Interim Report

July - September 2025

Key figures, Group

	Jul-Sep		Jan-Sep		Full year
	2025	2024	2025	2024	2024
Net sales (SEK thousand)	-	-	-	-	-
Loss before Income tax (SEK thousand)	-47,332	-82,272	-134,537	-203,672	-285,674
Earnings per share before dilution (SEK)	-1.25	-2.44	-3.60	-6.24	-8.62
Earnings per share after dilution (SEK)	-1.25	-2.44	-3.60	-6.24	-8.62
Research and development expenses as % of operating expenses*	0.6	42.4	7.2	33.5	27.4
Cash and cash equivalents (SEK thousand)	197,984	74,759	197,984	74,759	208,236
Total assets (SEK thousand)	820,195	667,696	820,195	667,696	796,344
Equity/assets ratio (%)	78.2	87.7	78.2	87.7	78.2
Average number of employees	26	24	26	24	25

Definitions of key figures, p. 22

July–September 2025, Group

- Net sales amounted to SEK 0 thousand (0)
- Earnings before tax amounted to SEK -47,332 thousand (-82,272)
- Earnings per share before dilution amounted to SEK -1.25 (-2.44)
- Cash flow from operating activities amounted to SEK -41,354 thousand (-41,275)
- Cash flow from investing activities amounted to SEK -6,865 thousand (-9,053)

January–September 2025, Group

- Net sales amounted to SEK 0 thousand (0)
- Earnings before tax amounted to SEK -134,537 thousand (-203,672)
- Earnings per share before dilution amounted to SEK -3.60 (-6.24)
- Cash flow from operating activities amounted to SEK -151,793 thousand (-160,767)
- Cash flow from investing activities amounted to SEK -27,698 thousand (-22,940)

Amounts in parentheses refer to the year-earlier period.

Significant events during the quarter

- In July, Xspray Pharma announced that the company had completed the population pharmacokinetic (PopPK) modeling that confirmed bioequivalence between XS003 and the reference drug Tasigna®. Bioequivalence with XS003 was achieved at less than half the dose compared with Tasigna®. Accordingly, all regulatory documentation has been completed for submitting a 505(b)(2) NDA for the XS003 product candidate.

- In August, Xspray Pharma entered into a license agreement with Handa Therapeutics (“Handa”), granting Handa a non-exclusive license to certain Xspray patents. The license covers commercialization of a dasatinib product in the US market and, at a later stage, selected Asian markets. Under the agreement, Xspray will receive up to a double-digit royalty on Handa’s net proceeds.

- In August, the Board of Directors resolved on a new issue of shares of approximately SEK 130 million as well as an over-allotment issue. The issue was heavily oversubscribed, and in light of the high subscription rate the over-allotment issue was increased from SEK 20 million to approximately SEK 31 million. Through the preferential rights issue and the over-allotment issue, Xspray received a total of approximately SEK 161 million before transaction costs. Furthermore, the Board resolved to refinance an existing loan. The maturity was extended by 18 months, and the loan amount was increased by SEK 25 million.

- In August, Xspray Pharma submitted a New Drug Application (NDA) for its product candidate XS003 nilotinib for the treatment of chronic myeloid leukemia to the U.S. Food and Drug Administration. The application is based on successful studies demonstrating bioequivalence with the reference product Tasigna®. Due to XS003's improved food interaction profile, the warning about three hours of fasting – currently included in the reference product's "boxed warning" – is not expected to apply to XS003. This may simplify treatment and improve adherence.

- In September, Xspray Pharma announced that new shares had been issued as a result of the rights issue and over-allotment issue. Overall, the number of outstanding shares and votes increased by 4,603,849 shares to a total of 41,742,340 shares, and the share capital had increased by SEK 4,603,849 to SEK 41,742,340.

Significant events after the reporting period

- In October, the FDA issued a Complete Response Letter (CRL) regarding Xspray's application for market approval of Dasynoc®.

- In October, Xspray Pharma published the Nomination Committee's composition for the Annual General Meeting on May 12, 2026. The Nomination Committee consists of: Thomas Eldered appointed by Flerie Invest, Chairman of the Nomination Committee, Johan Gyllenswärd appointed by Ribbskottet, 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 October, the FDA announced that it had accepted Xspray Pharma's NDA application for XS003 for review. At the same time, the FDA set the PDUFA date to June 18, 2026.

A message from the CEO

Dear shareholders
The third quarter involved a gathering of forces ahead of the completion of the regulatory process and preparations for the launch of our first product candidate, Dasynoc®. We are convinced that we were extremely close to approval when the FDA, after the expiration of the review period, issued a Complete Response Letter (CRL) with three main points: The first observation concerns overarching GMP issues at our Italian contract manufacturer. The company has assured us that it has taken immediate corrective actions and is doing everything in its power to address the deficiencies identified by the FDA. The second observation requires us to submit additional documentation to ensure that the product information, which was discussed with the FDA up until the PDUFA date, is appropriate. The third relates to a request for information confirming the effectiveness of previously implemented manufacturing measures. We have promptly initiated efforts to respond to the FDA's questions and are doing everything we can to minimize the delay.

During the quarter, we strengthened our cash position thanks to broad support from our existing shareholders as well as several new investors. Our improved financial position now leaves us well equipped to manage the current situation.

One important event that was slightly overshadowed by the challenges with Dasynoc® was the submission during the quarter of our application for market approval for our second product candidate, XS003 nilotinib, which after the end of the period was accepted by the FDA with a PDUFA date of June 18, 2026.

Dasynoc® update

Naturally, the further delay to Dasynoc® is unexpected and unfortunate. It is important to note that, in the current situation for the contract manufacturer, the FDA pauses approvals of new products while corrective actions are being implemented at the facility. The manufacturer has confirmed that a remediation plan is already in place, and that a meeting with the FDA is scheduled for December. After that, we anticipate increased clarity concerning the timeline for continuing the regulatory process. The supplementary information that we are to submit ourselves is clearly specified, and we are working intensively on completing our response for submission to the FDA. Even though we do not have full clarity regarding all circumstances, we believe

that resubmission can take place during the first quarter of 2026.

I would like to emphasize that the clinical and commercial conditions for Dasynoc® remain good. Pricing remains high despite more dasatinib products now being available in the market. Dasynoc®'s improvement profile – stable uptake, lower doses and less impact from co-medication with acid reducing agents – satisfies significant needs among AML and CML patients, which no other existing product can manage to the same extent.

XS003 nilotinib – PDUFA date and regulatory progress

One positive piece of news was received after the period from the FDA: it had accepted the company's New Drug Application (NDA) for XS003 nilotinib for review. This is the second product that the company has applied for market approval for that is based on the HyNap™ technology. This demonstrates the broad applicability of our technology. The FDA has set a PDUFA date of June 18, 2026, which is the FDA's deadline for announcing its decision on the company's application.

XS003 is an improved amorphous version of nilotinib (Tasigna®) for the treatment of chronic myeloid leukemia (CML), developed using Xspray's patented HyNap™ technology. The data demonstrates bioequivalence with the reference drug at less than half the dose, as well as sharply reduced food interaction (29 percent compared with 82 percent for Tasigna). The food interaction linked to the reference drug makes it more difficult for patients to take the drug as intended, since it must be taken while fasting. This requirement is stated in the "boxed warning", which pertains to the risk of QTc prolongation and sudden death. The sharply reduced food interaction in XS003 means it is expected that it can be taken with or without food, thereby avoiding the warning text regarding food interaction. The final product information and any warning texts will be decided on by the FDA during the review period.

With two product candidates under FDA review, we can show that the HyNap™ platform has broad applicability and the potential to deliver more improved PKI drugs to the market. Together, the product candidates XS003 and Dasynoc® address a US market of approximately USD 2.7 billion.

XS003 is manufactured at the same external facility that is used for Dasynoc®. Since the FDA now has a good understanding of our manufacturing process, I am convinced that the upcoming PAI inspection will be conducted without any observations. In our assessment, the production challenges that have been identified at the contract manufacturer will be resolved before the FDA returns with its decision regarding XS003.

Rights issue heavily oversubscribed

During the quarter, we successfully carried out a rights issue that was heavily oversubscribed, which demonstrates continued strong confidence among our shareholders. In total, the rights issue together with the over-allotment issue raised approximately SEK 161 million before transaction costs. During the quarter we also refinanced an existing loan of SEK 100 million, with the maturity extended by 18 months and the loan increased by SEK 25 million.

All together, this means that we have secured crucial financing for pursuing the regulatory FDA process for both Dasynoc® and XS003, as well as conducting necessary market preparations ahead of a launch.

Outlook

Our financial position is solid, and we have sufficient financing to take us up to the forthcoming PDUFA date. We are continuing to work in a cost-efficient manner, prioritizing investments that directly strengthen our potential for successful regulatory outcomes.

We are continuing to work purposefully toward market approval of our products, and we will provide an updated timeline for future product launches.

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 which has applied for market approval of its product candidates Dasynoc® and XS003. 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 Dasynoc® and XS003

Xspray Pharma submitted an updated application for market approval of Dasynoc® in April 2025, and in October 2025 the FDA issued a Complete Response Letter (CRL) regarding Xspray Pharma's application referring to GMP observations at a contract manufacturer. However, these observations do not concern Xspray Pharma's production line. The FDA also requested information demonstrating that the discussed product information is appropriate. Xspray Pharma will provide an updated schedule for the launch of Dasynoc® in the US after the FDA holds its scheduled meeting with the Italian contract manufacturer in December 2025.

In August, Xspray Pharma submitted an application for market approval for its product candidate XS003 nilotinib for the treatment of chronic myeloid leukemia (CML) to the U.S. Food and Drug Administration. The application is based on successful studies demonstrating bioequivalence with the reference product Tasigna®. In October, the FDA announced that it had set a PDUFA date of June 18, 2026, which is the FDA's deadline for announcing a decision regarding the application.

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 and for certain types of cancer, PKIs are the only available option. 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, regardless of the pH of the stomach, which could lead to improved uptake and permit 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]

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

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

Share information

Xspray Pharma's share is listed on Nasdaq Stockholm under the symbol XSPRAY. The number of shares in the company at September 30, 2025 was 41,742,340 and the closing price on that date was SEK 60.00.

Owners as of September 30, 2025	Number of shares	Share of capital & votes
Flerie Invest AB	6,669,261	15.98%
Anders Bladh (private & Ribbskottet)	5,061,842	12.13%
The Foundation for Baltic and East European Studies	4,342,626	10.40%
Fourth Swedish National Pension Fund	4,081,148	9.78%
Third Swedish National Pension Fund	1,715,712	4.11%
Avanza Pension	1,356,684	3.25%
Unionen	1,275,857	3.06%
Second Swedish National Pension Fund	1,140,920	2.73%
Carl Erik Norman	793,878	1.9%
Nordnet Pension Insurance	365,795	0.88%
Total, 10 largest owners	**26,803,723**	**64.21%**
Other shareholders	**14,938,617**	**35.79%**
Total	**41,742,340**	**100.0%**

Financial calendar

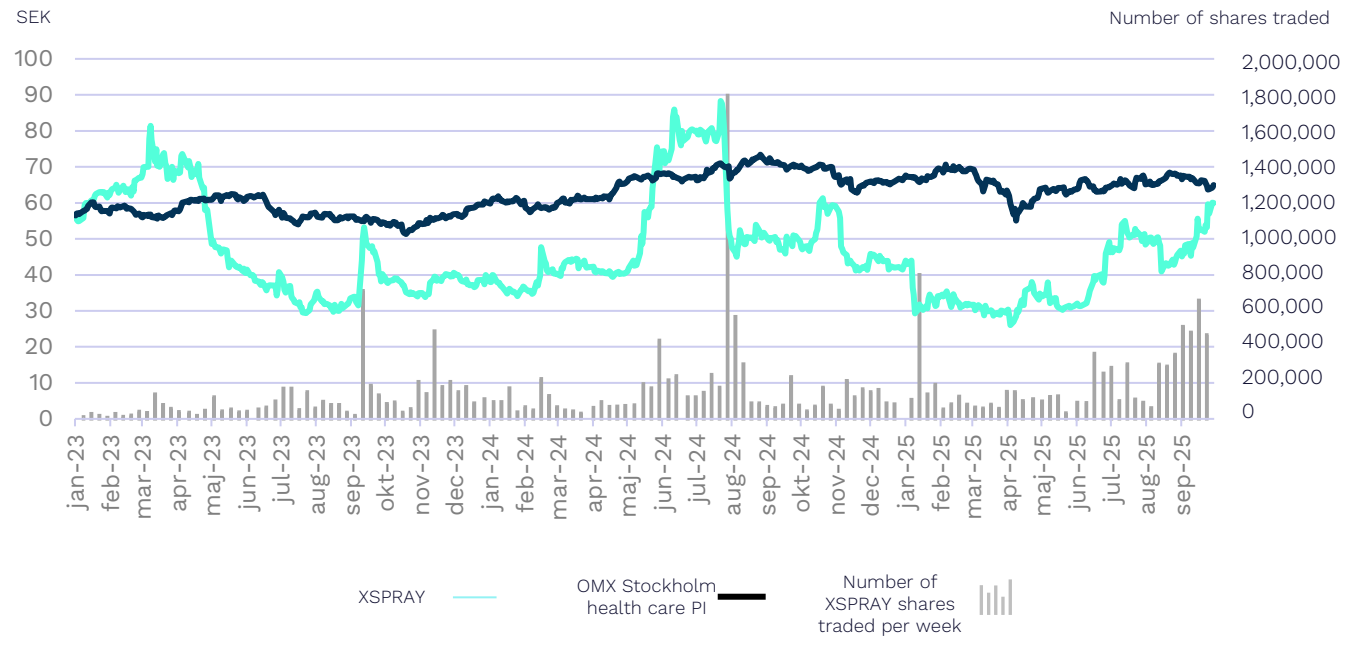
Interim Report Q4 2025	February 12, 2026
Annual Report 2025	March 26, 2026
Interim Report Q1 2026	May 6, 2026
Interim Report Q2 2026	August 5, 2026

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

Analysts monitoring the company

Filip Einarsson, Redeye AB

Share price performance



Financial performance

Unless otherwise indicated, the comments below pertain to the Group. 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 in the third quarter of 2025. Sales are expected to increase when the company launches its products in the US market. For further information on the pipeline, refer to pages 5–6.

Other operating income

Other operating income was SEK 2,508 thousand (865) for the third quarter and SEK 5,743 thousand (1,929) for the January–September period. This increase is due primarily to exchange rate gains that arose in conjunction with payments abroad and translations of the currency account as well as license revenue.

Research and development costs

Total expenditures for research and development for the quarter amounted to SEK -8,133 thousand (-45,551), of which SEK -256 thousand (-35,420) was recognized as an expense in profit or loss and SEK -7,876 thousand (-10,131) was capitalized as development expenses in the company's balance sheet. Total expenditures for research and development for the January-September period amounted to SEK -40,145 thousand (-91,331), of which SEK -9,364 thousand (-69,444) was expensed and SEK -30,780 thousand (-21,887) was capitalized as development expenditures. The decrease in expenditure that was expensed during the quarter is due to the comparative period including SEK -29,471 thousand in disposal of inventory. The disposal took place after discussion with the FDA, who recommended that the company adjust the strength of some of its tablets to further distinguish Dasynoc® from Sprycel®.

The decrease in development expenses is also attributable to the conclusion of several clinical studies for product candidate XS003 nilotinib, with the project thus becoming less cost-intensive. Research and development costs, however, remain attributable to the other product candidates, XS008 axitinib and XS025 cabozantinib.

Administration and sales expenses

Administration and sales expenses totaled SEK -44,436 thousand (-47,203) in the third quarter. Of these, personnel costs amounted to SEK -8,858 thousand (-9,140). Administration and sales expenses for the January–September period totaled SEK -118,573 thousand (-134,326), of which SEK -30,547 thousand (-29,052) pertained to personnel costs. These costs consist largely of preparatory activities for Dasynoc®.

Other operating expenses

Other operating expenses totaled SEK -467 thousand (-931 in the third quarter and SEK -1,330 thousand (-3,324) for the January–September period. Other operating expenses consist of exchange rate losses arising in conjunction with payments abroad and translations of the currency account.

Finance income

Finance income was SEK 326 thousand (426) for the third quarter and SEK 1,536 thousand (1,518) for the January–September period. The item consists entirely of interest income from bank accounts.

Finance costs

Finance costs amounted to SEK -5,007 thousand (-8) for the third quarter and SEK -12,549 thousand (-24) for the January–September period. The increase year-on-year is due to interest expenses related to the previous short-term loan, as well as interest expenses related to the new long-term loan.

Loss for the period

Loss for the period totaled SEK -47,308 thousand (-82,235) for the third quarter and SEK -134,455 thousand (-203,555) for the January–September period. This corresponds to earnings per share before dilution of SEK -1.25 (-2.44)

Cash flow

Cash flow from operating activities amounted to SEK -41,354 thousand (-41,275) in the third quarter, of which the effect from working capital comprised SEK 4,443 thousand (10,520). The corresponding figure for January–September was SEK -151,793 thousand (-160,767), of which the effect from working capital was SEK -24,424 thousand (9,363).

Cash flow from investing activities in the Group amounted to SEK -6,865 thousand (-9,053) for the third quarter and SEK -27,698 thousand (-22,940) for January–September. The item includes capitalized development expenditure of SEK -6,865 thousand (-9,053) for the third quarter and SEK -27,698 thousand (-18,561) for January–September. The decrease is due primarily to the XS003 nilotinib project no longer being in a period of equally intensive research and development, with the same number of clinical trials being conducted.

Investment in property, plant and equipment in the January–September period amounted to SEK 0 thousand (0).

Cash flow from financing activities in the third quarter amounted to SEK 172,316 thousand (-1,413). The corresponding figure for January–September was SEK 169,611 thousand (92,086). The increase is due to a new share issue being conducted during the period, as well as a new long-term loan being raised. Total cash flow was SEK 124,097 thousand (-51,741) for the third quarter and SEK -9,880 thousand (-91,621) for January–September. The Group had SEK 197,984 thousand (74,759) in cash and cash equivalents at September 30, 2025.

Intangible assets

Development expenditures for the projects have been capitalized according to plan. Capitalized development expenditures totaled SEK 7,876 thousand (10,131) in the third quarter. The Group's total capitalized development expenditures amounted to SEK 509,706 thousand (458,667) at September 30, 2025. The item is associated with the company's product candidates Dasynoc®, XS003 nilotinib, XS008 axitinib and XS025 cabozantinib.

Financial position

During the period, the company announced that the Board had decided to carry out a new share issue of approximately SEK 130 million, with preferential rights for the company's existing owners. The new share issue was also increased by an additional SEK 31 million through an over-allotment option. Furthermore, the Board decided to extend and increase an existing loan of SEK 100 million by an additional SEK 25 million, with the new maturity set in February 2027, and to issue warrants to the lenders.

The company's future capital requirements are impacted by several factors, including the timing of the launch and the market's uptake of the company's initial product candidates, Dasynoc® and XS003 nilotinib, as well outcomes and costs attributable to ongoing and future drug studies. Depending on the development of these factors over the next year, the Group's coverage of cash and cash equivalents will fall below the liquidity needed to pursue operations for the coming 12 months.

In light of this, the Board of Directors is actively engaged in evaluating the company's financial requirements and position, with various financing alternatives continually being reviewed. The equity/assets ratio for the Group was 78.3 percent (87.7) at September 30, 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 office 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 195,468 thousand (73,384) and the equity/assets ratio was 80.8 percent (92.1) at September 30, 2025.

Employees

The number of employees in the organization increased by two compared with the year-earlier period. The average number of employees in the Group totaled 26 (24).

Related-party transactions

The management of the Parent Company, the Boards of Directors of the Parent Company and subsidiary are defined as related parties.

During the quarter, the company purchased advisory services from Flerie Invest, which is the company's largest owner. Transactions to closely related parties amounted to SEK -22 thousand (0) in the third quarter and SEK -22 thousand (0) in the January–September period.

Financial statements

Consolidated income statement

	Q3		Jan-Sep		Full year
SEK thousand	**2025**	**2024**	**2025**	**2024**	**2024**
Net sales	-	-	-	-	-
Other operating income	2,508	865	5,743	1,929	2,096
Research and development expenses	-256	-35,420	-9,364	-69,444	-79,358
Administration and sales expenses	-44,436	-47,203	-118,573	-134,326	-203,878
Other operating expenses	-467	-931	-1,330	-3,324	-5,901
Operating loss	**-42,651**	**-82,690**	**-123,524**	**-205,166**	**-287,041**
Finance income	326	426	1,536	1,518	3,297
Finance costs	-5,007	-8	-12,549	-24	-1,929
Finance net	**-4,681**	**418**	**-11,013**	**1,494**	**1,368**
Loss before Income tax	-47,332	-82,272	-134,537	-203,672	-285,674
Tax	25	37	83	117	151
Loss for the period	**-47,308**	**-82,235**	**-134,455**	**-203,555**	**-285,523**
Earnings per share for the period before dilution, SEK	-1.25	-2.44	-3.60	-6.24	-8.62
Earnings per share for the period after dilution, SEK	-1.25	-2.44	-3.60	-6.24	-8.62
Average number of shares before dilution	37,745,592	33,762,265	37,341,602	32,595,203	33,137,306
Average number of shares after dilution	37,745,592	33,762,265	37,341,602	32,595,203	33,137,306

Consolidated statement of comprehensive income

	Q3		Jan-Sep		Full year
SEK thousand	**2025**	**2024**	**2025**	**2024**	**2024**
Loss for the period	-47,308	-82,235	-134,455	-203,555	-285,523
Annual translation differences in the translation of foreign operations	-360	-130	-360	-2	205
Total comprehensive income for the period	**-47,668**	**-82,365**	**-134,815**	**-203,557**	**-285,318**

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

Consolidated balance sheet

SEK thousand	Sep 30, 2025	Sep 30, 2024	Dec 31, 2024
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development costs	509,706	458,667	478,926
Total intangible assets	**509,706**	**458,667**	**478,926**
Property, plant and equipment			
Machinery and installations	1,961	4,360	3,565
Right-of-use assets	28,000	33,745	32,204
Equipment	1,680	2,144	2,026
Fixed assets under construction and prepayments	41,389	64,146	41,389
Total Property, plant and equipment	**73,030**	**104,395**	**79,185**
Financial assets			
Financial investments	1	1	1
Other long-term receivables	3,250	3,133	3,167
Total financial assets	**3,251**	**3,134**	**3,168**
Total non-current assets	**585,987**	**566,196**	**561,279**
Current assets			
Inventories	27,462	20,711	20,335
Current receivables	4,647	3,500	4,018
Prepaid expenses and accured income	4,116	2,530	2,476
Cash and cash equivalents	197,984	74,759	208,236
Total current assets	**234,209**	**101,500**	**235,066**
TOTAL ASSETS	**820,195**	**667,696**	**796,344**

Consolidated balance sheet cont.

SEK thousand	**Sep 30, 2025**	**Sep 30, 2024**	**Dec 31, 2024**
EQUITY AND LIABILITIES			
Equity			
Share capital	41,742	33,762	37,138
Other contributed capital	1,574,049	1,309,318	1,425,208
Reserves	637	790	997
Retained earnings including profit/loss for the period	-974,701	-758,279	-840,247
Total equity attributable to the Parent Company's shareholders	**641,727**	**585,592**	**623,097**
Non–current liabilities			
Lease liabilities	23,079	28,561	27,108
Liabilities to credit institutions	120,526	-	-
Total non-current liabilities	**143,605**	**28,561**	**27,108**
Current liabilities			
Short-term interest-bearing liabilities	-	-	96,000
Trade accounts payable	13,416	19,229	17,083
Lease liabilities	5,308	5,045	5,113
Other current liabilities	3,460	12,675	9,312
Accrued expenses and deferred income	12,680	16,594	18,632
Total current liabilities	**34,864**	**53,543**	**146,140**
TOTAL EQUITY AND LIABILITIES	**820,195**	**667,696**	**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	-	-	-	-134,455	**-134,455**
Other comprehensive income for the period	-	-	-360	-	**-360**
Total comprehensive income for the period	-	-	**-360**	**-134,455**	**-134,815**
New share issue	4,604	156,530	-	-	**161,134**
Transaction costs	-	-7,651	-	-	**-7,651**
Warrant program	-	-37	-	-	**-37**
Closing balance as of September 30, 2025	**41,742**	**1,574,049**	**637**	**-974,702**	**641,727**

Consolidated statement of cash flow

	Q3		Jan-Sep		Full year
SEK thousand	**2025**	**2024**	**2025**	**2024**	**2024**
Operating activities					
Operating loss	**-42,651**	**-82,690**	**-123,524**	**-205,166**	**-287,041**
Non-cash adjustments					
Depreciation	1,388	1,836	4,191	6,886	8,547
Unrealized currency impact	-	18	-	-32	-32
Disposal of inventory	-	29,471	-	29,471	29,471
Disposal of tangible fixed assets	-	-	-	15	22,772
Interest received	-	-	-	2	2,240
Interest paid	-4,534	-430	-8,036	-1,306	-2,913
Cash flow from operating activities before changes in working capital	**-45,797**	**-51,795**	**-127,369**	**-170,130**	**-226,956**
Changes in working capital					
Change in inventory	7,657	-5,675	-7,127	-6,401	-6,025
Change in operating receivables	-623	780	-741	2,308	1,336
Change in operating liabilities	-2,591	15,415	-16,556	13,456	9,278
Cash flow from operating activities	**-41,354**	**-41,275**	**-151,793**	**-160,767**	**-222,367**
Investing activities					
Capitalized development costs	-6,865	-9,053	-27,698	-18,561	-37,762
Acquisition of property, plant and equipment	-	-	-	-4,379	-4,380
Cash flow from investing activities	**-6,865**	**-9,053**	**-27,698**	**-22,940**	**-42,142**
Financing activities					
New share issue	161,134	-	161,134	100,349	235,398
Loan raised	120,000	-	120,000	-	96,000
Payment of loan	-100,000	-	-100,000	-	-
Transaction costs	-7,523	-181	-7,652	-5,736	-21,519
Payment of lease liability	-1,294	-1,232	-3,834	-3,649	-4,893
Repurchased warrants	-1	-	-37	-64	-64
Allocated warrants	-	-	-	1,186	1,186
Cash flow from financing activities	**172,316**	**-1,413**	**169,611**	**92,086**	**306,108**
Cash flow for the period	**124,097**	**-51,741**	**-9,880**	**-91,621**	**41,599**
Cash and cash equivalents at the beginning of the period	73,808	126,573	208,236	166,303	166,303
Effect of exchange rate and value changes in cash and cash equivalents	78	-73	-373	77	334
Cash and cash equivalents at the end of the period	**197,984**	**74,759**	**197,984**	**74,759**	**208,236**

Parent Company income statement

	Q3		Jan-Sep		Full year
SEK thousand	**2025**	**2024**	**2025**	**2024**	**2024**
Net sales	-	-	-	-	-
Other operating income	2,508	1,073	5,743	3,056	2,096
Research and development expenses	-808	-36,012	-10,949	-71,512	-81,982
Administration and sales expenses	-44,751	-49,039	-119,201	-135,100	-201,453
Other operating expenses	-467	-1,143	-1,330	-4,484	-5,934
Operating loss	**-43,518**	**-85,121**	**-125,737**	**-208,040**	**-287,273**
Finance income	325	154	1,535	704	2,483
Finance costs	-5,007	-8	-12,549	-24	-1,929
Finance net	**-4,682**	**146**	**-11,014**	**680**	**554**
Loss before Income tax	-48,200	-84,975	-136,751	-207,360	-286,719
Loss for the period	**-48,200**	**-84,975**	**-136,751**	**-207,360**	**-286,719**

Parent Company balance sheet

SEK thousand	Sep 30, 2025	Sep 30, 2024	Dec 31, 2024
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development costs	501,903	454,067	473,481
Total intangible assets	**501,903**	**454,067**	**473,481**
Property, plant and equipment			
Machinery and installations	1,961	4,360	3,565
Equipment	1,680	2,144	2,026
Fixed assets under construction and prepayments	41,389	61,090	41,389
Total Property, plant and equipment	**45,030**	**67,594**	**46,980**
Financial assets			
Shares in subsidiaries	3,505	2,238	2,238
Financial investments	1	1	1
Other long-term receivables	2,999	2,999	2,999
Total financial assets	**6,505**	**5,237**	**5,237**
Total non-current assets	**553,438**	**526,898**	**525,699**
Current assets			
Inventories	**27,462**	**20,711**	**20,335**
Current receivables			
Other current receivables	4,887	3,711	4,299
Prepaid expenses and accured income	4,947	3,321	3,277
Total current receivables	**9,834**	**7,032**	**7,576**
Cash and bank	195,468	73,384	206,682
Total current assets	**232,764**	**101,127**	**234,594**
TOTAL ASSETS	**786,202**	**628,025**	**760,293**

Parent Company balance sheet cont.

SEK thousand	Sep 30, 2025	Sep 30, 2024	Dec 31, 2024
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	41,742	33,762	37,138
Statutory reserve	976	976	976
Development expenditure reserve	501,903	454,067	473,481
Total restricted equity	**544,621**	**488,805**	**511,596**
Non-restricted equity			
Other contributed capital	1,577,049	1,312,318	1,428,208
Accumulated earnings	-1,350,173	-1,015,617	-1,035,032
Profit/loss for the period	-136,751	-207,360	-286,719
Total non-restricted equity	**90,125**	**89,340**	**106,456**
Total equity	**634,747**	**578,145**	**618,052**
Non–current liabilities			
Liabilities to credit institutions	120,526	-	-
Total non-current liabilities	**120,526**	**-**	**-**
Current liabilities			
Short-term interest-bearing liabilities	-	-	96,000
Trade accounts payable	13,356	19,196	18,296
Other current liabilities	4,893	12,675	9,312
Accrued expenses and deferred income	12,680	18,009	18,632
Total current liabilities	**30,929**	**49,880**	**142,241**
TOTAL EQUITY AND LIABILITIES	**786,202**	**628,025**	**760,293**

Parent Company statement of cash flow

	Q3		Jan-Sep		Full year
SEK thousand	**2025**	**2024**	**2025**	**2024**	**2024**
Operating activities					
Operating loss	**-43,518**	**-85,121**	**-125,737**	**-208,040**	**-287,273**
Non-cash adjustments					
Depreciation	640	1,093	1,950	4,563	5,476
Disposal of inventory	-	29,471	-	29,471	29,471
Disposal of tangible fixed assets	-	-	-	15	19,716
Interest received	-	-	-	2	2,240
Interest paid	-4,187	-8	-6,948	-24	-1,263
Cash flow from operating activities before changes in working capital	**-47,065**	**-54,565**	**-130,735**	**-174,013**	**-231,633**
Changes in working capital					
Changes in inventory	7,656	-5,675	-7,128	-6,401	-6,025
Change in operating receivables	-609	880	-701	2,448	1,279
Change in operating liabilities	-1,057	16,862	-16,386	13,144	8,837
Cash flow from operating activities	**-41,075**	**-42,498**	**-154,950**	**-164,822**	**-227,542**
Investing activities					
Purchase of intangible assets	-7,082	-9,232	-28,422	-18,885	-38,299
Acquisition of property, plant and equipment	-	-	-	-4,379	-4,379
Group contributions	-1,267	-	-1,267	-	-
Cash flow from investing activities	**-8,349**	**-9,232**	**-29,689**	**-23,264**	**-42,678**
Financing activities					
New share issue	161,134	-	161,134	100,349	235,398
Transaction costs	-7,523	-181	-7,652	-5,736	-21,519
Loan raised	120,000	-	120,000	-	96,000
Payment of loan	-100,000	-	-100,000	-	-
Repurchased warrants	-1	-	-37	-64	-64
Allocated warrants	-	-	-	1,186	1,186
Cash flow from financing activities	**173,610**	**-181**	**173,445**	**95,735**	**311,001**
Cash flow for the period	**124,186**	**-51,911**	**-11,194**	**-92,351**	**40,781**
Cash and cash equivalents at the beginning of the period	71,195	125,339	206,682	165,658	165,658
Effect of exchange rate and value changes in cash and cash equivalents	87	-44	-21	77	243
Cash and cash equivalents at the end of the period	**195,468**	**73,384**	**195,468**	**73,384**	**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

The company's future capital requirements are impacted by several factors, including the timing of the launch and the market's uptake of the company's initial product candidates, Dasynoc® and XS003 nilotinib, as well outcomes and costs attributable to ongoing and future drug studies. Depending on the development of these factors over the next year, the Group's coverage of cash and cash equivalents will fall below the liquidity needed to pursue operations for the coming 12 months.

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. 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 of Directors, 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 reasonable 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, November 5, 2025

Anders Ekblom
Chairman

Anders Bladh
Board member

Robert Molander
Board member

Markus Haeberlein
Board member

Anne Prener
Board member

Christine Lind
Board member

Carl-Johan Spak
Board member

Per Andersson
CEO

This report has been reviewed by the company's auditors.

Review report

To the Board of Directors of Xspray Pharma AB (publ)

Corp.id. 556649-3671

Introduction

We have reviewed the condensed interim financial information (interim report) of Xspray Pharma AB as of 30 September 2025 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.

Material uncertainty as to going concern

We draw attention to the information in the interim report section “Financial position” (page 9) and in note 2 (page 21) which states that the Group’s coverage of cash and cash equivalents will fall below the liquidity needed to pursue operations for the coming 12 months. It also states that the Board is monitoring the situation and is evaluating different financing options and if financing secured is not sufficient, it would suggest a risk for the company’s capacity to continue its operations. These circumstances indicate that there are material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Stockholm, November 5, 2025

KPMG AB

Ola Larsmon

Authorized Public Accountant

Glossary

505(b)(2) NDA	Application for drug approval in the US for an improved version of an 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.
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	A target date that the US Food and Drug Administration has set for making a decision on a new drug (Prescription Drug User Fee Act).
Pilot study	An initial study conducted on a smaller scale than a pivotal 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 study whose results can be used in an 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 low and high values around the average value as regards the body's uptake of drugs.

For more information,
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