xspray PHARMA

Interim Report

October – December 2024

Key figures, Group

	Q4		Jan-Dec	
	2024	2023	2024	2023
Net sales (SEK thousand)	-	-	-	-
Loss before Income tax (SEK thousand)	-82,002	-54,513	-285,674	-179,684
Earnings per share before dilution (SEK)	-2.36	-1.85	-8.62	-6.76
Earnings per share after dilution (SEK)	-2.36	-1.85	-8.62	-6.76
Research and development expenses as % of operating expenses*	12%	22%	27%	19%
Cash and cash equivalents (SEK thousand)	208,236	166,303	208,236	166,303
Total assets (SEK thousand)	796,344	765,263	796,344	765,263
Equity/assets ratio (%)	78%	91%	78%	91%
Average number of employees	26	26	25	26

Definitions of key figures, p. 22

October – December 2024, Group

- Net sales amounted to SEK 0 thousand (0)
- Loss before tax amounted to SEK -82,002 thousand (-54,513)
- Earnings per share before dilution amounted to SEK -2.36 (-1.85)
- Cash flow from operating activities amounted to SEK -61,601 thousand (-32,626)
- Cash flow from investing activities amounted to SEK -19,202 thousand (-20,729)

Amounts in parentheses refer to the year-earlier period.

January – December 2024, Group

- Net sales amounted to SEK 0 thousand (0)
- Loss before tax amounted to SEK -285,523 thousand (-179,684)
- Earnings per share before dilution amounted to SEK -8.62 (-6.76)
- Cash flow from operating activities amounted to SEK -222,367 thousand (-203,275)
- Cash flow from investing activities amounted to SEK -42,142 thousand (-65,876)

Amounts in parentheses refer to the year-earlier period.

Significant events during the quarter

- In October, Xspray Pharma published the composition of its Nomination Committee for the Annual General Meeting on May 13, 2025. The Nomination Committee, which has been appointed in accordance with the principles adopted by the Annual General Meeting on May 21, 2024, consists of: Thomas Eldered, appointed by Flerie AB, Chairman of the Nomination Committee; Johan Gyllenswärd, appointed by Ribbskottet AB; Mattias Klintemar, appointed by the Foundation for Baltic and East European Studies; Johan Wadell, appointed by AP2; and Anders Ekblom, Chairman of the Board of Directors, Xspray Pharma AB.

- In November, the Board of Directors, by virtue of the authorization from the Annual General Meeting on May 21, 2024, resolved to carry out a new issue of shares of approximately SEK 135 million, with preferential rights for the company's existing shareholders. The final outcome, which was announced in December, showed that the rights issue was oversubscribed and that the total number of shares increased by 3,376,226 to a total of 37,138,491. Furthermore, the Board resolved to take a loan of SEK 100 million and issue warrants to the lenders. The primary purpose of the loan is to finance the preparatory activities ahead of the contemplated launch of Dasynoc® in the US market, conduct registration-based studies for XS003 nilotinib, and continue development of the rest of the company's product portfolio.

Significant events after the end of the reporting period

- In January, Xspray Pharma provided an update regarding the process for submitting an updated application to the US Food and Drug Administration (FDA) for Dasynoc®, the company's lead product candidate. The timeline has been adjusted as the result of one batch of tablets being identified as aberrant. The cause of the aberration has been identified, the batch has been remade to safeguard the stringent quality requirements and production has resumed. As a result of the turnaround times in production, the company intends to submit the updated application in the March/April timeframe.

- In January, interim data from a food interaction study with product candidate XS003 nilotinib was presented. The study shows that bioavailability remains stable and consistent regardless of food intake. These results confirm the benefits of the company's patented HyNap™ technology platform and its ability to deliver significant benefits for patients compared with existing PKI drugs.

A message from the CEO

Dear shareholders,

Significant advances and preparations

Intensive efforts with our application for market approval of Dasynoc® during the quarter have brought us closer to our goal despite the delay that arose in the final stages. We have produced batches of tablets of Dasynoc® with adjusted dosage strengths in accordance with the FDA's requests in order to reduce the risk of medication error. Unfortunately, an aberration in one batch of tablets was noticed very late. The turnaround times for producing and analyzing a new batch of tablets means a delay that is of course unwelcome but fully manageable. We are now producing the adjusted dosage strengths and intend to submit our revised application in the March/April timeframe.

If our application receives a Class 1 designation, we can expect a review period of two months, which will enable a launch as soon as the second quarter of 2025. If it receives a Class 2 designation, the FDA's processing time is six months from the date we submit our updated application, which will enable a launch during the autumn of 2025.

Focus on launch and future growth

Our work on building relationships with physicians and payors in the US continued during the quarter. Outside of this, the launch efforts and related costs are on hold.

We do not believe that our market positioning of Dasynoc® will be impacted by the new timeline. Our product candidate has important advantages, with the potential of being best in class compared with

competing products. Dasynoc® has lower variability, the same effect at a lower dosage strength, and solves the complex problem of co-medication with all types of acid reducing agents. This is possible because of our patented HyNap™ technology. With Dasynoc®, we have laid the foundation for future product candidates that are developed using the same technology platform.

Financing

Despite these challenges, we have strong support from our investors, both large and small, which we are grateful for. During the period, financing that encompassed a new share issue of SEK 135 million and a loan of SEK 100 million was successfully completed. Our cost profile is flexible, and largely connected with the launch itself. We believe that we have the financing we need to cover the company's capital requirements until Dasynoc® is approved, regardless of which response period the FDA uses, and to complete the remaining studies for XS003 nilotinib.

Earnings for the quarter are lower compared to the year-earlier period. One reason is a higher share of research and development costs now being expensed directly instead of being capitalized, and another is previous investments for production capacity in Malta being written off due to new timelines and changed patent situation.

The technology platform: advantages and outlook

After the quarter, we presented interim data from a food interaction study for our product candidate XS003 nilotinib. The data confirms the ability of the company's HyNap™ technology platform to deliver significant benefits for patients compared with existing PKI drugs. Our amorphous formulation of nilotinib eliminates the problems with food interaction, thus demonstrating a markedly improved profile compared with all currently approved nilotinib products. This would improve patient quality of life and reduce the risk of serious side effects.

The findings of the current study, together with the product candidate's robust patent protection, provide unique competitive advantages that would enable XS003 nilotinib to capture significant market shares.

There are exciting times ahead, and I look forward to leading Xspray Pharma through the next stage of the journey toward becoming a commercial-stage, profitable pharmaceutical company and beginning to build a position as a leading player in improved protein kinase inhibitors.

Per Andersson, CEO, Xspray Pharma

About Xspray Pharma

Xspray Pharma AB (publ) is a pharmaceutical company with a number of product candidates under clinical development, and is nearing the launch of its first product, Dasynoc®. Xspray Pharma uses its innovative, patented HyNap technology to develop improved versions of protein kinase inhibitors (PKIs) for the treatment of cancer. This segment is the largest in the field of oncology, with just over 80 approved drugs in the US at the end of 2024.

Vision

Xspray Pharma's goal is to be a leader in developing improved PKIs for the treatment of cancer. The company's financial and operational vision through 2030:

- Net sales that exceed USD 400 million
- Profit margin that exceeds 65% (profit before tax)
- Five products launched
- Three product candidates under development

Launch of the company's first commercial product – Dasynoc

In January 2025, the company issued an updated timeline for the regulatory process of obtaining market approval for Dasynoc® in the US. In July 2024, the FDA requested, in a Complete Response Letter, supplementary information to support the company's application. The company's original plan was to submit a response in the fourth quarter of 2024, but a batch of tablets was identified as being aberrant while the response was being compiled. The cause of the aberration was identified, the batch was remade to safeguard the stringent quality requirements and production has now been resumed. The company intends to submit its updated application in March or April, 2025. The FDA will subsequently assign a Prescription Drug User Free Act (PDUFA) date either two or six months after submission of the application. The PDUFA date relates to the FDA's target date for concluding the approval process for Dasynoc®.

Xspray Pharma has a partnership agreement with EVERSANA that provides access to a cost-effective sales organization for the US market. EVERSANA will provide Xspray Pharma with services in market access, a medical sales organization, and patient support programs. EVERSANA has experts with extensive experience in selling PKI drugs and interact with physicians, insurance companies, and other players that Xspray Pharma will be targeting. This will create good conditions for a rapid launch of Dasynoc®. Xspray Pharma will retain financial and strategic control but grants EVERSANA the commercial right to provide support in the launch of Dasynoc® in the US. At present, EVERSANA's market preparation activities have been limited pending the FDA's final approval.
Xspray Pharma has conducted a number of market surveys in the US. These confirmed the company's view of the potential of Dasynoc®.

Market

Protein kinase inhibitors (PKIs) have become one of the most effective treatments of cancer and for certain types of cancer, PKIs are one of only a few available options. PKIs are the largest segment in the oncology area, with over 1,800 ongoing clinical studies in Phase II or Phase III, and just over 80 PKIs are approved treatments on the US market. All Xspray Pharma's product candidates in development are currently PKIs.

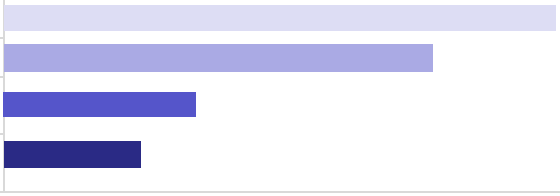
Product candidates

Xspray Pharma's pipeline contains four announced product candidates. They are all based on the company's HyNap technology: Dasynoc®, XS003 nilotinib, XS008 axitinib and XS025 cabozantinib. These product candidates are stable amorphous and non-crystalline versions of the four best-selling cancer drugs Sprycel® (dasatinib), Tasigna® (nilotinib), Inlyta® (axitinib) and Cabometyx® (cabozantinib). Many protein kinase inhibitors in the market are difficult to dissolve and often have a high degree of variability in uptake. Xspray's amorphous formulation increases solubility, which leads to more stable uptake and permits lower dosages to be administered to patients with retained efficacy. The total annual sales of the original drugs Sprycel®, Tasigna® Inlyta® and Cabometyx® for 2023 exceeded USD 5.2 billion in the US market and USD 7.1 billion globally.[1]

[1] The information regarding annual sales has been taken from the reference companies' quarterly reports.

Overview – product candidates

Product candidate				Patent		Development phase					
Project	Substance	Indication	Regulatory path	Substance patent expiry	Secondary patent expiry	New candidate evaluation	Development of formulation	Pilot studies	Pivotal studies	Regulatory review	Original product/Company
Dasynoc	dasatinib	Leukemia (CML, ALL)	505(b)(2)	Dec 2020	Sep 2026						Sprycel®/ BMS
XS003	nilotinib	Leukemia (CML)	505(b)(2)	Jan 2024	Oct 2032						Tasigna®/ Novartis
XS008	axitinib	Renal cancer (RCC)	505(b)(2)	Apr 2025	Dec 2030						Inlyta®/ Pfizer
XS025	cabozantinib	Renal cancer (RCC)	505(b)(2)	Aug 2026	Jul 2033						Cabometyx®/ Exelixis



Share information

Xspray Pharma's share is listed on Nasdaq Stockholm in the Small Cap segment under the symbol XSPRAY. The number of shares in the company at December 31, 2024 was 37,138,491 and the closing price on that date was SEK 41.45.

Owners as of December 31, 2024	Number of shares	Share of capital & votes
Flerie Invest	6,501,261	17.51%
Anders Bladh (private & Ribbskottet)	4,574,670	12.32%
The Foundation for Baltic and East European Studies	4,342,626	11.69%
Fourth Swedish National Pension Fund	3,710,135	9.99%
Avanza Pension	1,500,322	4.04%
Third Swedish National Pension Fund	1,429,998	3.85%
Unionen	1,418,634	3.82%
Second Swedish National Pension Fund	1,140,920	3.07%
Nordnet Pension Insurance	844,601	2.27%
Carl Erik Norman	793,878	2.14%
Total, 10 largest owners	**26,257,045**	**70.70%**
Other shareholders	**10,881,446**	**29.30%**
Total	**37,138,491**	**100.0%**

Financial calendar

Annual Report 2024	March 27, 2025
Interim Report Q1 2025	May 8, 2025
2025 Annual General Meeting	May 13, 2025
Interim Report Q2 2025	August 6, 2025
Interim Report Q3 2025	November 5, 2025

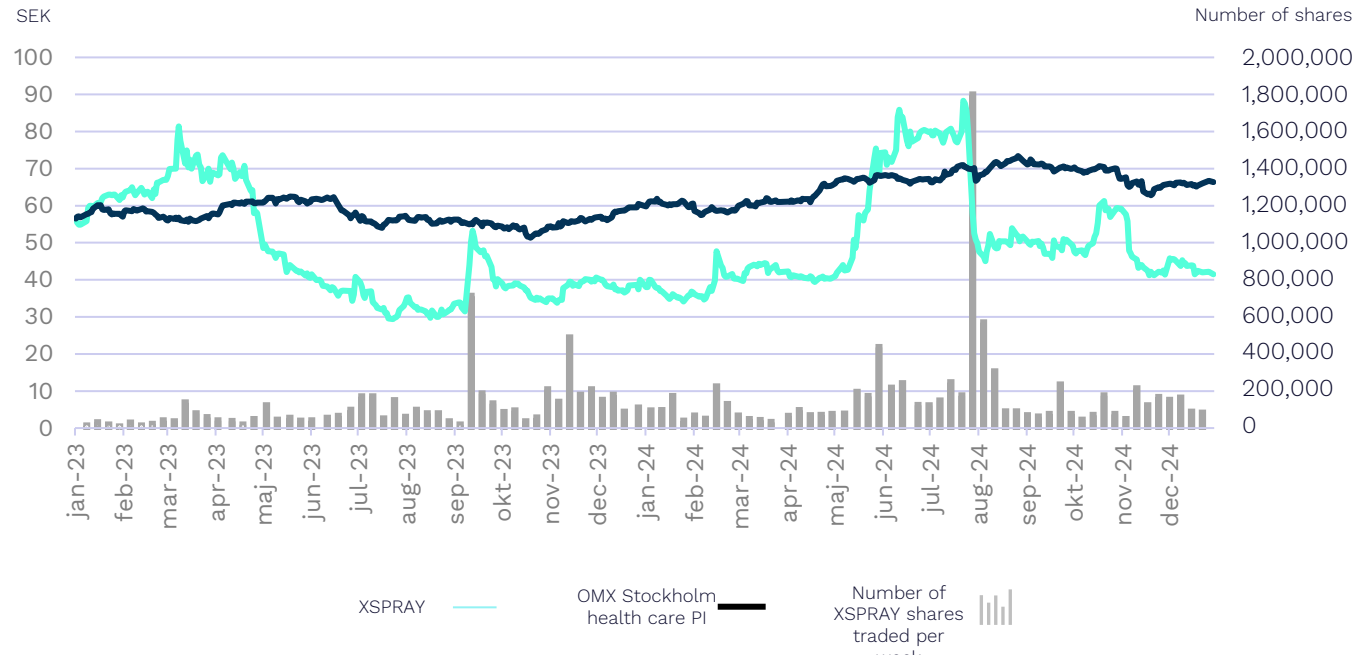
The financial reports are available on the Xspray Pharma website, www.xspraypharma.com.

Analysts monitoring the company

Filip Einarsson, Redeye AB

Dan Akschuti, Pareto Securities AB

Share price performance



Financial performance

Unless otherwise indicated, the comments below pertain to the Group. Comparison figures are presented in parentheses and pertain to the same period in 2023. The Group comprises the Parent Company, a dormant subsidiary and a US subsidiary. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Parent Company's statements have been prepared in accordance with RFR2.

Net sales

Net sales for the company amounted to SEK 0 thousand. Sales are expected to increase when the company launches its initial product, Dasynoc®, in the US market. Further information on Dasynoc® is available on pages 6–7.

Other operating income

Other operating income was SEK 167 thousand (1,304) for the fourth quarter and SEK 2,096 thousand (31,767) for the January–December period. The change for the full year compared with the preceding period is due to the comparative period being impacted by a one-time effect of SEK 29,671 thousand attributable to the legal proceedings in the US that concluded in September 2023. Other operating income primarily consists of exchange rate gains arising in conjunction with payments abroad and translations of the currency account.

Research and development costs

Total expenditures for research and development for the quarter amounted to SEK -30,173 thousand (-25,863), of which SEK -9,914 thousand (-12,488) was recognized as an expense in profit or loss and SEK -20,259 thousand (-13,375) was capitalized as development expenses and is presented in the company's balance sheet. For the full year, the figure is SEK -121,504 thousand (-91,442) for total expenditure for research and development, with SEK -79,358 thousand (-40,259) being expensed and SEK -42,146 thousand (-51,183) capitalized as development expenditures.

Research and development costs are attributable to Dasynoc®, XS003 nilotinib, XS008 axitinib and XS025 cabozantinib.

Administration and sales expenses

Administration and sales expenses totaled SEK -69,552 thousand (-43,988) in the fourth quarter. Of these, personnel costs amounted to SEK -7,960 thousand (-9,381). The increase in costs is attributable primarily to disposal of advance payments due to the decision not to locate the planned manufacturing facility in Malta, which was announced in a previous interim report. Apart from this non-cash item of SEK -19,701 thousand, administration and sales expenses are in line with the preceding year and for the most part comprise preparatory market activities for Dasynoc®. Administration and sales expenses for the January–December period totaled SEK -203,878 thousand (-169,567), with SEK -37,012 thousand (-36,452) pertaining to personnel costs.

Other operating expenses

Other operating expenses totaled SEK -2,577 thousand (-676) for the fourth quarter and SEK -5,901 thousand (-3,675) for the January–December period. Other operating expenses consist of exchange rate losses arising in conjunction with payments abroad and translations of the currency account.

Loss for the period

Loss for the period totaled SEK -81,968 thousand (-54,496) for the fourth quarter and SEK -285,523 thousand (-179,684) for the January–December period. This corresponds to earnings per share before dilution of SEK -2.36 (-1.85) for the fourth quarter and SEK -8.62 (-6.76) for the January–December period.

The deterioration in earnings for the quarter is due primarily to the non-cash item of SEK -19,701 thousand related to the manufacturing facility on Malta as well as increased preparatory market activities for Dasynoc®.

Cash flow

Cash flow from operating activities amounted to SEK -61,601 thousand (-32,626) in the fourth quarter, of which the effect from working capital was SEK -4,774 thousand (20,028), and totaled SEK -222,367 thousand (-203,275) for the January–December period, of which the effect from working capital was SEK 4,589 thousand (-31,581). The increase in

negative cash flow is due primarily to preparatory activities for Dasynoc®.

Cash flow from investing activities amounted to SEK -19,202 thousand (-20,729) in the fourth quarter and SEK -42,142 thousand (-65,876) for the January–December period. The item includes capitalized development expenditure of SEK -19,201 thousand (-12,760) for the fourth quarter and SEK -37,762 thousand (-49,855) for the January–December period. The decrease in cash flow from investing activities is due primarily to Dasynoc® moving from a research and development project to being prepared for launch.

Cash flow from financing activities totaled SEK 214,022 thousand (87,484) in the fourth quarter. The increase is due primarily to the completed rights issue of SEK 135,049 thousand and the loan of SEK 100,000 thousand, prior to transaction costs. Cash flow from financing activities for the January–December period was SEK 306,108 thousand (315,594). Full-year 2024 was also positively impacted by the exercise of the TO6 series of warrants.

Total cash flow was SEK 133,219 thousand (34,129) for the fourth quarter and SEK 41,599 thousand (46,443) for the January–December period. The Group had SEK 208,236 thousand (166,303) in cash and cash equivalents at December 31, 2024.

Intangible assets

Development expenditures for the projects have been capitalized according to plan. Capitalized development expenditures totaled SEK 20,259 thousand (13,375) in the fourth quarter. The Group's total capitalized expenditure for development amounted to SEK 478,926 thousand (436,780) on December 31, 2024. The item is associated with the company's product candidates Dasynoc®, XS003 nilotinib, XS008 axitinib and XS025 cabozantinib. No costs linked to Dasynoc® were capitalized in 2024 since the development phase is approaching its final stages and a launch is expected in the near-term, and therefore costs are expensed in the income statement.

Financial position

In conjunction with the rights issue during the quarter, the company raised an unsecured loan of SEK 100 million with a 12-month maturity and also issued 1,150,000 warrants to the lenders. The warrants can be redeemed for shares at various subscription prices up through November 2029.

Depending on the path and orientation the company chooses to take over the coming year, the Group's coverage of cash and cash equivalents will fall below the liquidity needed to pursue operations for the coming 12 months. The company's capital needs depend on a number of factors, including the launch timing and market uptake of the company's first product candidate, Dasynoc®, as well as the results from, and costs for, ongoing and future drug studies.

In light of this, the Board of Directors is actively engaged in evaluating the company's financial requirements and position, with various financing alternatives being reviewed. The primary scenario is that the launch of Dasynoc© will be financed through loans. The equity/assets ratio for the Group was 78.2 percent (90.6) at December 31, 2024.

Since the operation is in a pre-commercial stage without sales revenue, the Board of Directors has decided to propose to the AGM that no dividends are to be paid to shareholders in 2025.

Group structure

The Group structure comprises the Parent Company, Xspray Pharma AB (publ), corporate identity number 556649-3671, and its wholly owned subsidiaries Xspray Pharma Futurum AB, corporate identity number 559178-7642, and Xspray Pharma Inc. The two Swedish limited liability companies have their offices in Solna, Sweden, and the US subsidiary has its offices in Delaware. The address of the head office is Scheeles väg 2, SE-171 65 Solna, Sweden.

Parent Company

Operations were conducted primarily in the Parent Company, Xspray Pharma AB (publ). The Parent Company's cash and cash equivalents totaled SEK 206,682 thousand (165,658) and the equity/assets ratio was 81.3 percent (94.9) at December 31, 2024.

Employees

The organization has the same number of employees compared with the year-earlier period. The average number of employees in the Group totaled 26 (26).

Related-party transactions

The management of the Parent Company, the Boards of Directors of the Parent Company and subsidiary are defined as related parties. Purchase of services from senior executives during the year pertain to consultant fees from Glimberg Consulting AB, owned by Linda Glimberg, who is part of the company's executive management team. The company did not purchase any services from Glimberg in the fourth quarter, since Linda Glimberg

transitioned to permanent employment on June 30, 2024. The fees thus totaled SEK 0 thousand (-476) for the quarter and SEK -1,015 thousand (-1,725) for the January–December period.

The company did purchase consulting services in 2023 but not in 2024 from Stratfox Healthcare Group LLC, which is owned by the company's Board member Robert Molander. The fees thus totaled SEK 0 thousand (-107) for the fourth quarter and SEK 0 thousand (-532) for the January–December period.

Financial statements

Consolidated income statement

SEK thousand	Q4		Jan-Dec	
	2024	2023	2024	2023
Net sales	-	-	-	-
Other operating income	167	1,304	2,096	31,767
Research and development expenses	-9,914	-12,488	-79,358	-40,259
Administration and sales expenses	-69,552	-43,988	-203,878	-169,567
Other operating expenses	-2,577	-676	-5,901	-3,675
Operating loss	**-81,876**	**-55,848**	**-287,041**	**-181,734**
Finance income	1,779	1,335	3,297	2,725
Finance costs	-1,905	-	-1,929	-675
Finance net	**-126**	**1,335**	**1,368**	**2,049**
Loss before Income tax	-82,002	-54,513	-285,674	-179,684
Tax	34	17	151	17
Loss for the period	**-81,968**	**-54,496**	**-285,523**	**-179,667**
Earnings per share for the period before dilution, SEK	-2.36	-1.85	-8.62	-6.76
Earnings per share for the period after dilution, SEK	-2.36	-1.85	-8.62	-6.76
Average number of shares before dilution	34,756,745	29,523,111	33,137,306	26,593,910
Average number of shares after dilution	34,756,745	29,523,111	33,137,306	26,593,910

Consolidated statement of comprehensive income

SEK thousand	Q4		Jan-Dec	
	2024	2023	2024	2023
Loss for the period	-81,968	-54,496	-285,523	-179,667
Annual translation differences in the translation of foreign operations	75	-184	205	-184
Total comprehensive income for the period	**-81,893**	**-54,680**	**-285,318**	**-179,851**

Profit for the period and comprehensive income are attributable in their entirety to Parent Company shareholders.

Consolidated balance sheet

SEK thousand	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets		
Capitalized development costs	478,926	436,780
Total intangible assets	**478,926**	**436,780**
Property, plant and equipment		
Machinery and installations	3,565	8,581
Right-of-use assets	32,204	37,649
Equipment	2,026	2,056
Fixed assets under construction and prepayments	41,389	59,365
Total Property, plant and equipment	**79,185**	**107,651**
Financial assets		
Financial investments	1	1
Other long-term receivables	3,167	3,016
Total financial assets	**3,168**	**3,017**
Total non-current assets	**561,279**	**547,448**
Current assets		
Inventories	20,335	43,781
Current receivables	4,018	4,165
Prepaid expenses and accured income	2,476	3,566
Cash and cash equivalents	208,236	166,303
Total current assets	**235,066**	**217,815**
TOTAL ASSETS	**796,344**	**765,263**

Consolidated balance sheet cont.

SEK thousand	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES		
Equity		
Share capital	37,138	31,254
Other contributed capital	1,425,208	1,216,092
Reserves	997	792
Retained earnings including profit/loss for the period	-840,247	-554,724
Total equity attributable to the Parent Company's shareholders	**623,097**	**693,413**
Non–current liabilities		
Lease liabilities	27,108	31,947
Total non-current liabilities	**27,108**	**31,947**
Current liabilities		
Short-term interest-bearing liabilities	96,000	-
Trade accounts payable	17,083	12,472
Lease liabilities	5,113	4,861
Other current liabilities	9,312	6,263
Accrued expenses and deferred income	18,632	16,307
Total current liabilities	**146,140**	**39,903**
TOTAL EQUITY AND LIABILITIES	**796,344**	**765,263**

Consolidated statement of changes in equity

SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit/loss for the period	Total Equity
Opening balance as of January 1, 2023	**22,680**	**907,420**	**976**	**-375,057**	**556,019**
Loss of the period	-	-	-	-179,667	**-179,667**
Other comprehensive income for the period	-	-	-184	-	**-184**
Total comprehensive income for the period	-	-	**-184**	**-179,667**	**-179,851**
New share issue	**8,573**	334,352	-	-	**342,925**
Transaction costs	-	-26201	-	-	**-26,201**
Redemption of warrants	-	-	-	-	-
Warrant program	-	522	-	-	**522**
Closing balance as of December 31, 2023	**31,253**	**1,216,093**	**792**	**-554,724**	**693,414**
Opening balance as of January 1, 2024	**31,253**	**1,216,093**	**792**	**-554,724**	**693,414**
Loss of the period	-	-	-	-285,523	**-285,523**
Other comprehensive income for the period	-	-	205	-	**205**
Total comprehensive income for the period	-	-	205	**-285,523**	**-285,318**
New share issue	5,885	229,513	-	-	**235,398**
Transaction costs	-	-21,519	-	-	**-21,519**
Warrant program	-	1,122	-	-	**1,122**
Closing balance as of December 31, 2024	**37,138**	**1,425,208**	**997**	**-840,247**	**623,097**

Consolidated statement of cash flow

	Q4		Jan-Dec	
SEK thousand	2024	2023	2024	2023
Operating activities				
Operating loss	**-81,876**	**-55,848**	**-287,041**	**-181,734**
Non-cash adjustments				
Depreciation	1,661	2,449	8,547	9,194
Unrealized currency impact	-	41	-32	41
Disposal of inventory	-	-	29,471	-
Disposal of tangible fixed assets	22,757	5	22,772	5
Interest received	2,238	1,138	2,240	1,969
Interest paid	-1,607	-439	-2,913	-1,169
Cash flow from operating activities before changes in working capital	**-56,827**	**-52,654**	**-226,956**	**-171,694**
Changes in working capital				
Change in inventory	376	-778	-6,025	-35,229
Change in operating receivables	-972	27,982	1,336	-4,109
Change in operating liabilities	-4,178	-7,176	9,278	7,757
Cash flow from operating activities	**-61,601**	**-32,626**	**-222,367**	**-203,275**
Investing activities				
Capitalized development costs	-19,201	-12,760	-37,762	-49,855
Acquisition of property, plant and equipment	-1	-2,615	-4,380	-2,692
Prepayments of Right-of-Use-Assets	-	-1,556	-	-1,556
Prepayments	-	-3,798	-	-11,773
Cash flow from investing activities	**-19,202**	**-20,729**	**-42,142**	**-65,876**
Financing activities				
New share issue	135,049	92,288	235,398	297,924
Loan raised	96,000	-	96,000	45,000*
Transaction costs	-15,783	-4,611	-21,519	-26,201
Payment of lease liability	-1,244	-193	-4,893	-1,651
Repurchased warrants	-	-	-64	-
Allocated warrants	-	-	1,186	522
Cash flow from financing activities	**214,022**	**87,484**	**306,108**	**315,594**
Cash flow for the period	**133,219**	**34,129**	**41,599**	**46,443**
Cash and cash equivalents at the beginning of the period	74,759	132,480	166,303	120,166
Effect of exchange rate and value changes in cash and cash equivalents	257	-306	334	-306
Cash and cash equivalents at the end of the period	**208,236**	**166,303**	**208,236**	**166,303**

*In addition to SEK 205,636 thousand in the set-off issue during the period, SEK 45,000 thousand was contributed from loans raised.

Parent Company income statement

	Q4		Jan-Dec	
SEK thousand	2024	2023	2024	2023
Net sales	-	-	-	-
Other operating income	-960	1,206	2,096	31,669
Research and development expenses	-10,470	-12,909	-81,982	-41,100
Administration and sales expenses	-66,353	-44,292	-201,453	-169,705
Other operating expenses	-1,450	-596	-5,934	-3,633
Operating loss	**-79,232**	**-56,592**	**-287,273**	**-182,769**
Finance income	1,779	1,061	2,483	1,664
Finance costs	-1,905	-0	-1,929	-675
Finance net	**-126**	**1,061**	**554**	**988**
Loss before Income tax	-79,359	-55,530	-286,719	-181,781
Tax	-	-	-	-
Loss for the period	**-79,359**	**-55,530**	**-286,719**	**-181,781**

Parent Company balance sheet

SEK thousand	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets		
Capitalized development costs	473,481	435,182
Total intangible assets	**473,481**	**435,182**
Property, plant and equipment		
Machinery and installations	3,565	8,581
Equipment	2,026	2,056
Fixed assets under construction and prepayments	41,389	57,156
Total Property, plant and equipment	**46,980**	**67,793**
Financial assets		
Shares in subsidiaries	2,238	2,238
Financial investments	1	1
Other long-term receivables	2,999	2,999
Total financial assets	**5,237**	**5,237**
Total non-current assets	**525,699**	**508,213**
Current assets		
Inventories	**20,335**	**43,781**
Current receivables		
Other current receivables	4,299	4,364
Prepaid expenses and accured income	3,277	4,491
Total current receivables	**7,576**	**8,855**
Cash and bank	206,682	165,658
Total current assets	**234,594**	**218,294**
TOTAL ASSETS	**760,293**	**726,507**

Parent Company balance sheet cont.

SEK thousand	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	37,138	31,254
Statutory reserve	976	976
Development expenditure reserve	473,481	435,182
Total restricted equity	**511,596**	**467,412**
Non-restricted equity		
Other contributed capital	1,428,208	1,219,092
Accumulated earnings	-1,035,032	-814,952
Profit/loss for the period	-286,719	-181,781
Total non-restricted equity	**106,456**	**222,358**
Total equity	**618,052**	**689,771**
Current liabilities		
Short-term interest-bearing liabilities	96,000	-
Trade accounts payable	18,296	14,166
Other current liabilities	9,312	6,263
Accrued expenses and deferred income	18,632	16,307
Total current liabilities	**142,241**	**36,736**
TOTAL EQUITY AND LIABILITIES	**760,293**	**726,507**

Parent Company statement of cash flow

SEK thousand	Q4 2024	Q4 2023	Jan-Dec 2024	Jan-Dec 2023
Operating activities				
Operating loss	**-79,232**	**-56,592**	**-287,273**	**-182,769**
Non-cash adjustments				
Depreciation	913	1,883	5,476	7,604
Disposal of inventory	-	-	29,471	-
Disposal of tangible fixed assets	19,701	5	19,716	5
Interest received	2,238	1,926	2,240	1,969
Interest paid	-1,239	-	-1,263	-675
Cash flow from operating activities before changes in working capital	**-57,619**	**-52,778**	**-231,633**	**-173,866**
Changes in working capital				
Changes in inventory	376	-778	-6,025	-35,229
Change in operating receivables	-1,169	26,302	1,279	-4,861
Change in operating liabilities	-4,307	-5,449	8,837	9,450
Cash flow from operating activities	**-62,719**	**-32,703**	**-227,542**	**-204,506**
Investing activities				
Purchase of intangible assets	-19,414	-12,840	-38,299	-50,238
Acquisition of property, plant and equipment	-	-2,616	-4,379	-2,693
Group contributions	-	-2,188	-	-2,188
Prepayments	-	-3,798	-	-11,773
Cash flow from investing activities	**-19,414**	**-21,442**	**-42,678**	**-66,892**
Financing activities				
New share issue	135,049	92,288	235,398	297,924
Transaction costs	-15,783	-4,611	-21,519	-26,201
Loan raised	96,000	-	96,000	45,000*
Repurchased warrants	-	-	-64	-
Allocated warrants	-	-	1,186	522
Cash flow from financing activities	**215,266**	**87,677**	**311,001**	**317,245**
Cash flow for the period	**133,133**	**33,532**	**40,781**	**45,847**
Cash and cash equivalents at the beginning of the period	73,384	132,430	165,658	120,116
Effect of exchange rate and value changes in cash and cash equivalents	166	-305	243	-305
Cash and cash equivalents at the end of the period	**206,682**	**165,658**	**206,682**	**165,658**

*In addition to SEK 205,636 thousand in the set-off issue during the period, SEK 45,000 thousand was contributed from loans raised.

Notes

Note 1. Accounting and measurement policies

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and with the applicable provisions in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9, "Interim Reports", of the Annual Accounts Act. This interim report is an outline of the company's financial performance during the period and is to be read in conjunction with the latest annual report. For the Parent Company and the Group, the same accounting policies and bases for calculation as in the Annual Report for 2023 have been applied. Comparison figures are presented in parentheses and pertain to the same period in 2023.

Note 2. Key estimates and assessments

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates, and to make assumptions that impact the application of the accounting policies and the recognized amounts of assets, liabilities, revenue and expenses. The real outcome may deviate from these estimates and assumptions. The estimates and assumptions are routinely evaluated. Changes to estimates are recognized in the period the changes are made.

The source of uncertainty in estimations that entail a significant risk for the need to significantly adjust the value of assets or liabilities during the coming financial year is the carrying amount of "Capitalized development expenditure". Determining whether the requirements for capitalization of development expenditure have been met requires both initial and routine assessments. The capitalized expenditures are regularly tested as to whether they could be exposed to a decrease in value. The company holds capitalized intangible assets that have not yet been completed and are impairment tested either yearly or as soon as there is an indication of a potential decrease in value. Impairment tests involve estimates of future cash flows attributable to the asset or the cash-generating unit to which the asset relates when it is complete. These estimates and judgments involve expectations primarily regarding the selling price of products, market penetration, remaining development, sales and marketing expenses, and the likelihood that the product passes through the remaining development phases. The assumptions involve industry- and market-specific data produced by corporate management and reviewed by the Board of Directors.

Material risks and uncertainties

Xspray Pharma's operation is associated with both industry-related and company-specific risks. The company develops product candidates, and there will always be regulatory, market-related and financial risks in the operation. No material changes have occurred in the risks and uncertainties during the period compared with those the company reported in the Annual Report for 2023.

Financing risk and going concern

Depending on the path and orientation the company chooses to take over the coming year, the Group's coverage of cash and cash equivalents will fall below the liquidity needed to pursue operations for the coming 12 months. The company's capital needs depend on a number of factors, including the launch timing and market uptake of the company's first product candidate, Dasynoc, as well as the results from, and costs for, ongoing and future drug studies.

In light of this, the Board of Directors is actively engaged in evaluating the company's financial requirements and position, with various financing alternatives being reviewed. The primary scenario is that the launch of Dasynoc© will be financed through loans. If the financing secured is not sufficient, it would suggest material uncertainties that could lead to significant doubt regarding the company's capacity to continue its operations. In accordance with the policy by the Board, the Group must maintain a strong financial position, which will help the company retain investor and market confidence. It also creates a foundation for further development of company operations, with continued long-term support for its goal of securing returns for the company's owners. Until the company has achieved long-term, sustainable profitability, its policy is to maintain a low level of debt and a high level of equity.

Definitions of key performance indicators

Earnings per share are calculated as earnings for the period divided by the average number of shares during the period. The equity/assets ratio is equity as a percentage of the balance sheet total. Research and development costs as a percentage of operating expenses equate to expensed research and development expenses divided by operating expenses. Total operating expenses consist of operating profit less net sales and other operating income. The carrying amount of receivables, cash and cash equivalents, trade payables and other liabilities constitute a reasonable approximation of fair value.

Assurance from the Board

The Board of Directors and the CEO declare that this quarterly report provides a true and fair overview of the Group's and Parent Company's business operations, financial position and performance and describes principal risks and uncertainties faced by the company.

Solna, February 12, 2025

Anders Ekblom
Chairman

Anders Bladh
Board member

Robert Molander
Board member

Maris Hartmanis
Board member

Torbjörn Koivisto
Board member

Christine Lind
Board member

Carl-Johan Spak
Board member

Per Andersson
CEO

This report has not been reviewed by the company's auditors.

Glossary

505(b)(2) NDA	Application for drug approval in the US for an improved version of an existing licensed or approved drug.
Amorphous	An amorphous structure is a chemical term that describes substances whose molecules lack an ordered structure.
Bioequivalence	Term used to describe whether two different drugs are processed in a similar manner by the body and are thereby expected to have a similar and equivalent medicinal effect. If it can be confirmed that two drugs being compared are bioequivalent, they can be expected to have the same effect and safety.
Bioavailability	(Biological availability), a concept in pharmacology that shows how large a portion of the drug reaches the blood.
FDA	Food and Drug Administration. The US food and drug authority responsible for foodstuffs, nutritional supplements, drugs, cosmetics, medical equipment, radiation-emitting equipment and blood products.
Crystalline	A crystalline structure is a chemical term that describes an ordered structure among the molecules of the substance.
PDUFA date	The FDA's target date for concluding the approval process for a drug application.
Pilot study	A study conducted on a smaller scale than a full study. A pilot study can be used both to check whether the arrangement of the study is a functional one, and to collect data that can later be used as control values in the full study.
Pivotal study	A standard study, the results of which can be used in the registration application for approval from a medical products authority.
Protein kinase inhibitor (PKI)	Drugs that block protein kinases. Protein kinase inhibitors work by blocking activity in enzymes that push the development and growth of cancer cells.
Proton-pump inhibitor (PPI)	A proton-pump inhibitor is a group of drugs whose primary effect is a clear and long-lasting decrease in the production of gastric acid.
Tyrosine kinase inhibitor (TKI)	Tyrosine kinase inhibitors are a subgroup of protein kinase inhibitors. This cancer drug group blocks growth-stimulating signals within the cells.
Variability	The scope of the distribution in the form of many or few low and high values around the average value as regards the body's uptake of drugs.

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