2019**Income statement, parent company**

Amounts in SEK thousand	After correction Q1-2 2019	Correction	Before correction Q1-2 2019
Research and development expenses	-63,953	-5,599	-58,354
Operating profit/loss	-74,467	-5,599	-68,868
Profit/loss before tax	-75,237	-5,599	-69,638
Total comprehensive income for the period	-75,237	-5,599	-69,638

The Parent Company has no transactions in other comprehensive income, which is why the profit for the year corresponds to the profit for the year above.

Balance sheet, Parent company

Amounts in SEK thousand	After correction 06-30-2019	Correction	Before correction 06-30-2019
TOTAL ASSETS	453,394	-	453,394
Retained earnings	-97,707	-3,019	-94,688
Profit/loss for the period	-75,237	-5,599	-69,638
Total equity	293,068	-8,617	301,686
Deferred income/revenue	119,472	8,617	110,854
Current liabilities	156,104	8,617	147,486
TOTAL LIABILITIES	160,328	8,617	151,709
TOTAL EQUITY AND LIABILITIES	453,394	-	453,394

In the Parent company's cash flow for Q1-2 2019, profit before tax has decreased by SEK 5,599 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - April-June 2019**Income statement, parent company**

Amounts in SEK thousand	After correction Q2 2019	Correction	Before correction Q2 2019
Research and development expenses	-38,234	-2,962	-35,272
Operating profit/loss	-43,367	-2,962	-40,405
Profit/loss before tax	-43,724	-2,962	-40,762
Total comprehensive income for the period	-43,724	-2,962	-40,762

In the Parent company's cash flow for Q2 2019, profit before tax has decreased by SEK 2,962 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.

Parent company - January-March 2019**Income statement, parent company**

Amounts in SEK thousand	After correction Q1 2019	Correction	Before correction Q1 2019
Research and development expenses	-25,719	-2,637	-23,082
Operating profit/loss	-31,107	-2,637	-28,470
Profit/loss before tax	-31,521	-2,637	-28,884
Total comprehensive income for the period	-31,521	-2,637	-28,884

The Parent Company has no transactions in other comprehensive income, which is why the profit for the year corresponds to the profit for the year above.

Balance sheet, Parent company

Amounts in SEK thousand	After correction 03-31-2019	Correction	Before correction 03-31-2019
TOTAL ASSETS	291,620	-	291,620
Retained earnings	-97,707	-3,019	-94,688
Profit/loss for the period	-31,521	-2,637	-28,884
Total equity	106,957	-5,655	112,612
Deferred income/revenue	99,962	5,655	94,307
Current liabilities	135,545	5,655	129,890
TOTAL LIABILITIES	184,663	5,655	179,008
TOTAL EQUITY AND LIABILITIES	291,620	-	291,620

In the Parent company's cash flow for Q1 2019, profit before tax has decreased by SEK 2,637 thousand and changes in operating liabilities have increased by the corresponding amount. The total cash flow has thus not been affected.