Interim Report

January – March 2025

Key figures, Group

	Q1		Full year
	2025	2024	2024
Net sales (SEK thousand)	-	-	-
Loss before Income tax (SEK thousand)	-42,321	-67,781	-285,674
Earnings per share before dilution (SEK)	-1.14	-2.17	-8.62
Earnings per share after dilution (SEK)	-1.14	-2.17	-8.62
Research and development expenses as % of operating expenses*	11.8	27.2	27.4
Cash and cash equivalents (SEK thousand)	125,725	104,155	208,236
Total assets (SEK thousand)	737,708	705,413	796,344
Equity/assets ratio (%)	78.7	88.6	78.2
Average number of employees	26	26	26

Definitions of key figures, p. 22

January–March 2025, Group

- Net sales amounted to SEK 0 thousand (0)
- Earnings before tax amounted to SEK -42,321 thousand (-67,781)
- Earnings per share before dilution amounted to SEK -1.14 (-2.17)
- Cash flow from operating activities amounted to SEK -66,329 thousand (-55,311)
- Cash flow from investing activities amounted to SEK -14,701 thousand (-5,149)

Amounts in parentheses refer to the year-earlier period.

Significant events during the quarter

- In January, Xspray Pharma issued an update regarding the process for submitting its updated application to the US Food and Drug Administration (FDA) for Dasynoc®, the company's lead product candidate. The timeline was adjusted as the result of one batch of tablets being identified as aberrant. A new batch of tablets was produced to safeguard the stringent quality requirements and production was resumed.
- In January, interim data from a food interaction study with product candidate XS003 nilotinib was presented. The study showed that bioavailability remains stable regardless of food intake. These results confirmed the benefits of the company's patented HyNap™ technology platform and its ability to deliver significant benefits for patients compared with existing PKI drugs.

Significant events after the reporting period

- In April, Xspray Pharma announced that it had re-submitted its application for market approval for Dasynoc® to the US Food and Drug Administration (FDA). Within 2 to 4 weeks after the re-submission of the application, the FDA is expected to announce a new PDUFA date, i.e. the date they intend to reach a decision on market approval.
- Shareholders in Xspray Pharma were called to attend the Annual General Meeting, which has been arranged for Tuesday, May 13, 2025, at 10:00 am CEST. The meeting will be held on the premises of Advokatfirman Vinge at Smålandsgatan 20, Stockholm, Sweden.

A message from the CEO

Dear shareholders,
Our updated application regarding market approval for Dasynoc® was submitted to the FDA shortly after the end of the first quarter. The FDA has not yet communicated a new PDUFA date for the decision regarding our marketing authorization application. We expect this date to be determined in the near future. The PDUFA date brings us a step closer to a market-approved product that will be best-in-class, and we are well prepared for a launch in the autumn of 2025.

One step closer to launch of Dasynoc®

In parallel with the regulatory approval process, we have continued to build up relationships with US physicians and insurance companies for the purpose of supporting a future launch of Dasynoc®. In parallel, we are focused on limiting day-to-day expenses and have therefore placed other launch activities on hold. While generic competitors to Sprycel are available in the US market, we believe market conditions for Dasynoc® remain favorable due to its clear patient benefits and strong patent protection.

In conjunction with a market launch of Dasynoc®, US physicians will gain access to a significantly improved treatment for CML and ALL patients. Dasynoc® delivers lower variability and the same efficacy at a lower dosage strength, and solves the complex problem of co-medication with all types of drugs that inhibit stomach acids. This is possible because of our patented HyNap™ technology. Dasynoc® is positioned to be a best-in-class product, and serves as the cornerstone for future product candidates that are developed on the same technology platform.

There are a number of reasons why I feel confident regarding the continued regulatory process for Dasynoc®. The inspection related questions that formed the basis for the delayed CRL are specific, limited and have been addressed. While the production process was already solid at an earlier stage, we have since implemented improvements that have further elevated the quality.

- The FDA has requested that it be allowed to evaluate the improvements that have been implemented in the manufacturing facility in Italy, and we have results that lead us to believe this follow-up will confirm that these measures are sufficient for approval.
- The previous solvent levels in Dasynoc® were low, but we have now reduced them to a level 30 times below the FDA's safety limit.
- We previously had a positive and constructive meeting with the FDA, where we agreed on a minor adjustment to three out of six of the dosage strengths in order to reduce the risk of medication errors. Moreover, we have had constructive labeling discussions, and we have answered outstanding questions.

While we take nothing for granted, we are optimistic about the prospect of having our first market-approved product ready for launch in 2025.

Continued progress for product candidate XS003

During the quarter, we presented interim data from a food interaction study for our product candidate XS003 nilotinib, which – like Dasynoc® is intended to be used to treat leukemia. The data confirms that our amorphous formulation of nilotinib eliminates the problems with food interaction and can thus offer unique patient benefits. This would improve patient quality of life and reduce the risk of serious side effects. Once again, we see that the HyNap™ technology platform has the ability to deliver significant benefits for patients compared with existing PKI drugs. Our ambition is to complete the final sub-studies during the current quarter and submit our application for market approval for XS003 nilotinib during the summer of 2025.

Positive outlook

Despite these challenges, we have strong support from our owners. 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, and to complete the remaining studies for XS003 nilotinib. At the same time, we are working towards securing debt financing for the upcoming launch of Dasynoc®.

We have an exciting period before us, and I look forward to Xspray Pharma embarking on its commercial journey.

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.

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 September, the company updated its timetable for the launch of Dasynoc® in the US after the FDA requested supplementary information for market approval in July 2024. The submission was planned for the fourth quarter of 2024, but the timeline was adjusted owing to a deviation in one batch of tablets. The updated application was submitted in early April of 2025. After submission, Xspray expects that the FDA will establish a new PDUFA date in either two or six months, which corresponds to the window of time for the review process.

Xspray Pharma has a partnership agreement with EVERSANA that provides access to a cost-effective, ready-to-start sales organization for the entire US. At present, EVERSANA's market preparation activities have been limited pending the FDA's final approval. 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 to 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. Xspray Pharma has conducted a number of market surveys in the US. These confirmed the company's view of the potential of Dasynoc®, and that the benefits of the product compared with competing PKI drugs are significant for physicians, nurses, and patients.

Market

Protein kinase inhibitors (PKIs) have become one of the most effective treatments of cancer. For certain types of cancer, PKIs are one of a few available options. PKIs are the largest segment in the field of oncology, with over 3,000 ongoing clinical studies in Phase I, 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. The rise in cancer and autoimmune diseases is an important factor that is expected to increase sales of 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 an improved 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 2024 exceeded USD 4.9 billion in the US market and USD 6.4 billion globally.[1]

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

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
XS004	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 under the symbol XSPRAY. The number of shares in the company at March 31, 2025 was 37,138,491 and the closing price on that date was SEK 29.45.

Owners as of March 31, 2025	Number of shares	Share of capital & votes
Flerie Invest AB	6,669,261	17.96%
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%
Third Swedish National Pension Fund	1,429,998	3.85%
Unionen	1,418,634	3.82%
Avanza Pension	1,308,943	3.52%
Second Swedish National Pension Fund	1,140,920	3.07%
Carl Erik Norman	793,878	2.14%
Nordnet Pension Insurance	766,387	2.06%
Total, 10 largest owners	**26,155,452**	**70.43%**
Other shareholders	**10,983,039**	**29.57%**
Total	**37,138,491**	**100.0%**

Financial calendar

Interim Report Q2 2025	August 6, 2025
Interim Report Q3 2025	November 5, 2025
Interim Report Q4 2025	February 12, 2026

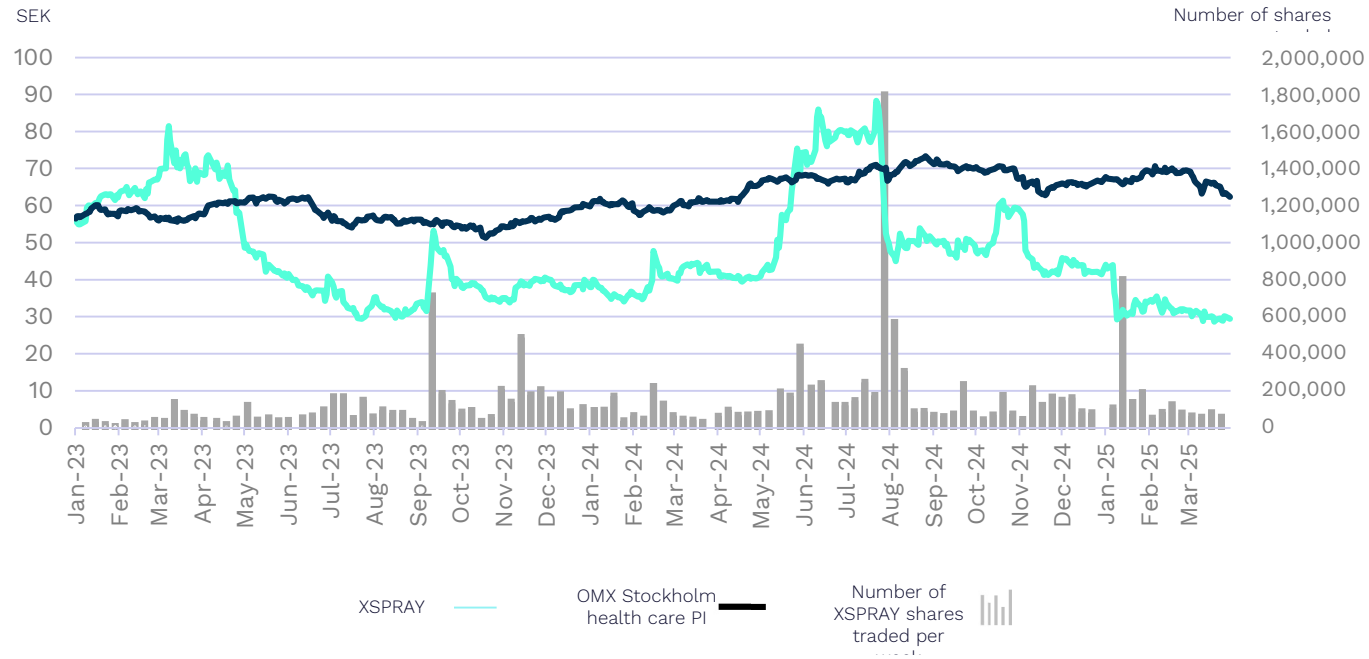
The financial reports are available on the Xspray Pharma website, www.xspraypharma.com.

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 2024. 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. For further information on Dasynoc®, refer to pages 4–5.

Other operating income

Other operating income for the first quarter amounted to SEK 1,922 thousand (134). This increase is due primarily to exchange rate gains that arose 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 -20,638 thousand (-24,902), of which SEK -4,894 thousand (-18,651) was recognized as an expense in profit or loss and SEK -15,744 thousand (-6,251) was capitalized as development expenditure in the company's balance sheet. The increase in capitalized development expenses is attributable primarily to the clinical studies that were conducted for the product candidate XS003 nilotinib. Research and development costs are attributable to the company's three other product candidates, XS003 nilotinib, XS008 axitinib and XS025 cabozantinib.

Administration and sales expenses

Administration and sales expenses totaled SEK -36,031 thousand (-48,687) in the first quarter. Of these, personnel costs amounted to SEK -10,627 thousand (-9,638). These costs consist largely of preparatory activities for Dasynoc®.

Other operating expenses

Other operating expenses totaled SEK -462 thousand (-1,198) for the first quarter. Other operating expenses consist of exchange rate losses arising in conjunction with payments abroad and translations of the currency account.

Finance costs

Finance costs for the first quarter amounted to SEK -3,760 thousand (-). The increase year-on-year is the result of interest payments linked to the short-term loan.

Loss for the period

Loss for the period totaled SEK -42,291 thousand (-67,741) for the first quarter. This corresponds to earnings per share before dilution of SEK -1.14 (-2.17).

Cash flow

Cash flow from operating activities amounted to SEK -66,329 thousand (-55,311) in the quarter, of which the effect from working capital comprised SEK -25,140 thousand (10,679).

Cash flow from investing activities in the Group amounted to SEK -14,701 thousand (-5,149) for the first quarter. The item consists entirely of capitalized development expenditure of SEK -14,701 thousand (-5,088). The increase is due primarily to the XS003 nilotinib project being in a period of intensive research and development, with several clinical trials being conducted.

New investments of SEK 0 thousand (-61) in property, plant and equipment were made during the period.

Cash flow from financing activities in the first quarter was SEK -1,391 thousand (-1,824), which is attributable primarily to amortization of lease liabilities.

Total cash flow was SEK -82,421 thousand (-62,284) for the first quarter. The Group had SEK 125,725 thousand (104,155) in cash and cash equivalents at March 31, 2025.

Intangible assets

Development expenditures for the projects have been capitalized according to plan. Capitalized development expenditures totaled SEK 15,744 thousand (6,251) for the quarter. The item is associated with the company's product candidates Dasynoc®, XS003 nilotinib, XS008 axitinib and XS025 cabozantinib.

Financial position

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 equity/assets ratio for the Group was 78.7 per cent (88.6) at March 31, 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 124,601 thousand (103,101) and the equity/assets ratio was 81.8 percent (93.3) at March 31, 2025.

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 previously pertained 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 first quarter, since Linda Glimberg transitioned to permanent employment on June 30, 2024.

Neither did the company purchase any consulting services during the quarter from Stratfox Healthcare Group LLC, which is owned by the company's Board member Robert Molander.

Financial statements

Consolidated income statement

	Q1		Full year
SEK thousand	**2025**	**2024**	**2024**
Net sales	-	-	-
Other operating income	1,922	134	2,096
Research and development expenses	-4,894	-18,651	-79,358
Administration and sales expenses	-36,031	-48,687	-203,878
Other operating expenses	-462	-1,198	-5,901
Operating loss	**-39,465**	**-68,402**	**-287,041**
Finance income	904	621	3,297
Finance costs	-3,760	-0	-1,929
Finance net	**-2,856**	**621**	**1,368**
Loss before Income tax	**-42,321**	**-67,781**	**-285,674**
Tax	31	40	151
Loss for the period	**-42,291**	**-67,741**	**-285,523**
Earnings per share for the period before dilution, SEK	-1.14	-2.17	-8.62
Earnings per share for the period after dilution, SEK	-1.14	-2.17	-8.62
Average number of shares before dilution	37,138,491	31,253,542	33,137,306
Average number of shares after dilution	37,138,491	31,253,542	33,137,306

Consolidated statement of comprehensive income

	Q1		Full year
SEK thousand	**2025**	**2024**	**2024**
Loss for the period	**-42,291**	**-67,741**	**-285,523**
Annual translation differences in the translation of foreign operations	-219	93	205
Total comprehensive income for the period	**-42,510**	**-67,648**	**-285,318**

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

Consolidated balance sheet

SEK thousand	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development costs	494,670	443,031	478,926
Total intangible assets	**494,670**	**443,031**	**478,926**
Property, plant and equipment			
Machinery and installations	3,015	6,828	3,565
Right-of-use assets	30,803	35,900	32,204
Equipment	1,908	1,993	2,026
Fixed assets under construction and prepayments	41,389	59,725	41,389
Total Property, plant and equipment	**77,115**	**104,446**	**79,185**
Financial assets			
Financial investments	1	1	1
Other long-term receivables	3,198	3,056	3,167
Total financial assets	**3,199**	**3,057**	**3,168**
	-		
Total non-current assets	**574,984**	**550,534**	**561,279**
	-		
Current assets			
Inventories	30,006	43,602	20,335
Current receivables	3,758	3,966	4,018
Prepaid expenses and accured income	3,235	3,155	2,476
Cash and cash equivalents	125,725	104,155	208,236
Total current assets	**162,723**	**154,879**	**235,066**
TOTAL ASSETS	**737,708**	**705,413**	**796,344**

Consolidated balance sheet cont.

SEK thousand	31 Mar 2025	31 Mar 2024	31 Dec 2024
EQUITY AND LIABILITIES			
Equity			
Share capital	37,138	31,254	37,138
Other contributed capital	1,425,079	1,215,491	1,425,208
Reserves	778	883	997
Retained earnings including profit/loss for the period	-882,537	-622,465	-840,247
Total equity attributable to the Parent Company's shareholders	**580,458**	**625,162**	**623,097**
Non–current liabilities			
Lease liabilities	25,781	30,571	27,108
Total non-current liabilities	**25,781**	**30,571**	**27,108**
Current liabilities			
Short-term interest-bearing liabilities	96,000	-	96,000
Trade accounts payable	7,462	20,156	17,083
Lease liabilities	5,177	4,831	5,113
Other current liabilities	10,049	9,465	9,312
Accrued expenses and deferred income	12,780	15,228	18,632
Total current liabilities	**131,468**	**49,679**	**146,140**
TOTAL EQUITY AND LIABILITIES	**737,708**	**705,413**	**796,344**

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, 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**
Opening balance as of January 1, 2025	**37,138**	**1,425,208**	**997**	**-840,247**	**623,097**
Loss of the period	-	-	-	-42,291	**-42,291**
Other comprehensive income for the period	-	-	-219	-	**-219**
Total comprehensive income for the period	**-**	**-**	**-219**	**-42,291**	**-42,510**
New share issue	-	-	-	-	**-**
Transaction costs	-	-128	-	-	**-128**
Warrant program	-	-	-	-	**-**
Closing balance as of March 31, 2025	**37,138**	**1,425,079**	**778**	**-882,538**	**580,459**

Consolidated statement of cash flow

	Q1		Full year
SEK thousand	**2025**	**2024**	**2024**
Operating activities			
Operating loss	-39,465	-68,402	-287,041
Non-cash adjustments			
Depreciation	1,415	2,701	8,547
Unrealized currency impact	-	-91	-32
Disposal of inventory	-	-	29,471
Disposal of tangible fixed assets	-	7	22,772
Interest received	-	216	2,240
Interest paid	-3,139	-421	-2,913
Cash flow from operating activities before changes in working capital	**-41,189**	**-65,990**	**-226,956**
Changes in working capital			
Change in inventory	-9,671	179	-6,025
Change in operating receivables	271	694	1,336
Change in operating liabilities	-15,740	9,806	9,278
Cash flow from operating activities	**-66,329**	**-55,311**	**-222,367**
Investing activities			
Capitalized development costs	-14,701	-5,088	-37,762
Acquisition of property, plant and equipment	-	-61	-4,380
Cash flow from investing activities	**-14,701**	**-5,149**	**-42,142**
Financing activities			
New share issue	-	-	235,398
Loan raised	-	-	96,000
Transaction costs	-129	-538	-21,519
Payment of lease liability	-1,262	-1,222	-4,893
Repurchased warrants	-	-64	-64
Allocated warrants	-	-	1,186
Cash flow from financing activities	**-1,391**	**-1,824**	**306,108**
Cash flow for the period	**-82,421**	**-62,284**	**41,599**
Cash and cash equivalents at the beginning of the period	208,236	166,303	166,303
Effect of exchange rate and value changes in cash and cash equivalents	-90	136	334
Cash and cash equivalents at the end of the period	**125,725**	**104,155**	**208,236**

Parent Company income statement

SEK thousand	Q1 2025	Q1 2024	Full year 2024
Net sales	-	-	-
Other operating income	1,922	134	2,096
Research and development expenses	-5,447	-19,444	-81,982
Administration and sales expenses	-36,233	-47,348	-201,453
Other operating expenses	-462	-1,289	-5,934
Operating loss	**-40,219**	**-67,947**	**-287,273**
Finance income	904	352	2,483
Finance costs	-3,760	-0	-1,929
Finance net	**-2,856**	**352**	**554**
Loss before income tax	**-43,076**	**-67,594**	**-286,719**
Tax	-	-	-
Loss for the period	**-43,076**	**-67,594**	**-286,719**
Earnings per share for the period before dilution, SEK	-1	-2	-9
Earnings per share for the period after dilution, SEK	-1	-2	-9
Average number of shares before dilution	37,138,491	31,253,542	33,137,306
Average number of shares after dilution	37,138,491	31,253,542	33,137,306

Parent Company balance sheet

SEK thousand	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development costs	488,399	440,329	473,481
Total intangible assets	**488,399**	**440,329**	**473,481**
Property, plant and equipment			
Machinery and installations	3,015	6,828	3,565
Equipment	1,908	1,993	2,026
Fixed assets under construction and prepayments	41,389	57,156	41,389
Total Property, plant and equipment	**46,313**	**65,977**	**46,980**
Financial assets			
Shares in subsidiaries	2,238	2,238	2,238
Financial investments	1	1	1
Other long-term receivables	2,999	2,999	2,999
Total financial assets	**5,237**	**5,237**	**5,237**
Total non-current assets	**539,949**	**511,544**	**525,699**
Current assets			
Inventories	**30,006**	**43,602**	**20,335**
Current receivables			
Other current receivables	4,013	4,178	4,299
Prepaid expenses and accured income	4,046	3,931	3,277
Total current receivables	**8,060**	**8,109**	**7,576**
Cash and bank	124,601	103,101	206,682
Total current assets	**162,667**	**154,812**	**234,594**
TOTAL ASSETS	**702,616**	**666,356**	**760,293**

Parent Company balance sheet cont.

SEK thousand	31 Mar 2025	31 Mar 2024	31 Dec 2024
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	37,138	31,254	37,138
Statutory reserve	976	976	976
Development expenditure reserve	488,399	440,329	473,481
Total restricted equity	**526,514**	**472,559**	**511,596**
Non-restricted equity			
Other contributed capital	1,428,079	1,218,491	1,428,208
Accumulated earnings	-1,336,670	-1,001,880	-1,035,032
Profit/loss for the period	-43,076	-67,594	-286,719
Total non-restricted equity	**48,334**	**149,016**	**106,456**
Total equity	**574,848**	**621,575**	**618,052**
Current liabilities			
Short-term interest-bearing liabilities	96,000	-	96,000
Trade accounts payable	8,939	20,088	18,296
Other current liabilities	10,049	9,465	9,312
Accrued expenses and deferred income	12,780	15,228	18,632
Total current liabilities	**127,768**	**44,781**	**142,241**
TOTAL EQUITY AND LIABILITIES	**702,616**	**666,356**	**760,293**

Parent Company statement of cash flow

	Q1		Full year
SEK thousand	**2025**	**2024**	**2024**
Operating activities			
Operating loss	**-40,219**	**-67,947**	**-287,273**
Non-cash adjustments			
Depreciation	667	1,862	5,476
Disposal of inventory	-	-	29,471
Disposal of tangible fixed assets	-	15	19,716
Interest received	-	217	2,240
Interest paid	-2,760	-	-1,263
Cash flow from operating activities before changes in working capital	**-42,312**	**-65,853**	**-231,633**
Changes in working capital			
Changes in inventory	-9,671	179	-6,025
Change in operating receivables	396	746	1,279
Change in operating liabilities	-15,472	8,045	8,837
Cash flow from operating activities	**-67,059**	**-56,883**	**-227,542**
Investing activities			
Purchase of intangible assets	-14,918	-5,147	-38,299
Acquisition of property, plant and equipment	-	-61	-4,379
Cash flow from investing activities	**-14,918**	**-5,208**	**-42,678**
Financing activities			
New share issue	-	-	235,398
Transaction costs	-129	-538	-21,519
Loan raised	-	-	96,000
Repurchased warrants	-	-64	-64
Allocated warrants	-	-	1,186
Cash flow from financing activities	**-129**	**-602**	**311,001**
Cash flow for the period	**-82,106**	**-62,693**	**40,781**
Cash and cash equivalents at the beginning of the period	206,682	165,658	165,658
Effect of exchange rate and value changes in cash and cash equivalents	25	136	243
Cash and cash equivalents at the end of the period	**124,601**	**103,101**	**206,682**

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. For the Parent Company and the Group, the same accounting policies and bases for calculation as in the Annual Report for 2024 have been applied. Comparison figures are presented in parentheses and pertain to the same period in 2024.

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 2024.

Financing risk and going concern

There is a risk that the Group's cash and cash equivalents for the next 12 months will be insufficient. The company's capital requirements depend on several factors, including the launch date of its first product candidate, Dasynoc®, as well as the findings of and costs for ongoing and future drug trials. Furthermore, the company has taken out a loan of SEK 100 million, which matures in November 2025, which constitutes an additional factor to consider when assessing capital needs. In light of this, the Board is monitoring the situation and is evaluating different financing options including timing and scope for raising capital that can be beneficial to the company. The Board believes that the prospects for raising capital are good. However, if financing is insufficient, this indicates material uncertainty, which could lead to significant doubts on the Group's ability 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, May 7, 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 efficacy and safety.
Bioavailability	(Biological availability), a concept in pharmacology that shows how large a portion of the drug reaches the blood.
Crystalline	A crystalline structure is a chemical term that describes an ordered structure among the molecules of the substance.
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.
PDUFA date	A target date that the US Food and Drug Administration has set for making a decision on a new drug.
Pilot study	An initial 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 stomach 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.

For more information, please contact:

Jacob Nyberg, IR
Phone: +46 (0) 8 730 37 00
E-mail: ir@xspray.com
www.xspraypharma.com