Annual and sustainability report 2023

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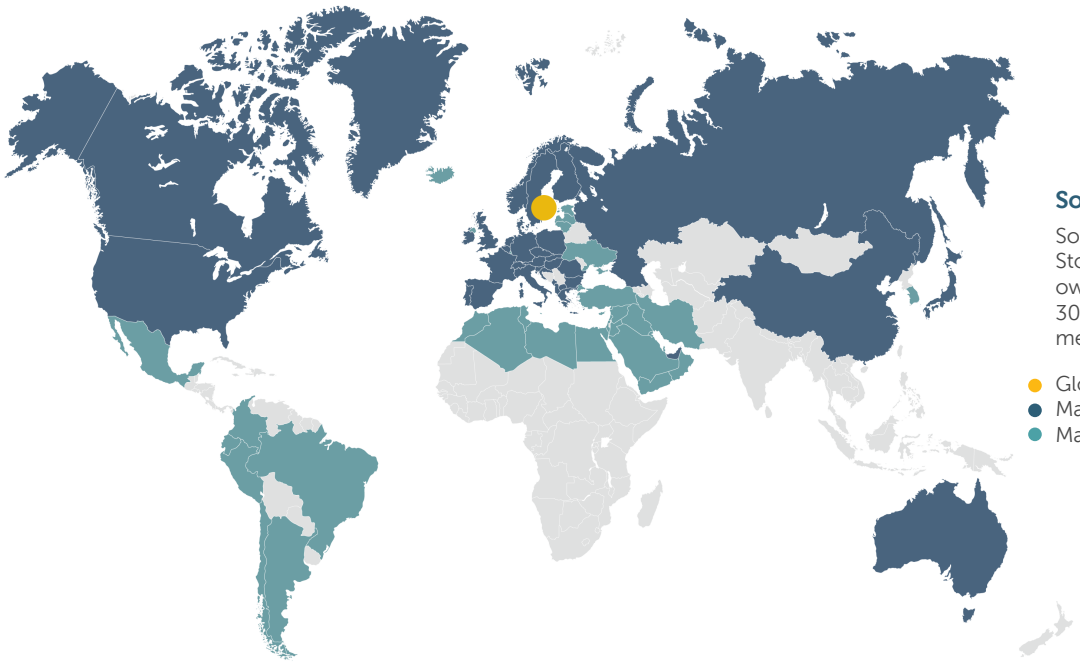
Content

This is Sobi's Annual and sustainability report 2023. The audited Annual report includes pages 34-96. The Sustainability report can be found on pages 23-29 and 115-151 and is Sobi's statutory sustainability report in accordance with the Annual Accounts Act. It is based on GRI Standards 2021. The Sustainability report also includes Sobi's Task Force on Climate-related Financial Disclosures (TCFD) report, and the EU taxonomy disclosures. This document constitutes a translated copy of the official ESEF version of the annual financial report in Swedish. The official ESEF version in Swedish is available at sobi.com. The Swedish ESEF version prevails in case of any questions or conflicts.

Inspired by caring, powered by science, Sobi is dedicated to

- Ensuring every eligible person living with a rare and debilitating disease within Sobi's disease areas is given the opportunity to benefit from Sobi's approved medicines.
- Delivering innovative solutions from its pipeline.
- Maintaining its commitment to patients, employees, and society.



Sobi presence

Sobi has its head office in Stockholm, Sweden, with own presence in around 30 countries, delivering medicines in many more.

- Global head office
- Market presence, direct
- Market presence, indirect

Swedish Orphan Biovitrum AB (publ) (Sobi®) is a specialised international biopharmaceutical company transforming the lives of people with rare and debilitating diseases.

Providing reliable access to innovative medicines in the areas of haematology, immunology and specialty care, Sobi has approximately 1,800 employees across Europe, North America, the Middle East, Asia and Australia.

In 2023, revenue amounted to SEK 22.1 B and adjusted operating profit before amortisation and impairment of intangible assets (EBITA) was SEK 7.5 B. Sobi (STO:SOBI) is listed on Nasdaq Stockholm.

More about Sobi at sobi.com and LinkedIn.

Sobi values

Care: we are who we are because of our dedication, knowledge and passion. Care is the foundation upon which our strategy, our business and our culture are built.

Ownership: it is our duty to act. We therefore encourage entrepreneurship and learn from our experiences.

Urgency: we need to embrace a sense of urgency, while safeguarding our standards, because patients cannot wait.

Partnership: we embrace partnerships and collaboration, both within Sobi and with external partners and stakeholders.

Ambition: we set ourselves ambitious goals and do our utmost to achieve them.

Disease areas

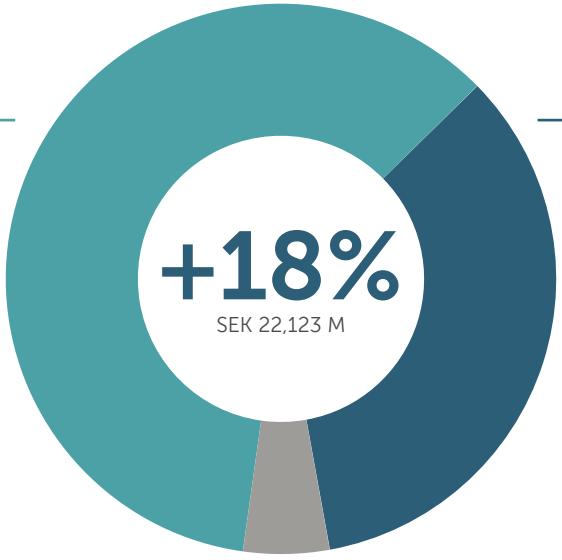
Sobi focuses on therapies in haematology, immunology, and specialty care.

Haematology

SEK 13,370 M, growth: 23%

Haematology originated with first-in-class extended half-life recombinant factor therapies for haemophilia. It has expanded into thrombocytopenia, diseases driven by the C3 complement system, diffuse large B-cell lymphoma and myelofibrosis.

ELOCTA® (efmoroctocog alfa (recombinant human coagulation factor VIII, Fc fusion protein))
ALPROLIX® (eftrenonacog alfa (recombinant human coagulation factor IX, Fc fusion protein))
Doptelet® (avatrombopag) tablets
ASPAVELI® (pegcetacoplan)
VONJO® (pacritinib) capsules
Zynlonta® loncastuximab tesirine for injection, for intravenous use - 10mg



Immunology

SEK 7,635 M, growth: 14%

Immunology offers treatments for auto-inflammatory and auto-immune diseases involving interferon-gamma and the interleukin-1 pathway, as well as for the prevention of respiratory syncytial virus. Sobi is also developing a treatment for chronic refractory gout.

Kineret® (anakinra)
gamifant® emapalumab-lzsg
SYNAGIS® PALIVIZUMAB
Beyfortus® (nirsevimab)

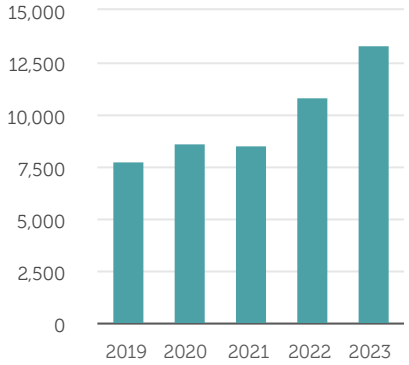
Specialty Care

SEK 1,119 M, change: -13%

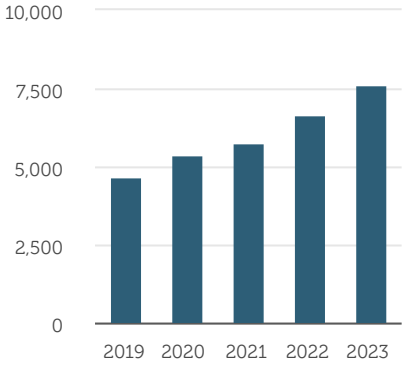
Specialty Care addresses rare hereditary disorders and other specialist indications.

Orfadin® nitisinone
Tegsedi® (inotersen) injection 284 mg/1.5 mL
waylivra® (volanesorsen) injection 285 mg/1.5 mL

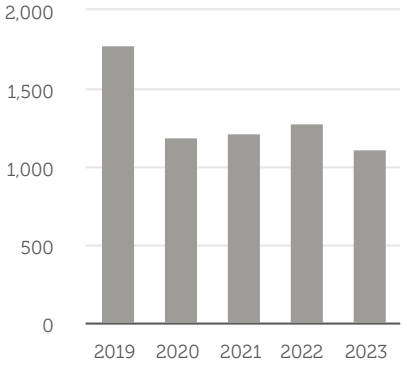
Revenue, Haematology, SEK M



Revenue, Immunology, SEK M



Revenue, Specialty Care, SEK M



Year in brief

22,123
Total revenue, SEK M

7,494
Adjusted EBITA, SEK M

1,831
Number of employees

12%
Revenue growth at constant exchange rates (CER)

34%
Adjusted EBITA, margin

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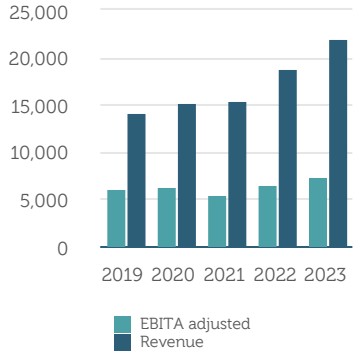
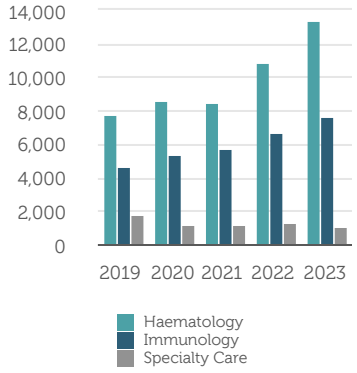
2023 constituent of the Dow Jones Sustainability Indices

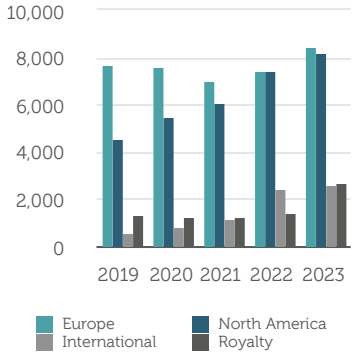
Revenue and EBITA adjusted, SEK M



Revenue by business area, SEK M



Revenue by geographic area, SEK M



Key figures

SEK M	2019	2020	2021	2022	2023
Total revenue	14,248	15,261	15,529	18,790	22,123
Gross profit	10,913	12,036	12,045	14,014	17,128
Gross margin[i]	77%	79%	78%	75%	77%
Operating costs	6,430	7,575	8,288	10,201	12,956
EBITA[i]	5,933	6,700	5,575	5,930	7,075
Adjusted EBITA[ii]	6,145	6,301	5,575	6,605	7,494
EBIT (operating profit)	4,533	4,818	3,733	3,813	4,066
Profit for the year	3,304	3,245	2,679	2,638	2,409
Earnings per share, before dilution, SEK[iv]	10.79	10.52	8.67	8.52	7.47
Adjusted earnings per share, before dilution, SEK[i, ii, iii, iv]	11.35	9.22	8.67	10.29	8.55
Cash flow from operating activities[iii]	3,634	4,926	5,470	4,576	4,470
Equity per share[i, iv]	49.4	58.4	66.4	75.3	95.6
Equity ratio[i]	37%	42%	48%	51%	46%
Average number of employees (full-time positions)	1,335	1,509	1,559	1,556	1,772

i. Sobi presents certain financial measures in the Annual and sustainability report that are not defined according to the IFRS, so-called alternative performance measures. Further information on why these are considered important, and how they are calculated, can be found in Alternative performance measures.

ii. For information about Items affecting comparability (IAC) during 2023 and 2022, see Alternative performance measures and Note 12. EBITA 2020 excluding IAC; other operating income related to the reversal of the CVR liability of SEK 399 M. EBITA 2019 excluding IAC; transaction costs related to the acquisition of Dova of SEK 92 M, restructuring costs of SEK 157 M and gain from divestment of SOBI005 of SEK 37 M. There were no IAC in 2021.

iii. EPS 2020 excluding the reversal of the CVR liability of SEK 399 M. EPS 2019 excluding IAC SEK 174 M.

iv. Comparatives have been adjusted to consider the bonus issue element in the rights issue, for which the final outcome was announced on 19 September 2023.

v. As of 2020, Sobi has reclassified hedging arrangements for financing from cash flow from operating activities to cash flow from financing activities. Proceeds from exercise of share options for 2022, amounting to SEK 89 M, have been reclassified from other non-cash items to cash flow from financing activities.

A year of solid progress and expanded impact

Rare diseases continue to be a heavy burden to people living with them and their caregivers. At Sobi, we have made it our mission to help them with our medicines. In 2023, we significantly expanded our contribution to treating rare diseases, with increased patient access and international reach for our products.

Despite a world marked by increasing volatility and uncertainty, we executed our strategic plans and successfully met our targets. We added Vonjo for myelofibrosis to our portfolio, launched Zynlonta for lymphoma and strongly grew sales of our haematology and immunology therapies. We also advanced our R&D pipeline with new clinical data and regulatory filings.

Our performance was supported by continued vigilance on operational cost as well as the strong uptake of our newly launched medicines, especially Gamifant, where we gained more patients based on a greater recognition for its pivotal role in pHLH and increased physician experience.

Similarly, Doptelet gained patients in all regions, and we continued to see strong demand for Elocta and Alprolix.

In May 2023, Håkan Björklund stepped down as Chairman. I would like to thank him for helping to shape the transformation of Sobi from a haemophilia focused company to a diversified, global leader in rare diseases.

The success of this approach can be seen in this year's performance, with growth now coming from our broad range of medicines. We will continue our transformation to a global, diversified company, as we demonstrate an increasing contribution from the United States and International markets.

I would also like to thank Bo Jesper Hansen for his valuable contributions to Sobi. Bo has a long and successful history with the company and led the board from May 2023 to January 2024 before unfortunately having to resign for health reasons. We all send him our best wishes.

Governance is a crucial part of the board's work. The board oversees Sobi's business, operations, and progress on an ongoing basis. Sustainability is a topic of increasing importance and is regularly part of this agenda.

Our Code of Conduct is an important tool to ensure that our company consistently upholds the highest standards across all sustainability-related topics and is at the core of Sobi's internal governance structure. Adherence to the Code is mandatory for all Sobi employees. The Responsible Sourcing Programme and Partner Code of Conduct govern external collaborations and cover topics connected to the environment, labour, ethics, and human rights.

Our policy framework and processes are based on our endorsement of key international standards. Since 2017 we have been participating in the UN Global Compact and have incorporated its principles in our way of working. We report on our progress annually.

Sobi is intent on continuing to contribute to the fulfilment of the UN Sustainable Development Goals and the Paris Agreement.

In a year marked by global challenges, Sobi has shown resilience, adaptability, and a strong commitment to the company's values. Ultimately, our collective efforts are all focused on bringing innovative and effective treatments to the patients who need them. This will in turn deliver sustainable long-term growth, profitability and shareholder value.

In a year marked by global challenges, Sobi has shown resilience, adaptability, and a strong commitment to our values

I would like to thank everyone at Sobi as well as our many external stakeholders for their help and support in working to achieve this endeavour during the year.

Annette Clancy
Chair of the board of directors

Strong growth as Sobi delivers on its strategic priorities

The year 2023 was a year of focused execution of our strategy. After diversifying our portfolio and globalising our presence over the last few years, we have demonstrated our strength, competitiveness, and ability to expand in a volatile environment.

Sobi has entered a new phase. One third of our revenue now comes from our strategic portfolio[1]. By 2026, a majority of our revenue is expected to come from medicines that were not on the market as late as 2019. The launch medicines[1] still have ample potential in their current and future indications and from being introduced in new territories.

While the shape of Sobi is rapidly evolving, we remain dedicated to transforming the lives of people living with rare diseases. Only 5 per cent of rare diseases have an approved medicine, and we want to be recognised not just for our business performance but also for what we do to improve the lives of patients.

In 2023, we delivered revenues of SEK 22,123 M and solid growth of 18 per cent, or 12 per cent at constant exchange rates. Our launch medicines accounted for 90 per cent of this growth, confirming the validity of our strategy.

In Haematology, Elocta and Alprolix grew steadily despite price pressure. Doptelet saw strong growth driven by the increased uptake in the US and ongoing launches in other regions. Aspaveli/Empaveli continued its launch trajectory, and we saw the first sales of Zynlonta. We added Vonjo to our haematology portfolio with the acquisition of CTI Biopharma (CTI).

Immunology performed well, with Gamifant sales making a significant leap in the US, driven by increased knowledge about the role of interferon gamma from new clinical data and more prescribers. Kineret is back on a growth trajectory after the earlier COVID-19 effect on sales. Our partner Sanofi introduced Beyfortus for RSV in the US, which provides us with a royalty stream.

Sobi has evolved from a European centric company to a global player. The United States is now our largest revenue driver, and we have made significant progress in our international expansion, with launches in Japan, new partnerships in Latin America and South Korea and several new approvals across the whole region International.

We have built a reliable R&D and Medical Affairs organisation which provides the scientific prowess we need to advance our pipeline, enter new indications, and create new evidence.

Most significant in 2023 was the European regulatory submission of efanesoctocog alfa, which has the potential to become a new standard of care for people living with haemophilia, top-line data from the DISSOLVE SEL-212 trials and the progress with Gamifant in secondary HLH.

Profitability remained high. Adjusted EBITA was SEK 7,494 M, with a margin of 34 per cent in 2023.

To fund part of the acquisition of CTI, we completed a fully subscribed rights issue from which we received approximately SEK 6 B in proceeds before issue costs. This created a comfortable take off point for further deleveraging and expansion. Once again, I want to thank our shareholders for their trust and support.

As we continue to work for patients, we know our obligation for sustainable development. Our main contribution is to improve the lives of people living with rare diseases. We work closely with our stakeholders to advance access to our medicines.

Our sustainability efforts were recognised by improved or retained ratings in several sustainability indices. We are proud to continue being a member of the Dow Jones Sustainability Index Europe (DJSI Europe).

Nothing of this strong growth and progress would have been possible without the fantastic people of Sobi. In 2023, we continued our focus on strengthening our culture and leadership, emphasising on diversity, equity and inclusion.

Our launch medicines have ample potential in current and future indications, and from being launched in new territories

Some 36,000 patients were treated with a Sobi medicine in 2023 and are living a better life today, thanks to that. But we are not stopping there. We are very passionate about our growth journey towards becoming a global leader in rare diseases. I want to thank all 1,800 employees at Sobi for their dedication and their relentless work to redefine the standards of care for people living with rare diseases.

Guido Oelkers
Chief Executive Officer

[1] See Definitions on page 160.

The global market in rare diseases

Today more than 7,000 rare diseases have been identified globally, with more being discovered every day thanks to the rapid technological development in genetic engineering and diagnostics. A large number of the patients will remain undiagnosed and fewer than 10 per cent will ultimately receive a disease specific treatment.[2] The need for innovative treatments is therefore considerable.

Rare and orphan diseases

While many rare diseases are very uncommon, together they affect a significant proportion of the global population. An estimated 350 million people globally have a rare disease, and these patients represent close to 10 per cent of total disease prevalence.[1, 3] If everyone with a rare disease lived in one country, it would be the world's third most populous country, after China and India.

The EU defines a rare disease as one that impacts fewer than five in 10,000 people. This impacts around 30 million people, or about one of every 15 EU citizens.

In the US, a rare disease is defined as one that impacts less than 200,000 Americans, and approximately 30 million individuals are affected by a rare disease.

Japan defines an orphan disease as one that impacts fewer than 50,000 Japanese.

As China works towards a more comprehensive approach to rare diseases, their initial regulatory policies have already driven rapid growth in orphan drug development.

As scientific progress continues, including the available diagnostic tools, the number of conditions categorised as rare or orphan is expected to increase.

Incentives to develop new medicines

Countries have implemented various incentives to support the development of medicines for orphan and rare diseases.

The EU has centralised authorisation procedures, resulting in a single opinion and decision that is valid in all EU member states. The EU offers various supporting incentives, including access to protocol assistance, grants and fee reductions to support the development of medicines for rare diseases. Furthermore, orphan medicines benefit from ten years of market exclusivity once they receive a marketing authorisation in the EU. Additional incentives are also available within member states.

In the US, incentives have been developed as part of the Orphan Drug Act. These range from tax credits for qualified clinical studies and exemption from certain user fees, such as the Prescription Drug User Fee Act, to a period of seven years of market exclusivity after approval. In addition to the Orphan Drug Act incentives, the healthcare changes in the Inflation Reduction Act also allows for exceptions for Orphan Drugs to be exempt from Medicare Negotiation under certain conditions.

The incentives to support orphan medicines in Japan include a priority review process and subsidies to support development.

In 2023, Canada announced CAD 1,5 B in funding for rare diseases.[4]

Laws and programmes supporting rare or orphan diseases exist in Argentina, Australia, Brazil, Columbia, Mexico, Peru and South Korea.

Expanded options for patients

The world is at a turning point in the care and medicines that help address rare and orphan diseases.

The first medicine that received orphan drug designation from the US Food and Drug Administration (FDA) was in 1983 to treat primary brain malignancies, while the first medicine that received orphan designation from the European Medicines Agency was in 2000 for acute myeloid leukaemia.

Despite the long history of orphan designations, 40 per cent of all medicines receiving an orphan designation have only been approved in recent years.[1]

To date, over 2,550 medicines have been granted an orphan designation in the EU.[1] The number of orphan medicines has increased steadily over time, with just under 30 per cent of all medicines approved since 2019. In 2022, 54 per cent of all medicines approved in the US were intended to help address rare or orphan diseases, with similar numbers expected for 2023.[5] Over 200 medicines have been approved as orphan in Japan since 2004.

Sales from orphan medicines continue to outpace the overall pharmaceutical market. Orphan drugs are expected to grow faster (11.6 per cent versus 7 per cent) than non-orphan innovative drugs and are are expected to reach sales of USD 300 B by 2028.[6]

Unmet medical needs remain

Despite recent advances in medicines and access, rare diseases continue to represent a huge unmet medical need and a significant public health challenge. Of the over 7,000 estimated rare diseases globally, approximately 95 per cent have no approved medicines to help address them.[7] A large number of the patients will remain undiagnosed and fewer than 10 per cent will ultimately receive a disease specific treatment.[1]

Even for diseases where medicines exist, it can take people years to receive an accurate diagnosis of their condition. It is estimated that more 50 per cent of people with a rare disease have not been diagnosed.

A brighter future

The awareness and support available to individuals and families facing the challenges of a rare condition is at an all-time high.

After being established by the European Organisation for Rare Diseases, Rare Disease Day is now recognised in over 100 countries around the world, with more than 600 events planned globally.[8] Over 2,000 patient organisations are focused on providing information and services to people with rare conditions. To support such important initiatives, Sobi actively partners with multiple organisations to raise awareness and advocate for people and their communities.

[2] Analysis of Incentive Policies and Initiatives on Orphan Drug Development in China: Challenges, Reforms and Implications
[3] https://www.genome.gov/dna-day/15-ways/rare-genetic-diseases
[4] https://www.fasken.com/en/knowledge/2023/03/canada-announces-funding-and-next-steps-in-rare-disease-drug-strategy
[5] New Drug Therapy Approvals 2022 Advancing Health Through Innovation FDA Center for Drug Evaluation and Research
[6] Orphan Drugs 2023 – 2028 Evaluate Pharma Report)
[7] Journal of Rare Diseases, volume 13, article 196, Orphanet 2018.
[8] https://www.rarediseaseday.org/

Strategy

Vision:

To be recognised as a global leader in providing innovative treatments that transform the lives of people with rare and debilitating diseases.

Mission:

We are working together to find and make available treatments that transform the lives of people with rare and debilitating diseases. All with the goal of ensuring that every eligible person is given the opportunity to benefit from our medicines.

Strategy and strategic objectives

Sobi is transforming the lives of people with rare and debilitating diseases. We are dedicated to ensuring that every eligible person living with a rare disease in our disease areas is given an opportunity to benefit from our approved medicines. We are also dedicated to delivering innovative solutions from our R&D pipeline to continued commitment to our patients, our employees and society.

Sobi's strategy comprises four business and two sustainability priorities.

Lead in Haematology
Sobi will continue to be a leader in haematology.

The availability of Sobi's extended half-life factor replacement medicines Elocta and Alprolix, was expanded in 2023 to reach more people with haemophilia A and B in more countries. Efanesoctocog alfa has been submitted for European approval. It has the potential to change the paradigm for people with haemophilia A and provide future growth.

Outside haemophilia, Sobi is expanding access to Doptelet by bringing the medicine to more countries and focusing on its use to treat immune thrombocytopenia (ITP). Aspaveli/Empaveli for paroxysmal nocturnal haemoglobinuria (PNH) continued its launch and development progressed in new indications.

Sobi also expanded into new areas with Zynlonta for lymphoma (launched in 2023) and the acquisition of CTI with its orphan drug Vonjo for myelofibrosis.

Grow Immunology
Sobi will continue to grow its immunology portfolio.

In Immunology, Sobi is maximising value to patients and the company through the existing medicines Gamifant and Kineret, by expanding into new countries and in new indications. In 2023, positive phase 2 results for Gamifant in secondary HLH were published. Sobi will also continue to offer Synagis and receives royalties from Sanofi for Beyfortus which was approved by the FDA for respiratory syncytial virus prevention in 2023. Sobi has the right to a share of Sanofi's revenue in the US.

Go global
In 2023, Sobi expanded its presence in the Japanese market by launching two of its key medicines; Doptelet and Empaveli. The global expansion of Doptelet continued with its launch in Australia, and plans are in place for its introduction into the Canadian market.

Moreover, Empaveli was successfully launched in Canada and approved in key Latin American countries. Kineret and Orfadin received approval in China. In 2024, Sobi is planning the introduction of Empaveli and Doptelet in South Korea, with approvals for efanesoctocog alpha and Zynlonta anticipated in the Middle East.

Capture the value of the pipeline
Sobi's R&D is geared towards advancing a late-stage pipeline focused on rare disease medicines with a clear differentiation. It has the capabilities to quickly take on new projects and to develop them in multiple indications.

With eight medicines or potential new medicines in ten projects from phase 2 through registration, new launches are anticipated to sustain future growth.

Sustainability
Sobi's sustainability strategy is integrated into the business an: maintaining a commitment to patients and always acting responsibly.

Maintain commitment to patients
Sobi will continue to improve access to medicines for people with rare diseases globally by deepening its engagement in the areas of haematology, immunology and specialty care through investing in the development of new medicines and expanding its geographical reach. It will continue to reinforce a patient-centric development approach in collaboration with patient communities and embed the patient voice throughout medicine lifecycles. Patient safety is Sobi's most important focus.

Always act responsibly
Sobi expects the highest ethical, environmental and social standards from its employees, collaborators and other stakeholders. Impacts and risks related to Sobi's operations and value chain are assessed and monitored. Improvements to avoid or minimise impact and drive positive change are continuously implemented. Sobi's team is key to delivering on its strategy, and Sobi continues to work to create an inclusive, sustainable and flexible workplace that fosters growth and supports the equitable development of professionals from different backgrounds.

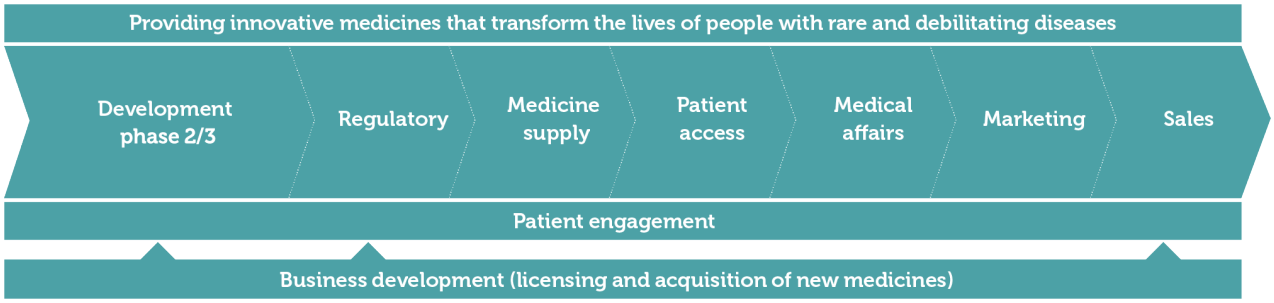
Business model

Sobi's platform in rare diseases
The rare disease landscape is unlike any other in medicine. People with rare diseases and their support networks face a disproportionate struggle for knowledge, advocacy and medicines compared to more common diseases. This places a heavy personal and financial burden on individuals and families. The ever-evolving rare disease ecosystem presents inherent scientific, medical and commercial challenges and opportunities.

Sobi keeps pace with these developments and supports rare disease communities by engaging in a continuous dialogue with all stakeholders across the biopharmaceutical value chain. This includes patients and their caregivers, patient organisations, healthcare systems, government authorities, regulatory bodies, payers and business partners.

Sobi's strengths lie in evaluating and developing clinical projects, commercialisation and bringing medicines to people as quickly as possible. Importantly, this is accomplished in close partnership with the patient community – to allow Sobi to co-develop solutions across the entire medicine development value chain that are truly patient led.

Sobi works cross-functionally and engages across the medicine life cycle to develop a solid platform for rare diseases:



Sobi continuously expands its business by licensing and acquiring new medicines from other companies with similar vision and values, but that are focused on research and discovery. This allows Sobi to expedite access to lifesaving medicines and includes medicines in clinical development or under regulatory review. In 2023, the myelofibrosis treatment Vonjo was added to Sobi's portfolio by acquiring CTI. The exact timing and scope of licensing of acquisitions depends on the specific circumstances, including when a collaborator is looking to license or sell their medicine in specific geographies or indications.

All medicine supply is outsourced to contract manufacturing organisations that supply Sobi with the medicines to be sold. Sobi's own manufacturing in Stockholm, Sweden, producing recombinant factor VIII for Pfizer, was permanently closed in the first quarter of 2024.

Proactive engagement
Patient engagement future proofs medicine development activities and connects Sobi to communities. Early, consistent and responsible engagement with patient organisations and networks in clinical development enables Sobi to design clinical studies and create solutions with and for the patient community. By embedding live experience and giving a voice to patients, Sobi helps to ensure that development and future medicines align with patient's preferences and behaviours and address real patient needs.

Sobi's business is supported by designing, collecting and sharing robust insights and evidence from patients. This includes ethnographic research to ensure that diverse unmet medical needs are broadly captured, considered and reflected across the value chain of medicine development.

Together with Sobi's clinical development, medical, patient-access and commercial teams working with healthcare stakeholders, these insights increase understanding of the changing needs of various stakeholders, who are continuously fed back into the company to improve medicines and systems.

Patient access to medicines
A medical innovation is only of value if it benefits patients and physicians. Another way in which Sobi works with the community is through patient access through established healthcare systems to ensure availability, delivery and distribution in all countries served.

Responsible pricing and reimbursement are essential components in enabling equity and opportunities for better patient care and outcomes. In all price-setting and subsequent negotiations, Sobi considers the following aspects:

- Unmet medical need
- The benefits the innovation brings to patients
- Benefits for the healthcare system
- Affordability and reliability of access
- The cost required to continue innovation and meet future medical needs

Patient engagement and patient access are vital to Sobi's goal of ensuring fast and reliable access to medicines for people with rare diseases worldwide. This further underscores Sobi's corporate commitment and contribution to environmental, social and governance principles, such as those that support the SDGs.

Sobi's rare disease platform provides a unique position to improve health on a global scale for several small and often overlooked and underserved patient groups.

Business review

Haematology

60%

of total revenue

Immunology

35%

of total revenue

Specialty Care

5%

of total revenue

Haematology

Haemophilia in general
Revenue in Sobi's Haemophilia business increased by 6 per cent at constant exchange rates to SEK 9,039 M during the year, which accounted for 41 per cent of total revenue.

Elocta and Alprolix
Sales of Elocta increased by 6 per cent at constant exchange rates to SEK 4,916 M, which accounted for 22 per cent of total revenue. Sales of Alprolix increased by 6 per cent at constant exchange rates to SEK 2,125 M, which accounted for 10 per cent of total revenue.

Despite competition in the market, both medicines benefited from the trust of the haemophilia community thanks to their ability to increase bleeding protection, including improving joint health and long-term outcomes in people with haemophilia.

Based on decades of clinical and real-world evidence, Sobi believes that factor replacement is a fundamental cornerstone in treating and preventing bleeds in people with haemophilia.

With the development of the new medicine, efanesoctocog alfa, in collaboration with Sanofi, Sobi plans to bring factor medicines to the next level and change how haemophilia is treated. During the year, the European Medicines Agency (EMA), validated an application for marketing authorisation for efanesoctocog alfa and an application for marketing authorization was submitted for approval in Saudi Arabia.

In full alignment with 'Liberate Life', the patient-centric vision in haemophilia, Sobi continued to support the haemophilia community with educational activities aimed at elevating standards of care and offering people with haemophilia the possibility to live a life full of opportunities.

Sobi's commitment to people with haemophilia was also demonstrated in its relentless support, in collaboration with Sanofi, to the World Federation of Hemophilia (WFH) for initiatives related to access to medicines and education programmes. It also continued to support the Humanitarian Aid Program, which since its creation in 1996 has aimed to improve the level of care in developing countries, including through the donation of medicines.

Doptelet
Sales of Doptelet increased by 13 per cent at constant exchange rates to SEK 2,997 M during the year, which accounted for 14 per cent of total revenue. Sobi only had sales to the distributor in China in H1 2023.

In the US, improved market access helped drive increased uptake and strong sales growth. In Europe, which still accounts for a smaller proportion of sales, ongoing and new launches continued to drive growth.

During the year, Doptelet was approved for ITP and CLD in Canada and launched in Australia (ITP), Japan (CLD) and Kuwait. It also achieved reimbursement in Australia, Israel, Japan and Poland.

Vonjo
In June, the acquisition of CTI was completed and Vonjo was added to the portfolio. The acquisition offers considerable strategic opportunities by capitalising on Sobi's haematology expertise and Vonjo's potential for patients worldwide in the blood cancer myelofibrosis and possible future indications in other rare diseases.

The integration of CTI was completed, and since the autumn, the sales force marketing Vonjo and Doptelet has been fully integrated. Both medicines address rare haematological platelet disorders. For the period 26 June - 31 December, sales of Vonjo were SEK 706 M.

Aspaveli/Empaveli
Sales of Aspaveli/Empaveli amounted to SEK 594 M, which accounted for 3 per cent of total revenue.

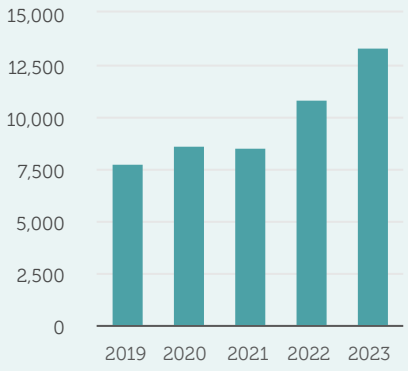
During 2023, Aspaveli/Empaveli was launched in several countries in Europe, and also in Brazil, Canada, Japan and Kuwait outside Europe. Furthermore, Aspaveli achieved reimbursement in Bulgaria, Canada (private only), Croatia, the Czech Republic, Japan, and Poland. Also, Empaveli was submitted for approval in South Korea.

Aspaveli/Empaveli is the first and only C3 inhibitor and the first approved medicine to treat paroxysmal nocturnal haemoglobinuria (PNH) and control both intravascular and extravascular haemolysis for people suffering from this rare blood disorder. The unmet medical need remains large and access to improved medicines is essential for patients. Sobi continues to raise awareness of the unmet medical need, including through initiatives such as ethnographic research and new digital solutions from Sobi's subsidiary Florio aiming to upgrade the standard of care.

13,370
Revenue in SEK M

17%
Change at constant exchange rates

Revenue, Haematology, SEK M



Manufacturing
Factor VIII contract manufacturing revenue from Pfizer increased by 4 per cent to SEK 431 M. Sobi's contract manufacturing ceased in the first quarter of 2024.

Immunology

Kineret
Kineret sales of SEK 2,415 M for the year corresponded to a flat development at constant exchange rates and accounted for 11 per cent of total revenue. Sales were driven by increased demand in all regions, however, sales growth was negatively affected by extraordinary high sales in the first quarter of 2022 due to COVID-19. Kineret was approved for FMF and CAPS in China during the year and launched in Saudi Arabia.

Gamifant
Sales of Gamifant increased by 77 per cent at constant exchange rates to SEK 1,645 M during the year, accounting for 7 per cent of total revenue. Gamifant has reached high adoption in the US and increased due to newly available clinical data, an expanded recognition of the role of interferon gamma, and an increase in prescribers. Outside the US, Gamifant was launched in the United Arab Emirates during the year. Clinical studies are ongoing to assess whether more patients can benefit from Gamifant.

Synagis
Sales of Synagis decreased by 35 per cent at constant exchange rates to SEK 2,422 M during the year, which accounted for 11 per cent of total revenue. This performance reflected competition from Beyfortus as well as a shift in the seasonality of the respiratory syncytial virus in the US during the 2023-2024 season, which started later than it did in the previous season.

Beyfortus
Royalties for Beyfortus (nirsevimab) were SEK 1,153 M in 2023, following the FDA approval in July 2023. Sobi has the right to royalties on the net sales from Sanofi in the US.

Beyfortus is indicated for the prevention of respiratory syncytial virus (RSV) in newborns and infants.

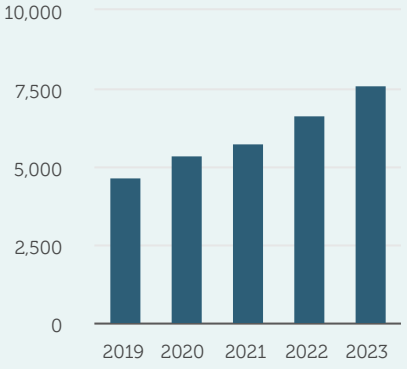
In April 2023, Sobi announced a new royalty agreement with Sanofi and terminated the participation agreement with AstraZeneca. The termination agreement removed the obligation to pay and receive future milestones of net approximately USD 110 M to AstraZeneca.

Through the royalty agreement with Sanofi, Sobi receives royalties on net sales of Beyfortus in the US. Royalty rates started at 25 per cent at launch in 2023, continue in 2024 and increase each year from 2025 to 2028 in a tiered fashion to 30 to 35 per cent of net sales. Beyond 2028, the royalty rates will remain at these levels. As part of the royalty agreement with Sanofi, Sobi paid Sanofi and AstraZeneca USD 81 M as reimbursement of prior costs for research and development of nirsevimab in the US, with Sobi owing no further payments.

7,635
Revenue in SEK M

9%
Change at constant exchange rates

Revenue, Immunology, SEK M



Specialty Care

As anticipated, sales in Specialty Care decreased by 17 per cent at constant exchange rates to SEK 1,119 M during the year, which accounted for 5 per cent of total revenue. Sales of Orfadin were SEK 453 M, sales of Tegsedi were SEK 305 M, and sales of Waylivra were SEK 212 M.

During the year, Orfadin was launched in Brazil and Saudi Arabia.

At the end of October 2023, the agreement between Sobi and Akcea Therapeutics on the North America rights to Tegsedi was terminated. The agreement with Akcea regarding Tegsedi and Waylivra for Europe, CEER and the Middle East was not affected.

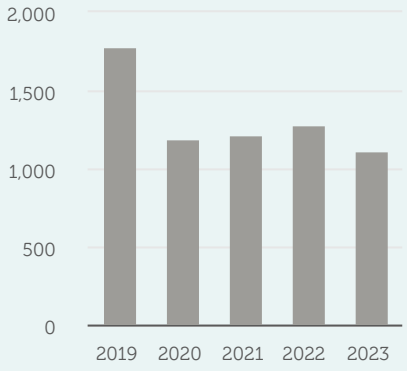
1,119

Revenue in SEK M

-17%

Change at constant exchange rates

Revenue, Specialty Care, SEK M



Florio – empowering patients, enabling better care

Florio is an independently operated subsidiary of Sobi that develops and operates digital health products for people with rare diseases. Florio's software medical devices are developed in accordance with quality requirements and EU data protection regulations.

Florio's next generation digital solutions aim to empower patients to take control of their lives. The solutions capture and visualise disease and treatment-related data in real time enabling patients to record, visualise and monitor treatment data and to share this information with their healthcare teams. Ultimately, these solutions enable better decision making and better care.

Two of Florio's digital solutions are florio® HAEMO and florio ITP.

florio HAEMO, a digital solution for people living with haemophilia, their caregivers and healthcare professionals, is available in 25 countries across Europe and the Middle East.

The florio ITP app provides everyday insights to people living with immune thrombocytopenia (ITP) for managing and monitoring their disease. florio ITP is being launched in several countries across Europe. A similar version, my florio ITP, is available in the US.

Florio's products are developed in collaboration with patients, patient associations, and healthcare professionals. In line with Sobi's pipeline, Florio continues to develop apps in collaboration with doctors and patients.

Geographic expansion – Go global

Main achievements in 2023

Reimbursements	Countries within region International where reimbursement was achieved in 2023. The list includes both private and public funding with a focus on national and hospital reimbursement, but not individual. • Aspaveli 2L PNH in Bulgaria, Canada (private only), Croatia, Czech Republic, Japan and Poland • Doptelet CLD i Israel and Japan • Doptelet ITP i Australia, Israel och Poland
Launches	**Middle East, Turkey and North Africa** Launch of Elocta in Algeria, Alprolix in Iraq, Doptelet and Empaveli in Kuwait, Kineret and Orfadin in Saudi Arabia, Alprolix in Turkey and Gamifant in UAE. **Asia/Oceania** Launch of Doptelet ITP in Australia. **LATAM** Launch of Empaveli and Orfadin in Brazil. **Europe & CEERJ** Expansion of Aspaveli in EU and CEE countries, introduction of Jyseleca (partner product) in CEE, launch of Zynlonta in EU, launch of Alprolix/Elocta in Israel, launch of Doptelet (CLD) and Empaveli in Japan. **North America** Launch of Empaveli in Canada.
Regulatory Submissions & Approvals	**Submissions:** Empaveli in South Korea, efanesoctocog alpha in Saudi Arabia, Zynlonta in Saudi Arabia. **Approvals:** Kineret FMF and CAPS in China, Doptelet ITP and CLD in Canada.

Main medicines

Disease area	Medicine/substance	Disease	Revenue in 2023/status
Haematology			
Area of medicine concerned with the study of the cause, prognosis, treatment, and prevention of diseases related to blood	Elocta (efmoroctocog alfa)[i]	Haemophilia A, a rare, genetic bleeding disorder caused by the lack of blood clotting factor VIII.	SEK 4,916 M
	Alprolix (eftrenonacog alfa)[i]	Haemophilia B, a rare, genetic bleeding disorder caused by the lack of blood clotting factor IX.	SEK 2,125 M
	Royalties	Royalties on sales by Sanofi of Eloctate®, Alprolix and Altuviiio™.	SEK 1,565 M
	Doptelet (avatrombopag)	Immune thrombocytopenia (ITP) and chronic liver disease (CLD), disorders causing low platelets count.	SEK 2,997 M
	Aspaveli/Empaveli (pegcetacoplan)[ii]	Paroxysmal nocturnal haemoglobinuria (PNH), a rare blood disorder caused by the destruction of red blood cells.	SEK 594 M
	Vonjo (pacritinib)	Intermediate or high-risk primary or secondary myelofibrosis with severe thrombocytopenia (low platelet count).	SEK 706 M Acquired by Sobi in June 2023
	Zynlonta (loncastuximab tesirine)[iii]	Diffuse large B-cell lymphoma (DLBCL), an aggressive, malignant disease.	SEK 33 M Launched in May 2023
Main pipeline	efanesoctocog alfa[j]	Haemophilia A, a rare, genetic bleeding disorder caused by the lack of blood clotting factor VIII.	Phase 3 in the EU
	Aspaveli/Empaveli	Additional indications, including C3 glomerulopathy, immune-complex membranoproliferative glomerulonephritis and transplant-associated thrombotic microangiopathy after allogenic haematopoietic stem cell transplantation.	Phase 3, phase 2
	Zynlonta	Additional/earlier indications in diffuse large B-cell lymphoma.	Phase 3, phase 2
Immunology			
Area of medicine concerned with the study of the cause, prognosis, treatment, and prevention of diseases related to the immune system	Kineret (anakinra)	Still's disease, familial Mediterranean fever and other rare, sometimes genetic autoimmune diseases caused by an overactive immune system, and COVID-19 in the EU and the US.	SEK 2,415 M
	Gamifant (emapalumab)	Primary haemophagocytic lymphohistiocytosis (HLH), an ultra-rare, rapidly progressive, often-fatal syndrome caused by hyperinflammation.	SEK 1,645 M
	Synagis (palivizumab)	Prevention of serious lower respiratory tract infections in babies caused by the respiratory syncytial virus (RSV).	SEK 2,422 M
	Beyfortus royalties	Royalties on sales by Sanofi of Beyfortus (nirsevimab) for the prevention of serious lower respiratory tract infections in newborns and infants caused by the respiratory syncytial virus (RSV).	SEK 1,153 M Approved in US in July 2023
Main pipeline	Gamifant	Macrophage activation syndrome caused by underlying rheumatological diseases, including Still's disease.	Phase 3
	SEL-212[iv]	Chronic refractory gout, an autoinflammatory disease caused by the deposition of urate crystals in synovial fluid and other tissues.	Phase 3
Specialty Care			
	Orfadin (nitisinone)	Hereditary tyrosinemia type 1, a rare genetic disorder caused by lack of the enzyme fumarylacetoacetate hydrolase, and alkaptonuria, another rare genetic disorder.	SEK 453 M
	Tegsedi (inotersen)	Polyneuropathy from hereditary transthyretin amyloidosis, a rare genetic disorder caused by the abnormal build-up of the protein amyloid in organs and tissues.	SEK 305 M
	Waylivra (volanesorsen)	Familial chylomicronaemia syndrome, a rare genetic disorder caused by very high levels of blood triglycerides.	SEK 212 M

i. In collaboration with Sanofi.

ii. In collaboration with Apellis Pharmaceuticals, Inc.

iii. In collaboration with ADC Therapeutics SA.

iv. In collaboration with Cartesian Therapeutics, Inc. (previously Selecta Biosciences, Inc.)

Pipeline

Innovation is essential to Sobi's vision of being a global leader in rare diseases. To continue providing innovative treatments and expanding the use of medicines, Sobi reinvests just under 13 per cent of revenue in research and development to continue to provide innovative treatments and expand the use of its medicines. Sobi's development pipeline at year-end consisted of eight medicines from phase 2 through registration.

Haematology

Efanesoctocog alfa
Efanesoctocog alfa, a new medicine for haemophilia A, has been approved in the US and is under regulatory review in Europe. This product is developed in collaboration with Sanofi.

In February 2023, the FDA approved Altuviiio (efanesoctocog alfa) for routine prophylaxis, on-demand treatment and control of bleeding episodes and perioperative management of bleeding. The FDA approval was primarily based on data from the pivotal XTEND-1 phase 3 study where once-weekly efanesoctocog alfa met the primary endpoint, demonstrating clinically meaningful prevention of bleeds and superiority to prior factor prophylaxis based on an intra-patient comparison. Efanesoctocog alfa was well-tolerated and inhibitor development to factor VIII was not detected.

In March 2023, Sobi and Sanofi announced that the XTEND-Kids phase 3 paediatric study evaluating the safety, efficacy and pharmacokinetics of efanesoctocog alfa as once-weekly prophylaxis in previously treated patients under twelve years of age with severe haemophilia A met its primary endpoint.

In May 2023, EMA accepted and validated a marketing authorisation application for efanesoctocog alfa, a drug for the treatment of people with haemophilia A of all age groups.

In June 2023, data from the XTEND-Kids pediatric study were presented at a late-breaker session at ISTH 2023, the 31st Congress of the International Society on Thrombosis and Haemostasis. The study demonstrated highly effective bleed protection in children with severe haemophilia A with once-weekly dosing.

Phase 3b
In July 2023, the first patient was dosed in the efanesoctocog alfa FREEDOM study, a phase 3b study following the clinical studies required for filing efanesoctocog alfa in Sobi's territories. It is a 24-month, open-label, non-randomized interventional phase 3b study designed to evaluate changes in physical activity patterns and long-term joint health in severe haemophilia A patients on once-weekly prophylaxis with efanesoctocog alfa.

Doptelet
Doptelet received regulatory approval by PMDA in Japan in March 2023 to treat thrombocytopenia in patients with chronic liver disease (CLD) who are scheduled to undergo a procedure. Doptelet provides an alternative to platelet transfusions, representing the traditional therapy and standard of care.

In July 2023, the Doptelet Japan ITP study (AVA-ITP-307) met its goal of enrolling 19 patients. This study is required to file Doptelet for ITP in Japan, which is planned for 2024.

Enrolment for the Doptelet paediatric study (AVA-PED-301) was completed in August 2023. This is a global phase 3b, randomised, double-blind, placebo-controlled, parallel-group trial with an open-label extension phase to evaluate the efficacy and safety of avatrombopag for the treatment of thrombocytopenia in paediatric subjects with immune thrombocytopenia.

Aspaveli/Empaveli
Aspaveli/Empaveli, a medicine to treat paroxysmal nocturnal haemoglobinuria (PNH), is in clinical development for use in new indications in collaboration with Apellis Pharmaceuticals, Inc.

In March 2023, Empaveli received regulatory approval by PMDA for treating patients with PNH in Japan.

New indications
At the annual meeting of the American Society of Nephrology, Kidney Week, in November 2023, positive phase 2 results were presented from the NOBLE study investigating pegcetacoplan for the treatment of post-transplant recurrence of the rare kidney diseases C3G and primary IC-MPGN. The results show that pegcetacoplan is clearing the deposits causing kidney damage and may block future damage from occurring. The study also showed improvements across key clinical measures of kidney function. The phase 3 study VALIANT, of pegcetacoplan in patients with C3G or IC-MPGN, achieved full enrolment in December 2023.

In April 2023, a decision was made to discontinue treatment with systemic pegcetacoplan in the open-label portion of the ALS phase 2 MERIDIAN study, led by Apellis. This decision was made following an unblinded review of the available data by an independent data monitoring committee (IDMC). The IDMC concluded that the available data did not support the continuation of treatment. The recommendation was not based on any safety concerns.

Zynlonta
Zynlonta, a medicine for diffuse large B-cell lymphoma (DLBCL) is in clinical development in collaboration with ADC Therapeutics SA.

In June 2023, Sobi presented data on Zynlonta in relapsed or refractory diffuse large B-cell lymphoma (DLBCL) at the European Haematology Association (EHA) congress.

The first patients started receiving Zynlonta in Germany in May 2023. Sobi plans further launches in Europe and the region International during 2024.

Vonjo
Vonjo is a novel oral kinase inhibitor with specificity for JAK2 and IRAK1, without inhibiting JAK1. It is approved in the United States for treating intermediate or high-risk primary or secondary myelofibrosis with severe thrombocytopenia.

Sobi acquired Vonjo with the acquisition of CTI in June 2023. Currently, PACIFICA, a confirmatory phase 3 study is ongoing.

Immunology

Kineret
In 2023, Kineret received approval in China for Familial Mediterranean Fever (FMF) and cryopyrin-associated periodic syndromes (CAPS), a group of rare illnesses related to defects in the protein cryopyrin.

Gamifant
Gamifant, a medicine for primary haemophagocytic lymphohistiocytosis, is in clinical development to treat other types of immune disorders of large unmet medical need.

In March 2023, data published in the Annals of the Rheumatic Diseases showed that neutralisation of IFNγ with Gamifant is a therapeutic option for patients with severe MAS who have failed standard of care with high-dose glucocorticoids.

This publication was based on 'Study 06' (NI-0501-06), a phase 2 study in patients with macrophage activation syndrome (MAS) secondary to Still's disease. Gamifant treatment was well tolerated, and safety data were consistent with its established safety profile. Observations over the twelve month, post treatment, follow-up period suggest no increased risk of adverse events, even when Gamifant levels remained detectable in some patients.

In October 2023, FDA requested the inclusion of longer-term data on safety and efficacy in the planned filing of a supplementary Biologic License Application (BLA) for Gamifant in MAS/secondary Hemophagocytic Lymphohistiocytosis (sHLH),

Sobi expects to cover this with available data from its studies. Sobi completed enrolment of the first cohort in MAS/Still's disease in the EMERALD study. This will allow for a more robust and complete dataset to support the filing in 2024.

SEL-212
SEL-212, a potential new medicine to treat chronic refractory gout, is advancing in phase 3 clinical development in collaboration with Cartesian Therapeutics Inc. Before November 2023 it was in collaboration with Selecta Biosciences, Inc. In November, Selecta and Cartesian merged.

In March 2023, Selecta and Sobi announced positive top-line results from the DISSOLVE phase 3 programme. Both the DISSOLVE I and the DISSOLVE II phase 3 studies met their primary endpoint, and detailed results are expected to be presented at an upcoming medical meeting.

In October 2023, Sobi and Selecta re-arranged their partnership for SEL-212. Sobi took over the manufacturing responsibility for ImmTOR, one of the components of SEL-212, and 17 employees from Selecta joined Sobi. This ensured SEL-212's path to regulatory submission in 2024 as Selecta restructured its operations.

Pipeline

For a continuously updated pipeline chart, see sobi.com.

Disease area

Haematology Immunology

Phase 2

- Aspaveli/Empaveli (pegcetacoplan) — Transplant-associated thrombotic microangiopathy after allogenic haematopoietic stem cell transplantation

Phase 3

- Aspaveli/Empaveli (pegcetacoplan) — C3 glomerulopathy and immune-complex membranoproliferative glomerulonephritis
- Doptelet (avatrombopag) — Immune thrombocytopenia (in Japan and paediatric indication)
- Zynlonta (loncastuximab tesirine) — Diffuse large B-cell lymphoma (second line)
- Vonjo (pacritinib) — Myelofibrosis with severe thrombocytopenia (confirmatory trial)
- Gamifant (emapalumab) — sHLH / MAS in rheumatological diseases
- SEL-212 — Chronic refactory gout

Registration

- efanesoctocog alfa — Haemophilia A
- Doptelet (avatrombopag) — Immune thrombocytopenia (in China)
- Kineret (anakinra) — Still's disease (in China)

Sustainability

Sobi's mission is to transform the lives of people with rare and debilitating diseases. This is also the company's main contribution to sustainable development.

Sobi's sustainability strategy was shaped through a solid materiality assessment and is based on two main priorities:

Maintain commitment to patients
– by supporting and empowering the rare disease community and giving patients a voice throughout the medicine lifecycle. A strong pipeline, a reliable access to medicine and expanding access through geographical expansion are key elements of Sobi's commitment, which puts patient safety first by adhering to the highest pharmaceutical standards.

Always act responsibly
– through strong business ethics and a focus on building and maintaining a healthy and well-functioning organisation that aims to serve society. Sobi strives to understand its own impact as well as that created within its value chain. It does this by working with partners to reduce its total environmental footprint, and by striving to make a positive contribution to individuals and societies wherever Sobi is present.

External commitments
Since 2017, Sobi has been a signatory to the ten principles of the UN Global Compact on human rights, labour, environment, and anti-corruption. The principles are integrated into its core business operations, and progress is reported on the "Advanced level". Sobi's sustainability strategy is based on a commitment to the UN Sustainable Development Goals (SDGs) and the Paris Agreement. A complete description of Sobi's sustainability ambitions and progress is found in the sustainability report.

Sobi has four strategic business priorities:

- Lead in Haematology
- Grow Immunology
- Go global
- Capture the value of the pipeline

... and two strategic sustainability priorities:

Maintain commitment to patients

- Access to treatment
- Patient centricity and engagement
- Patient and product safety
- Ethical marketing and sales
- Transparent and ethical R&D

Always act responsibly

- An inclusive and diverse workplace that grows people
- Safe, healthy and fair working conditions
- Reduction of environmental footprint
- Responsible sourcing
- Compliance and corruption prevention

Commitment to the UN Global Compact. Contribution to the 2030 Agenda with the UN Sustainable Development Goals and the Paris Agreement.

Maintain commitment to patients

Sobi's business strategy reflects its ambition and commitment to reach more people in more countries with novel and transformative medicines in areas of high unmet medical need.

Patient access

In 2023, Sobi continued to increase access to medicines. Doptelet reached more patients in the US and was also launched in Japan and Kuwait. Aspaveli/Empaveli was launched in several new countries inside and outside Europe. The use of Kineret increased, and the medicine was approved or launched in new countries during the year. Gamifant reached high adoption in the US and Zynlonta was launched in the EU.

Excluding use in pandemic related conditions, over 36,000 full time equivalent patients were treated with a Sobi medicine in 2023, compared to just over 32,000 in 2022.

Sobi continues to participate in the dialogue on the EU Pharmaceutical Strategy to tackle important challenges for European patients and the health sector and ensure access to affordable medicine. It also advocates for supporting people living with rare diseases through collaboration within trade organisations.

Community engagement

Sobi engages with patient organisations and networks throughout the medicine lifecycle. Especially important is incorporating the patient and patient community's voice and experience as early as possible during clinical development in the design of clinical studies and creating solutions together. By embedding experience and input from patient communities, Sobi helps to ensure that future medicines address real patient needs.

The company continued its partnership with the not-for-profit organisations European Patients' Academy on Therapeutic Innovation (EUPATI) and Patient Focused Medicine Development (PFMD). By the end of 2023, it had established four international patient councils to advise on early clinical development and trained 525 employees in patient centric practices.

Support for aid program

As Founding Visionary Contributors, Sobi and Sanofi continued to support the WFH Humanitarian Aid Program in 2023. Between 2020 and 2025 the companies are donating up to 500 million international units (IU) of factor medicine for humanitarian use to fulfil their 2014 pledge to donate up to an unprecedented 1 billion IU over a ten-year period. Since the initial pledge, over 22,000 people with haemophilia (20,200 in 2022) have been treated with factor medicine donated by Sobi and Sanofi.

By providing a more predictable and reliable flow of medicines, the WFH Humanitarian Aid Program allows people to receive consistent and reliable access to medicines and care. In addition, the educational training for treaters and patients made possible by the Program is critical for developing domestic capacities to improve diagnosis and treatment monitoring and enabling long-term sustainable change. Donations do not provide long-term or sustainable access to treatment, and the ambition is therefore to transform donations to access within regulated healthcare systems.

Over
22,000
people reported treated since programme start

1,000
surgeries in 2023

Over
9,500
acute bleeds treated in 2023

In total
810 M
IU of factor donated since programme start

Sobi supports the rare disease community, including bodies such as patient organisations Rare Disease Europe (EURORDIS) and, in the US, the National Organization for Rare Disorders (NORD). Sobi continued to support the haemophilia community through its patient-centric vision in haemophilia 'Liberate Life', and its online resource centre, which is available in a multitude of local and regional versions.

Focus on patient safety

Providing safe medicines represents Sobi's license to operate. Safety surveillance and pharmacovigilance are integrated across the life cycle of medicines to allow potential safety risks to be identified and mitigated to minimise or avoid harm. Sobi's global safety organisation focuses on the detection, assessment, understanding, and prevention of adverse effects. Correct management of safety information is subject to regular mandatory employee training.

Pipeline focused on unmet medical need

In 2023, Sobi's pipeline was expanded to include more new medicines and clinical studies in multiple indications and countries, making more medicines available to more people. To realise the portfolio's potential, the R&D expenses were SEK 2,796 M which represents 13 per cent of revenue for 2023 (12 per cent in 2022).

At year-end, Sobi's pipeline consisted of eight medicines or potential new medicines in ten projects from phase 2 through registration. Several medicines in the pipeline either have novel mechanisms of action or are unique in their disease. Orphan drug regulations can shorten the time it takes to get medicines to patients.

Sobi's development strategy also includes exploring innovative approaches that help optimise outcomes. Florio, a Sobi company, develops next generation digital solutions in collaboration with doctors and patients. Florio solutions capture and visualise disease and treatment-related data in real time to enable better decision-making and care for both paediatric and adult patients. florio HAEMO, a solution for people with haemophilia, their caregivers and healthcare professionals, is available in many countries across Europe and the Middle East. During 2023, florio ITP, a digital solution for people with immune thrombocytopenia, continued to be rolled out in additional European countries.

10

projects from phase 2 through registration

8

medicines or potential new medicines in development

Medical advancements

Sobi regularly participates in scientific meetings to share medical advancements to enhance the practice of medicine. In 2023, Sobi participated in events such as the Congress of the European Association for Haemophilia and Allied Disorders (EAHAD), the European Haematology Association (EHA) congress and the International Society on Thrombosis and Haemostasis, ISTH as well as the World Federation of Hemophilia (WFH) Comprehensive Care summit. At the American Society of Hematology Annual Meeting and Exposition (ASH), Sobi presented several analyses in patients with haemophilia A, paroxysmal nocturnal hemoglobinuria (PNH), immune thrombocytopenia (ITP), relapsed or refractory diffuse large B-cell lymphoma (DLBCL), myelofibrosis, and haemophagocytic lymphohistiocytosis (HLH).

Sobi is a long-term supporter of the WFH and the European Haemophilia Consortium (EHC). Sobi's annual support to the WFH Corporate Partner Program continues to enable country development programmes, educational resources, training for healthcare professionals, capacity building and training for patients, and patient organisations, and support for the World Bleeding Disorder Registry. The company's EHC sponsorship enables capacity building across Europe, including youth leadership and the activation of the youth community in Europe.

Always act responsibly

Sobi aims always to act ethically and expects the highest standards of ethical behaviour from its employees. The company commits to offering a healthy workplace with continuous professional development opportunities.

Caring for employees

Sobi's workforce is key to its ability to deliver on its strategy. The company is committed to an inclusive, sustainable and flexible workplace that fosters growth, develops professionals from different backgrounds, and that provides a supportive culture. Sobi works to enable its people to achieve their full potential, recognises effort, and rewards impact.

Diversity, equity and inclusion (DEI)

The company-wide DEI initiative, launched in 2022, was further deployed in 2023. A toolbox to use in trainings and workshops to increase knowledge, awareness and engagement was implemented, key HR processes were reviewed from a DEI perspective and communication initiatives were deployed, such as Global Diversity Awareness Month.

Global employee engagement survey

Sobi has performed annual engagement or pulse surveys since 2020. The results from the 2023 pulse survey showed an improvement from 69 to 73 points since the last survey, visible across all business lines. The response rate fell slightly but continues to be above the benchmark. Most responders believe relevant action has been taken since the last survey.

Leadership

Sobi continued to focus on leadership and personal development. The global leadership competency model established in 2022 was rolled out to Sobi's top 350 managers through four workshops, each focusing on one of the identified leadership competencies that Sobi leaders should aspire to embrace and Sobi employees expect from their leaders.

Reducing environmental footprint

Direct and indirect emissions from Sobi's own operations (scope 1 and 2) are limited. Sobi tracks its emissions in a common reporting platform that includes all global operations and entities. Globally, 76 per cent of all electricity consumed originates from certified renewable energy sources.

By reducing energy consumption, increasing efficiency and switching to renewable energy, Sobi aims to achieve net zero emissions from its sites and car fleet no later than in 2030.

2023 is the second year that Sobi reports its other indirect (scope 3) emission categories. Relevant categories are quantified through a mix of supplier specific data and spend-based emission factors. Sobi's mapping shows categories Purchased goods and services (category 1) , Upstream transportation (category 4), and Business travel (category 6) to be the main contributors to scope 3 emissions. Scope 3 by far stand for the majority of emissions connected to Sobi. Further information is found in section Indirect greenhouse gas emissions in Sustainability Notes.

As a part of its Responsible Sourcing Programme, Sobi integrates follow-up on suppliers' progress on climate goals in supplier categories connected to main scope 3 contributors, such as contract manufacturers and transporters.

Responsible sourcing

Sobi's supply chain is outsourced, so it relies on responsible and dependable suppliers to produce, pack and distribute medicines. Therefore, a large part of Sobi's sustainability impact occurs outside its own operations.

Sobi is part of the Pharmaceutical Supply Chain Initiative (PSCI), a non-profit business membership organisation that drives excellence in safety, environmental, and social outcomes for the entire global pharmaceutical and healthcare supply chain.

The PSCI brings together members to define, establish, and promote responsible supply chain practices, human rights, environmental sustainability, and responsible business, as well as provides mechanisms for suppliers to report sustainability performance.

Sobi uses these mechanisms to track suppliers' performance data and evaluate risk.

Sobi's GHG emissions in tonnes CO_2e	
Scope 1 Direct emissions from Sobi's own operations	**904**
Scope 2 Indirect emissions from Sobi's own operation	**648**
Total emissions Scope 1 & 2:	**1,551**
Scope 3 Other indirect emissions that occur in Sobi's value chain	**124,565**

76%

renewable energy in Sobi operations

95%

completed Code of Conduct training

Sobi also uses the EcoVadis sustainability reporting platform to monitor and drive the performance and progress of its supply chain partners regarding the environment, labour and human rights, ethics and sustainable procurement.

Supplier status and progress are followed up in Sobi's regular business review meetings and other meetings with each supplier, and improvement targets are set in dialogue and in line with sustainability priorities.

Dedication to ethics and zero tolerance for corruption

The Sobi Code of Conduct and the Sobi values are tools to support the company's ambition to always act responsibly. Sobi's Code is available to internal and external stakeholders, and the whistleblower hotline is also available for external parties.

Sobi's compliance programme aims to foster a culture of ethical decision-making and prevent non-compliant behaviour from occurring. Since 2022, a new global operating procedure governing compliance monitoring and self-inspections is in place, and an updated global Investigations policy was launched in accordance with the EU Whistleblowing Directive. Sobi's Anti-corruption policy was updated in 2023, and a new training was launched.

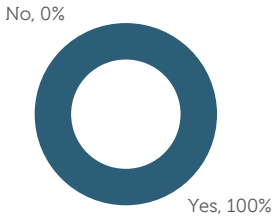
The Corporate compliance committee, which consists of the CEO, CFO, General Counsel, and Chief Compliance Officer, oversees compliance investigations. This ensures both non-retaliation against whistleblowers and organisational fairness in applying sanctions. In 2023, 14 cases were reported and investigated.

Expansion into new countries and introducing new employees into the company require the continuous revision of policies, systems and training. This ensures that high standards are maintained, and that all new employees receive the proper training during their induction programmes. Training on Code of Conduct, anti-corruption and anti-bribery are mandatory every second year. In 2023, 95 per cent (97) of eligible Sobi employees completed the Code of Conduct training, and 91 per cent (96) completed the recently updated anti-corruption and anti-bribery training.

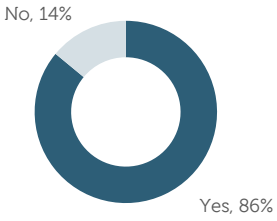
Supplier practices

Percentage of contract manufacturers reporting in EcoVadis that have implemented these practices.

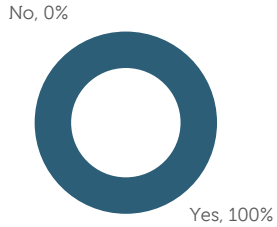
Actions on energy consumption & GHGs



Use of renewable energy



Audit or assessment of suppliers on CSR issues



The Sobi Responsible Sourcing Programme is based on three pillars:

Alignment of values and principles

Sobi ensures alignment with partners through its Partner Code of Conduct, which is a document that suppliers must adhere to as part of their Sobi contract.

Supplier risk assessment and qualification

Sobi evaluates prospective and current partners and performs due diligence and screening for compliance with management, ethical, labour, human rights and environmental standards. The company customises its approach, depending on the geographic and supplier category risk profile as well as the strategic importance of the supplier.

Performance management and monitoring

Sobi strives to reduce complexity by using common platforms to drive supplier performance. These also allow targets, activities and progress to be shared more effectively between suppliers and customers within the pharmaceutical industry.

A value chain perspective on sustainability

Sobi applies a value chain perspective to understand its actual and potential impacts and ability to influence. This analysis helps define the best ways to contribute positively and minimise negative impacts shaping Sobi's sustainability strategy.

Sobi contributes by

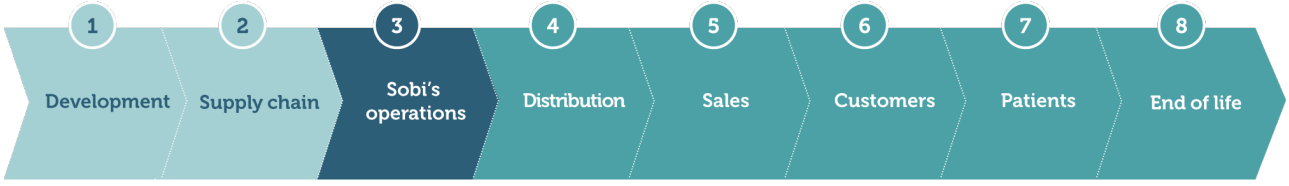
- providing rare disease patients and rare disease communities means for better health and improved lives.
- promoting and working for the right to health and patient equity.
- supporting the development and dissemination of new knowledge and science.
- being a good and fair employer that provides people with opportunities for personal growth.
- being a responsible and ethical corporate citizen.

Sobi impacts

- by use of natural resources and creation of emissions and waste in own operations, in supply and distribution chain and during use of medicines.

Sobi is impacted by

- pharmaceutical industry regulations connected to all stages of the medicine lifecycle.
- healthcare system reimbursement decisions.
- patient and patient community relations.
- national and international statutory requirements on manufacturing and distribution.
- owner and investor requirements and performance assessments.
- access to talent.



Sobi's contributions and impact occur throughout the value chain, both upstream, in Sobi's own operations as well as downstream.

1 Development

All development activities are conducted by or together with external partners. Sobi's best ability to influence lies in the choice of partners, making strict and well-functioning due diligence processes critical. The patient community is Sobi's most important stakeholder, and understanding and meeting patients' needs is critical. Sobi puts great emphasis on involving patients in the design of clinical studies and co-creation of solutions.

2 Supply chain

Sobi's medicine supply chain is almost entirely outsourced to external partners, with manufacturing in several steps, from active pharmaceutical ingredients to ready and packed medicine. Within these long-term relationships, Sobi can monitor and influence environmental and social impacts connected to these companies' manufacturing processes and operations.

3 Sobi's operations

Sobi's operations are dedicated to developing, commercialising, and bringing medicines to people across the world. The environmental impacts of operations are limited, well mapped, and actively managed. As an employer, Sobi can make a positive difference for its employees and strives to create a healthy, safe, and fair work environment.

4 Distribution

Sobi delivers medicine to all continents with the help of its transport and logistics partners. This causes an impact primarily connected to the consumption of energy and emissions. Through the choice of partners and active relationship management, Sobi's ability to influence is high.

5 Sales

Sobi's commercial teams work with healthcare stakeholders in all markets with Sobi's presence. The pharmaceutical industry is exposed to several types of compliance risks and, therefore, a highly regulated sector. Through strong compliance processes, Sobi has a high ability to prevent potential negative impacts. Sobi contributes positively by providing new knowledge to healthcare professionals and patient organisations.

6 Customers

Healthcare providers and organisations are the link between Sobi and patients. These organisations need responsible and reliable partners who can help them to reduce their environmental footprint while fulfilling their responsibilities to patients and society. Sobi's responsibility is to contribute to this.

7 Patients

Sobi can have a large positive impact on patients. Respect and support for the patient's rights, safety, and well-being are at the core of Sobi's processes both in direct collaboration with patients and patient organisations and all other stakeholder interactions.

8 End of life

Unused medicine, packaging and medical devices generate waste. Sobi can greatly influence returns management, packaging efficiencies and information to end users on proper disposal.

The Sustainability report provides more on how Sobi contributes and manages impact, as well as details and numbers. Sobi's business priorities are detailed in the section Business model.

The share

Swedish Orphan Biovitrum AB (publ) is listed on Nasdaq Stockholm under the symbol SOBI.

In 2023, the share price increased by 27 per cent to SEK 267. The highest closing price was SEK 271 on 17 April, and the lowest was SEK 191 on 13 July. Sobi's market capitalisation at year-end 2023 was SEK 94.7 B.

Turnover and trading locations

The Sobi share is traded on Nasdaq Stockholm and several trading platforms. In 2023, trading on Nasdaq Stockholm accounted for 64 per cent of the total turnover.

The average daily turnover in Sobi shares was 457,353 in trading on Nasdaq Stockholm and 1,396,125 in total. 114.8 million shares were traded during 2023 on Nasdaq Stockholm and 180.1 million shares in total, corresponding to a value of approximately SEK 25.9 B and SEK 41 B, respectively.

Share capital

On 31 December 2023, the total number of shares amounted to 354,358,946. Excluding treasury shares, the number of shares was 339,757,114. All issued shares are ordinary shares with a par value each of SEK 0.55 and carry one vote per share.

Incentive programmes

Sobi has launched several share-based incentive programmes for senior executives and employees. Currently, there are three active share programmes, all vesting within three years. The programmes represent a total maximum of 3,556,184 shares or 1.0 per cent of the total number of shares in the company. During the year, 283,060 shares were used for allotment under one performance-based long-term share programme. For the CEO, senior executives and pre-selected key employees the programmes consist by half of share options. During the year, 1,039,327 options were exercised under the programme. The programmes represent a total maximum of 6,264,693 share options.[9]

Shareholders

On 31 December 2023, the number of shareholders was 22,408 and the largest shareholder, Investor AB, held 34.7 per cent of the shares. Swedish legal entities, including institutions and private individuals, held 62.6 per cent of the shares and shares held by Sobi totalled 14,601,832 shares.

Dividend

The board proposes that no dividend be paid for 2023. For more information about Sobi's dividend policy, see the corporate governance report.

Largest shareholders on 31 December 2023[i]

Shareholder	Number of shares	Share capital, per cent	Share votes, per cent
Investor AB	122,964,760	34.7	34.7
Morgan Stanley (AstraZeneca PLC)	35,043,624	9.9	9.9
Fjärde AP-fonden	21,010,927	5.9	5.9
State Street Bank and Trust Co. (nominee)	15,937,784	4.5	4.5
Swedish Orphan Biovitrum AB (publ)	14,601,832	4.1	4.1
J.P. Morgan Chase Bank NA (nominee)	12,656,839	3.6	3.6
Northern Trust Company, London branch (nominee)	12,150,907	3.4	3.4
AMF - Försäkring och Fonder	8,431,488	2.4	2.4
Handelsbanken Fonder	7,717,648	2.2	2.2
Swedbank Robur Fonder	6,709,792	1.9	1.9
BNY Mellon NA (nominee)	4,902,693	1.4	1.4
CBNY-Norges Bank	4,725,721	1.3	1.3
The Bank of New York Mellon SA/NV, W8IMY	3,986,854	1.1	1.1
Folksam	3,622,891	1.0	1.0
Lannebo fonder	2,865,498	0.8	0.8
Clearstream Banking S.A., W8IMY	2,696,408	0.8	0.8
Nordea Investment Funds	2,653,574	0.7	0.7
SEB Investment Management	2,585,402	0.7	0.7
Cliens Fonder	2,526,857	0.7	0.7
Länsförsäkringar fondförvaltning AB	2,515,360	0.7	0.7
Top-20 shareholders	290,306,859	81.9	81.9
Other	64,052,087	18.1	18.1
Total	**354,358,946**	**100**	**100**

i. The shareholders are presented as they appear in the shareholder register held by Euroclear Sweden AB. The list may therefore not show shareholders whose shares have been registered in the name of a nominee, through the trust department of a bank or similar institution. Euroclear is the source for all shareholder information in this section, The share.

[9] More options are granted than shares as options are valued through Black-Scholes model which includes several parameters, including volatility, type of option, underlying share price, time, strike price and risk-free interest rate. In addition, options have no value below the strike price.

Shareholder categories

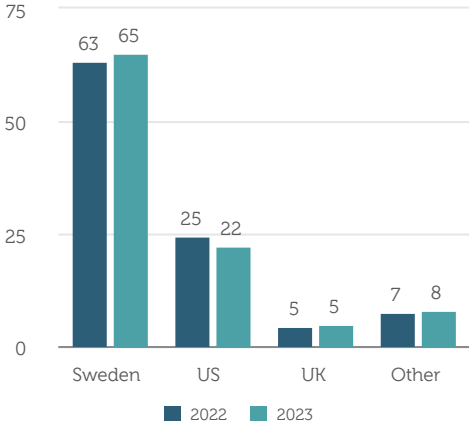
31 December 2023	Per cent of capital
Foreign shareholders	35
Swedish shareholders	65
whereof	
Legal entities	63
Individuals	3

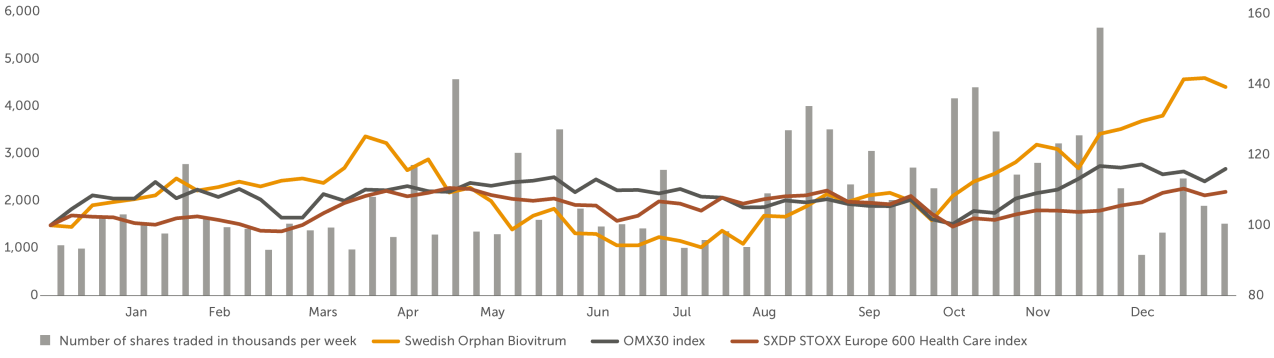
Key data per share

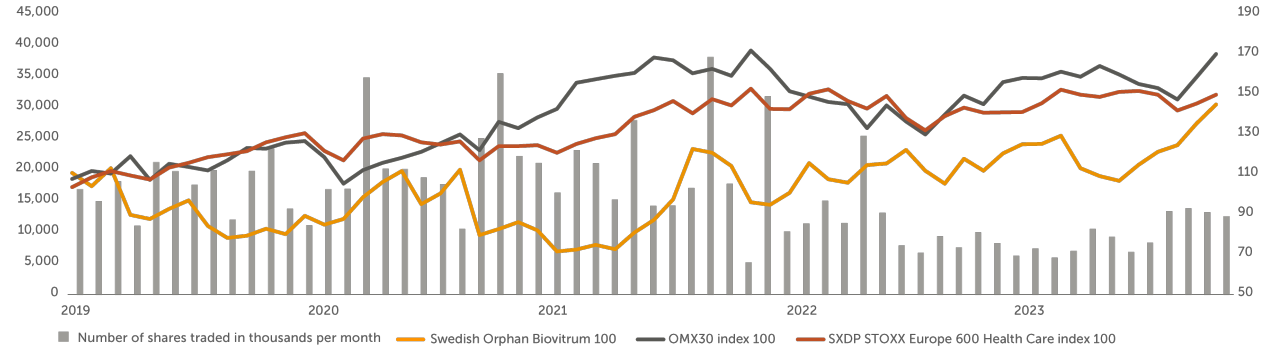
SEK	2019	2020	2021	2022	2023
Earnings per share	10.79	10.52	8.67	8.52	7.47
Equity per share	49.4	58.4	66.4	75.3	95.6
Last price paid, 31 December	154.5	166.1	185.1	215.7	267.0
P/E ratio	13.7	15.1	20.4	24.2	35.7
Number of shares, 31 December, 000s[i]	342,398	346,235	349,534	352,224	354,359

i. For share info see Note 25.

Shareholding by country, %







Data from Bloomberg.

Five-year summary

	2019	2020	2021	2022	2023
Income statement, SEK M					
Total revenue	14,248	15,261	15,529	18,790	22,123
Gross profit	10,913	12,036	12,045	14,014	17,128
EBITDA[i]	6,121	6,841	5,740	6,231	7,266
EBITA[i]	5,933	6,700	5,575	5,930	7,075
Adjusted EBITA[ii]	6,145	6,301	5,575	6,605	7,494
EBIT (operating profit)	4,533	4,818	3,733	3,813	4,066
Profit for the year	3,304	3,245	2,679	2,638	2,409
Capital, SEK M					
Total assets	45,658	48,283	48,661	52,496	74,027
Capital employed[i]	33,560	34,777	34,109	35,626	54,352
Equity	16,930	20,206	23,203	26,525	33,867
Cash and cash equivalents	737	404	1,045	1,361	904
Net debt[i]	15,404	13,748	9,500	7,406	19,265
Cash flow, SEK M					
Cash flow from operating activities before changes in working capital	5,300	5,367	4,356	5,383	5,631
Cash flow from operating activities[iii]	3,634	4,926	5,470	4,576	4,470
Cash flow from investing activities	-21,686	-3,964	-367	-1,477	-21,904
Cash flow from financing activities[iii]	15,780	-1,282	-4,474	-2,902	17,012
Change in cash and cash equivalents	-2,271	-320	629	197	-422
Key figures, %					
Gross margin[i]	77	79	78	75	77
EBITA margin[i]	42	44	36	32	32
Adjusted EBITA margin[ii]	43	41	36	35	34
Return on capital employed[i]	13.5	13.9	10.9	10.7	7.5
Return on equity[i]	25.4	17.5	12.3	10.6	8.0
Equity ratio[i]	37	42	48	51	46
Debt/equity ratio[i]	170	139	110	98	119
Share ratio, SEK					
Earnings per share[iv]	10.79	10.52	8.67	8.52	7.47
Equity per share[i, iv]	49.4	58.4	66.4	75.3	95.6
Cash flow per share[i, iv]	-7.4	-1.0	2.0	0.6	-1.3
Cash flow from operating activities per share[i, iv]	11.9	16.0	17.7	14.8	13.9

i. Sobi presents certain financial measures in the Annual and sustainability report that are not defined according to the IFRS, so-called alternative performance measures. Further information on why these are considered important, and how they are calculated, can be found in Alternative performance measures.

ii. For information about IAC during 2023 and 2022, see Alternative performance measures and Note 12. EBITA 2020 excluding IAC; other operating income related to the reversal of the CVR liability of SEK 399 M. EBITA 2019 excluding IAC; transaction costs related to the acquisition of Dova of SEK 92 M, restructuring costs of SEK 157 M and gain from divestment of SOBI005 of SEK 37 M. There were no notes affecting comparability in 2021.

iii. As of 2020, Sobi has reclassified hedging arrangements for financing from cash flow from operating activities to cash flow from financing activities. Proceeds from the exercise of share options for 2022, amounting to SEK 89 M, have been reclassified from other non-cash items to cash flow from financing activities.

iv. Comparatives have been adjusted to consider the bonus issue element in the rights issue, for which the final outcome was announced on 19 September 2023.

Reporting

Contents

Directors' report

The Board of directors and CEO of Swedish Orphan Biovitrum AB (publ), corporate organisation number 556038-9321, submit the following Annual report and consolidated financial statements for the 2023 financial year.

Highlights 2023

Financial highlights

- Total revenue amounted to SEK 22,123 M (18,790), an increase of 18 per cent and 12 per cent at constant exchange rates (CER).
- Revenue in Haematology amounted to SEK 13,370 M (10,831), an increase of 23 per cent and 17 per cent at CER.
- Revenue in Immunology amounted to SEK 7,635 M (6,679), an increase of 14 per cent and 9 per cent at CER.
- The gross margin was 77 per cent (75).
- Operating profit was SEK 4,066 M (3,813), an increase of 7 per cent.
- EBITA was SEK 7,075 M (5,930), an increase of 19 per cent.
- Adjusted EBITA was SEK 7,494 M (6,605) and excludes items affecting comparability of SEK -419 M (-675). The adjusted EBITA margin was 34 per cent (35). See Alternative performance measures for further information.
- Profit for the year totalled SEK 2,409 M (2,638), representing earnings per share before dilution of SEK 7.47 (8.52)[iii]. See Note 25 and Alternative performance measures for adjusted earnings per share.
- Cash flow from operating activities was SEK 4,470 M (4,576), a decrease of 2 per cent.

SEK M	2023	2022
Total revenue	22,123	18,790
Gross profit	17,128	14,014
Gross margin[i]	77%	75%
EBITA[i]	7,075	5,930
Adjusted EBITA[i, ii]	7,494	6,605
EBITA margin[i]	32%	32%
Adjusted EBITA margin[i, ii]	34%	35%
Profit for the year	2,409	2,638
Earnings per share, before dilution, SEK[iii]	7.47	8.52
Adjusted earnings per share, before dilution, SEK[i, ii,iii]	8.55	10.29

i. See Alternative performance measures.

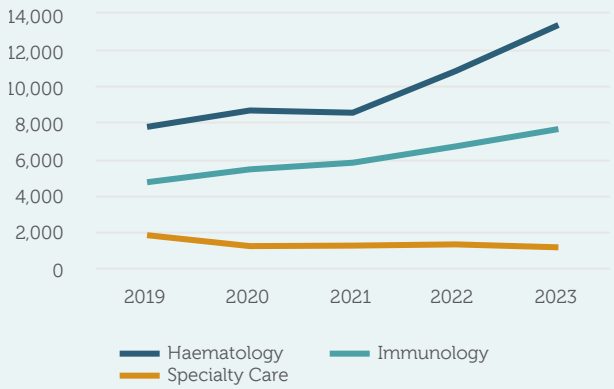
ii. For IAC see Note 12 and Alternative performance measures.

iii. Comparatives have been adjusted to consider the bonus issue element in the rights issue, for which the final outcome was announced on 19 September 2023.

Business highlights

- Sobi acquired CTI BioPharma Corp. (CTI), and the total purchase price amounted to SEK 18,060 M. The acquisition added Vonjo to Sobi's product portfolio within Haematology, a medicine for treating adults with certain types of myelofibrosis, specifically with severe thrombocytopenia.
- Sobi carried out a rights issue and received approximately SEK 6,024 M before issue costs. The proceeds were used to fund part of the repayment of the bridge loan taken in connection with the acquisition of CTI. The rights issue was fully subscribed.
- The US Food and Drug Administration (FDA) approved Sanofi and AstraZeneca's Beyfortus (nirsevimab) for the prevention of RSV in newborns and infants. The financial terms regarding Beyfortus were simplified through a new royalty agreement with Sanofi and profit sharing agreement with AstraZeneca terminated.
- Efanesoctocog alfa (Sanofi) was approved by FDA for treatment of haemophilia A.
- Doptelet received regulatory approval in Japan treating patients with chronic liver disease (CLD).
- Empaveli received regulatory approval in Japan for the treatment of patients with paroxysmal nocturnal hemoglobinuria (PNH).
- Kineret received approval in China for Familial Mediterranean Fever (FMF) and cryopyrin-associated periodic syndromes (CAPS).

Five-year revenue trend, SEK M



Sobi's operations

Sobi is a specialised international biopharmaceutical company transforming the lives of people with rare and debilitating diseases. Providing reliable access to innovative medicines in the areas of haematology, immunology and specialty care, Sobi has approximately 1,800 employees across Europe, North America, the Middle East, Asia and Australia.

In 2023, revenue was generated by:

- Haemotology, through sales of the medicines Elocta, Alprolix, Doptelet, Aspaveli/Empaveli, Zynlonta and Vonjo. Revenue also comprises royalties from Sanofi's sales of Eloctate, Alprolix and Altuviiio and manufacturing of the drug substance for ReFacto AF/Xyntha for Pfizer.
- Immunology is acheived through the sale of medicines such as Kineret, Synagis, and Gamifant. Revenue also comprises royalties from Sanofi's sales of Beyfortus.
- Specialty Care, through sales of medicines such as Orfadin, Tegsedi, Waylivra, and other medicines.

Total revenue by disease area

SEK M	2023	2022	Change
Elocta	4,916	4,402	12%
Alprolix	2,125	1,885	13%
Royalty	1,565	1,427	10%
Doptelet	2,997	2,526	19%
Aspaveli/Empaveli	594	178	>200%
Zynlonta	33	—	n/a
Vonjo	706	—	n/a
Manufacturing	431	413	4%
Other	2	—	n/a
Haematology	**13,370**	**10,831**	**23%**
Kineret	2,415	2,284	6%
Synagis	2,422	3,501	-31%
Beyfortus royalty	1,153	—	n/a
Gamifant	1,645	895	84%
Immunology	**7,635**	**6,679**	**14%**
Orfadin	453	462	-2%
Tegsedi	305	429	-29%
Waylivra	212	152	40%
Other Specialty Care	149	237	-37%
Specialty Care	**1,119**	**1,280**	**-13%**
Total	**22,123**	**18,790**	**18%**

Total revenue

Total revenue amounted to SEK 22,123 M (18,790), an increase of 18 per cent and 12 per cent at CER.

Revenue by disease area

Haematology

Revenue for Haematology amounted to SEK 13,370 M (10,831), an increase of 23 per cent and 17 per cent at CER.

Sales of Elocta amounted to SEK 4,916 M (4,402), an increase of 12 per cent and 6 per cent at CER. The performance benefited from continued growth in the number of patients and geographic expansion, somewhat offset by unfavourable price developments in some European markets.

Sales of Alprolix amounted to SEK 2,125 M (1,885), an increase of 13 per cent and 6 per cent at CER. Growth from increased patient numbers was offset by unfavourable price developments.

Royalty revenue amounted to SEK 1,565 M (1,427), derived from Sanofi's sales of Eloctate, Alprolix and Altuviiio.

Sales of Doptelet amounted to SEK 2,997 M (2,526), an increase of 19 per cent and 13 per cent at CER, including sales to the partner in China of SEK 577 M (1,102). Sales growth was strong, driven by increased uptake in the US and ongoing launches in the regions of Europe and International. Sales to China decreased due to the introduction of generic competition. Excluding China sales growth at CER for the full year was 62 per cent.

Aspaveli/Empaveli sales were SEK 594 M (178) driven by ongoing launches, reflecting continued strong growth in the number of patients across markets

Zynlonta sales were SEK 33 M (—), reflecting first sales.

In the period 26 June - 31 December, Vonjo sales were SEK 706 M (—).

Manufacturing revenue for ReFacto AF/Xyntha amounted to SEK 431 M (413), an increase of 4 per cent.

Immunology

Revenue for Immunology totalled SEK 7,635 M (6,679), an increase of 14 per cent, 9 per cent at CER.

Sales of Kineret amounted to SEK 2,415 M (2,284), an increase of 6, flat at CER. Growth was driven by increased demand in several markets but was negatively affected by extraordinary high sales in the first quarter of 2022 due to COVID-19.

Sales of Synagis amounted to SEK 2,422 M (3,501), a decrease of 31 per cent and 35 per cent at CER. The decrease is expected due to the launch and competition from Beyfortus and a later start of the RSV season.

Royalty revenue earned from Sanofi's sales of Beyfortus was SEK 1,153 M (—).

Sales of Gamifant amounted to SEK 1,645 M (895), an increase of 84 per cent, 77 per cent at CER. The strong growth reflected the continued strong growth in the number of patients in the US market as well as higher average weight of patients.

Specialty Care

Revenue for Specialty Care amounted to SEK 1,119 M (1,280), a decrease of 13 per cent and 17 per cent at CER, reflecting fewer people treated with Tegsedi and limited sales for Kepivance due to supply shortages.

Total revenue by region

SEK M	2023	2022	Change
Europe	8,511	7,484	14%
North America	8,241	7,441	11%
International	2,653	2,438	9%
Other[i]	2,718	1,427	90%
Total	**22,123**	**18,790**	**18%**

i. Other refers to royalties on Sanofi's sales of Eloctate, Alprolix, Altuviiio and Beyfortus.

Items affecting comparability (IAC)

On 26 June, the acquisition of CTI was completed, and items affecting comparability (IAC) related to the acquisition have been expensed and refers to transaction costs, integration costs and restructuring costs of SEK -481 M. Further, IACs relating to the discontinuation of contract manufacturing for Pfizer in 2022 of SEK 42 M and the consolidation of the Geneva site into Basel of SEK 21 M.

Total IAC for the year amounted to SEK -419 M (-675), see Note 12 and Alternative performance measures for further information.

Gross profit

Gross profit totalled SEK 17,128 M (14,014), representing a gross margin of 77 per cent (75). The margin increase was mainly driven by no low-margin Doptelet sales to the partner in China as well as royalties earned on Sanofi's sales of Beyfortus somewhat offset by lower Synagis sales. Gross profit also includes IAC of SEK -34 M linked to the acquisition of CTI offset by the resolution of costs related to the discontinuation of contract manufacturing for Pfizer. The gross margin, excluding IAC, was 78 per cent (77).

Operating expenses

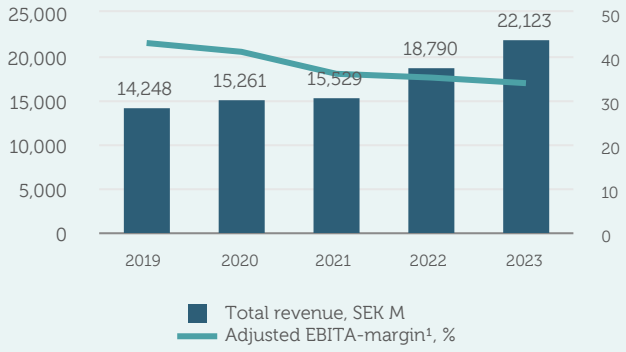
Operating expenses increased to SEK 13,062 M (10,201), an increase of 28 per cent.

Sales and administrative expenses amounted to SEK 10,161 M (7,847) and included IAC of SEK -388 M (-210) and amortisation of SEK 3,009 M (2,117). Excluding IAC, amortisation and depreciation, the increase was 17 per cent, driven by Vonjo and launch and pre-launch activities for Aspaveli/Empaveli and efanesoctocog alfa.

Research & development costs amounted to SEK 2,796 M (2,354), included IAC of SEK 3 M (-102). Excluding IAC the increase was 30 per cent at CER. The increase was was mainly due to the additions of Vonjo and Zynlonta and new clinical studies for efanesoctocog alfa.

Other operating income and expenses amounted to SEK -106 M (-1), see Notes 7 and 8.

Total revenue and adjusted EBITA margin[1]



[1] See Alternative performance measures.

Operating profit

EBITA amounted to SEK 7,075 M (5,930), corresponding to a margin of 32 per cent (32). For adjusted EBITA see Alternative performance measures. Operating profit (EBIT) totalled SEK 4,066 M (3,813), an increase of 7 per cent. Amortisation and impairment of intangible assets amounted to SEK 3,009 M (2,117).

Net financial items

Net financial items amounted to SEK -1,112 M (-492). The increase was mainly driven by additional debt related to the CTI acquisition and higher market interest rates.

Income tax

Recognised income tax amounted to SEK -546 M (-683) of which SEK -388 M (-628) pertained to current tax and SEK -157 M (55) to deferred tax. The effective tax rate was 18.5 per cent (20.6). The lower tax rate in 2023 was mainly driven by a favourable country mix. See Notes 15 and 20.

Profit

Profit for the year totalled SEK 2,409 M (2,638). Earnings per share before dilution amounted to SEK 7.47 (8.52).

Cash flow

Cash flow from operating activities amounted to SEK 4,470 M (4,576). The decrease reflected increased interest payments, as a result of the financing of the CTI acquisition, and a higher net working capital build up, partly offset by an increased operating profit.

Cash flow from investing activities amounted to SEK -21,904 M (-1,477). It mainly included the acquisition of CTI of SEK 16,961 M, milestone payments of SEK 3,081 M, payments of SEK 844 M to Sanofi and AstraZeneca following the new royalty agreement for nirsevimab, payments of SEK 466 M to Sanofi related to the production facility agreement for efanesoctocog alfa and payments of SEK 373 M to Pfizer related to the production facility agreement for Kineret.

Cash flow from financing activities amounted to SEK 17,012 M (-2,902). The increase is mainly attributable to borrowings related to the acquisition of CTI and the net proceeds from the rights issue of SEK 5,948 M.

The year's cash flow includes payments of items affecting comparability of SEK 388 M (137).

Five-year summary

SEK M	2023	2022	2021	2020	2019
Total revenue	22,123	18,790	15,529	15,261	14,248
Cost of goods sold	-4,995	-4,776	-3,484	-3,225	-3,335
Research and development costs	-2,796	-2,354	-1,994	-1,594	-1,495
Operating profit	4,066	3,813	3,733	4,818	4,533
Net financial items	-1,112	-492	-438	-601	-286
Profit for the year	2,409	2,638	2,679	3,245	3,304
Earnings per share, before dilution, SEK[i]	7.47	8.52	8.67	10.52	10.79
Earnings per share after dilution, SEK[i]	7.39	8.44	8.62	10.41	10.72
Number of shares, 000s[i]	354,359	352,224	349,534	346,235	342,398
Equity/assets ratio[ii]	46%	51%	48%	42%	37%

i. Comparatives have been adjusted to consider the bonus issue element in the rights issue, for which the final outcome was announced on 19 September.

ii. See Alternative performance measures.

Financial position

On 31 December 2023, cash and cash equivalents and current investments amounted to SEK 904 M (1,361).

On 31 December 2023, undrawn committed credit facilities amounted to SEK 4,069 M (5,464). Drawn credit facilities and issued commercial certificates totalled SEK 20,206 M (8,796). See Note 3 for more information about the maturity structure. On 31 December 2023, net debt amounted SEK 19,265 M (7,406). The increase in drawn credit facilities and net debt was mainly related to financing of the CTI acquisition.

Swedish Orphan Biovitrum AB (publ) and subsidiaries, ("the Group" or "Group") also have other non-interest-bearing financial liabilities that are recognised at discounted value and, therefore generate interest expense. These liabilities are not included in net debt/net cash. For contractual obligations related to these liabilities, see Note 28.

Equity

On 31 December 2023, consolidated equity amounted to SEK 33,867 M (26,525).

Parent Company

Swedish Orphan Biovitrum AB (publ) ("the Parent Company" or "Parent Company") business model is to develop, register, distribute and market medicines against rare diseases.

Operating revenue amounted to SEK 13,888 M (13,381), and operating profit totalled SEK 2,451 M (2,761). The year-on-year cost increase reflected launch and pre-launch activities for Aspaveli/Empaveli and efanesoctocog alfa and increased development costs and depreciation.

Profit for the year totalled SEK 1,077 M (2,451), mainly reflecting the financing of the acquisition of CTI and increased group contributions.

Cash flow from investing activities amounted to SEK -18,559 M (-1,289), including a capital contribution to a subsidiary of SEK 17,349 M (net of cash flow hedge) related to the acquisition of CTI, a milestone payment of SEK 520 M for Zynlonta, a milestone payment of SEK 55 M for pegcetacoplan and payments of SEK 466 M to Sanofi for efanesoctocog alfa.

On 31 December 2023, cash and cash equivalents amounted to SEK 628 M (1,146) and equity to SEK 29,121 M (21,627).

During the year, a rights issue was carried out and Sobi received approximately SEK 6,024 M before issue costs. See the section on Rights issue for more information.

The pipeline

Sobi is focused on mid and late-stage opportunities that help address unmet medical needs and have significant market potential in the niches they serve. Sobi is conducting more than 40 clinical studies. Some of these studies are phase 4 studies, which Sobi is conducting in support of already marketed medicines to gather further evidence about their best use and potential expansion of patient benefits. See the section Pipeline for further information.

Major regulatory approvals during the year

Haematology

Efanesoctocog alfa
In February, the FDA approved efanesoctocog alfa for routine prophylaxis, on-demand treatment, control of bleeding episodes, and perioperative management of bleeding for adults and children with haemophilia A. Sanofi commercialises efanesoctocog alfa in the US.

Aspaveli/Empaveli
In March, Empaveli received regulatory approval in Japan for the treatment of patients with paroxysmal nocturnal hemoglobinuria (PNH).

Doptelet
In March, Doptelet received regulatory approval in Japan for the treatment of thrombocytopenia in patients with chronic liver disease (CLD) who is to undergo a medical procedure.

Immunology

Kineret
At the year's end, Kineret was approved in China for familial Mediterranean fever (FMF) and for cryopyrin-associated periodic syndromes (CAPS).

Beyfortus (nirsevimab)
In July, the FDA approved Sanofi and AstraZeneca's Beyfortus (nirsevimab) for the prevention of RSV in newborns and infants.

Other information

Changes in management

During the year, Lena Bjurner was appointed Head of Human Resources. Anders Ullman left the Executive committee and his position as Chief Medical Officer, returning to the board. Anton Hoos took this position, later replaced by Lydia Abad-Franch as Chief Medical Officer and Head of Research & Development.

In 2023, Thomas Kudsk Larsen left Sobi and the Executive committee, and Pablo de Mora also left the Executive committee.

On 31 December 2023, the Executive committee consisted of:

Chief Executive Officer	Guido Oelkers
Chief Financial Officer:	Henrik Stenqvist
Chief Medical Officer, Head of R&D:	Lydia Abad-Franch
Head of North America:	Duane H. Barnes
Head of Human Resources:	Lena Bjurner
Head of Europe:	Sofiane Fahmy
General Counsel & Head of Legal Affairs:	Torbjörn Hallberg
Head of Strategic Transformation Operations:	Mahmood Ladha
Head of International:	Norbert Oppitz
Head of Strategy & Corporate Development:	Daniel Rankin
Senior Scientific & Medical Advisor:	Armin Reininger
Head of Technical Operations:	Christine Wesström

For more information about the Executive committee, see pages 112-114.

Sustainability report

In accordance with the Chapter 6, Section 11 of the Swedish Annual Accounts Act, Sobi has elected to prepare a statutory sustainability report separate from the Annual report, which can be found on pages 23-29 and 115-151. The Sustainability report has been prepared in accordance with GRI Standards 2021.

Corporate governance report

Under the Swedish Annual Accounts Act, Sobi is required to prepare a corporate governance report. In accordance with chapter 6, Section 8 of the Swedish Annual Accounts Act, Sobi has elected to prepare a corporate governance report that is separate from the Annual report. The corporate governance report can be found on pages 101-108 and 110-114.

Environmental permits

Until 31 December 2023, Sobi's production facility in Stockholm, Sweden, had a permit for environmentally hazardous activities that allowed annual production of up to 1,000 tonnes of pharmaceuticals through industrial-scale chemical or biological reactions, including intermediates. The conditions were mainly related to effluents and included a requirement to adjust the pH of the process water. Sobi also had REACH authorisation for the use of Triton X-100 at the production facility at Kungsholmen in Stockholm.

In Solna, Sweden, the company conducted activities that were notifiable under the conditions for facilities that professionally produce organic or inorganic compounds via chemical or biological reactions at a test, pilot or laboratory scale, or other non-industrial scale. The company also has a permit for handling flammable products.

Compliance with the permit conditions has been reported annually in an environmental report to the local supervisory authority. In 2023, neither of the facilities reported any breaches of the conditions. As of 1 January, Sobi no longer has any operations subject to permit conditions as internal manufacturing ceased.

Share capital and ownership

On 31 December 2023, Sobi's share capital amounted to SEK 194,439,000, distributed between 354,358,946 shares, with a par value of SEK 0.55. On 31 December 2023, the total number of shares outstanding, excluding treasury shares, was 339,757,114, each carrying one vote.

On 31 December 2023, Investor AB was Sobi's largest single shareholder with a total of 122,964,760 shares, representing 34.7 per cent of the votes and 34.7 per cent of the capital.

Rights issue

The subscription period for the rights issue expired on September 14, 2023. The final outcome of the rights issue showed that 42,175,690 shares, corresponding to approximately 99.42 percent of the offered shares, were subscribed with the support of subscription rights. The remaining 243,978 shares were allotted to those who subscribed for shares without subscription rights.

The rights issue was, therefore, fully subscribed, and Sobi received approximately SEK 6,024 M through the rights issue before deductions for issue costs. Through the rights issue, Sobi's share capital increased by SEK 23,275,903 from SEK 170,832,201 to SEK 194,108,104, and the number of shares increased by 42,419,668. The proceeds were used to fund part of the repayment of the bridge loan taken in connection with the acquisition of CTI.

Share conversions

The annual general meeting (AGM) on 9 May 2023 authorised Sobi's board to resolve on an issue of C shares and to repurchase all C shares issued in order to hedge long-term incentive programmes. The AGM also resolved to approve the board's proposed transfer of shares.

On 31 December 2023, Sobi held 14,601,832 shares in treasury (of which 2,134,496 ordinary shares were acquired during the year) with a par value of SEK 0.55, totalling SEK 8.0 M. The shares represent about 4.1 per cent of the total share capital. The shares were acquired by converting C shares for allotment to the employees covered by Sobi's share-based incentive programmes. In 2023, 283,060 shares were allotted to employees, and 1,039,327 options were exercised in accordance with the terms of the programmes. The par value of these shares was about SEK 0.55, totalling SEK 0.7 M, and representing about 0.4 per cent of the total share capital. See Note 10 for more information about Sobi's outstanding share-based incentive programmes at the end of 2023.

All C shares issued in 2023 were converted to ordinary shares during the year. For more detailed information about the total number of shares in the company, the number of different classes of shares and the votes carried by the company's shares, refer to the section The share and Note 25.

The board's proposed guidelines for senior executives
The 2020 AGM resolved on remuneration guidelines for the company's senior executives that apply until the 2024 AGM. In accordance with the EU's Shareholder Rights Directive (SRD II), a remuneration policy for 2023 will be presented to the 2024 AGM for adoption and be available on sobi.com three weeks prior to the meeting. For a complete version of the current guidelines, refer to Note 10. The board will propose new guidelines for executive remuneration at the AGM 2024.

Proposal regarding Guidelines for Executive Remuneration
The members of the Executive committee of Swedish Orphan Biovitrum AB (publ) (the "Company" or "Sobi") fall within the provisions of these guidelines. The guidelines also cover any remuneration to members of the Board of directors, except fees resolved by the general meeting. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2024. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability
Sobi is transforming the lives of people affected by rare diseases. As a specialised international biopharmaceutical company, we provide sustainable access to innovative therapies in areas such as haematology, immunology and specialty care. We bring something rare to rare diseases – a rare expertise and a strength in access that allows us to be a partner in care for those otherwise overlooked.

Sobi's vision is to be recognised as a global leader in providing innovative treatments that transform lives for individuals with rare diseases.

The Company aims to strongly correlate between Sobi's compensation elements, the long-term strategy, and sustainability priorities. To support Sobi's vision, the Company also has performance measures such as growth and profitability, with the aim of creating long-term sustainable value for people with rare diseases, shareholders, employees, and other stakeholders.

For more information regarding the Company's business strategy, see sobi.com.

A prerequisite for successfully implementing the Company's business strategy and safeguarding its long-term interests, including its sustainability, is that the Company is able to recruit and retain highly qualified personnel. As an international company, a majority of Sobi's personnel are employed outside of Sweden. Remuneration for the Executive committee is based on a total remuneration approach. The position of total remuneration should be market competitive relative to competitors in each local market. The market comparisons should be made against a set of peer group companies with comparable sizes, industries and complexity. The remuneration guidelines shall enable international hiring and support diversity within the Executive committee. Employment contracts governed by rules other than Swedish may be duly adjusted to ensure compliance with mandatory rules or established market practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Types of remuneration, etc.
The remuneration shall be on market terms and may consist of the following components: fixed base pay, variable pay, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The components are presented below.

Fixed Base Pay
Fixed base pay aims to attract and retain highly qualified personnel that deliver the Company's business strategy.

The fixed base pay shall be based on competence, experience, responsibility, and performance. The Company uses an international evaluation system to evaluate the scope and responsibility of the position to establish benchmarks to comparable peers.

Variable Pay - Short-Term Incentives
The Short-Term Incentives aim to drive the achievement of the Company's business strategy and financial goals. It also seeks to uphold adherence to company values, attract and retain highly qualified personnel, ensure engagement and alignment, and reward performance.

The annual Short-Term Incentive plan shall be based on the achievement of predetermined and measurable annual financial (75 per cent) and non-financial objectives (25 per cent). The annual financial objectives shall be related to targets that promote growth and profitability (annual revenues and EBITA[10]). The annual financial objectives are recommended by the Compensation & benefits committee and approved by the Board of directors. The annual non-financial objectives are related to strategic and business development goals as defined and approved according to the grandparent-manager principle. The objectives are determined to promote the Company's business strategy, long-term development (including its sustainability), value creation and financial growth. They shall be designed in a way that encourages compliant behaviour. The maximum annual Short-Term Incentive may vary but shall not amount to more than 100 per cent of the annual gross fixed base pay. To what extent the criteria for awarding annual Short-Term Incentive has been satisfied shall be evaluated and determined by the Board of directors upon the recommendation from the Compensation & benefits committee.

Variable Pay - Long-term Incentives
The overall purpose of the long-term incentive plans is to closely align the employees' interests with those of the shareholders and to create a long-term commitment to the Company.

Long-term share-related incentive plans are proposed by the Board of directors and presented at the general meeting for approval; therefore they are excluded from these guidelines. The performance criteria used to assess the outcome of the long-term share-related incentive plan for the Executive committee are closely linked to the business strategy and, thereby, to the Company's long-term value creation. For more information about the Company's long-term share-related incentive plans, including the criteria which the outcome depends on, see sobi.com.

[10] Earnings before interest, tax and amortisation.

Other variable pay
Further variable pay may also be paid out in extraordinary circumstances, provided that such arrangement is of a one-time nature and is agreed on an individual basis for management recruitment or retention purposes or as compensation for extraordinary efforts beyond the individual's ordinary assignment. Such compensation shall be in line with market practice and may, for example, include a one-time cash payment, retention bonus, severance payment in case of a change of control or similar. The compensation shall not exceed the amount of the gross fixed base pay for three (3) years and shall not be paid more than once a year per individual. The board shall make resolutions on such compensation of directors based on a proposal from the Compensation & benefits committee.

Pension and benefits
The preferred pension plan design is defined as a contribution[11]. If the operating environment requires the establishment of a defined benefit pension plan under mandatory collective agreement provisions, law or other regulations, such a plan may be established. The defined benefit level, should in such cases, be limited to the mandatory level.

The pension premiums or pension allowance shall amount to not more than 40 per cent of the member's pensionable salary, which may include variable pay to the extent required by mandatory collective agreement provisions.

Other benefits may include, for example, life insurance, health insurance, medical insurance, and company cars. Premiums and other costs relating to such benefits shall be based on market practice but amount to no more than 20 per cent of the annual gross fixed base pay.

Executives who are expatriates to or from another country may receive additional remuneration and other benefits, such as a support package including relocation and tax filing support as well as tax equalisation, to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not, in total, exceed 40 per cent of the annual gross fixed base pay.

Termination of employment
The notice period may not exceed twelve (12) months. Fixed salary during the notice period and severance pay, including payments for any restrictions on competition, shall in total not exceed an amount equivalent to the gross fixed base pay for two (2) years.

Consultancy fees to the members of the Board of directors
The members of the Board of directors elected by the general meeting may, in addition to fees resolved by the general meeting, receive consultancy fees for services provided to the Company. Such services must contribute to the Company's business strategy and long-term interests, including its sustainability, and may not relate to regular board work. Any consultancy fee shall be based on market terms and may for each member of the Board of directors not exceed the annual remuneration for the board assignment. The above applies correspondingly to services performed by a wholly-owned company of a member of the Board of directors.

Salary and employment conditions for employees
In the preparation of the Board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account. Information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, have been included in the Compensation & benefits committee's and the Board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines
The Board of directors has established a Compensation & benefits committee. The committee's tasks include, among other things, preparing the Board of directors' decision to propose guidelines for remuneration to the Executive committee. The Board of directors shall prepare a proposal for new guidelines at least every fourth year and present it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Compensation & benefits committee shall also monitor and evaluate programmes for variable remuneration for the Executive committee, the application of these guidelines as well as the current remuneration structures and compensation levels in the Company. The members of the Compensation & benefits committee are independent of the Company and the Executive committee. The CEO and other members of the Executive committee do not participate in the Board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Claw-back
The Board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable pay earned or paid on incorrect grounds (claw-back).

Derogation from the guidelines
The Board of directors may temporarily resolve to derogate from these guidelines, in whole or in part, if, in a specific case, there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Compensation & benefits committee's tasks include preparing the Board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from these guidelines.

Description of significant changes to the guidelines and how shareholders' views have been taken into account
Based on comments and questions received from investors and in individual meetings, and based on comments expressed in proxy advisor reports, the Board of directors has, at the recommendation of the Compensation & benefits committee, decided to propose the implementation of a claw-back clause strengthening the Board of directors' possibility to in whole or in part reclaim variable pay earned or paid on incorrect grounds.

[11] A defined contribution pension plan defines a percentage level of the employee's annual gross fixed base pay as contribution that will be paid into the pension plan for each employee.

Proposed appropriation of profit

The following funds are at the disposal of the AGM:

SEK K	
Share premium reserve	15,758,291
Retained earnings	11,291,520
Profit for the year	1,076,815
Total	**28,126,626**

The board proposes that no dividends be paid for the 2023 financial year.

The board proposes that the share premium reserve, retained earnings and profit for the year, SEK 28,126,626 K, be carried forward.

The war in Ukraine

There are still uncertainties regarding how and to what extent Sobi's operations will be affected by the war in Ukraine. Sobi maintains an office in Moscow, Russia, with ~45 employees. Sales in Russia corresponded to 2 per cent of total annual revenue. At the end of the year, the exposure in accounts receivables, net of expected credit losses, towards customers in Russia amounted to SEK 188 M. Sobi continues to follow the situation closely to comply with any rules and regulations implemented by governmental bodies at international level and to assess the potential and actual risks stemming from the situation.

Events after the reporting period

See Note 36 for more information.

Financial outlook for 2024

- Revenue is anticipated to grow by a high single-digit percentage at CER
- Adjusted EBITA margin is anticipated to be in the mid-30s percentage of revenue

Risk management

On a day-to-day basis, Sobi's operations involve ongoing risk assessment and risk management. The risk management process provides structure to proactively identify and manage risks that could negatively impact Sobi's ability to achieve its targets. Sobi's enterprise risk management process also provides the Executive committee and board with information to support their governance processes.

Effective risk management strengthens Sobi's business opportunities and value creation and meets the expectations of its shareholders and other stakeholders for sustainable, long-term value growth and control.

Sobi's enterprise risk management process is business-wide and bottom-up. Each operating unit works actively to identify and manage risks to achieve targets and deliver on strategies. Identified risks assessed to have a high impact on Sobi are reported to Sobi's risk management function. Sobi's risk management function aggregates and consolidates these risks and reports significant risks at least yearly to the Executive committee, who reports to the board. Sobi's risk management process is described in the Sobi risk management policy.

In 2023, Sobi's enterprise risk management process has been updated to align with Sobi's double materiality assessment process, see section Materiality process and material sustainability topics in the Sustainability report. Sobi's climate related risk and opportunity assessment is part of the enterprise risk management process since 2022.

The findings of the double materiality assessment and the climate related risk and opportunity assessment have been integrated with the overall risk assessment conclusions.

The section below lists the principal risks that could significantly affect on the financial position and/or reputation. It outlines why effective management of these risks is important and relevant, as well as how Sobi manages these risks. The risks are not listed in any particular order of priority. More details of material sustainable matters and climate related risks are found in the Sustainability report, sections Materiality process and material sustainability topics and Report on climate risks and opportunities (TCFD report).

Pipeline and commercialisation

Risk area	Description	Management response
Key medicine	Sobi is dependent on a few key medicines, and any event that adversely affects leading medicines could affect the business and financial position. The development of a new medicine is a complex, capital-intensive and overall risky process involving significant resources. A medicine could fail or be delayed at any stage of the process for a number of reasons, which may affect growth, revenue or profit.	High focus on existing medicines to enable the extension into new indications and exploring of new geographies. Acquisition strategy with focus on strength and diversity, in 2023 resulting in the acquisition of CTI and the medicine Vonjo. Strengthen the pipeline through licensing and royalty agreements. As an example entered into a royalty agreement with Sanofi and the medicine Beyfortus (nirsevimab). Sobi is focused on late-stage development projects that address unmet medical needs and are deemed to have significant market potential.
Medicine approval and market authorization	Prior to launch, a medicine must meet the strict quality, safety and efficacy requirements expected by regulators. Failure could lead to a delayed or cancelled launch and have a material adverse effect on the business and financial position. Sobi's medicines are commercialised through marketing authorisation rights and the loss of, or inability to obtain or maintain, such rights could affect the business and financial results.	Quality management systems in place to monitoring changes in the regulatory frameworks in existing market as well as high focus on regulatory compliance entering into new market. Close management of clinical studies to ensure the evidence is aligned with regulators' demands. Strong focus to obtain and maintain marketing authorisation, especially for newly acquired medicines.
Pricing	Sobi operates in a highly competitive market and marketing authorisation does not guarantee that the medicines will be granted pricing or reimbursement in the national or regional healthcare systems. In many countries the market is also pressured from government and other healthcare payers on provider prices.	Value-based pricing models demonstrating the value and health economics of medicines. Close monitoring of changes in healthcare systems and possible impact on Sobi, and high focus from local finance managers to forecast and monitor revenue.
Access to treatment	Sobi's ability to market medicines successfully depends, in part, upon the acceptance of, and access to, the medicines not only by people, but also by independent third parties, including public health insurers, doctors and pharmacists in Sobi relevant markets. Failure to access people and third parties may lead to lower demand for Sobi's medicines and affect the financial results.	Close collaboration with stakeholders throughout the entire development and commercialisation process. The European Pharmaceutical Strategy, a collaboration on unmet medical needs. Sobi also advocates for support for people living with rare diseases by collaborating with trade organisations to promote knowledge sharing.

Business execution

Risk area	Description	Management response
Supply chain	Sobi relies on third parties to manufacture and distribute the medicines. Difficulty to secure sufficient capacity at the right time can result in a risk of insufficient quantities of the medicines or to be out of stock. Physical risks related to climate change and geo-political instability also increase the risk of business interruption in the supply chain.	Good relationships with supply chain network, close monitoring and maintenance of stock levels, and clear expectations with well-developed forecasts are key for managing the supply chain risk. High focus on contingency plans including dual sourcing and multiple suppliers, where possible. Group-wide insurance programmes in place.
Third party risk management	Due to increased focus on governance and responsibility of total value chain, Sobi can be held responsible for third parties non-compliance, with risk of possible penalties, negative effect on tender process, and negative impact on Sobi's reputation. Including, but not limited to, human rights, well-being, climate and environmentally responsible operations, compliance with anti-bribary and corruption legislation, trade sanctions, data privacy, etc.	Third party risk management program in place. Responsible sourcing programme.
Information- and cybersecurity	An IT-system breakdown or cybersecurity incident could lead to a significant business disruption or unauthorised access to confidential information. This could also include disruptions to distributors, suppliers and other business partners. If a security breach were to result in a loss of data or damage, or inappropriate disclosure of confidential or proprietary information, Sobi could be held liable and the reputation could be harmed. This could have a material adverse effect on the business and financial position.	Group-wide information- and cybersecurity framework in place, including disaster and data recovery plans and strategies to secure critical systems and processes. Recurring information- and cybersecurity training for employees.
Workforce	Sobi personnel is a key for Sobi to reaching its goals. For specific functions the personnel dependency is high and a vacancy can be hard to fill.The loss of any key personnel or the inability to attract, recruit and retain the highly skilled employees required for Sobi's activities may have a material adverse effect on the business and financial position. This risk is relevant for own workforce as well as supply chain workforce.	High focus on good working conditions, including development opportunities and competitive working terms. High focus on leadership development including improving awareness of diversity, equity and inclusion. Continuous monitoring through surveys and follow-up on improving activities.
Patient safety	Patient safety is very important and Sobi monitors the safety profiles of all medicines. Failure to do so could have a material adverse effect on reputation, business and financial results, and lead to liability claims.	All clinical studies are conducted and reported in accordance with the applicable regulatory requirements and good clinical practice. Compliance with the European Medicines Agency's policy on publication of clinical data for medicinal products for human use. Robust processes and systems in place to manage patient safety and efficacy trends. These include a worldwide service for adverse reactions reporting. Regular training for employees in patient safety.

Finance including reporting

Risk area	Description	Management response
Financial	Financial risks refer to fluctuations in exchange rates, interest rates, refinancing, liquidity and credit obligations. Negative impacts could affect the business and financial position.	Financial risk management is presented in Note 3.
Impairment of assets	Licensing and acquisition create intangible assets a material balance-sheet item. Impairment of intangible assets may adversely affect the financial position and results of operations. The future development of the macroeconomic environment, unsuccessful acquisitions or other factors could lead to significant impairment losses in the future, which could have a material adverse effect on the business and financial position.	Significant accounting judgements, and the estimates and assumptions entailing a considerable risk of material adjustment to carrying amounts of assets and liabilities, are presented in Note 4.
Tax	Sobi is subject to complex tax laws and operations include cross-border transactions. Changes in tax laws or challenges to the tax position could adversely affect the business, results and the financial position.	Sobi pays corporate tax in a responsible way, implying that taxes are paid where profit is earned in accordance with international transfer pricing rules. Strong tax-compliance processes with strong collaboration between the Group Tax function and subsidiaries and external tax advisors when needed.
Sustainability reporting	There is an increased pace of implementation of regulatory frameworks within ESG with direct effect on Sobi's financial and sustainability reporting. A lack of timely adjustment to or reporting against these frameworks or perceived lack of transparency can lead to several negative effects on how Sobi is perceived on the capital market.	During 2023 Sobi initiated a taskforce to make sure that the new EU sustainability legislation, CSRD, affecting the financial and sustainability reporting, is understood and implemented into Sobi's formalised internal reporting procedures with good internal control. For more information see the Corporate Governance report page 108.

Legal, regulatory and compliance

Risk area	Description	Management response
Litigation and other claims	Sobi may occasionally be involved in litigation, including for example product liability claims. Such events could lead to considerable costs for damages, legal fees and temporary or permanent bans on the marketing of certain medicines, and this could have a material adverse effect on the business and financial position.	High focus on regulatory compliance, clear labelling and instructions. Solid R&D and pharmacovigilance processes. When necessary combined internal and external counsel management. Group-wide insurance programmes in place.
IP protection	Sobi's business depends on intellectual property and the ability to protect such intellectual property from third-party infringement. Generic drug manufacturers may consider launching generic products prior to patent expiries, this could affect Sobi's business and financial position.	Active management of IP rights and IP litigation in all markets to secure validity of patents and prepare for possible patent litigation.
Compliance	Failure to comply with applicable laws, rules and regulations, including but not limited to, anti-bribery and anti-corruption, information security or privacy legislation, competition law may result in civil and/or criminal law cases and/or regulatory sanctions, fines or penalties, and affect reputation, business or financial results. In relationship to third parties this risk is described under supply chain and third party management.	Zero tolerance for unethical behaviour. Established compliance framework and governance systems. Extensive and recurring training for all employees. Whistleblowing system for internal and external parties. Third-party risk management and Responsible Sourcing Programme.

Consolidated statement of comprehensive income

SEK M	Note	2023	2022
	1-4		
Total revenue	5	22,123	18,790
Cost of goods sold		-4,995	-4,776
Gross profit		**17,128**	**14,014**
Sales and administrative expenses		-10,161	-7,847
Research and development expenses		-2,796	-2,354
Other operating income	7	9	34
Other operating expenses	8	-115	-35
Operating profit	6, 9, 10, 11, 12, 16, 17, 29	**4,066**	**3,813**
Financial income	13	50	5
Financial expenses	14	-1,162	-497
Net financial items		**-1,112**	**-492**
Profit before tax		**2,954**	**3,321**
Income tax	15	-546	-683
Profit for the year[i]		**2,409**	**2,638**
Other comprehensive income[ii]	25		
Items that cannot be reclassified into profit or loss			
Remeasurement of defined-benefit pension plans and similar plans (net of tax)		-69	60
Remeasurement of equity instruments (net of tax)		-26	-76
Other comprehensive income that cannot be reclassified into profit or loss (net of tax)		**-96**	**-16**
Items that may be reclassified to profit or loss			
Translation differences		-1,347	880
Net investment hedges (net of tax)		78	-363
Cash flow hedges (net of tax)		645	-85
Other comprehensive income that may be reclassified to profit or loss (net of tax)		**-624**	**432**
Other comprehensive income for the year		**-719**	**416**
Total comprehensive income for the year[i, ii]		**1,689**	**3,054**
Earnings per share, SEK[iii]	25		
Earnings per share before dilution		7.47	8.52
Adjusted earnings per share before dilution[iv]		8.55	10.29
Earnings per share after dilution		7.39	8.44
Adjusted earnings per share after dilution[iv]		8.47	10.19

i. All attributable to Parent Company shareholders.

ii. Under amendments to IAS 1, all non-owner changes in equity are to be presented in the consolidated statement of comprehensive income. Translation differences are entirely related to the consolidated net assets of subsidiaries in foreign currency.

iii. Comparatives have been adjusted to consider the bonus issue element in the rights issue, for which the final outcome was announced on 19 September.

iv. Alternative performance measures, see at the end of this report.

Consolidated balance sheet

SEK M	Note	31-12-2023	31-12-2022
ASSETS	1-4		
Non-current assets			
Intangible assets	16	60,120	40,013
Tangible assets	17	251	274
Financial assets	19	142	121
Deferred tax assets	20	844	877
Total non-current assets		**61,356**	**41,285**
Current assets			
Inventories	21	3,874	3,332
Accounts receivable	22	5,169	5,249
Other receivables	22	602	558
Prepaid expenses and accrued income	23	2,122	710
Cash and cash equivalents	24	904	1,361
Total current assets	26	**12,671**	**11,210**
TOTAL ASSETS		**74,027**	**52,496**
EQUITY AND LIABILITIES			
Equity			
Share capital		194	170
Other contributed capital		16,552	10,211
Other reserves	25	-934	351
Retained earnings		15,646	13,155
Profit for the year		2,409	2,638
Equity attributable to Parent Company shareholders		**33,867**	**26,525**
LIABILITIES			
Non-current liabilities			
Borrowings	27	11,356	2,971
Deferred tax liabilities	20	6,680	3,797
Lease liabilities	9	168	200
Compensations post-employment benefits	29	210	87
Other provisions	30	121	159
Other liabilities, non-interest-bearing	28	2,530	3,899
Total non-current liabilities	26	**21,065**	**11,114**
Current liabilities			
Borrowings	27	8,813	5,796
Accounts payable		1,024	1,252
Tax liabilities		74	23
Lease liabilities	9	148	134
Other provisions	30	535	499
Other liabilities, non-interest-bearing	28	3,253	1,900
Accrued expenses and deferred income	31	5,248	5,253
Total current liabilities	26	**19,095**	**14,857**
TOTAL EQUITY AND LIABILITIES		**74,027**	**52,496**

Related to pledged assets and contingent liabilities, see Note 32.

Consolidated statement of changes in equity

SEK M	Share capital	Other contributed capital	Other reserves[i]	Retained earnings and profit for the year	Total equity
Opening equity, 1 January 2022	**169**	**9,945**	**-66**	**13,155**	**23,203**
Comprehensive income					
Profit for the year	—	—	—	2,638	2,638
Other comprehensive income					
Remeasurement of defined-benefit pension plans and similar plans (net of tax)	—	—	60	—	60
Remeasurement of equity instruments (net of tax)	—	—	-76	—	-76
Other comprehensive income that cannot be reclassified into profit or loss (net of tax)	**—**	**—**	**-16**	**—**	**-16**
Translation differences	—	—	880	—	880
Net investment hedges (net after tax)	—	—	-363	—	-363
Cash flow hedges (net of tax)	—	—	-85	—	-85
Other comprehensive income that may be reclassified to profit or loss (net of tax)	**—**	**—**	**432**	**—**	**432**
Other comprehensive income	**—**	**—**	**416**	**—**	**416**
Total comprehensive income	**—**	**—**	**416**	**2,638**	**3,054**
Shareholder transactions					
Issue of shares	1	-1	—	—	—
Share-based compensation to employees	—	261	—	—	261
Tax adjustments for share programmes[ii]	—	6	—	—	6
Total shareholder transactions	**1**	**266**	**—**	**—**	**268**
Closing equity, 31 December 2022	**170**	**10,211**	**351**	**15,793**	**26,525**

Opening equity, 1 January 2023	**170**	**10,211**	**351**	**15,793**	**26,525**
Comprehensive income					
Profit for the year	—	—	—	2,409	2,409
Other comprehensive income					
Remeasurement of defined-benefit pension plans and similar plans (net of tax)	—	—	-69	—	-69
Remeasurement of equity instruments (net of tax)	—	—	-26		-26
Other comprehensive income that cannot be reclassified into profit or loss (net of tax)	—	—	**-96**	**—**	**-96**
Translation differences	—	—	-1,347	—	-1,347
Net investment hedges (net after tax)	—	—	78		78
Cash flow hedges (net of tax)	—	—	645	—	645
Other comprehensive income that may be reclassified to profit or loss (net of tax)	**—**	**—**	**-624**	**—**	**-624**
Other comprehensive income	**—**	**—**	**-719**	**—**	**-719**
Total comprehensive income	**—**	**—**	**-719**	**2,409**	**1,689**
Profit from hedging of acquisition of business combination included in goodwill	—	—	-565	-147	-712
Shareholder transactions					
Right issue[iii]	24	5,939	—	—	5,964
Share-based compensation to employees	—	375	—	—	375
Tax adjustments for share programmes[ii]	—	26	—	—	26
Total shareholder transactions	**24**	**6,340**	**—**	**—**	**6,364**
Closing equity, 31 December 2023	**194**	**16,552**	**-934**	**18,055**	**33,867**

i. For a specification of Other reserves, see Note 25.

ii. The change relates to the difference between the market value and recognised IFRS 2 costs.

iii. Proceeds received from the rights issue of SEK 6,024 MSEK, issue costs of SEK -77 MSEK and associated tax of SEK 16 MSEK.

Consolidated cash flow statement

SEK M	Note	2023	2022
Cash flow from operating activities			
Profit before tax		2,954	3,321
Non-cash items			
Depreciation/amortisation and impairment		3,200	2,419
Other non-cash items[i]		1,089	652
Cash items			
Interest received		27	5
Interest paid		-949	-309
Payment to pension funds		-49	-32
Income tax paid		-641	-673
Cash flow from operating activities before changes in working capital		**5,631**	**5,383**
Cash flow from changes in working capital			
Changes in inventories		286	413
Changes in operating receivables		-900	-1,982
Changes in operating liabilities		-546	763
Cash flow from operating activities		**4,470**	**4,576**
Investing activities			
Acquisition of business, net of cash[ii]	34	-16,961	—
Investments in intangible assets[iii]	16	-4,536	-1,405
Investments in tangible assets	17	-407	-72
Cash flow from investing activities		**-21,904**	**-1,477**
Financing activities			
Borrowings		35,876	13,675
Repayment of borrowings		-24,628	-16,094
Rights issue, net[iv]	25	5,948	—
Hedging arrangements for financing		-202	-438
Repayment of leasing		-162	-133
Proceeds from exercise of share options[v]		181	89
Cash flow from financing activities		**17,012**	**-2,902**
Change in cash and cash equivalents		**-422**	**197**
Cash and cash equivalents at beginning of year		**1,361**	**1,045**
Exchange difference in cash and cash equivalents		**-35**	**119**
Cash and cash equivalents at year-end		**904**	**1,361**

i. Refers mainly to expensed interest costs of SEK 1,070 M (460) and IFRS 2 costs on share-based compensation to employees of SEK 194 M (172) and other costs of SEK -175 M (20).

ii. Refers to the acquisition of CTI. See Note 34 for more information.

iii. 2023 investments refer mainly to milestone payments related to nirsevimab, Doptelet, Zynlonta, pegcetacoplan, payments to Sanofi and AstraZeneca following the new royalty agreement for nirsevimab, payments to Sanofi related to efanesoctocog alfa and payments to Pfizer related to Kineret.

iv. Proceeds from the rights issue of SEK 6,024 M and issue costs of SEK -77 M.

v. Proceeds from the exercise of share options for 2022, amounting to SEK 89 M, which have been reclassified from other non-cash items to cash flow from financing activities. Accordingly, cash flow from operating activities have changed from SEK 4,665 M to SEK 4,576 M in 2022. Cash flow from financing activities changed from SEK -2,991 M to SEK -2,902 M in 2022.

Consolidated cash flow statement, cont.

Changes in financial liabilities reported in financing activities

2022	Note	Leasing	Borrowings	Total
Opening balance	9, 27	**361**	**10,545**	**10,906**
Cash items		-133	-2,419	-2,552
Translation differences		17	619	636
Other non-cash items		88	22	110
Closing balance		**333**	**8,767**	**9,100**

2023	Note	Leasing	Borrowings	Total
Opening balance	9, 27	**333**	**8,767**	**9,100**
Cash items		-162	11,248	11,086
Business acqusition		0	590	590
Translation differences		-2	-486	-488
Other non-cash items		147	50	197
Closing balance		**316**	**20,169**	**20,485**

Parent Company income statement

SEK M	Note	2023	2022
	1-4		
Total revenue	5	13,888	13,381
Cost of goods sold		-3,828	-3,609
Gross profit		**10,061**	**9,772**
Selling and administration expenses		-6,234	-5,775
Research and development expenses		-1,701	-1,601
Other operating income	7	425	428
Other operating expenses	8	-100	-63
Operating profit	6, 9, 10, 11, 12, 16, 17	**2,451**	**2,761**
Result from participation in Group companies	18	—	1,000
Financial income	13	1,601	489
Financial expenses	14	-1,176	-931
Net financial items		**424**	**558**
Profit after financial items		**2,876**	**3,318**
Group contributions, net		-1,116	-260
Excess depreciation		-370	-218
Appropriations		**-1,486**	**-478**
Profit before tax		**1,390**	**2,840**
Income tax	15	-313	-389
Profit for the year		**1,077**	**2,451**

Parent Company statement of comprehensive income

SEK M	2023	2022
Profit for the year	1,077	2,451
Items that cannot be reclassified into profit or loss		
Remeasurement of equity instruments (net of tax)	-26	-76
Items that may be reclassified to profit or loss		
Cash flow hedges (net of tax)	80	-85
Other comprehensive income for the year	**54**	**-161**
Total comprehensive income for the year	**1,130**	**2,290**

Parent Company balance sheet

SEK M	Note	31-12-2023	31-12-2022
ASSETS	1-4		
Non-current assets			
Intangible assets	16		
Licenses and patents		9	18
Product and marketing rights		10,728	10,394
Capitalised costs		293	370
Ongoing development work		785	312
Total intangible assets		**11,815**	**11,094**
Tangible fixed assets	17		
Plant and machinery		13	23
Equipment, tools, fixtures and fittings		9	13
Other non-current assets		–	1
Ongoing new construction		12	8
Total tangible fixed assets		**33**	**44**
Financial assets			
Participations in Group companies	18	31,520	8,676
Receivables from Group companies		7,549	13,318
Other financial assets	19	104	112
Deferred tax assets	20	135	125
Total financial assets		**39,308**	**22,231**
Total non-current assets		**51,156**	**33,369**
Current assets			
Inventories	21	2,614	2,703
Accounts receivable	22	1,194	995
Other receivables	22	410	462
Receivables from Group companies		7,222	5,508
Prepaid expenses and accrued income	23	1,126	611
Cash and cash equivalents	24	628	1,146
Total current assets		**13,193**	**11,426**
TOTAL ASSETS		**64,350**	**44,794**

SEK M	Note	31-12-2023	31-12-2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		194	170
Statutory reserve		800	800
Total restricted equity		**995**	**970**
Unrestricted equity			
Share premium reserve		15,758	9,419
Retained earnings		11,292	8,787
Profit for the year		1,077	2,451
Total unrestricted equity		**28,127**	**20,657**
Total equity		**29,121**	**21,627**
Untaxed reserves			
Excess depreciation		4,279	3,909
Total untaxed reserves		**4,279**	**3,909**
LIABILITIES			
Non-current liabilities			
Borrowings	27	11,356	2,971
Other provisions	30	195	247
Other liabilities, non-interest-bearing	28	2,234	3,372
Total non-current liabilities		**13,785**	**6,591**
Current liabilities			
Borrowings	27	8,813	5,796
Accounts payable		842	958
Liabilities to Group companies		3,308	3,292
Other provisions	30	231	210
Other liabilities, non-interest-bearing	28	2,318	797
Accrued expenses and deferred income	31	1,652	1,614
Total current liabilities		**17,165**	**12,667**
TOTAL EQUITY AND LIABILITIES		**64,350**	**44,794**

Related to pledged assets and contingent liabilities, see Note 32.

Parent Company statement of changes in equity

	Restricted equity		Unrestricted equity		
SEK M	Share capital	Other contributed capital	Other reserves	Retained earnings and profit for the year[i]	Total equity
Opening equity, 1 January 2022	**169**	**800**	**9,153**	**8,948**	**19,070**
Profit for the year	—	—	—	2,451	2,451
Other comprehensive income	—	—	—	-161	-161
Total comprehensive income	**—**	**—**	**—**	**2,290**	**2,290**
Shareholder transactions					
Issue of shares	1	—	-1	—	—
Share-based compensation to employees	—	—	261	—	261
Tax adjustments for share programmes[ii]	—	—	6	—	6
Total shareholder transactions	**1**	**—**	**266**	**—**	**267**
Closing equity, 31 December 2022	**170**	**800**	**9,419**	**11,238**	**21,627**
Opening equity, 1 January 2023	**170**	**800**	**9,419**	**11,238**	**21,627**
Profit for the year	—	—	—	1,077	1,077
Other comprehensive income	—	—	—	54	54
Total comprehensive income	**—**	**—**	**—**	**1,130**	**1,130**
Shareholder transactions					
Rights issue[iii]	24	—	5,939	—	5,964
Share-based compensation to employees	—	—	375	—	375
Tax adjustments for share programmes[ii]	—	—	26	—	26
Total shareholder transactions	**24**	**—**	**6,340**	**—**	**6,364**
Closing equity, 31 December 2023	**194**	**800**	**15,758**	**12,368**	**29,121**

i. See specification of other comprehensive income.

ii. The change relates to the difference between the market value and recognised IFRS 2 costs.

iii. Proceeds received from the rights issue of SEK 6.024 M, issue costs of SEK -77 M and associated tax of SEK 16 M.

At year-end, Sobi's share capital amounted to SEK 194,439 K distributed between 354,358,946 ordinary shares with a par value of SEK 0,55 and one voting right. At the balance sheet date, Sobi held 14,601,832 ordinary shares in treasury, corresponding to 4.1 per cent of the total number of shares.

The table below shows a breakdown of Other comprehensive income and how each component changed during the year.

Other comprehensive income	Cash flow hedges	Equity instruments	Total
Opening equity, 1 January 2022	**6**	**20**	**25**
Gain/loss from remeasurement of hedging instruments recognised in equity	-151	—	-151
Tax on gain/loss from remeasurement of hedging instruments recognised in equity	31	—	31
Transferred to profit or loss	45	—	45
Tax on transferred to profit or loss	-9	—	-9
Gain/loss from remeasurement of equity instruments recognised in equity	—	-81	-81
Tax effect on equity instruments	—	5	5
Closing equity, 31 December 2022	**-78**	**-56**	**-134**
Opening equity, 1 January 2023	**-78**	**-56**	**-134**
Gain/loss on remeasurement of hedging instruments recognised in equity	-46	—	-46
Tax on gain/loss from remeasurement of hedging instruments recognised in equity	9	—	9
Transferred to profit or loss	145	—	145
Tax on transferred to profit or loss	-30	—	-30
Gain/loss from remeasurement of equity instruments recognised in equity	—	-26	-26
Tax effect on equity instruments	—	—	—
Closing equity, 31 December 2023	**—**	**-82**	**-82**

Parent Company cash flow statement

SEK M	Note	2023	2022
Cash flow from operating activities			
Profit after financial items		2,876	3,318
Non-cash items			
Depreciation/amortisation and impairment		645	559
Other non-cash items		441	-200
Cash items			
Interest received		783	496
Interest paid		-1,002	-325
Income tax paid		-448	-489
Cash flow from operating activities before changes in working capital		**3,296**	**3,360**
Cash flow from changes in working capital			
Changes in inventories		116	-205
Changes in operating receivables		-1,683	243
Changes in operating liabilities		-1,166	1,944
Cash flow from operating activities		**562**	**5,341**
Investing activities			
Provided capital contribution[i]	18	-17,349	—
Investments in intangible assets[i]	16	-1,199	-1,277
Investments in tangible assets	17	-12	-12
Cash flow from investing activities		**-18,559**	**-1,289**
Financing activities			
Borrowings	27	35,876	13,675
Repayment of borrowings		-24,038	-16,094
Rights issue, net[ii]	25	5,948	—
Group contributions		-260	-1,113
Hedging arrangements for financing		-202	-440
Proceeds from exercise of share options[iii]		181	89
Cash flow from financing activities		**17,503**	**-3,883**
Change in cash and cash equivalents		**-494**	**169**
Cash and cash equivalents at beginning of year		**1,146**	**878**
Exchange difference in cash and cash equivalents		**-24**	**99**
Cash and cash equivalents at year-end		**628**	**1,146**

i. 2023 investments refer mainly to a capital contribution to a subsidiary of SEK 17,349 M (net of cash flow hedge) related to the acquisition of CTI, a milestone payment of SEK 520 M for Zynlonta, a milestone payment of SEK 55 M for pegcetacoplan and payments of SEK 466 M to Sanofi for efanesoctocog alfa.

ii. Proceeds from rights issue of SEK 6,024 M and issue costs of SEK -77 M.

iii. Proceeds from exercise of share options for 2022, amounting to SEK 89 M, have been reclassified from other, including non-cash items to cash flow from financing activities. Accordingly, cash flow from operating activities changed from SEK 5,430 M to SEK 5,341 M in 2022. Cash flow from financing activities have changed from SEK -3,972 M to SEK -3,883 M in 2022.

Notes

1 General information

Swedish Orphan Biovitrum AB (publ), corporate registration number 556038-9321, parent company and its subsidiaries ("the Group or "Group") is a specialised international biopharmaceutical company.

The Parent Company is a limited liability company headquartered in Stockholm, Sweden. The address of the head office is Tomtebodavägen 23A, Solna, Sweden.

Sobi has been listed on Nasdaq Stockholm since 15 September 2006 and on the OMX Stockholm Large Cap segment since 2 January 2014.

The annual report of the Parent Company and the consolidated financial statements were authorised for issue by the Board of directors on 28 March 2024. The income statement and the balance sheet of the Parent Company and the consolidated statement of comprehensive income and the balance sheet of the Group are subject to adoption at the AGM on 14 May 2024.

2 Accounting policies

This Note describes the essential accounting policies applied when the consolidated financial statements were prepared and covers Swedish Orphan Biovitrum AB (publ) and its subsidiary ("Sobi"). These policies have been applied consistently for all years presented unless otherwise stated.

Basis of preparation of the financial statements

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Rules for Groups, and International Financial Reporting Standards (IFRS), and interpretations from IFRS Interpretations committee (IFRS IC).

The consolidated financial statements use Swedish Krona (SEK), which is the Parent Company's functional currency and the Group's reporting currency. Amounts are stated in MSEK (million krona) and values in parentheses refer to the previous year unless otherwise stated. Amounts are rounded to the nearest MSEK.

The consolidated accounts have been prepared according to the acquisition value method, except for certain financial assets and liabilities, which are reported in accordance with the description under the heading financial instruments.

Business acquisitions are reported in accordance with the acquisition method. The acquired identified assets and acquired liabilities are valued at fair value on the acquisition date. Acquisition-related costs are reported in the income statement as administration costs. Conditional additional purchase prices are reported as financial liabilities at fair value at the time of acquisition.

New and revised accounting policies in 2023

As of 1 January 2023, the following standards and changes were applied for the first time:

- Amendments to IAS 1 Designing financial statements and IASB's Practice Statement 2 *Making Materiality Judgments.*
- Amendments to IAS 12 Income taxes – deferred tax assets and tax liabilities arising from a single transaction.

The above changes have only affected Sobi's information on accounting policies and the disclosure requirements in the Note on deferred tax on right-of-use assets and lease liabilities. No other new or changed standards and interpretations that have entered into force have had a significant impact on the Group's financial statements.

New or revised accounting policies that will come into effect after 2023

Sobi is within the scope of the OECD Pillar II model rules. Pillar Two legislation has been substantively enacted in certain jurisdictions the group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024, whereby no related current tax exposure existed at the end of the year. Sobi applies the exception and will therefore not recognise and disclose information on deferred tax assets and liabilities related to Pillar II income taxes.

Sobi has assessed its potential exposure to income tax under Pillar II. By applying the temporary simplification rules, Transitional CbCR Safe Harbour, one jurisdiction would be impacted by a Pillar II income tax in 2023. This would result in a top-up tax of SEK 8 million and an increase of the effective tax rate in the Group by 0.3 percentage points.

No other new or revised standards and interpretations that have not yet entered into force have not been applied prematurely and are not expected to have a significant impact on the Group's financial statements.

Change in external reporting

In the cash flow, liquidity from share options relating to 2022 amounting to SEK 89 M was reclassified from other items not affecting cash flow to cash flow from financing activities. Consequently, cash flow from current operations was revised from SEK 4,665 M to SEK 4,576 M and cash flow from financing activities from SEK -2,991 M to SEK -2,902 M.

Segments

Sobi's operations are organised into three segments: Haematology, Immunology and Specialty Care. Operating segments are presented in a manner consistent with the internal reporting submitted to the chief operating decision-maker. The chief operating decision-maker is the function responsible for resource allocation and assessment of the operating segment's performance. Sobi's chief operating decision-maker is the Group's CEO. Internal reporting to the CEO uses three segments that represent Sobi's three segments. The accounting policies applied by the segments are consistent with the Group's. Read more in Note 5.

Conversion of foreign currency

When preparing the consolidated accounts, all foreign subsidiaries are converted into SEK. Assets and liabilities in the balance sheets are recalculated at the exchange rate on the balance sheet date, and items in the income statements are recalculated using monthly average exchange rates. Exchange rate differences that arise during the translation are reported in other comprehensive income and are accumulated in a separate item in equity, called translation differences.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of this operation and are converted to the exchange rate on the balance sheet date.

Transactions in foreign currency are converted to functional currency according to the exchange rates that apply on the day of the transaction or the day the items are revalued. Exchange rate differences that relate to items of an operating nature are reported within the operating profit and other items are reported as a financial income or expense. For further details see heading financial instruments.

Total revenue

Total revenue comprises sales of proprietary medicines, medicines for which Sobi holds the distribution and/or licensing agreements, royalty revenue, manufacturing revenue, profit sharing arrangement, and other revenue. Sobi has no customer contracts where the performance obligations extend beyond 12 months after the balance sheet date. Revenue is recognised as follows:

Product sales

Revenue from sales of medicines is recognised when Sobi has satisfied its performance obligations, which means that the customer has taken control of the medicine. In practice, this arises when the goods have been delivered to the customer from Sobi's consignment stock. The performance obligations associated with contracts between Sobi and its customers consist mainly of distinct goods that are transferred to the customer against payment. Upon delivery, the customer assumes typically responsibility for the goods, depending on the shipping terms, and the obligation to pay becomes unconditional. Standard payment terms vary between 30 and 90 days.

The price of the goods is stated in the contract and is variable to some extent, as deductions are made for agreed discounts and pharmaceutical taxes. Where the deductions cannot be estimated reliably, an assessment is made, and the amounts are reserved on the balance sheet.

Revenue is reported with deductions for anticipated returns. Returns are based on historical data for returns and include product and quality warranties for any defective goods and returns related to expired goods. For returns related to damages during transportation, provided that Sobi has arranged the transport, the insurance company is required to pay compensation.

Royalty revenue
Sobi is entitled to royalties on sold goods, as per agreement. Revenue is recognised over time on a monthly basis and based on forecasts, which are based on estimates, of underlying sales at the licensee, with quarterly reconciliation and invoicing. Normally royalties are received based on underlying sales by the licensee and in some cases royalties are also received based on net profit where sales are made by third parties.

Accrued royalty revenue is reported in the balance sheet under prepaid expenses and accrued income. Payment terms are normally 45-75 days after the end of the quarter.

Contract manufacturing
Sobi reports revenue from contract manufacturing when the goods have been delivered to the customer, which means that the customer has gained control over the goods. The revenue is based on a volume-based price scale which is based on the customer's estimated annual volume. The annual volume is updated quarterly by the customer. The payment terms are 90 days.

Other revenue
Other revenue can include revenue from licensing agreements, such as milestone payments and service fees.

Milestone payments refer to partial payments received from partners triggered by the fulfilment of a specific part of a partnering agreement, such as regulatory approval of a jointly developed medicine. This type of revenue is recognised when the contracted event has occurred and there is reasonable assurance that payment will be received. The initial license income can, as a result of different contract formulations, be reported in two ways: directly when the license income is received, or the income is periodised over the estimated term. During 2023 and 2022, no milestone payments were received.

Service fees comprise consideration for sales and marketing services related to some partner medicines during a contractual term. Revenue is recognised over time.

Royalty costs
Sobi pays royalties on several medicines, which are mainly based on sales price with deductions for any discounts and the like. In cases where the counterparty is entitled to a staged royalty, Sobi reports a royalty cost on an ongoing basis that corresponds to the expected annual net sales value of the medicine. In cases where the counterparty is entitled to a fixed royalty, Sobi reports the actual royalty cost after the underlying sale takes place. Royalty costs are reported in the income statement as costs of goods sold. Accrued royalty costs are reported in the balance sheet under accrued costs and prepaid income.

Intangible assets
Sobi's intangible fixed assets consist of goodwill, licenses and patents, product and market rights, capitalised expenses and ongoing development work.

Intangible assets include licenses and patents as well as product and market rights. In the event of separate acquisitions, accounting takes place at acquisition value. In cases where there are conditional additional purchase prices that are determined based on future events linked to the achievement of certain regulatory and commercial milestones, accounting initially takes place at the fair value of the paid purchase price and future additional purchase prices with additions for transaction costs. Fair value is determined by summing up the payment obligations that the acquisition entails. The future additional purchase price is probability-weighted and discounted to the present value at the time of acquisition and reported with the corresponding value as a separate financial liability. Read more in the section on financial instruments, liabilities valued at amortised cost.

Depreciation is done on a straight-line basis over the useful life, usually 5-20 years, which corresponds to the estimated commercial life. Depreciation is classified as selling expenses. Read more in Notes 4 and 16.

Capitalised costs and ongoing development work
These costs mainly consist of expenses for software, ongoing IT projects and expenses for the construction/transfer of new production lines for the manufacture of Sobi's pharmaceuticals. When the asset is completed and put into use, it is reclassified from development work in progress to capitalised expenditure.

Acquired software licenses are capitalised based on the costs arising when the relevant software is acquired and available for use. Expenditures for ongoing IT projects are capitalised if they have a direct relationship with identifiable software products specially developed for Sobi, which are controlled by Sobi and are likely to generate financial benefits that exceed costs over a period longer than one year. Direct costs include expenses for employees working on software development and a reasonable proportion of overhead costs.

Depreciation is done on a straight-line basis over the period of use, however not exceeding three years. Depreciation is classified as selling and administrative expenses. Expenses that are directly attributable to the construction/transfer of new production lines for the manufacture of Sobi's pharmaceuticals are capitalised. Depreciation is done linearly over the contract period, usually five years, and begins when the asset is put into operation. Depreciation is reported as part of the acquisition value of inventory and the cost is reported as part of the standard cost of the item within costs of goods sold in the period the item is sold.

Research and development costs
Costs for development projects are recognised as intangible assets if Sobi can demonstrate that it is technically possible to complete and profitably commercialise the results, and only if the costs of the project can be measured reliably. In practice, this means that the costs cannot be capitalised until the relevant authority/institution has granted approval. Acquired development projects are capitalised at the acquisition date and recognised in accordance with product and marketing rights above. During 2023 and 2022, Sobi did not reported any expenses for development projects as an intangible fixed asset.

Write-downs
Goodwill and intangible fixed assets, which have not yet been put into use, are not written off but tested annually, and in the event of an indication of a decrease in value, regarding any need for impairment.

Product and market rights and other assets that are written off are tested for possible impairment whenever events or conditions indicate that the reported value may not be recoverable. The asset is written down if its reported value exceeds its recovery value. Thus, an impairment is the difference between the carrying value and the recoverable amount, where the recoverable amount is defined as the higher of an asset's net sales value and value in use. When calculating the value in use, future cash flows that the asset is estimated to generate are discounted with an interest rate that corresponds to Sobi's weighted cost of capital (WACC).

When assessing the need for impairment of goodwill, this is grouped at the lowest levels where there are separate identifiable cash flows, so-called cash-generating units. Any impairment of goodwill is not reversed. Impairment testing of goodwill, product and market rights and associated development projects are described in Note 16.

Write-downs of assets other than goodwill are reversed if there has been a change in the conditions used to determine the recoverable amount. A reversal is made up to a value that does not exceed the accounted value that would have been reported, with deductions for depreciation, if no write-down had been made.

Tangible fixed assets
Sobi's tangible fixed assets consist of machines and other technical facilities, inventories, tools and installations, right-of-use assets, ongoing new facilities and other tangible fixed assets. Accounting takes place at acquisition value for separate acquisitions. Depreciation is done linearly over the useful life, usually 3-10 years.

Leases
Most of Sobi's leased assets comprise properties and vehicles. The leasing period for properties and cars is normally 2-10 years and 3-4 years respectively. Short-term and low-value leases are excepted, which in all material respects comprise copying machines, printers and computers. Short-term leasing agreements are agreements with a leasing period of 12 months or less.

Manufacturing of Sobi's medicines takes place with external partners. Sobi manages agreements, which mean that the company reimburses the partner's investments in the construction of a production facility for the manufacture of Sobi's pharmaceuticals, where Sobi uses and has control over the use of the facility, as a leasing agreement. Remuneration to the partner is reported as a prepaid cost until the facility is put into production, whereupon they are reclassified as right-of-use assets. At the end of the year, Sobi had such an agreement, which was managed as a leasing agreement. Read more in Note 9.

In the cash flow statement, payments attributable to the lease liability are reported under financing activities while payments for short-term leases, low-value asset leases and variable lease payments not included in the measurement of the lease liability are recognised under operating activities. Read more in Note 9.

Inventory
Sobi's inventory consists of raw materials and supplies, goods in process and finished goods. Inventory costs include expenses for purchasing, manufacturing and other expenses to complete the item. The inventory is valued based on an applied standard cost model that includes raw materials, direct labour, other direct costs, production-related overheads and depreciation as well as a calculated cost for take-home, quality tests and quality release. Risk of obsolescence and established obsolescence are considered in the valuation. In cases where the net sales value is less than the acquisition value, a write-down is made, which is reported as part of the cost of goods sold.

Equity
When issuing new shares or options, directly attributable transaction costs, net after tax, are reported as a deduction from the issue proceeds.

Taxes
In the consolidated accounts, untaxed reserves are divided into deferred tax liability and equity. Sobi applies the exception and will therefore not recognise and disclose information on deferred tax assets and liabilities related to Pillar II income taxes.

Financial instruments
Sobi's financial assets and liabilities mainly consist of trade receivables, endowment insurance, derivatives, equity instruments, cash and cash equivalents, borrowings, lease liabilities, trade payables and conditional and unconditional additional purchase prices, which are classified in the following categories:

Assets valued at amortised cost
The Group's assets in this category mainly consist of accounts and other receivables, and cash and cash equivalents. The maturities of accounts receivable are mainly short, which is why they are recognised initially at nominal value without discounting. Impairment of accounts receivable in the Group is based on an individual assessment and a model for expected future losses, which have been calculated using historical losses and forward-looking estimates. Any impairments are recognised in operating expenses.

Assets measured at fair value through profit or loss
This category consists of capital insurance and derivatives that are not part of an effective cash flow hedge or net investment hedge. Value changes on derivatives held to manage risks for the financial operations are reported as a financial income/cost and derivatives held to manage operational risks are reported as other operating income/expenses.

Assets measured at fair value through other comprehensive income
This category consists of derivatives that meet hedge accounting requirements (cash flow hedges and net investments) and equity instruments in the form of quoted shares where Sobi has chosen to report fair value changes via other comprehensive income. Read more on accounting of derivatives in this category under the heading hedge accounting and derivatives.

In cases where Sobi has elected to present value changes in equity instruments in other comprehensive income, there is no subsequent reclassification of changes in fair value through profit or loss on derecognition. The classification of the instruments is determined upon initial recognition and is reclassified only in cases where the business model of the instruments changes.

Liabilities measured at amortised cost
This category includes financial liabilities such as borrowings, accounts payable and lease liabilities, as well as liabilities related to contingent and non-contingent considerations related to licensing and collaboration agreements for the development and commercialisation of product and marketing rights. Conditional additional consideration is classified as unconditional additional consideration if the milestone for the condition has been met but not settled and/or the condition for the milestone is very likely to be achieved.

Borrowings are initially measured at fair value, net after transaction costs. Borrowings are subsequently measured at amortised cost and any difference between the amount received and the repayment amount is recognised in profit or loss over the term of the loan, using the effective interest method.

Liabilities related to contingent considerations are initially measured at the fair value of future obligations with a corresponding amount recognised as an intangible asset. Contingent considerations are usually linked to future payments dependent upon the achievement of certain regulatory and commercial milestones. The fair value of contingent considerations is initially determined by probability-weighting and discounting potential future payments. The liability is subsequently measured at amortised cost using the effective interest method, whereby the interest expense is recognised as a financial expense in the income statement allocated over the expected obligation period. A change in value attributable to exchange rate effects is reported as financial income/expense in the income statement, if they are not included in an effective hedge. A change in the liability because of a changed assumption regarding future payments is reported with a corresponding change in associated intangible asset. In the event of a change in the debt, because of a change in the expected maturity date of a milestone, the change is reported directly in the income statement as a financial income/cost.

Liabilities tied to contingent considerations are classified as current liabilities, non-interest bearing when the related milestone payment is payable, or expected to be payable, within 12 months of the balance sheet date. Read more in Notes 4, 26 and 28, above under the heading product and marketing rights and Note 16.

Liabilities measured at fair value through profit or loss
This category consists of derivatives that are not part of an effective cash flow hedge or hedge of a net investment as well as conditional additional purchase prices linked to business combinations, where changes in value of such liabilities are reported in the income statement. The parts of the change in value that refer to interest and exchange rate effects are reported as a financial income/cost and other changes in fair value are reported in the operating profit.

Value changes on derivatives within this category are reported in accordance with derivatives within the category assets valued at fair value via the income statement.

Hedge accounting and derivatives
Sobi applies hedge accounting for currency risk and uses derivative instruments and loans in these hedging relationships. Derivatives are used solely to secure financial interests and not for speculative purposes. Sobi distinguishes between derivatives that are part of an effective hedging relationship and other derivatives that are held for trading. The method for recognising the resulting gains or losses from the remeasurement of loans or derivatives in hedge accounting depends on whether the instrument has been identified as a hedging instrument in a cash flow hedge, fair value hedge or net investment hedge.

The effective portion of changes in fair value of a derivative instrument identified as a cash flow hedge is recognised separately in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Accumulated gains or losses in equity are reclassified to profit or loss in the periods in which the hedged item affects the results. If a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting and there are accumulated gains or losses from hedging in equity, these gains or losses remain in equity and are transferred to the income statement when the hedged item is recognised in profit or loss. If a loan is designated as a hedging instrument for foreign-exchange risk, the effective portion of the remeasurement effects pertaining to exchange rate fluctuations is recognised in the same way as for derivatives, while other parts of the loan are recognised as a loan not included in a hedging relationship.

A net investment is hedged with financial liabilities denominated in foreign currency. The accounting is similar to cash flow hedges.

Long-term incentive programmes
The fair value of allotted share programmes is estimated on the issue date using a generally accepted modelling technique, the Monte Carlo simulation model, and taking market conditions and performance obligations into account. Performance obligations in the form of a revenue component exist for the programmes that include the CEO, senior executives and managers.

Fair value at the date of allotment is recognised as a personnel cost in profit or loss, allocated over the vesting period, and corresponding adjustments are made in equity. At the end of every quarter, the Group reviews its assessments of how many shares are expected to be vested based on the service condition. The shares are delivered to the employee at the end of the programmes, in accordance with their frameworks.

Costs for social security contributions are revalued at each closing date until settlement takes place and are accrued according to the same principles as the cost of the shares.

The fair value of the allotted share option programmes is estimated on the issue date using the Black-Scholes model, taking market conditions and performance obligations into account. Performance obligations exist for share programmes, as described above. Fair value at the date of allotment is recognised as a personnel cost in profit or loss, allocated over the vesting period, and corresponding adjustments are made in equity. The amount recognised as an expense is continuously adjusted to reflect the actual number of share options vested.

The Group also has long-term cash-based incentive programmes, which are not classified as share-based payments and include employees in Canada, China, Japan and the US. Since awards under these programmes are contingent upon continued employment at Sobi, the costs are recognised continuously over the vesting period. A liability is calculated on each balance sheet date based on the market value, renewed assessments of target fulfilment and how much has been vested. The net of these effects is recognised as a personnel cost in the consolidated statement of profit or loss. The social security contributions are remeasured at every balance sheet date until settlement takes place and allocated using the same principles as the cost of the shares.

See Note 10 for a more detailed description of the long-term incentive programmes.

The Parent Company's accounting policies
The Parent Company, Swedish Orphan Biovitrum AB (publ), has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements issued by the Financial Reporting Board regarding listed companies are also applied. According to RFR 2, the Parent Company is to prepare its annual financial statements using the IFRS and statements adopted by the EU as far as possible within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act, and with consideration for the relationship between accounting and taxation. The recommendation sets out the exemptions, and amendments to, IFRS that must be made.

The Parent Company has assets and liabilities that are measured at historical cost, except for some financial assets and liabilities that are measured at fair value. The Parent Company applies the same accounting policies as the Group with the following exceptions:

Employee benefits/defined-benefit plans
In the calculation of defined-benefit pension plans, the Parent Company complies with the Swedish Pension Obligations Vesting Act, which is a prerequisite for tax deductibility. The most significant differences compared with the requirements under IAS 19 are how the discount rate is established, that the calculation of the defined-benefit obligation is based on current salary levels without assumptions regarding future salary increases, and that all actuarial gains and losses are recognised in other comprehensive income as they arise. Read more in Note 29.

Leasing
Leasing agreements are reported in accordance with the permitted exception in RFR 2, which means that the right of use and the leasing liability are not reported in the balance sheet. Costs attributable to the leasing agreement are reported in the income statement linearly over the leasing period.

Group contributions
The Parent Company applies the alternative rule and thereby reports Group contributions received/given as an end-of-year disposition.

Taxes
Untaxed reserves including deferred tax liabilities are recognised for legal entities.

Subsidiaries
Investments in subsidiaries are recognised in accordance with the cost model. The value of subsidiaries is tested when there is an indication of a decline in value. Dividends received from subsidiaries are recognised as revenue. Transaction costs associated with an acquisition are recognised as part of the cost of acquisition. Contingent considerations are recognised as part of the cost if it is probable, they will be realised. If the initial assessment needs to be revised in subsequent periods, the cost must be adjusted.

Internal receivables
The Parent Company uses a method to test for impairment on internal receivables and loans based on the model used by the Group for external accounts receivable.

Change in the external reporting
In the cash flow, liquidity from share options relating to 2022 amounting to SEK 89 M was reclassified from other items not affecting cash flow to cash flow from financing activities. Consequently, cash flow from current operations was revised from SEK 5,430 M to SEK 5,341 M and cash flow from financing activities from SEK -3,972 M to SEK -3,883 M.

3 Financial risk management

Financial risks and risk management
Through its operations, Sobi is exposed to various kinds of risks that may impact Sobi's earnings, cash flow and financial position. The risks can be divided into operational risk and financial risk. Financial risk refers to a potentially negative impact resulting from changes in the financial risk factors. Below is a description of the financial risk factors deemed most significant for Sobi, and how they are managed. Operational risks are described in a separate section of the Directors' report.

Financial risk is managed centrally level by Sobi's treasury function, which in addition to being responsible for the Group's financing, ensures that solutions are in place for liquidity management and payments, continuously monitoring financial risk and supporting the business operations in treasury related issues.

The Treasury policy, which has been approved by the board, establishes the division of responsibilities and control of treasury matters between the board, CEO, CFO and the treasury function. The board has appointed an Audit committee to monitor the structure of the Treasury policy and, if necessary, propose changes to the board. The main objectives of the Treasury policy are to maintain a low level of financial risk and to manage risk safely.

Financial risk factors

Currency risk – transaction risk
Transaction risk arises when sales and purchasing transactions are denominated in different currencies and is defined as the risk that changes in foreign exchange rates will negatively affect Sobi's profitability or cash flow. Sobi has chosen to split transaction risk into two sub-groups: operational transaction risk and financial transaction risk with the following definitions:

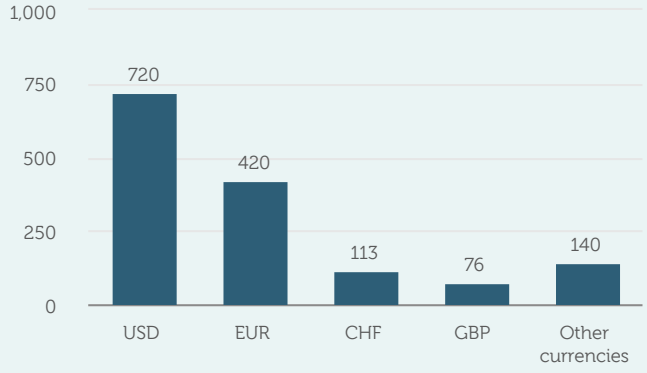
- Operational transaction risk: negative impact from committed transactions, such as foreign denominated payables and receivables, derived from operational activities where future currency revaluations of such items are posted to the operational result.
- Financial transaction risk: negative impact from committed transactions, such as committed foreign denominated loans and receivables derived from financial activities where future currency revaluations of such items are posted to the finance net.

This risk is limited in the subsidiaries as their operational and financial transactions are mainly denominated in their local currencies. This risk is significant for the Parent Company, as Sobi has considerable flows of foreign currencies, primarily in EUR and USD.

Financial instruments, such as foreign exchange transactions including derivatives, are used to manage the transaction exposure. Sobi also applies hedge accounting and has used cash-flow hedges during the year to reduce some of the transaction risk in EUR. Sobi hedged the foreign exchange risk of the CTI purchase price using forward contracts. These were classified as cash flow hedges and affected goodwill after the hedges were closed, see Note 25.

The currencies with the largest net exposures, including derivatives, are shown in the diagram below.

Operational net transaction exposure, absolute values on the balance date, SEK M



Financial net transaction exposure, absolute values on the balance date, SEK M

On the balance sheet date, if the SEK had appreciated 5 per cent against other currencies, the operating result and the finance net would have been impacted by SEK 52 M (-26) and SEK -3 M (-9). At year-end there are sometimes large balances in operational exposure due to internal invoicing which is managed during the following days when the total exposure is known. In 2023, the actual impact was SEK -114 M (-33) on the operating result and SEK 0 M (-11) on the finance net. The operating result for 2023 was SEK-145 M (-45) from cash flow hedges.

Reasonable change
Impact of 5 per cent appreciation of SEK

Operating profit	2023	2022
USD	36	-27
EUR	21	0
CHF	-6	5
GBP	4	1
Other currencies	-3	-5
Total	**52**	**-26**

Net financial items	2023	2022
USD	-3	-8
AUD	-1	-1
EUR	0	0
GBP	0	0
Other currencies	0	0
Total	**-3**	**-9**

Currency risk – translation risk

Translation risk is the risk that fluctuations in exchange rates will have a negative impact on equity when the Group's net assets denominated in foreign currency are translated into SEK. The changes in equity are considered acceptable and not managed with currency derivatives. The risk is partly managed by limiting the size of the net assets by raising foreign currency loans.

The most significant currencies for Sobi are CHF, EUR and USD. If the SEK had appreciated by 5 per cent against other currencies, Group equity and net financial assets and liabilities would have been impacted as shown in the tables below.

Impact of 5 per cent appreciation of SEK

2023	Equity	Financial assets and -liabilities
CHF	-236	-3
EUR	-15	-54
USD	-968	167
Other currencies	-5	-15
Total	**-1,224**	**95**

2022	Equity	Financial assets and -liabilities
CHF	-225	-4
EUR	57	56
USD	73	475
Other currencies	-24	-20
Total	**-119**	**507**

Liquidity risk

Liquidity risk is the risk that Sobi is unable to raise financing on acceptable terms or meet its payment obligations due to factors beyond Sobi's control. How the liquidity risk should be managed is described in the Treasury policy. Both short-term and long-term forecasts of the Group's liquidity are regularly compiled to ensure that sufficient cash and undrawn credit facilities are available to meet the needs of the day-to-day operations.

According to the policy, Sobi shall also maintain an appropriate liquidity reserve. The liquidity reserve comprises bank balances, current investments and undrawn committed credit facilities. On 31 December 2023, Sobi's undrawn committed credit facilities totalled SEK 7,959 M (7,532), of which SEK 3,891 M (2,068) was reserved for outstanding commercial papers, with a net available of SEK 4,069 M (5,464). On 31 December 2023, drawn credit facilities amounted to SEK 16,315 M (6,728). See the distribution in the table below.

Credit facilities, maturity structure

Group	2024	2025	2026	2027	Total
Credit facilities, undrawn	1,521	777	4,386	1,276	7,959
Credit facilities, drawn	4,886	5,659	2,608	3,162	16,315
Credit facilities, total	**6,407**	**6,436**	**6,993**	**4,438**	**24,274**

The following table shows the contractual, undiscounted cash flows including interest from the Group's financial liabilities, divided according to the time remaining until the contractual maturity date or, if there is no such date, the expected balance sheet date.

Maturity analysis

Group	Less than 1 year	Between 1-2 years	Between 2-5 years	More than 5 years
On 31 December 2023				
Derivatives[i]	323	—	—	—
Borrowings	9,735	6,140	6,087	—
Accounts payable	1,024	—	—	—
Lease liabilities	162	90	97	2
Contingent considerations	2,221	407	1,481	17,010
Non-contingent considerations	532	0	—	—
Total	**13,996**	**6,637**	**7,665**	**17,012**

Group	Less than 1 year	Between 1-2 years	Between 2-5 years	More than 5 years
On 31 December 2022				
Derivatives[i]	21	—	—	—
Borrowings	6,050	3,104	—	—
Accounts payable	1,252	—	—	—
Lease liabilities	143	97	107	10
Contingent considerations	52	3,131	1,205	16,616
Non-contingent considerations	1,195	574	—	—
Total	**8,713**	**6,906**	**1,312**	**16,626**

i. Included in Other liabilities, non-interest bearing on the balance sheet.

The liabilities in the table are presented at nominal value according to an assessment of the contracts on 31 December 2023. For recognised liabilities on the balance sheet, see Note 26.

Interest rate risk

Interest rate risk is the risk that Sobi would be adversely affected by changes in interest rates, both on profits through changes in general interest rates and on instruments with fixed interest rates through changes in market values. Changes in market values are considered acceptable since Sobi's general principle is to minimise the volatility of its earnings. Sobi's exposure to interest rate risk mainly occurs through external loans and cash.

Sobi's financing sources primarily consist of equity, cash flow from operating activities, and borrowings. Interest-bearing debt exposes the Group to interest rate risk. Loans are normally raised with a fixed-rate period of three months and at year-end, Sobi's average remaining fixed-rate period was two months. There were no fixed-income derivatives outstanding at the balance sheet date.

Interest-rate sensitivity is measured by assuming a constant interest-rate change of 1 percentage point. On 31 December 2023 such a change would have an impact of SEK 170 M (81) on next year's net financial items.

Credit risk

Credit risk refers to the risk of loss if a counterparty is unable to meet its obligations. Credit risk can be divided into credit risk in the form of accounts receivable, and financial credit risk.

Sobi's credit risk is mainly related to accounts receivable. On the balance sheet date, these amounted to SEK 5,169 M (5,249) of which SEK 1,077 M (1,058) was overdue. See Note 22 for information about overdue receivables. Sobi's customers are mainly large distributors with low credit risk, hospitals and government administrations, which means that these are largely funded by the government of each respective country. If Sobi deems that a receivable will not be paid, a provision is made for an expected credit loss in accordance with the principles described in Note 2. On 31 December 2023, these amounted to SEK -210 M (-174) whereof expected credit losses related to sales in Russia amounted to SEK -106 M (-106). Sobi has received securities only for a limited volume of its accounts receivable.

Credit rating reports are obtained for both distribution agreements and larger individual transactions, when the customer is not previously known or when other circumstances give rise to uncertainty regarding creditworthiness. The credit ratings must be obtained from a nationally recognised statistical rating organisation. A credit limit is set for every customer, and continuously monitored and evaluated.

In the Treasury policy, Sobi has established principles that limit Sobi's maximum exposure to financial credit risk on a per counterparty basis. To further limit financial credit risk, financial transactions are primarily conducted with counterparts with a high credit rating. Any surplus liquidity may be invested in instruments with a low level of credit risk. Investments are only permitted in instruments issued by the Swedish Government and municipalities, or by banks, financial institutions and companies with a minimum credit rating of A from Standard & Poor's (S&P) or an equivalent rating from another rating agency.

Capital structure

Sobi manages its capital structure and leverage to generate shareholder return and value for other stakeholders, and to keep the cost of capital at a reasonable level. The capital structure can be adapted by, for example, paying dividends to shareholders, repaying capital to shareholders, issuing new shares or repaying debts.

Sobi uses leverage as the key measure of the capital structure, which is calculated as net debt/adjusted EBITDA. The aim is to keep leverage at a level that is appropriate for Sobi's operations, and enables relevant acquisitions and investments.

On the balance sheet date, Sobi's debt/equity ratio was:

Group	2023	2022
Net debt[i]	19,265	7,406
Adjusted EBITDA[ii]	7,676	6,758
Leverage	2.51	1.10

i. Borrowings to banks and other credit institutions and commercial papers less cash and cash equivalents.

ii. See also the Directors' report, section Items affecting comparability (IAC) for more information.

Hedge accounting

Sobi uses currency derivatives and loans in foreign currency as hedging instruments to manage currency risk in future cash flows, and loans in foreign currency to limit the Group's net assets and currency exposure in equity. Hedge accounting is applied to hedging relationships that meet the qualifying criteria and where Sobi considers hedge accounting appropriate.

There is an economic relationship in Sobi's cash flow hedges and hedges of net investments, since these relate to foreign-exchange risk and hedging instruments, and the hedged items are in the same currency. Sobi assesses hedge effectiveness at each hedge's inception, and at every balance sheet date. Sobi applies a hedge ratio of 1:1 if the underlying conditions are identical.

Sources of ineffectiveness:

- Difference or change in the hedging instrument's settlement date and timing of the most probable cash flow in a cash flow hedge
- Changes to the hedged item's amount
- A significant change in the derivative counterparty credit risk

The following table presents Sobi's hedging relationships at the end of 2023. During the year, Sobi's total ineffectiveness was SEK 0 M (0).

Cash flow hedges 2023

Currency	Nominal value, millions	Hedging - instrument	Hedged item	Hedged risk	Maturity interval
EUR	-	Borrowings	Highest probable inflows of EUR	Foreign-exchange risk (spot)	-

Cash flow hedges 2022

Currency	Nominal value, millions	Hedging - instrument	Hedged item	Hedged risk	Maturity interval
EUR	115	Borrowings	Highest probable inflows of EUR	Foreign-exchange risk (spot)	2023

Net investment hedges 2023

Currency	Nominal value, millions	Hedging - instrument	Hedged item	Hedged risk
USD	244	Contingent considerations	Net assets in USD	Foreign-exchange risk (spot)

Net investment hedges 2022

Currency	Nominal value, millions	Hedging - instrument	Hedged item	Hedged risk
USD	326	Contingent considerations	Net assets in USD	Foreign-exchange risk (spot)

During 2023 no hedging relationships were discontinued prospectively. During 2022 one net investment hedge was discontinued prospectively. The change in the hedging reserve is presented in Note 25.

4 Significant accounting judgements, estimates and assumptions

Sobi makes estimates and assumptions about the future, and accounting judgements. Significant accounting judgements, estimates and assumptions entailing a considerable risk of material adjustments in the carrying amounts of assets and liabilities in the upcoming financial year are presented below. Read more on significant accounting judgements regarding fair value in Note 26.

Accounting judgements

Accounting for royalty income dependent on future events
Sobi receives an 8 per cent royalty on Sanofi's net sales of Altuviiio in the North American market, of which 6 per cent of the net sales value will be settled at the time of Sobi's first commercial sale of efanesoctocog alfa. Sobi has made the assessment that it is very likely that efanesoctocog alfa will receive approval from the EMA, whereby a royalty income corresponding to 8 per cent of the net sales value was reported during the year. Sobi's assessment is based on efanesoctocog alfa being approved by the FDA, the application for market approval was validated by the EMA and positive data from the ongoing XTEND-kids study. In the event of a rejection by the EMA, Sobi will receive a royalty of 2 per cent on Sanofi's net sales of Altuviiio in the North American market. At the end of the year, Sobi's receivable linked to 6 per cent of the net sales value amounted to SEK 113 M, which is reported in the balance sheet under prepaid expenses and accrued income.

Acquisitions
Business and asset acquisitions
For acquisitions, Sobi determines whether the transaction is a business combination or an asset acquisition. The assessment is made in accordance with IFRS 3. Each acquisition is considered separately and, in some cases, Sobi applies the concentration test to simplify the determination of whether the transaction is an asset acquisition. During 2023 and 2022 Sobi has not completed any business acquisitions considered an asset acquisition.

Intangible assets
Synagis and Beyfortus (nirsevimab)
As part of the acquisition of the rights to Synagis in the US from AstraZeneca in 2019, Sobi received the right to 100 per cent of AstraZeneca's half share of profits and losses for nirsevimab in the US market. AstraZeneca is responsible for the development of nirsevimab while Sanofi is responsible for the commercialisation. During the year, Sobi made a milestone payment of SEK 175 MUSD to AstraZeneca because of the validation of the regulatory application for nirsevimab in the US.

In April 2023, Sobi announced that the financial terms regarding nirsevimab are being simplified through a new royalty agreement with Sanofi and termination of the profit-sharing agreement with AstraZeneca. Through the agreement, Sobi has paid Sanofi 66 MUSD and AstraZeneca 15 MUSD for previous costs for the research and development of nirsevimab. By terminating the profit-sharing agreement, Sobi's right to AstraZeneca's full share of profits and losses for nirsevimab in the US and the obligation to make future milestone payments to AstraZeneca ceased. In July 2023, the FDA approved Beyfortus to prevent RSV in newborns and infants. According to the agreement with Sanofi, Sobi receives a royalty on Sanofi's net sales of Beyfortus in the USA.

When acquiring the rights to Synagis and the profit share for nirsevimab, Sobi made the assessment that the acquisition should be seen as an intangible asset. Furthermore, Sobi has assessed that the new royalty agreement does not give rise to a new asset. Thus, the above additional payments to AstraZeneca and Sanofi linked to nirsevimab have been reported as part of the acquisition value for Synagis, now called Beyfortus/Synagis, see further in note 16. Royalties are reported according to the principles for royalty income which are described in Note 2.

Estimates and assumptions

Acquisition analysis for business acquisitions
In business combinations, the acquisition price is allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. Fair value is usually based on valuation models and various assumptions, such as estimated future cash flows, remaining economic life, etc. Determining the fair value requires Sobi to make assumptions and estimates that may vary from the actual outcome. A preliminary acquisition analysis is changed when new information is obtained that affects the value of assets/liabilities at the time of acquisition. The acquisition analysis is determined no later than one year from the time of acquisition. During the year, the acquisition of CTI was carried out, see Note 34.

Revenue
When reporting revenue, each agreement is interpreted separately and Sobi makes an assessment of any commitments. Revenue is recognised when control of the item passes to the buyer depending on shipping conditions. The revenue is calculated as invoiced gross according to the agreement with deductions for variable compensation corresponding to actual and estimated discounts to public and private customers as well as pharmaceutical taxes. As the actual and final conditions regarding discounts and pharmaceutical taxes on sales in the current period are not always known at the end of the financial year, some of the settlements from the gross revenue are based on estimates. As of 31 December 2023, sales-related provisions amounted to SEK 2,903 M (3,131), see Notes 5 and 31.

Impairment testing of intangible fixed assets
In the impairment test of goodwill and other intangible fixed assets, estimates are made to determine the recovery value for cash-generating units, which are determined by calculating the value in use. For these calculations, certain assumptions must be made, which are shown in Note 16.

Taxes
Deferred tax assets are mainly attributable to loss deductions and temporary differences, which are reported if it is likely that the tax assets can be expected to be realised through future taxable income in the various tax jurisdictions. The valuation is based on financial plans that have been determined by the company's management and is based on estimates of future taxable income against which temporary differences and loss deductions can be used. Changes in estimates of future taxable income and expenses, as well as changes in tax rates, can affect the result positively or negatively when valuing deferred taxes. Read more in Note 15 and 20.

Financial liabilities
Conditional additional purchase price
Sobi holds financial liabilities, which are linked to conditional additional purchase prices, attributable to business combinations and acquisitions of intangible fixed assets. As described in Note 2, Sobi classifies certain conditional additional purchase prices as unconditional. Reported liability for conditional and unconditional additional purchase prices at the end of 2023 amounted to SEK 4,432 M (3,406) and SEK 580 M (1,748) respectively. Total commitment amounted to SEK 21,069 M (21,005) and SEK 593 M (1,770), respectively. The commitments are usually linked to future payments upon the achievement of certain regulatory and commercial milestones. Recorded liability is based on assessments and assumptions about future potential payments, which are probability weighted and discounted. The discount rate is based on Sobi's cost of borrowing.

When assessing the probability of achieving regulatory commitments, Sobi starts from historical data for clinical and regulatory advancement, whereby the liability is probability-weighted based on the development phase that the potential medicine is in. The probability increases gradually based on the development phase.

Commercial milestones are usually linked to the achievement of different sales levels for the medicine. Sobi makes probability-weighted assumptions about the achievement of these levels, which are based on forecasts of future sales revenue.

The assumptions may change over time as the conditions change as a result of new facts, which may lead to a significant change in reported debt and the corresponding intangible asset. Read more in Notes 2, 16 and 28.

5 Segment information and revenue

Segment information
Sobi's activities are organised in three segments – Haematology, Immunology and Specialty Care.

Haematology segment: revenue is derived from sales of Elocta, Alprolix, Doptelet and Aspaveli/Empaveli, Zynlonta and Vonjo. Revenue also comprises royalties from Sanofi's sales of Eloctate, Alprolix, Altuviiio and manufacturing of the drug substance for ReFacto AF®/Xyntha® for Pfizer.

Immunology segment: revenue is derived from sales of Kineret, Synagis and Gamifant. Revenue also derives from royalties on Sanofis sales of Beyfortus.

Specialty Care segment: Revenue is generated from sales of the medicines Orfadin, Tegsedi, Waylivra and other medicines in Specialty Care.

The *Group – other* category mainly relates to costs for central functions such as finance, legal, communication, HR and other items that cannot be allocated per segment.

Revenue, EBITA and adjusted EBITA for each segment comprise their contribution to the Group's revenue, EBITA and adjusted EBITA. No sales are conducted between the segments. See Note 2.

Group 2023	Haematology	Immunology	Specialty Care	Group – other	Total
Revenue and EBITA per segment					
Revenue	13,370	7,635	1,119	–	22,123
EBITA	4,082	3,691	282	-980	7,075
Adjusted EBITA[i]	4,351	3,691	282	-829	7,494
Amortisation and impairment	-1,596	-1,215	-156	-42	-3,009
Financial expenses	–	–	–	-1,162	-1,162
Financial income	–	–	–	50	50
Profit/loss after financial items	**2,486**	**2,476**	**126**	**-2,133**	**2,954**
Non-current assets					
Goodwill	8,277	1,366	–	–	9,642
Other intangible assets	30,021	19,952	233	272	50,477
Total intangible assets	**38,298**	**21,318**	**233**	**272**	**60,120**

Group 2022	Haematology	Immunology	Specialty Care	Group – other	Total
Revenue and EBITA per segment					
Revenue	10,831	6,679	1,280	–	18,790
EBITA	4,111	2,304	287	-774	5,930
Adjusted EBITA	4,475	2,410	287	-568	6,605
Depreciation	-857	-1,041	-162	-57	-2,117
Financial expenses	–	–	–	-497	-497
Financial income	–	–	–	5	5
Profit/loss after financial items	**3,254**	**1,263**	**125**	**-1,323**	**3,321**
Non-current assets					
Goodwill	5,706	1,301	–	–	7,007
Other intangible assets	15,040	17,436	384	146	33,006
Total intangible assets	**20,746**	**18,737**	**384**	**146**	**40,013**

Items affecting comparability 2023 and 2022, see Note 12 and Alternative performance measures.

Group	2023	2022
Haematology		
Elocta	4,916	4,402
Alprolix	2,125	1,885
Royalty	1,565	1,427
Doptelet	2,997	2,526
Aspaveli/Empaveli	594	178
Zynlonta	33	–
Vonjo	706	–
Manufacturing	431	413
Other	2	–
Total	**13,370**	**10,831**
Immunology		
Kineret	2,415	2,284
Synagis	2,422	3,501
Beyfortus royalty	1,153	–
Gamifant	1,645	895
Total	**7,635**	**6,679**
Specialty Care		
Orfadin	453	462
Tegsedi	305	429
Waylivra	212	152
Other Specialty Care	149	237
Total	**1,119**	**1,280**
Total revenue	**22,123**	**18,790**

Group	2023	2022
Revenue – Gross to net[i]		
Product sales, gross	27,074	23,693
Contractual discounts	-2,616	-1,994
Statutory discounts	-5,220	-4,543
Tender-based discounts	-107	-115
Product returns	-86	-64
Cash discounts	-86	-42
Total discounts	**-8,115**	**-6,758**
Product sales, net	**18,959**	**16,935**
Manufacturing	431	413
Royalty	2,718	1,427
Service fees	15	15
Total revenue	**22,123**	**18,790**

i. Operating revenue less mandatory and contractual price reductions.

Parent Company	2023	2022
Revenue – Gross to net[i]		
Product sales, gross	13,047	12,470
Contractual discounts	-777	-690
Statutory discounts	-390	-254
Cash discounts	-3	-1
Total discounts	**-1,170**	**-945**
Product sales, net	**11,877**	**11,525**
Manufacturing	431	413
Royalty	1,565	1,427
Service fees	15	15
Total revenue	**13,888**	**13,381**

i. Operating revenue less mandatory and contractual price reductions.

	Group		Parent Company	
	2023	2022	2023	2022
Total contract assets[i]				
Accounts receivable	5,169	5,249	1,194	995
Accrued royalty[ii]	1,291	334	450	334
Total	**6,461**	**5,583**	**1,644**	**1,330**

i. For maturity structure and the year's change, see Note 22.

ii. Included in prepaid expenses and accrued income on the balance sheet.

Total contract liabilities
The table below shows the share of revenue recognised in relation to contract liabilities during the financial year, and the share of revenue recognised in relation to performance obligations satisfied in a prior financial year.

Group	Accrued contractual and tender-based discounts	Accrued refunds based on government and regulatory price changes	Accrued product returns	Accrued co-financing	Accrued cash and other discounts	Total
Opening balance, 1 January 2022	**658**	**2,270**	**88**	**34**	**4**	**3,053**
Reserves for current year	1,247	4,043	67	189	47	5,593
Adjusted reserves for prior years	-41	-273	-3	-1	3	-315
Payments	-1,271	-4,002	-34	-186	-43	-5,537
Translation differences	60	258	14	4	1	336
Closing balance, 31 December 2022	**653**	**2,296**	**131**	**39**	**12**	**3,131**
Opening balance, 1 January 2023	**653**	**2,296**	**131**	**39**	**12**	**3,131**
Reserves for current year	1,716	4,356	110	242	87	6,510
Adjusted reserves for prior years	1	-248	-8	-1	7	-249
Payments	-1,565	-4,468	-76	-239	-83	-6,432
Translation differences	-12	-38	-6	-1	-1	-56
Closing balance, 31 December 2023	**793**	**1,898**	**150**	**41**	**22**	**2,903**

Revenue and assets by segment and geographic area

	Haematology		Immunology		Specialty Care		Group – other	Total	
Group 2023	Revenue	Non-current assets	Revenue	Non-current assets	Revenue	Non-current assets	Non-current assets	Revenue	Non-current assets
Europe[i]	7,105	9,810	771	8,290	635	233	272	8,511	18,605
North America[ii]	2,554	28,487	5,389	13,028	297	—	—	8,241	41,515
International	2,145	—	322	—	187	—	—	2,653	—
Other[iii]	1,565	—	1,153	—	—	—	—	2,718	—
Total[iv, v]	**13,370**	**38,297**	**7,635**	**21,318**	**1,119**	**233**	**272**	**22,123**	**60,120**

	Haematology		Immunology		Specialty Care		Group – other	Total	
Group 2022	Revenue	Non-current assets	Revenue	Non-current assets	Revenue	Non-current assets	Non-current assets	Revenue	Non-current assets
Europe[i]	6,180	9,873	677	7,562	627	384	146	7,484	17,965
North America[ii]	1,241	10,873	5,699	11,175	501	—	—	7,441	22,048
International	1,982	—	304	—	152	—	—	2,438	—
Other[iii]	1,427	—	—	—	—	—	—	1,427	—
Total[iv, v]	**10,831**	**20,746**	**6,679**	**18,737**	**1,280**	**384**	**146**	**18,790**	**40,013**

i. Sales revenue from external customers in Sweden amounted to SEK 660 M (667).

ii. Sales revenue from external customers in the US amounted to SEK 8,148 M (7 364).

iii. Other refers to royalties that are not attributable to a specific region according to the division above. Haematology, refers to royalties on Sanofi's sales of Eloctate, Alprolix and Altuviiio. Immunology refers to royalties on Sanofi's sales of Beyfortus.

iv. Total sales revenue from external customers in other countries amounted to SEK 10 597 M (6 100).

v. Sobi's largest customer accounted for approximately 22 per cent (24) of sales. The customer was reported under all segments; Haematology, Immunology and Specialty Care. See also Note 22 for further information.

Parent Company	2023	2022
Revenue by geographic area[i]		
Europe[ii]	6,896	6,494
North America	3,685	4,294
International	1,742	1,165
Other[iii]	1,565	1,427
Total[iv]	**13,888**	**13,381**

i. The geographic distribution is based on where the customer is located.

ii. Revenue in Sweden amounted to SEK 660 M (667).

iii. Other pertains to royalties derived from haemophilia medicines that are not attributable to a specific region according to the distribution above. All royalty pertains to Sanofi's sales of Eloctate, Alprolix and Altuviiio.

iv. Of which SEK 8,529 M (8,802) referred to Group companies sales.

6 Depreciation/amortisation and impairment of assets

Group	2023	2022
Depreciation/amortisation according to plan by type of asset		
Licences and patents	18	18
Product and marketing rights	2,864	2,016
Capitalised costs	105	83
Plant and machinery	12	16
Equipment, tools, fixtures and fittings	20	18
Right-of-use assets	146	117
Other non-current assets	4	4
Total	**3,168**	**2,273**
Impairment by type of asset		
Product and marketing rights	56	–
Plant and machinery	–	10
Right-of-use assets	9	136
Total	**65**	**146**
Total depreciation/amortisation and impairment by type of asset	**3,234**	**2,419**
Depreciation/amortisation according to plan by type of function		
Cost of goods sold[i]	50	28
Selling and administrative expenses	3,094	2,222
Development costs	24	24
Total	**3,168**	**2,273**
Impairment by type of function		
Cost of goods sold	9	133
Selling and administrative expenses	–	3
Development costs	56	9
Total	**65**	**146**
Total depreciation/amortisation and impairment by type of function	**3,234**	**2,419**

Parent Company	2023	2022
Depreciation/amortisation according to plan by type of asset		
Licences and patents	9	10
Product and marketing rights	487	434
Capitalised costs	97	83
Plant and machinery	11	14
Equipment, tools, fixtures and fittings	10	8
Other non-current assets	1	1
Total	**615**	**550**
Impairment by type of asset		
Product and marketing rights	56	–
Plant and machinery	–	9
Total	**56**	**9**
Total depreciation/amortisation and impairment by type of asset	**672**	**559**
Depreciation/amortisation according to plan by type of function		
Cost of goods sold[i]	35	13
Selling and administrative expenses	580	537
Development costs	0	–
Total	**615**	**550**
Impairment by type of function		
Cost of goods sold	–	9
Development costs	56	–
Total	**56**	**9**
Total depreciation/amortisation and impairment by type of function	**672**	**559**

i. Included as part of the acquisition value of inventory.

See Notes 16 and 17 for further information.

7 Other operating income

Group	2023	2022
Other	9	34
Total[i]	**9**	**34**

Parent Company	2023	2022
Expenses re-invoiced to Group companies	419	400
Other	6	28
Total[i]	**425**	**428**

i. Exchange-rate effects are offset against other operating income or other operating expense. In 2023 and for previous year, exchange rate effects generated a loss for the Group as well as for the Parent company, see Note 8.

8 Other operating expenses

Group	2023	2022
Exchange-rate losses[i]	114	33
Scrapping/disposal of non-current assets	1	0
Other	0	2
Total	**115**	**35**

Parent Company	2023	2022
Exchange-rate losses[i]	99	62
Scrapping/disposal of non-current assets	0	0
Total	**100**	**63**

i. Exchange-rate effects are offset against other operating income or other operating expense. In 2023, exchange rate effects generated a loss of SEK 114 M (33). For the Parent Company, exchange rate effects generated a loss of SEK 99 M (62), see Note 7.

9 Leases

Sobi holds leases for various types of objects, mainly properties and vehicles. The term of property leases is normally between two and ten years, while vehicle leases are normally between 36 and 48 months. Options to extend or terminate are included in the lease contracts for several of Sobi's properties and are accounted for in the Group's assessment of whether it is reasonably certain to exercise these options. Most contracts also include clauses related to the indexation of future rental costs, which are continuously accounted for. Service components are not included in capitalised amounts, in accordance with IFRS 16. The same applies to other variable costs, such as electricity and heating, where the costs are based on the actual use of the properties.

Sobi signed an agreement with Pfizer in 2021 for the production of Kineret. Under the agreement, Sobi will compensate Pfizer for its investment in a production facility up to the completion of the facility, and thereafter compensate for the remaining investment over a ten-year period. In total, Sobi expects to pay approximately EUR 107 M (around SEK 1,200 M) over the life of the contract. The contract is treated by the Group as a lease contract. At the end of the year, Sobi had paid SEK 509 M to Pfizer, which appears on the balance sheet as a prepaid cost until the facility begins production.

Sobi also has several leases that are short-term or low value. The Group applies the exemption for short-term and low-value leases, which essentially comprise copying machines, printers and computers.

Sobi recognises right-of-use assets under a lease contract as tangible assets on the balance sheet, see below for the recognised amounts and activities for the period.

Group Right-of-use assets	Properties	Cars	Total
On 1 January 2022	**322**	**37**	**359**
Addition	51	34	85
Depreciation and impairment[i]	-227	-26	-253
Divestments and disposals	-2	-4	-5
Translation differences	8	4	12
On 31 December 2022[ii]	**152**	**45**	**198**
Addition	93	45	138
Depreciation and impairment	-123	-32	-154
Divestments and disposals	—	-1	-1
Translation differences	-1	-1	-1
On 31 December 2023[ii]	**122**	**56**	**178**

i .2022 includes impairment of right-of-use assets of SEK 124 M following the discontinuation of contract manufacturing for Pfizer and SEK 12 M following the decision to consolidate the Geneva site into Basel.

ii. Deferred tax liability linked to right-of-use assets amounts to SEK 41 M (46).

Sobi recognises lease liabilities under separate headings on the balance sheet – non-current liabilities and current liabilities. See the table for amounts recognised and activities for the period.

Group Lease liabilities	2023	2022
On 1 January 2023[i]	**333**	**361**
Addition	139	90
Divestments and disposals	-5	-6
Accumulated interest	13	6
Payments	-162	-133
Translation differences	-2	17
On 31 December 2023[i]	**316**	**333**
Non-current lease liabilities	168	200
Current lease liabilities	148	134

i. Deferred tax assets linked to lease liabilities amounts to SEK 65 M (72).

For maturity analysis of lease liabilities, refer to Note 3.
The following amounts were recognised in profit or loss:

Group	2023	2022
Depreciation and impairment of right-of-use assets[i]	155	253
Interest expense on lease liabilities	13	7
Costs attributable to short-term leases	9	4
Costs attributable to low-value leases	1	1
Costs attributable to variable lease payments not included in the measurement of the lease liability	13	16
Total amount recognised in profit or loss	**191**	**281**
Amounts recognised in the cash flow statement		
Repayment of lease liability	-162	-133
Short-term leases	-9	-4
Low-value leases	-1	-1
Variable lease payments not included in the measurement of the lease liability	-13	-16
Total cash flow	**-186**	**-154**

i. 2022 includes impairment of right-of-use assets of SEK 124 M following the discontinuation of contract manufacturing for Pfizer and SEK 12 M following the decision to consolidate the Geneva site into Basel.

During the year, the Group did not derive any benefits from right-of-use assets in a sublease, nor any gains or losses from sale and leaseback transactions.

The Parent Company, which prepares its accounts in accordance with RFR 2, applies the exemption to not recognising assets and liabilities for assets as a legal entity. See the table below for lease payments.

Future rental and minimum lease payments

The table below shows the due date for payments of future rental payments for non-terminable contracts. The table includes rental fees linked to newly signed rental contracts for premises where the leasing period has not begun.

	Parent Company	
	2023	2022
Within 1 year	83	69
Between 1-5 years	196	146
Later than 5 years	41	—
Total	**321**	**215**
Rental payments for the year	69	62

Other contracted future minimum lease payments related to non-terminable contracts falling due:

	Parent Company	
	2023	2022
Within 1 year	3	2
Between 1-5 years	2	2
Total	**6**	**4**
Lease payments for the year	3	2

10 Employees, personnel costs and remuneration of board members and senior executives

Number of employees[i]

Group	2023	of whom women, %	of whom men, %	2022	of whom women, %	of whom men, %
Australia	9	67%	33%	4	50%	50%
Belgium	17	65%	35%	17	59%	41%
Central and Eastern Europe	79	60%	41%	57	58%	42%
Denmark	10	100%	—%	8	88%	13%
Finland	7	71%	29%	7	71%	29%
France	70	63%	37%	68	62%	38%
United Arab Emirates	49	25%	76%	36	19%	81%
Greece	11	46%	55%	11	55%	45%
Italy	73	56%	44%	56	57%	43%
Japan	31	27%	73%	24	33%	67%
Canada	21	71%	29%	18	61%	39%
China	20	80%	20%	18	83%	17%
Netherlands	9	31%	69%	8	38%	63%
Norway	6	83%	17%	5	80%	20%
Portugal	6	67%	33%	8	75%	25%
Russia	47	72%	28%	43	70%	30%
Switzerland	192	50%	50%	153	56%	44%
Spain	57	72%	28%	47	68%	32%
UK	86	59%	41%	75	57%	43%
Sweden	333	64%	36%	355	62%	38%
Germany	118	61%	39%	95	65%	35%
US	510	58%	42%	430	58%	42%
Austria	11	51%	49%	13	62%	38%
Total	**1,772**	**59%**	**41%**	**1,556**	**59%**	**41%**

i. On 31 December 2023, the number of full-time employees was 1,772 (1,556), while the number of employees at the same date was 1,831 (1,605).

Gender composition of the board and management
The information in the table does not include employee representatives. The information refers to conditions at the balance sheet date.

Group	2023	2022
Board		
Men	4	4
Women	3	3
Total	**7**	**7**
CEO and other senior executives		
Men	9	12
Women	3	1
Total	**12**	**13**

Salaries, other remuneration and social security costs

	2023		2022	
Group and Parent Company	Salaries and remuneration	Social security costs	Salaries and remuneration	Social security costs
Parent Company	439	278	541	258
(of which pension expense)		*(81)*		*(88)*
Subsidiaries	3,284	492	2,540	336
(of which pension expense)		*(173)*		*(100)*
Group, total	**3,722**	**770**	**3,081**	**594**
(of which pension expense)		*(254)*		*(188)*

Salaries and other remuneration divided between board members, the CEO and other employees

	2023		2022	
Group and Parent Company	Board and CEO	Other employees	Board and CEO	Other employees
Parent Company				
Salaries and other remuneration	52	387	50	491
(of which bonus)[i]	*(33)*	*(138)*	*(33)*	*(137)*
Subsidiaries				
Salaries and other remuneration	—	3,284	—	2,540
(of which bonus)[i]	*(—)*	*(943)*	*(—)*	*(816)*
Group, total	**52**	**3,670**	**50**	**3,031**
(of which bonus)	*(33)*	*(1,081)*	*(33)*	*(953)*

i. Bonus includes the Company´s recognised IFRS 2 costs of the share programmes and are not to be equated with employee benefits.

Guidelines and remuneration 2023

The 2020 AGM resolved on remuneration guidelines for Sobi's senior executives as set forth below, which will apply until the 2024 AGM. New proposal for guidelines can be found on pages 39-40 in the Directors' report.

The members of the Executive committee of Sobi fall within the provisions of these guidelines. The guidelines also cover any remuneration of board members, except fees resolved by the AGM[12]. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, following adoption of the guidelines by the 2020 AGM. These guidelines do not apply to any remuneration decided or approved by the AGM.

Remuneration of the Executive committee is designed on a total remuneration approach. The position of total remuneration should be market-competitive relative to competitors in each local market. The market comparisons should be made against a set of peer-group companies with comparable sizes, industries and complexity. The remuneration guidelines shall enable international hiring and support diversity within the Executive committee. Employment contracts governed by rules other than Swedish may be duly adjusted to ensure compliance with mandatory rules or established market practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Remuneration and other benefits to the board, CEO and other senior executives[i], KSEK

2023	Base salary/ fees	Bonus	Pension expense	Other benefits	Share programmes[vii]	Total
Chairman of the board						
Bo Jesper Hansen[ii]	1,744					1,744
Håkan Björklund[ii]	598					598
Other board members						
Christophe Bourdon[iii]	433					433
Annette Clancy[ii]	770					770
Matthew Gantz[iii]	279					279
Helena Saxon	828					828
Staffan Schüberg	827					827
Filippa Stenberg	673					673
Anders Ullman[iv]	463					463
Executive committee						
Guido Oelkers, Chief Executive Officer	12,277	10,080	3,462	1	23,063	48,883
Other senior executives (11-13 people)[iv,v,vi]	79,855	34,588	10,292	4,416	51,866	181,017
Total	**98,747**	**44,668**	**13,754**	**4,417**	**74,929**	**236,515**

i. Other senior executives refer to Sobi's Executive committee, which consisted of eleven people in addition to the CEO on 31 December 2023. The remuneration of all members of the Executive committee during the year is included in the table. For information about changes in management, see the Directors' report. The table shows Sobi's costs (excluding social security contributions). For more information about board fees, see the corporate governance report.

ii. At the AGM on 9 May 2023 Håkan Björklund resigned from his position as Chairman of the board, while Bo Jesper Hansen was appointed new Chairman of the board. Bo Jesper Hansen resigned from the position as Chairman of the board and board member on 5 January 2024 due to health reasons and was replaced as Chairman of the board by the board member Annette Clancy.

iii. At the AGM on 9 May 2023, Matthew Gantz stepped down from his position as board member, while Christophe Bourdon was appointed new board member.

iv. Anders Ullman resigned from the Executive committee on 31 March 2023 and was appointed new board member at the AGM on 9 May 2023. During 2023, board member Anders Ullman, through his company Anders Ullman Consulting AB, has performed consulting services for Sobi and received consultancy fees of a total of SEK 655 K. The purpose of the consultancy assignment was to support the Interim Head of RDMA and the RDMA Leadership committee until a permanent Head of RDMA & CMO was appointed. It has been considered necessary and beneficial for Sobi to procure the services, for which fees on market terms have been paid.

v. Henrik Stenqvist was appointed deputy CEO in 2018. Since he did not serve as deputy CEO during the 2023 financial year, his remuneration is presented with other senior executives.

vi. One member of Sobi's Executive committee was given a one-time variable payment for extraordinary circumstances, for having successfully driven strategic and complex M&A projects contributing to the company's growth, and for retention purposes.

vii. Reflects the IFRS 2 costs of the share programmes which are reported within the group's operating profit and are not to be equated with employee benefits.

[12] Any remuneration of board members, except fees adopted by the AGM, may only consist of consultancy fees.

Remuneration and other benefits to the board, CEO and other senior executives[i], KSEK

2022	Base salary/ fees	Bonus	Pension expense	Other benefits	Share programmes[v]	Total
Chairman of the board						
Håkan Björklund	1,760					1,760
Other board members						
Bo Jesper Hansen	667					667
Annette Clancy	648					648
Matthew Gantz	673					673
Helena Saxon	788					788
Staffan Schüberg	677					677
Filippa Stenberg	647					647
Elisabeth Svanberg[ii]	181					181
Executive committee						
Guido Oelkers, Chief Executive Officer	11,449	8,228	3,105	—	24,488	47,270
Other senior executives (11-12 people)[iii, iv]	59,164	33,780	7,680	2,913	43,885	147,422
Total	**76,654**	**42,008**	**10,785**	**2,913**	**68,373**	**200,733**

i. Other senior executives refer to Sobi's Executive committee, which consisted of twelve people in addition to the CEO on 31 December 2022. The remuneration of all members of the Executive committee during the year is included in the table. For information about changes in management, see the Directors' report. The table shows Sobi's costs (excluding social security contributions). For more information about board fees, see the corporate governance report.

ii. At the AGM on 10 May 2022, Elisabeth Svanberg stepped down from her position as board member, while Bo Jesper Hansen was appointed new board member.

iii. Anders Ullman resigned from the board on 31 December 2021 and was a member of the Executive committee from 1 January 2022.

iv. Henrik Stenqvist was appointed deputy CEO in 2018. Since he did not serve as deputy CEO during the 2022 financial year, his remuneration is presented with other senior executives.

v. Reflects the IFRS 2 costs of the share programmes which are reported within the group's operating profit and are not to be equated with employee benefits.

Continued guidelines and remuneration 2023

Types of remuneration, etc.

Remuneration can consist of fixed base salary, variable pay, pension benefits and other benefits. Additionally, the AGM may, irrespective of these guidelines, resolve on, among other things, share-related or share price-related remuneration. The components are presented below.

Base salary

The fixed base salary of the Executive committee shall be based on competence, responsibility and performance. Sobi uses an international evaluation system to evaluate the scope and responsibility of the position.

Variable pay

The annual short-term incentive plan shall be based on the achievement of predetermined and measurable annual financial (75 per cent) and non-financial objectives (25 per cent). The annual financial objectives shall be related to targets promoting growth and profitability annual revenues and EBITA[13]. The annual financial objectives are recommended by the Compensation & benefits committee and approved by the board. The annual non-financial objectives are related to strategic and business development goals as defined and approved according to the grandparent-manager principle.

The objectives are determined for the promotion of Sobi's business strategy, long-term development, including its sustainability, value creation and financial growth and shall be designed in a way that encourages compliant behaviour. The maximum annual short-term Incentive may vary but shall not amount to more than 100 per cent of the annual gross base salary. The extent to which the criteria for awarding annual short-term incentive have been met shall be evaluated and determined by the board upon the recommendation of the Compensation & benefits committee.

Further variable pay may also be paid out in extraordinary circumstances, provided that such an arrangement is of a one-time nature and is agreed on an individual basis for management recruitment or retention purposes or as compensation for extraordinary efforts beyond the individual's ordinary assignment. Such compensation shall be in line with market practice and may, for example, include a one-time cash payment, retention bonus or severance payment in case of a change of control, or similar. The compensation shall not exceed the amount of the gross base salary for three years and shall not be paid more than once a year per individual. Resolutions on such compensation shall be made by the board based on a proposal from the Compensation & benefits committee.

Long-term incentives

Long-term share-related incentive plans have been implemented in Sobi. Such plans are proposed by the board and presented to the AGM for approval and are therefore excluded from these guidelines. The performance criteria used to assess the outcome of the long-term share-related incentive plan for the Executive committee are distinctly linked to the business strategy and thereby to Sobi's long-term value creation.

Pension and benefits

Sobi's preferred type of pension plan is defined-contribution[14]. If the operating environment requires the establishment of a defined-benefit pension plan under mandatory collective agreement provisions, law, or other regulations, such a plan may be established. The defined-benefit level should, in such cases, be limited to the mandatory level.

The pension premiums or allowance for pension shall not amount to more than 40 per cent of the executive's pensionable salary, which may include a capped level of the variable pay to the extent required by mandatory collective agreement provisions.

Other benefits may include, for example, life insurance, health insurance, medical insurance and company cars. Premiums and other costs relating to such benefits shall be based on market practice but amount to no more than 20 per cent of the annual gross base salary.

Senior executives who are expatriates to or from Sweden may receive additional remuneration and other benefits, such as a support package including relocation and tax filing support as well as tax equalisation, to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not exceed 40 per cent of the total annual gross base salary.

[13] Earnings before interest, tax and amortisation and impairment of intangible assets.
[14] A defined-contribution pension plan determines a percentage level of the employee's annual gross base salary as the contribution paid into the pension plan for each employee.

Termination of employment
The notice period may not exceed twelve months. Fixed base salary during the notice period and severance pay, including payments for any restrictions on competition, shall in total not exceed an amount equivalent to the gross base salary for two years.

Consultancy fees to board members
Board members elected by the AGM may receive consultancy fees for services provided to Sobi. Such services must contribute to Sobi's business strategy and long-term interests, including its sustainability, and may not relate to regular board work. Any consultancy fee shall be based on market terms and may not exceed the annual remuneration of each board member for their board assignment. The above applies correspondingly to services performed by a wholly owned company of a member of the board.

Salary and employment terms for employees
In the preparation of the board's proposal for these remuneration guidelines, salary and employment conditions for employees of Sobi have been taken into account. Information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, have been included in the Compensation & benefits committee's and the board's basis for decisions when evaluating whether the guidelines and the limitations set out herein are reasonable.

Decision process to determine, review and implement the guidelines
The board has established a Compensation & benefits committee. The committee's tasks include preparing the board's decision to propose guidelines for remuneration to the Executive committee. The board shall prepare a proposal for new guidelines at least every fourth year and present it to the AGM. The guidelines shall be in force until new guidelines are adopted by the AGM. The Compensation & benefits committee shall also monitor and evaluate programmes for variable remuneration for the Executive committee, the application of these guidelines as well as the current remuneration structures and compensation levels in Sobi. The members of the Compensation & benefits committee are independent of Sobi and the Executive committee. The CEO and other members of the Executive committee do not participate in the board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines
The board may temporarily resolve to derogate from these guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Sobi's long-term interests, including its sustainability, or to ensure Sobi's financial viability. As set out above, the Compensation & benefits committee's tasks include preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from these guidelines.

Senior executives' employment terms and remuneration
Sobi aims to offer market-based terms, which enables Sobi to recruit and retain highly qualified personnel. Remuneration of elected board members is paid in accordance with a resolution adopted by the 2023 AGM. No pensions are paid to board members. The CEO's remuneration is reviewed and proposed by the chairman of the board together with the Compensation & benefits committee and approved by the board. Remuneration of other members of the Executive committee is proposed by the CEO and approved by the Compensation & benefits committee. Remuneration of the CEO and other senior executives consists of base salary, variable pay in the short and long term, other benefits and pensions. Other senior executives refer to those individuals who together with the CEO form the Executive committee.

Base salary
The base salary is based on the individual executive's area of responsibility, expertise and performance. The base salary is reviewed every year.

Short-term variable pay
For the CEO, short-term variable pay in 2023 was capped at 100 per cent of annual gross salary. Variable pay was based on financial and non-financial targets set by the board. For other senior executives, short-term variable pay was capped at 60 per cent of base salary and based on financial and non-financial targets.

Retirement benefits
The CEO is entitled to a defined-contribution pension solution amounting to 30 per cent of base salary. The retirement age is 65 years. Other senior executives employed in Sweden are covered by the ITP plan with a retirement age of 65. They are also covered by a supplementary defined-contribution pension obligation of 27 per cent of pensionable salary up to 50 income base amounts, including ITP.

Incentive programmes
At the balance sheet date, Sobi had three active share programmes. To participate in the share programmes, employees must be permanently employed. Furthermore, Sobi has five active cash-based programmes, of which three relate to employees in the US and Canada, and two relate to employees in China and Japan. All programmes have a three-year term.

Long-term incentive programmes
The aim of the long-term incentive programmes has been to create a long-term commitment to Sobi, to provide the participants with an opportunity to share Sobi's long-term success and value creation, and to enable Sobi to attract and retain senior executives and senior managers. Sobi's long-term incentive programmes are described below.

The 2019-2023 AGMs approved the introduction of long-term incentive programmes for the CEO, senior executives and managers, one programme for other employees, and share options for the CEO, senior executives and pre-selected key employees. The share programmes are structured on the same principles, and they all have a three-year vesting period.

The management programmes include the CEO, senior executives and managers. They require no personal investment in Sobi shares and performance shares are only allotted if the programme criteria have been met. The number of performance shares varies between the organisational levels. The performance targets for the management programmes are that the share price increases by a certain percentage over a three-year period, and that actual annual revenues during the vesting period meet or exceed the annual revenue budget.

In addition to the performance shares, the management programmes for the CEO, senior executives and selected key employees consist by half of share options. The employees eligible and how the performance targets are formulated differ between the programmes.

The programmes for other employees require a personal investment in Sobi shares (investment shares) in order to be allotted free shares on a matching basis. A requirement for all programmes is that the employee must be permanently employed throughout the entire vesting period and, in the case of investment shares, that these are retained throughout the entire vesting period.

In addition to the above, there are cash-based programmes for employees in North America and Asia.

Management programme 2020 (paid in 2023)
For the performance shares that vested on 28 May 2023, the board determined that 41.07 per cent of the performance obligations and other vesting requirements had been met. To achieve the maximum 60 per cent allotment of the performance shares, the performance target was a 50 per cent increase in the share price, adjusted for any dividends. The performance outcome is 0 if the share price is below 15 per cent, with a linear allotment of performance shares of 15-50 per cent. The performance target was achieved with 1.78 per cent. For a maximum allotment of the remaining 40 per cent of the performance shares, actual annual revenue during the vesting period must meet or exceed the budget for the annual revenue, which was achieved for 2020, 2021, and 2022. Therefore, 245,742 shares with a market value of SEK 55 M were allotted under the programme.

For the share options that vested on 28 May 2023, the board determined that the performance criteria for actual average annual revenue for 2020-2022 had been met. From that date, 1,204,015 share options could be exercised at the price of SEK 204,25 (recalculated as a result of the completed rights issue, previously SEK 213,87) until 29 May 2025, whereof 352,035 options have been exercised during the year.

All-employee programme 2020 (paid in 2023)
The 2020 all-employee programme vested on 28 May 2023. Programme participants were allotted two matching shares for each investment share. To qualify for the allotment of matching shares, participants must have retained the investment shares that they acquired. 37,318 shares with a market value of SEK 8,3 M were allotted under the programme.

During the rollout of the 2020 share programme, a number of employees were insiders and therefore not eligible to participate in the

programme. In view of the legal obstacles to participating in the programme, the board decided to establish a long-term three-year cash-based incentive programme for insiders. The programme was 100 per cent fulfilled.

Cash-based programmes 2021 (expired 2023)
For the 2021 long-term cash-based programme for employees in the US and Canada that expired in 2023, the board determined that the outcome of the final year was 106 per cent. The programme consisted of two components: a time-based component (50 per cent) and a performance-based component (50 per cent) based on two performance targets. The first performance target (50 per cent) was that the share price must increase by at least 10 per cent per year over a three-year period for the 2021 programme. The other performance target (50 per cent) was that annual revenue in North America must be at least 95 per cent per year in relation to the budget over a three-year period. A quarter of the programme for 2021 vested annually over three years.

2021-2023 Management programmes
Participants in these management programmes are allotted performance shares provided that certain performance targets are achieved. The maximum possible allotment of shares in the management programmes is 1,194,882 (2021), 986,681 (2022) and 1,225,546 (2023).

To achieve a maximum 60 per cent allotment of the maximum number of performance shares, a certain share price performance must be achieved. For the management programmes, a 10-40 per cent increase in the share price is required, adjusted for any allotments. The performance outcome is 0 if the share price is below 10 per cent, with a linear allotment of performance shares for 10-40 per cent. For a maximum allotment of the remaining 40 per cent of the performance shares, actual annual revenue during the vesting period must meet or exceed the targets for the annual revenue. This performance target was achieved for 2021, 2022 and 2023.

In addition to performance shares, the CEO and a maximum of 15 members of the Group´s Executive committee, as well as a maximum of 15 selected key individuals in the Group, have a possibility to receive share options. The vesting period is three years, followed by a two-year exercise period. A requirement for the share options is that the Group's average revenue meets or exceeds the Group's target for average revenue in the budget determined by the board during the vesting period. The exercise price corresponds to 105 per cent of the volume-weighted average price for the Sobi share when the programmes were launched. The maximum value per share that can be obtained by exercising the share options is capped at three times the exercise price. Should the share value exceed this level, the conditions must be recalculated.

Management programmes

Share programme	Performance target	Weigh	Target	Result
2020	Share price performance	60%	15-50	1,78%
	Budget – annual revenue	40%	≥100%	100%
2021-2023	Share price performance	60%	10-40	n/a
	Budget – annual revenue	40%	≥100%	n/a

2021-2023 All-employee programmes
Participation in the programmes for other employees requires a personal investment in Sobi shares. The maximum possible allotment of shares in the all-employee programmes is 47,058 (2021), 40,412 (2022) and 61,605 (2023).

Participants in the all-employee programmes are allotted two matching shares for every investment share. To qualify for the allotment of matching shares, programme participants must retain their acquired investment shares throughout the entire vesting period.

During the rollout of the 2021 share programme, a number of employees were insiders and therefore not eligible to participate in the programme. In view of the legal obstacles to participating in the programme, the board decided to establish a long-term three-year cash-based incentive programme for insiders.

Rights Issue
On 22 August 2023, the board resolved on an issue of ordinary shares with preferential rights for shareholders of Sobi.

As a result of the share issue, a recalculation was made in respect of the outstanding long-term incentive progammes of the number of performance shares, matching shares, options, and the exercise prices of the options. The recalculation was based on Nasdaq Stockholm AB's Exchange Rules and Clearing Rules for Nasdaq Derivatives Markets, using the Ratio Method, which represents Swedish market practice according to the terms of the programmes.

Sobi's then outstanding long-term incentive programmes were thus adjusted with a ratio of 1.0471, which in total increased the volume of the ongoing programmes by 163,226 shares and 299,833 options. See following tables for split by programme.

Share-options

Main terms and conditions for the share-option programmes[i]

Option programme	Number of participants	Performance period	Award date	Exercise period	Exercise price[ii] (SEK)	Option value at grant date[iii]	Weighted average share price at grant date
2019	15	2019-2021	28/5/2019	2022-05-28 2024-05-28	172.52	36.61	172.05
2020	23	2020-2022	28/5/2020	2023-05-29 2025-05-29	204.25	43.06	203.68
2021	27	2021-2023	1/6/2021	2024-06-02 2026-06-02	146.13	30.17	145.72
2022	27	2022-2024	30/5/2022	2025-05-31 2027-05-31	208.11	53.84	207.54
2023	28	2023-2025	7/6/2023	2026-06-08 2028-06-08	235.15	50.09	234.49

i. Volatility is measured as the standard deviation of the expected return on the share price, based on a statistical analysis of daily share prices for Sobi's ordinary share over the past three years. Risk-free interest rate: ten-year treasury bills or a comparable financial investment with the lowest possible risk.

ii. The exercise price corresponds to 105 per cent of the volume-weighted average price for Sobi's share when launching the programmes. The exercise price has since been recalculated as a result of the completed rights issue and applicable recalculation regulations.

iii. The option value has been recalculated with respect to the new number of options within the programmes as a result of the completed rights issue and applicable recalculation regulations.

Exercise of the warrants is dependent on the achievement of performance conditions (the actual average turnover achieves or exceeds the budget over a three-year period). No dividend yields included in assumptions.

Development of option programmes during 2023

	Numbers of options									
Share-option programme	Opening	New programme	Conversion[i]	Allotted	Forfeited	Closing	Of which redeemable at year-end	Of which executive committee at year-end	Weighted average share price during the redemption period	Weighted average remaining agreed term
2019	869,705	—	12,187	-687,292	—	194,600	194,600	22,235	224.59	0.4
2020	1,298,089	—	55,375	-352,035	-94,074	907,355	907,355	691,504	226.58	1.4
2021	1,982,966	—	91,592	—	-38,613	2,035,945	—	1,197,947	—	2.4
2022	1,548,295		72,943	—	—	1,621,238	—	938,539	—	3.4
2023	—	1,437,819	67,736	—	—	1,505,555	—	904,777	—	4.4
Total	**5,699,055**	**1,437,819**	**299,833**	**-1,039,327**	**-132,687**	**6,264,693**	**1,101,955**	**3,755,002**		

i. In accordance with the terms of the incentive programmes, the number of options has been recalculated as a result of the completed rights issue. As a result of the recalculation, the exercise price and the option value on the grant date have also changed. However, the total value of the options has not changed, nor has the total cost of the options.

Development of option programmes during 2022

	Numbers of options								
Share-option programme	Opening	New programme	Allotted	Forfeited	Closing	Of which redeemable at year-end	Of which executive committee at year-end	Weighted average share price during the redemption period	Weighted average remaining agreed term
2019	1,454,718	—	-491,835	-93,178	869,705	869,705	558,254	215.51	1.4
2020	1,363,514	—	—	-65,425	1,298,089	—	795,735	—	2.4
2021	2,062,909	—	—	-79,943	1,982,966	—	1,280,134	—	3.4
2022	—	1,548,295	—	—	1,548,295	—	1,052,077	—	4.4
Total	**4,881,141**	**1,548,295**	**-491,835**	**-238,546**	**5,699,055**	**869,705**	**3,686,200**		

2021-2023 Cash-based programmes, North America
The long-term cash-based programmes for all employees in the US and Canada consist of two components: a time-based component (50 per cent) and a performance-based component (50 per cent), which is based on two performance targets. For the programmes 2021 and 2022 the first performance target (50 per cent) is a share price increase of 10 per cent per year over the three-year period. The other performance target (50 per cent) is that annual revenues in North America must be at least 95 per cent in relation to the budget over the three-year period. For the programme 2023, the first performance-based component (50 per cent) is that the Groups annual revenue during the vesting period must meet or exceed the target for the annual revenues during the three years. The other performance-based component (50 per cent) is that annual revenues in North America must be at least 95 per cent in relation to the target over the three-year period. Any pay-out of a third of the programme is made annually over a three-year period. The outcome for 2023 was 106 per cent.

2021-2022 Cash-based programmes, Asia
The programmes cover a number of employees in China and Japan and consist of two components: a time-based component (50 per cent) and a performance-based component (50 per cent) which is based on two performance targets. The first performance target (60 per cent) is that the share price must increase by 10-40 per cent over a three-year period, adjusted for any dividends. The performance outcome is 0 if the share price is below 10 per cent, with a linear payment for 10-40 per cent. The other performance target (40 per cent) is that the Groups actual annual revenue during the three-year period must meet or exceed the budget for the annual revenue. This performance target was achieved for the years 2021, 2022 and 2023.

Costs for share-related compensation (excluding social costs)	2023	2022
Share programme 2019	—	12,072
Share programme 2020	11,939	29,599
Share programme 2021	42,175	31,838
Share programme 2022	36,393	37,680
Share programme 2023	29,514	—
Share-option programmes	60,570	61,710
(Whereof costs related to senior executives)	*(74,929)*	*(68,373)*
Total	**180,591**	**172,899**

Social security costs amounted to SEK 45 M (17).

Development of share programmes in 2023

	Number of shares					
2023 Share programmes	Opening	New programme	Conversion[i]	Forfeited	Allotted	Closing
2020 Management	649,356		—	-403,614	-245,742	—
2020 All employee	40,930		—	-3,612	-37,318	—
2021 Management	1,181,232		54,098	-40,448		1,194,882
2021 All employee	50,014		2,228	-5,184		47,058
2022 Management	1,038,684		45,421	-97,424		986,681
2022 All employee	41,004		1,964	-2,556		40,412
2023 Management	—	1,198,952	56,495	-29,901		1,225,546
2023 All employee	—	59,620	3,020	-1,035		61,605
Total	**3,001,220**	**1,258,572**	**163,226**	**-583,774**	**-283,060**	**3,556,184**

i. In accordance with the terms of the incentive programmes, the number of shares has been recalculated as a result of the completed rights issue. As a result of the recalculation, the fair value of matching and performance shares on the grant date has changed. However, the total value of the shares has not changed, nor has the total cost of the shares.

Development of share programmes in 2022

	Number of shares				
2022 Share programmes	Opening	New programmes	Forfeited	Allotted	Closing
2019 Management	695,974		-356,130	-339,844	—
2019 All employee	30,128		-4,350	-25,778	—
2020 Management	721,905		-72,549		649,356
2020 All employee	45,196		-4,266		40,930
2021 Management	1,320,760		-139,528		1,181,232
2021 All employee	54,222		-4,208		50,014
2022 Management	—	1,085,266	-46,582		1,038,684
2022 All employee	—	41,738	-734		41,004
Total	**2,868,185**	**1,127,004**	**-628,347**	**-365,622**	**3,001,220**

Expensing of the 2021-2023 share programmes is calculated using the following parameters and the Monte Carlo simulation model:

	Start date	End date	Outstanding number of matching shares	Outstanding number of performance shares	Service in months	Grant date fair value of matching share[i]	Fair value per grant date of performance share[ii]	Fair value of performance share[iii]	Expected personnel turnover, %
2021 Share programme: All employee	1 June 2021	1 June 2024	47,058	n/a	36	167.37	n/a	n/a	7
2021 Share programme: Management	1 June 2021	1 June 2024	n/a	1,194,882	36	n/a	68.99	137.38	7
2022 Share programme: All employee	30 May 2022	30 May 2025	40,412	n/a	36	222.42	n/a	n/a	10
2022 Share programme: Management	30 May 2022	30 May 2025	n/a	986,681	36	n/a	102.74	200.94	10
2023 Share programme: All employee	7 June 2023	7 June 2025	61,605	n/a	36	197.50	n/a	n/a	12
2023 Share programme: Management	7 June 2023	7 June 2026	n/a	1,225,546	36	n/a	118.91	212.21	12

i. Fair value has been recalculated with respect to the new number of shares within the programmes as a result of completed rights issue and applicable recalculation regulations.

ii. The fair value of performance shares is linked to share-price performance, see above. Fair value has been recalculated with respect to the new number of shares within the programmes as a result of completed rights issue and applicable recalculation regulations.

iii. The fair value of performance shares is linked to revenue, see above. Fair value has been recalculated with respect to the new number of shares within the programmes as a result of completed rights issue and applicable recalculation regulations.

Volatility measured as the standard deviation of the expected return on the share price is based on a statistical analysis of daily share prices for Sobi's ordinary share over the past three years.

11 Remuneration of auditors

Group	2023	2022
EY		
Auditing assignments[i]	13	10
Other services[i]	2	0
Total	**15**	**10**
Other auditors		
Auditing assignments[i]	1	0
Total other auditors	**1**	**0**
Total	**16**	**11**

Parent Company	2023	2022
EY		
Auditing assignments[i]	4	4
Other services[i]	2	0
Total	**6**	**4**

i. Audit assignment refers to the statutory audit in order to submit an auditor's report and provide audit advice. Other services mainly comprise audit-related services in connection with prospectuses and business acquisitions.

12 Costs according to type of cost

Group	2023	2022
Raw materials and consumables	4,442	4,007
Other external costs	5,462	4,618
Employee benefit costs	4,813	3,932
Depreciation/amortisation and impairment	3,234	2,419
Other operating expenses	115	35
Total	**18,066**	**15,011**

Parent Company	2023	2022
Raw materials and consumables	3,459	2,913
Other external costs	6,884	6,687
Employee benefit costs	748	827
Depreciation/amortisation and impairment	672	559
Other operating expenses	100	63
Total	**11,863**	**11,048**

The above costs correspond to: cost of goods sold, selling and administrative expenses, research & development expenses and other operating expenses in the income statement classified as expense by function.

Items affecting comparability (IAC) per function

Group	2023	2022
Cost of goods sold[i]	34	363
Selling and administrative expenses[ii]	388	210
Research and development expenses[ii, iii]	-3	102
Total	**419**	**675**

i. Refers mainly to dissolvement of the fair value from the PPA related to the acquired inventory from CTI of SEK -65 M partly offset by release of provisions of SEK 42 M related to the discontinuation of contract manufacturing for Pfizer expensed as IAC in 2022. The 2022 IAC only includes costs for the termination of contract manufacturing for Pfizer.

ii. Refers mainly to transaction costs of SEK 173 M and restructuring and integration costs of SEK 226 M, all related to the acquisition of CTI. Integration costs refers to external expenses related to structural efficiency programmes to enable synergies and structure the combined business to appropriately support the business in the future. 2022 refers to external costs and restructuring costs related to structural efficiency programs and provisions for expected credit losses in Russia.

iii. 2022 refers to costs resulting from the decision to consolidate the facility in Geneva with the one in Basel.

13 Financial income

Group	2023	2022
Interest income	27	5
Exchange-rate gains[i]	23	–
Total	**50**	**5**

Parent Company	2023	2022
Interest income, Group companies	735	485
Interest income, other	25	4
Exchange-rate gains[i]	840	–
Total	**1,601**	**489**

i. Exchange rate gains and losses are presented on a net basis. In 2023, these were recognised as a gain in the Group and in the Parent Company. For the Parent Company, a profit on closing cash flow hedging of SEK 712 M related to the acquisition of CTI is included. In 2022, the corresponding item was recognised as a loss in the Group and in the Parent Company. See also Note 14.

14 Financial expenses

Group	2023	2022
Interest expense, borrowings	996	327
Interest expense, other[i]	115	131
Exchange-rate losses[ii]	–	11
Financing costs	51	27
Other	–	1
Total	**1,162**	**497**

Parent Company	2023	2022
Interest expense, Group companies	58	15
Interest expense, borrowings	996	327
Interest expense, other[i]	70	90
Exchange-rate losses[ii]	–	470
Financing costs	51	27
Other	1	1
Total	**1,176**	**931**

i. Includes interest expense linked to liabilities for considerations, see Note 26 and 28.

ii. Exchange rate gains and losses are presented on a net basis. In 2023, these were recognised as a gain in the Group and in the Parent Company. In 2022, the corresponding item was recognised as a loss in the Group and in the Parent Company. See also Note 13.

15 Income tax

Tax expense (-) / tax income (+) in earnings

Group	2023	2022
Current tax		
Current tax on profit for the year[i]	-390	-651
Adjustment of tax prior years	2	23
Total current tax recognised	**-388**	**-628**
Deferred tax		
Excess depreciation	-578	-313
Inventories	-45	54
Acquired product and marketing rights	356	180
Other intangible assets	41	23
Tax loss carry-forwards	-75	-28
Net investment hedges	20	-94
Pharmaceutical tax	15	-21
Interest limitations	105	29
Expected credit losses	6	21
Restructuring reserve	-16	59
Other	13	36
Total deferred tax recognised	**-157**	**-55**
Total tax recognised	**-546**	**-683**

Parent Company	2023	2022
Current tax		
Current tax on profit for the year[i]	-299	-475
Adjustment of tax prior years	0	0
Total current tax recognised	**-299**	**-475**
Deferred tax		
Expected credit losses	-2	22
Restructuring reserve	-16	59
Other	5	5
Total deferred tax recognised	**-14**	**86**
Total tax recognised	**-313**	**-389**

i. In addition to tax recognised in earnings, current tax of SEK -21 M (22) was recognised in other comprehensive income, attributable to exchange rate effects on the Parent Company's liabilities in other comprehensive income. Additionally, current tax of SEK 16 M (-) was recognised directly in equity, attributable to rights issuance costs recognised directly in equity. Additionally, current tax of SEK 2 M (0) was recognised directly in equity, attributable to the Parent Company's long-term incentive programme. Deferred tax of SEK 23 M (11) was recognised directly in equity, see Note 20 for other deferred tax items.

Reconciliation of effective tax

Group	2023	2022
Profit before tax	2,954	3,321
Tax at applicable tax rate for the Parent Company[i]	-609	-684
Tax effect, non-deductible/non-taxable items		
Capitalised tax loss carry-forwards	77	-22
Non-capitalised tax loss carry-forwards	71	75
Difference foreign tax rates	-30	-23
Non-deductible expenses	-49	-27
Adjustment of tax prior years	2	0
Other	-7	-3
Total effective tax recognised	**-546**	**-683**

Parent Company	2023	2022
Profit before tax	1,390	2,840
Current tax on profit for the year[i]	-286	-585
Tax effect, non-deductible/non-taxable items		
Reversal write-down of shares in subsidiaries	—	206
Controlled foreign company taxation	-7	-5
Non-deductible expenses	-20	-6
Adjustment of tax prior years	0	0
Other	1	2
Total effective tax recognised	**-313**	**-389**

i. The current tax rate for the Parent Company is 20.6 per cent (20.6). Deferred tax was valued using the applicable tax rate for the period in which reversal/resolution is expected to occur.

Non-capitalised tax loss carry-forwards and other non-capitalised taxes

Group	2023	2022
Tax loss carry-forwards for which no deferred tax asset was recognised	2,137	2,762
Potential tax benefits		
Tax loss carry-forwards	367	509
R&D tax credits	15	—
Orphan drug tax credits	119	—
Capital loss carry forwards	30	—
Total potential tax benefit	**530**	**509**

Of non-capitalised tax loss carry-forwards, SEK 1,233 M will expire within the next 6 years, while other tax losses may be carried forward indefinitely, R&D tax credits expire within 20years, Orphan Drug tax credits expire within 19 years and capital loss carry forwards expire within 2 years. No deferred tax assets were recognised as it is considered uncertain whether the tax loss carry-forwards or the other non-capitalised taxes attributable to subsidiaries and prior years have any tax value for the Group.

16 Intangible assets and impairment testing

Group	Goodwill	Licenses and patents	Product and -marketing rights	Capitalised costs[iv]	Ongoing development work	Total
1 January-31 December 2022						
Opening cost	**6,288**	**573**	**38,989**	**549**	**211**	**46,610**
Investments[i]	—	—	1,415	12	304	1,732
Disposals	—	-1	-2	-75	—	-78
Reclassifications	—	36	5	194	-203	32
Other changes in closing cost[ii]	—	—	-227	—	—	-227
Translation differences	719	5	1,736	7	—	2,468
Closing cost	**7,007**	**613**	**41,917**	**688**	**312**	**50,537**
Opening accumulated amortisation and impairment	**—**	**-514**	**-7,430**	**-243**	**—**	**-8,187**
Amortisation	—	-18	-2,016	-83	—	-2,117
Disposals	—	1	2	75	—	78
Reclassifications	—	-8	—	-2	—	-10
Translation differences	—	-3	-285	0	—	-288
Closing accumulated amortisation and impairment	**—**	**-542**	**-9,729**	**-253**	**—**	**-10,524**
Closing carrying amount	**7,007**	**71**	**32,188**	**435**	**312**	**40,013**
1 January-31 December 2023						
Opening cost	**7,007**	**613**	**41,917**	**688**	**312**	**50,537**
Investments[i]	—	—	2,700	3	494	3,197
Business acquisitions[ii]	2,971	—	17,479	—	—	20,449
Disposals	—	-97	-180	—	—	-277
Reclassifications	—	—	—	20	-20	0
Other changes in closing cost[iii]	—	—	878	—	—	878
Translation differences	-336	3	-1,103	-3	0	-1,439
Closing cost	**9,642**	**518**	**61,691**	**709**	**785**	**73,345**
Opening accumulated amortisation and impairment	**—**	**-542**	**-9,729**	**-253**	**—**	**-10,524**
Depreciation	—	-18	-2,864	-105	—	-2,987
Impairment	—	—	-56	—	—	-56
Disposals	—	97	180	—	—	277
Translation differences	—	-2	65	0	—	64
Closing accumulated amortisation and impairment	**—**	**-464**	**-12,404**	**-357**	**—**	**-13,226**
Closing carrying amount	**9,642**	**54**	**49,287**	**351**	**785**	**60,120**

i. This year's investments mainly pertain to Beyfortus (nirsevimab), SEK 2 700 M, related to a milestone payment, followed by US regulatory submission acceptance, and the new royalty agreement, and efanesoctocog alfa, SEK 331 M, related to the agreement with Sanofi to reconstruct and validate Sanofi's production facility for adaptation ahead of production of the active substance for efanesoctocog alfa. The proceeding year's investments mainly pertain to Zynlonta, SEK 1,415 M and efanesoctocog alfa, SEK 160 M.

ii. Refers to the acquisition of CTI, see Note 34 for more information.

iii. This year's change mainly pertain to efanesoctocog alfa, SEK 370 M, and SEL-212, SEK 458 M, both followed by changed assessment of the probability of achieving milestones. The proceeding year's change refers to an adjustment as the estimated development costs for efanesoctocog alfa have been reduced by approximately USD 40 M. See also under the heading Sanofi and Note 28.

iv. Capitalised costs comprise IT projects and expenses for transferring the manufacture of an active substance. Items reported under capitalised costs are amortised according to plan.

Specification of major intangible assets

Group	2023	2022	Amortisation rate, years	Remaining amortisation at the end of the year, years
Vonjo	15,813	—	15	14
Beyfortus/Synagis	13,028	11,175	20	15
Doptelet	5,718	6,488	15	11
Gamifant	4,081	4,111	20	15
Aspaveli	2,951	3,069	20	18
efanesoctocog alfa[i]	2,011	1,697	—	—
SEL-212[i]	2,234	1,776	—	—
Zynlonta	1,359	1,415	20	19
Alprolix	1,032	1,133	20	11
Elocta	1,048	1,135	20	12
Orfadin	203	346	15	1
Other – launched	214	348	3-15	—
Other – not yet launched[i]	785	312	—	—
Total[ii]	**50,477**	**33,005**		

i. Amortisation has not yet started.

ii. Closing carrying amount, excluding goodwill.

Parent Company	Licenses and patents	Product and marketing rights[iii]	Capitalised costs[iv]	Ongoing development work[iv]	Total
1 January-31 December 2022					
Opening cost	**40**	**11,626**	**499**	**211**	**12,376**
Investments[i]	—	1,415	—	304	1,719
Disposals	-1	—	-75	—	-76
Reclassifications	36	5	194	-203	32
Other changes in closing cost[ii]	—	-227	—	—	-227
Closing cost	**75**	**12,820**	**618**	**312**	**13,824**
Opening accumulated amortisation and impairment	**-39**	**-1,992**	**-238**	**—**	**-2,269**
Amortisation	-10	-434	-83	—	-527
Disposals	1	—	75	—	76
Reclassifications	-8	—	-2	—	-10
Closing accumulated amortisation and impairment	**-56**	**-2,426**	**-248**	**—**	**-2,730**
Closing carrying amount	**18**	**10,394**	**370**	**312**	**11,094**
1 January-31 December 2023					
Opening cost	**75**	**12,820**	**618**	**312**	**13,824**
Investments	—	—	—	493	493
Reclassifications	—	—	20	-20	0
Other changes in closing cost[ii]	—	878	—	—	878
Closing cost	**75**	**13,698**	**639**	**785**	**15,196**
Opening accumulated amortisation and impairment	**-56**	**-2,426**	**-248**	**—**	**-2,730**
Amortisation	-9	-487	-97	—	-594
Impairment	—	-56	—	—	-56
Closing accumulated amortisation and impairment	**-66**	**-2,970**	**-345**	**—**	**-3,381**
Closing carrying amount	**9**	**10,728**	**293**	**785**	**11,815**

i. This year's investments mainly pertain to efanesoctocog alfa of SEK 331 M, related to the agreement with Sanofi to reconstruct and validate Sanofi's production facility for adaptation ahead of production of the active substance for efanesoctocog alfa. The preceding year's investments mainly pertain to Zynlonta of SEK 1,415 M and efanesoctocog alfa of SEK 160 M.

ii. This year's change of closing cost mainly pertains to efanesoctocog alfa, SEK 370 M, and SEL-212, SEK 458 M, both followed by changed assessment of the probability of achieving milestones. The proceeding year's change refers to an adjustment as the estimated development costs for efanesoctocog alfa have been reduced by approximately USD 40 M. See also under the heading Sanofi and Note 28.

iii. Closing carrying amount includes cost of acquisition linked to contingent considerations of SEK 4,239 M (3,524).

iv. Capitalised costs comprise IT projects and expenses for transferring the manufacture of an active substance. Items reported under capitalised costs are amortised according to plan.

Impairment testing of intangible assets

Goodwill
Goodwill includes the acquisitions of Swedish Orphan, Dova, Gamifant and CTI and amounted to SEK 9,642 M (7,007) as of 31 December, 2023. Goodwill has been allocated to two separate cash-generating units, Haematology and Immunology. See Note 5 for goodwill distributed by cash-generating unit.

The assessment of the value of goodwill is based on the value in use of the smallest cash-generating unit. The cash flows are based on established financial plans that have been determined by the company's management and cover a five-year period. The financial plans have been established based on previous results, experience and market expectations. The plans include, among other things, assumptions about current developments and future launches. Furthermore, the financial plans contain assumptions about price trends, sales performance and cost trends. The cash flow beyond five years has been extrapolated with an estimated growth rate of 2 per cent.

There is no indication of impairment of goodwill in any of the cash-generating units.

The table below shows the growth rate and the discount rate, before and after tax, that was used:

Parameter, %	2023	2022
Growth rate beyond the initial five-year period	2	2
Discount rate before tax	10.1	10.1
Discount rate after tax	8.0	8.0

The discount rate refers to Sobi's weighted cost of capital which is calculated according to current practice, where the parameters below have been used.

- Risk-free interest rate: five year average of interest on ten-year government bonds .
- Market risk premium: 6.8 per cent (6.8).
- Beta coefficient: Sobi's beta coefficient is 1.26 (1.26).
- Interest expense: according to Sobi's borrowing cost.
- Tax rate: according to the tax rate in Sweden.

Sobi has conducted a sensitivity analysis for the following parameters in the impairment testing of goodwill: discount rate, gross margin, sales volume, and perpetual growth rate. The sensitivity analysis indicates that there are good margins, in the calculation and no reasonable change to key parameters would lead to an impairment.

Product and marketing rights
Product and marketing rights are tested for impairment whenever events and circumstances indicate that the carrying amount may not be recoverable. The assessment of the value of product and marketing rights is based on the value-in-use of each cash-generating unit (CGU) . The value in-use is based on cash flows that are expected to be generated over the remaining life of the asset. When discounting future cash flows, the discount rate is used as described in the table. When product and marketing rights are tested for impairment, a number of assumptions are made. These refer to forecasts of future sales revenue, costs attributable to each individual medicine, the life of the medicine and the discount rate.

Development projects related to product or marketing rights are tested annually for impairment. Key parameters are future cash flows from the individual asset, the probability of achieving positive outcomes in clinical studies and assumptions about the best commercial outcomes. Future cash flows are estimated with regard to the long and short-term development of the project and adjusted for the probability of commercialisation. The earlier the projects in the chain of development, the higher the risk. As it passes through the defined phases of development, the probability of reaching the market increases.

The assessed likelihood of a project passing through the relevant development phase successfully is assessed based on the project's scientific potential to demonstrate positive results in the individual phase of the development process. Assumptions are made using the parameters with the most significant impact on the project's potential to develop into a medicine with maximum commercial potential and on the basis of what is reasonable to assume about the project's scientific profile using the information that is currently available. The forecast period is based on the medicine's estimated market life.

Sobi has performed a sensitivity analysis regarding the following parameters in the impairment test of the development projects: discount rate, gross margin, sales volume and perpetual growth rate. The sensitivity analysis indicates good margins in the calculation, and no reasonable change in key parameters would result in an impairment.

Impairment
During 2023, a write-down of SEK 56 M (-) was made, related to a clinical programme in the early phase.

Contractual commitments related to intangible assets
Sobi has undertaken to pay additional consideration under certain acquisition, licensing and collaboration agreements. These consist of contingent and non-contingent payments. Contingent payments (also known as milestone payments) are conditional upon the achievement of certain pre-defined targets. Below, Sobi reports on the significant agreements that exist at the end of the year.

Sanofi
Sobi has a collaboration agreements with Sanofi that mainly covers Elocta, Alprolix, Altuviiio, efanesoctocog alfa and Beyfortus.

For Elocta and Alprolix, the companies receive a royalty on each other's net sales, in the range of 12-17 per cent, in each company's territory. In addition, Sobi receives a royalty of 50 per cent based on the net profit in Sanofi's territory, where sales are made through third party. There have been no such sales during 2023 and 2022.

The agreement for Altuviiio and efanesoctocog alfa is similar to the agreement for Elocta and Alprolix, with royalties on the companies' net sales in each company's territory, in the range of 8-13 per cent. During the year, efanesoctocog alfa (Altuviiio) received FDA approval in the US.

For efanesoctocog alfa, Sobi owns the commercial rights for Europe, North Africa, Russia and certain countries in the Middle East (Sobi's territory). Sobi expects to receive regulatory approval for efanesoctocog alfa in Europe in 2024, at which point Sobi will make a one-time payment to Sanofi equal to 50 per cent of Sanofi's total development costs for efanesoctocog alfa, estimated to be approximately USD 230-250 M, less USD 50 M that has already been paid. For liability linked to efanesoctocog alfa, see Note 28, liability to Sanofi.

For Beyfortus, Sobi receives a royalty on Sanofi's net sales in the US. Royalty levels are at 25 per cent in 2023 and 2024 and then increase each year from 2025 to 2028 in a tiered fashion to a range of 30-35 per cent of net sales. After 2028, royalty rates will remain at these levels. See also below under header Beyfortus/Synagis (nirsevimab).

Aspavelli/Empavelli
Since October 2020, Sobi and Apellis have collaborated for the global development and ex-US commercialisation of systemic pegcetacoplan in rare diseases with an urgent need for new treatments.

According to the agreement, Sobi must make milestone payments to Apellis on the condition that certain regulatory and commercial milestones are met. At the end of the year, outstanding commitments for milestone payments remained at approximately USD 860 M (approximately SEK 8.6 B). The liability is included in the item other liabilities, non-interest-bearing, see Note 28, liability to Apellis. Sobi also pays Apellis USD 80 M as compensation for research and development costs, which are spread over a four-year period. In January 2024 Sobi and Apellis decided to stop the CASCADE phase 3-study, read more in Note 36. Due to this, Sobi will not pay the commitment of USD 15 M that remained at the end of the year, linked to compensation for research and development costs.

Apellis receives tiered double-digit royalties on Sobi's net sales of Aspavelli/Empavelli.

Beyfortus/Synagis (nirsevimab)
In January 2019, Sobi acquired the rights to Synagis in the US from AstraZeneca, as well as the right to 100 per cent of AstraZeneca's half share of the profit and loss for nirsevimab in the US market. During the year, Sobi made a milestone payment of SEK 1,811 million to AstraZeneca as a result of the validation of the regulatory application for nirsevimab in the US. In April 2023, Sobi announced that the financial terms regarding nirsevimab are being simplified through a new royalty agreement with Sanofi and the termination of the profit-sharing agreement with AstraZeneca. Through the agreement, Sobi has paid Sanofi and AstraZeneca SEK 844 M (USD 81 M) for previous costs for the research and development of nirsevimab.

In addition, Sobi receives royalties from Sanofi as described in Note 4.

Terminating the profit-sharing agreement terminated Sobi's right to AstraZeneca's full share of profits and losses for nirsevimab in the US and the obligation to make future milestone payments to AstraZeneca. At the end of the year, no commitments related to Synagis and nirsevimab remained.

Doptelet

In November 2019, Sobi acquired Dova Pharmaceuticals and access to Dovas medicine, Doptelet. According to the agreement, Sobi must pay an additional purchase price to Eisai Inc., totalling USD 135 M, provided that certain annual sales levels are achieved, calculated per calendar year. At the end of the year, approximately USD 53 M (SEK 525 M) remained, which is included in the item's other liabilities, non-interest-bearing, see Note 28, liability to Eisai.

Furthermore, Astellas Pharma Inc. receives a royalty based on net sales of Doptelet.

SEL-212

Since July 2020, Sobi and Cartesian Therapeutics, Inc. (formerly Selecta Biosciences, Inc.) have collaborated through a strategic licensing agreement. Sobi is responsible for the development as well as regulatory and commercial activities for SEL-212 in all markets outside of China.

According to the agreement, Sobi must make milestone payments to Cartesian on the condition that certain regulatory and commercial milestones are met. At the end of the year, outstanding commitments for milestone payments remained at approximately USD 615 M (approximately SEK 6.2 B). The debt is included in the item other liabilities, non-interest-bearing; see Note 28, liability to Cartesian.

Furthermore, Cartesian will be entitled to double-digit royalties on future net sales of SEL-212.

Vonjo

In June 2023, Sobi acquired CTI BioPharma Corp and thus gained access to Vonjo. Sobi assumed a liability to DRI Healthcare Trust (DRI) through the aquisition. According to the agreement, Sobi must make milestone payments to DRI on the condition that certain regulatory and commercial milestones are met. At the end of the year, outstanding commitments for milestone payments remained at approximately USD 108 M (approximately SEK 1.1 B). The liability is included in the item. Other liabilities are non-interest-bearing; see Note 28, liability to DRI.

DRI receives a differentiated royalty on Sobi's net sales of Vonjo in the US in an amount equal to 9.6 per cent of annual net sales of up to USD 125 M, 4.5 per cent of annual net sales of between USD 125 M and USD 175 M, and 0.5 per cent of annual net sales of between USD 175 and USD 400 M. No royalty is paid on annual net sales exceeding USD 400 M. Furthermore, DRI receives incrementally increasing low single digit royalty on Sobi's net sales of Vonjo.

Zynlonta

In July 2022, Sobi and ADC Therapeutics SA (ADC) signed an exclusive license agreement to develop and commercialise Zynlonta. Under the terms of the agreement, Sobi has the rights to develop and commercialise Zynlonta in all haematological and solid tumour indications outside China, Japan, Singapore, and the US.

According to the agreement, Sobi must make milestone payments to ADC on the condition that certain regulatory and commercial milestones are met. At the end of the year, outstanding commitments for milestone payments remained at approximately USD 333 M (approximately SEK 3.3 B). The liability is included in the item's other liabilities, non-interest-bearing, see Note 28, liability to ADC. ADC receives royalties ranging from the mid-tens to the mid-twenties per cent of Sobi's net sales of Zynlonta.

Furthermore, Sobi contributes 25 per cent of ADC's direct development costs, up to a cap of USD 10 M per year, which are recognised as expenses in the period they occur.

17 Tangible assets

Group	Plant and machinery	Equipment, tools, fixtures and fittings	Right-of-use assets	Other non-current assets	Ongoing new constructions	Total
1 January-31 December 2022						
Opening cost	**430**	**243**	**665**	**25**	**23**	**1,386**
Investments	1	5	93	0	12	111
Divestments and disposals	-25	-10	-45	-8	—	-87
Reclassifications	16	-22	17	0	-27	-16
Translation differences	2	8	31	2	—	43
Closing cost	**424**	**224**	**761**	**20**	**8**	**1,436**
Opening accumulated depreciation and impairment	**-392**	**-177**	**-307**	**-17**	**—**	**-893**
Depreciation	-16	-18	-117	-4	—	-156
Impairment[i]	-10	—	-136	—	—	-146
Divestments and disposals	20	9	40	8	—	76
Reclassifications	—	8	-24	—	—	-17
Translation differences	-2	-5	-19	-1	—	-27
Closing accumulated depreciation and impairment	**-400**	**-184**	**-564**	**-15**	**—**	**-1,162**
Closing carrying amount	**24**	**40**	**198**	**5**	**8**	**274**

1 January-31 December 2023						
Opening cost	**424**	**224**	**761**	**20**	**8**	**1,436**
Investments	1	12	118	9	12	152
Acquisition of business	—	—	18	—	—	18
Divestments and disposals	-1	-2	-89	—	—	-92
Reclassifications	1	6	3	—	-7	3
Translation differences	0	-1	-7	-1	0	-8
Closing cost	**425**	**241**	**804**	**28**	**12**	**1,510**
Opening accumulated depreciation and impairment	**-400**	**-184**	**-564**	**-15**	**—**	**-1,162**
Depreciation	-12	-20	-146	-4	—	-182
Impairment	—	—	-9	—	—	-9
Divestments and disposals	1	1	88	—	—	90
Reclassifications	—	—	-2	—	—	-2
Translation differences	0	0	6	0	—	7
Closing accumulated depreciation and impairment	**-411**	**-203**	**-626**	**-19**	**—**	**-1,258**
Closing carrying amount	**14**	**38**	**178**	**10**	**12**	**251**

i. The preceding year includes impairment of right-of-use assets of SEK 124 M following the discontinuation of contract manufacturing for Pfizer and SEK 12 M following the decision to consolidate the Geneva site into Basel.

For further information about leases, see Note 9.

Parent Company	Plant and machinery	Equipment, tools, fixtures and fittings	Other non-current assets	Ongoing new constructions	Total
1 January-31 December 2022					
Opening cost	**394**	**166**	**5**	**23**	**588**
Investments	—	—	—	12	12
Divestments and disposals	-7	-2	—	—	-9
Reclassifications	16	-22	—	-27	-32
Closing cost	**404**	**142**	**5**	**8**	**559**
Opening accumulated depreciation and impairment	**-364**	**-131**	**-4**	**—**	**-500**
Depreciation	-14	-8	-1	—	-22
Impairment	-9	—	—	—	-9
Divestments and disposals	6	2	—	—	8
Reclassifications	—	8	—	—	8
Closing accumulated depreciation and impairment	**-381**	**-130**	**-5**	**—**	**-515**
Closing carrying amount	**23**	**13**	**1**	**8**	**44**

1 January-31 December 2023					
Opening cost	**404**	**142**	**5**	**8**	**559**
Investments	—	—	—	12	12
Divestments and disposals	-1	—	—	—	-1
Reclassifications	1	6	—	-7	—
Closing cost	**403**	**149**	**5**	**12**	**569**
Opening accumulated depreciation and impairment	**-381**	**-130**	**-5**	**—**	**-515**
Depreciation	-11	-10	-1	—	-21
Divestments and disposals	1	—	—	—	1
Closing accumulated depreciation and impairment	**-391**	**-140**	**-5**	**—**	**-535**
Closing carrying amount	**13**	**9**	**—**	**12**	**33**

18 Participations in Group companies

Parent Company	2023	2022
Cost		
Opening balance	8,853	8,853
Capital contributions[i]	22,844	—
Closing balance	**31,698**	**8,853**
Accumulated impairment		
Opening balance	-177	-1,177
Reversal of impairment[ii]	—	1,000
Closing balance	**-177**	**-177**
Closing carrying amount	**31,520**	**8,676**

i. Refers to capital contributions in subsidiary Sobi US Holding Corp. of which M 18,060 SEK is related to the acquisition of CTI and further loans of M 4,784 SEK.

ii. The prior year's reversal of an impairment refers to the value of the shares in the subsidiary Swedish Orphan Biovitrum International AB following the progress of the launch of Gamifant.

Specification of Parent Company´s holdings of shares and participations in Group companies

Subsidiary/Corp. Reg. No./Registered office	No. of participations	Participations, %[i]	Carrying amount[ii]
Swedish Orphan Biovitrum International AB, 556329-5624, Stockholm, Sweden	100	100	4,248,584
Swedish Orphan Biovitrum A/S, 19179079, Copenhagen, Denmark			
Swedish Orphan Biovitrum SARL, 490259405, Paris, France			
Swedish Orphan Biovitrum s.r.o, 28171276, Prague, Czech Republic			
Oy Swedish Orphan Biovitrum AB, 1024811, Turku, Finland			
Swedish Orphan Biovitrum s.r.l., 5288990962, Milan, Italy			
OOO Swedish Orphan Biovitrum, 5087746194520, Moscow, Russia			
Swedish Orphan Biovitrum AS, 976313682, Trollåsen, Norway			
Swedish Orphan Biovitrum S.L., B84710623, Madrid, Spain			
Swedish Orphan Biovitrum Ltd, 4369760, Cambridgeshire, UK			
Swedish Orphan Biovitrum GmbH, HRB 226770, Martinsried, Germany			
Swedish Orphan Biovitrum AG, 284.917.678, Basel, Switzerland			
Florio GMBH, HRB 249347, Munich, Germany			
Sobi Pharma (Guangzhou) Company Limited, 91440101MA5D2D0A6G, Guangzhou, China			
Sobi Pharma (Shanghai) Company Limited, 41000002202107120056, Shanghai, China			
Swedish Orphan Biovitrum Unipessoal Lda, 980 670 152, Lisbon, Portugal			
Swedish Orphan Biovitrum Japan Co., Ltd, 0100 01 210061, Tokyo, Japan			
Swedish Orphan Biovitrum Pty Ltd, 645,396,532, Sydney, Australia			
Swedish Orphan Biovitrum (The Netherlands) B.V., 84642281, Amsterdam, Netherlands			
SOBI Middle East FZ-LLC, 91193, Dubai, United Arab Emirates	1,000	100	132
Arexis AB, 556573-5130, Stockholm, Sweden	1,000	100	225,137
Swedish Orphan Biovitrum s.r.o, 28171276, Prague, Czech Republic[iii]	1	1	8
BVBA Swedish Orphan Biovitrum, 0536.217.087, Brussels, Belgium	100	100	166
Swedish Orphan Biovitrum GmbH, 416986, Vienna, Austria	100	100	313
Swedish Orphan Biovitrum (SOBI) Canada, Inc. 949375-1, Oakville, Canada	10,000	100	65
Sobi Single Member I.K.E, 142300401000, Athens, Greece	20,000	100	195
Sobi US Holding Corp., 7626060, Delaware, US[iv]	1,000	100	27,045,605
Sobi, Inc EIN 68-0682244, Delaware, US			
AKaRx, Inc., 20-1990243, Delaware, US			
CTI BioPharma Corp. 91-1533912, Delaware, US			
CTI Life Sciences Deutschland GmbH, HRB 85982, Cologne, Germany			
Total			**31,520,205**

i. The participation refers to the ownership of capital, which also corresponds to the proportion of the votes.

ii. Carrying amount stated in KSEK.

iii.The remaining portion owned by Swedish Orphan Biovitrum International AB.

iv. During the year, capital contributions in Sobi US Holding Corp. related to acquisition of CTI.

19 Financial assets

Group	2023	2022
Equity instruments[i]	37	64
Endowment policy	46	48
Deposits	35	4
Other financial receivables	23	5
Total	**142**	**121**

Group	2023	2022
Change in financial assets		
Opening balance	121	199
Equity instruments[i]	-26	-81
Endowment policy	-1	3
Deposit	31	0
Other financial receivables	18	0
Closing balance	**142**	**121**

i. Equity instruments refers to the holding in Cartesian Therapeutics, Inc. (previously Selecta Bioscience, Inc.). The holding is measured at fair value through other comprehensive income.

Parent Company	2023	2022
Equity instruments[i]	37	64
Endowment policy	46	48
Other financial receivables	20	—
Total	**104**	**112**

Parent Company	2023	2022
Change in financial assets		
Opening balance	112	190
Equity instruments[i]	-26	-81
Endowment policy	-1	3
Other financial receivables	20	—
Closing balance	**104**	**112**

i. See comment for the Group.

20 Deferred tax assets and deferred tax liabilities

Group 2023	Deferred tax assets	Deferred tax liabilities	Net
Excess depreciation	—	-3,104	-3,104
Inventories	592	—	592
Acquired product and marketing rights	—	-5,607	-5,607
Other intangible assets	618	—	618
Tax loss carry-forwards	1,162	—	1,162
Pharmaceutical tax	40	—	40
Interest limitations	199	—	199
Expected credit losses	40	—	40
Restructuring provision	43	—	43
Other	195	-14	181
Total	**2,889**	**-8,725**	**-5,836**
Offsetting	-2,045	2,045	—
Tax assets/liabilities, net	**844**	**-6,680**	**-5,836**

Group 2022	Deferred tax assets	Deferred tax -liabilities	Net
Excess depreciation	—	-2,526	-2,526
Inventories	819	—	819
Acquired product and marketing rights	—	-1,914	-1,914
Other intangible assets	87	—	87
Tax loss carry-forwards	273	—	273
Pharmaceutical tax	26	—	26
Interest limitations	102	—	102
Expected credit losses	34	—	34
Restructuring provision	59	—	59
Other	142	-22	120
Total	**1,542**	**-4,462**	**-2,920**
Offsetting	-665	665	—
Tax assets/liabilities, net	**877**	**-3,797**	**-2,920**

Parent Company 2023	Deferred tax assets	Deferred tax liabilities	Net
Restructuring provision	43	—	43
Excess depreciation	2	—	2
Provision for pensions	12	—	12
Long-term incentive programmes	51	—	51
Expected credit losses	27	—	27
Other	—	—	—
Total	**135**	**0**	**135**
Offsetting	0	—	—
Tax assets/liabilities, net	**135**	—	**135**

Parent Company 2022	Deferred tax assets	Deferred tax -liabilities	Net
Restructuring provision	59	—	59
Excess depreciation	4	—	4
Provision for pensions	12	—	12
Long-term incentive programmes	21	—	21
Expected credit losses	29	—	29
Other	—	0	0
Total	**125**	**0**	**125**
Offsetting	0	0	—
Tax assets/liabilities, net	**125**	**—**	**125**

Change in deferred tax

Group 2023	Amount at beginning of year	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Through business combinations	Amount at year-end
Excess depreciation	-2,526	-578	—	—	—	-3,104
Inventories	819	-45	9	—	-191	592
Acquired product and marketing rights	-1,914	356	266	—	-4,315	-5,607
Other intangible assets[i]	87	41	-37	—	527	618
Tax loss carry-forwards	273	-75	-73	—	1,038	1,162
Restructuring provision	59	-16	—	—	—	43
Pharmaceutical tax	26	15	-1	—	—	40
Net investment hedges	—	20	-20	—	—	—
Interest limitations	102	105	-8	—	—	199
Expected credit losses	34	6	0	—	—	40
Other	120	13	15	23	9	181
Total	**-2,920**	**-157**	**151**	**23**	**-2,933**	**-5,836**

i. Other intangible assets mainly include research and development costs capitalised for tax purposes. Through the acquisition of CTI, research and development costs capitalised for tax purposes of SEK 527 M were added as part of the total acquired deferred tax asset of SEK 1 574 M, see Note 34.

Group 2022	Amount at beginning of year	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Through business combinations	Amount at year-end
Excess depreciation	-2,213	-313	—	—	—	-2,526
Inventories	696	54	69	—	—	819
Acquired product and marketing rights	-1,836	180	-258	—	—	-1,914
Other intangible assets[i]	61	23	2	—	—	87
Tax loss carry-forwards	256	-28	45	—	—	273
Restructuring provision	—	59	—	—	—	59
Pharmaceutical tax	44	-21	2	—	—	26
Net investment hedges	—	-94	94	—	—	—
Interest limitations	63	29	10	—	—	102
Expected credit losses	13	21	0	—	—	34
Other	76	36	2	6	—	120
Total	**-2,838**	**-55**	**-32**	**6**	**—**	**-2,920**

i. Other intangible assets mainly include research and development costs capitalised for tax purposes.

21 Inventories

Group	2023	2022
Raw materials and consumables	90	64
Work in progress	1,909	1,895
Finished goods and goods for resale	1,874	1,373
Total	**3,874**	**3,332**

The cost of inventories is included in cost of goods sold as expenses and amounted to SEK 2,825 M (2,703). Recognised inventories include a provision of SEK 472 M (524) for obsolete inventory. During the year, an impairment loss of M 45 SEK (254) was recognised for inventories.

Parent Company	2023	2022
Raw materials and consumables	90	64
Work in progress	1,873	1,788
Finished goods and goods for resale	650	851
Total	**2,614**	**2,703**

The cost of inventories is included in cost of goods sold as expenses and amounted to SEK 2,260 M (1,868). Recognised inventories include a provision of SEK 457 M (524) for obsolete inventory. During the year, an impairment loss of M 45 SEK (254) was recognised for inventories.

22 Accounts receivable and other receivables

Group	2023	2022
Accounts receivable	5,379	5,422
Less: Provision expected credit losses	-210	-174
Accounts receivable, net	**5,169**	**5,249**
Tax assets	210	51
Other receivables	392	507
Total other receivables	**602**	**558**
Total accounts receivable and other receivables	**5,771**	**5,807**

Parent Company	2023	2022
Accounts receivable	1,304	1,111
Less: Provision expected credit losses	-110	-116
Accounts receivable, net	**1,194**	**995**
Tax assets	179	35
Other receivables	231	427
Total other receivables	**410**	**462**
Total accounts receivable and other receivables	**1,604**	**1,458**

Sobi's largest customers are primarily large distributors, hospitals, and government authorities. The large customer base has a wide geographic spread and no specific concentration of receivables. See Note 5 for further information.

The Group's exposure to expected credit losses is continuously monitored by country and type of counterparty. If Sobi judges that a receivable will not be paid, a provision is made for an expected credit loss in accordance with the principles described in Note 2. This Note also contains information about customer payment terms.

On 31 December 2023, the Group's overdue receivables amounted to SEK 1,077 M (1,058) of which SEK 210 M (174) is included in the provision for expected credit losses. Actual credit losses of SEK 0.5 M (0.6) were charged to profit for the year, of which SEK 0.0 M (0.4) was attributable to the Parent Company.

Changes in the provision for expected credit losses are as follows:

Expected credit losses

Group	2023	2022
At beginning of year	-174	-71
Provision expected credit losses[i]	-42	-112
Reversed provisions	6	9
At year-end	**-210**	**-174**

Parent Company	2023	2022
At beginning of year	-116	-8
Provision expected credit losses[i]	—	-109
Reversed provisions	5	1
At year-end	**-110**	**-116**

i. Prior year's provision for expected credit losses of SEK -106 M refers to Russia.

Maturity structure accounts receivable

Group	2023	2022
Not past due	4,093	4,190
Past due 1-30 days	609	632
Past due 31-90 days	297	361
Past due 91-120 days	61	16
Past due >121 days	109	50
Total	**5,169**	**5,249**

Parent Company	2023	2022
Not past due	986	851
Past due 1-30 days	86	103
Past due 31-90 days	66	12
Past due 91-120 days	20	4
Past due >121 days	36	25
Total	**1,194**	**995**

Recognised amounts per currency for accounts receivable and other receivables

Group	2023	2022
CHF	64	73
EUR	2,479	1,819
GBP	228	185
SEK	392	648
USD	2,353	2,922
Other currencies	256	160
Total	**5,771**	**5,807**

Parent Company	2023	2022
CHF	61	66
EUR	765	517
SEK	472	693
USD	102	37
Other currencies	203	145
Total	**1,604**	**1,458**

23 Prepaid expenses and accrued income

Group	2023	2022
Accrued royalty revenue[i]	1,291	334
Prepaid expenses production facility[ii]	511	123
Other prepaid expenses	322	254
Total	**2,122**	**710**

Parent Company	2023	2022
Accrued royalty revenue[i]	450	334
Prepaid expenses production facility[ii]	509	123
Other prepaid expenses	167	154
Total	**1,126**	**611**

i. These are classified as contract assets under IFRS 15.

ii. Refers to payments to Pfizer for a production facility construction for Kineret manufacturing, for further information see Note 9.

24 Cash and cash equivalents

	2023		2022	
Group	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents	904	904	1,361	1,361
Total	**904**	**904**	**1,361**	**1,361**

	2023		2022	
Parent Company	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents	628	628	1,146	1,146
Total	**628**	**628**	**1,146**	**1,146**

Cash and cash equivalents consist of funds held in bank accounts.

25 Equity

The table below shows a breakdown of the balance sheet Other reserves and how each component has changed during the year.

Other reserves	Translation differences	Cash flow hedges	Net investment hedges[i]	Equity investments	Defined-benefit pension plans and similar plans	Total
Opening balance, 1 January 2022	**-80**	**-36**	**46**	**20**	**-15**	**-66**
Translation differences	880	—	—	—	—	880
Hedging instruments						
Gain/loss from remeasurement of hedging instruments recognised in equity	—	-151	-457	—	—	-609
Tax on gain/loss from remeasurement of hedging instruments recognised in equity	—	31	94	—	—	125
Transferred to profit or loss	—	45	—	—	—	45
Tax on transferred to profit or loss	—	-9	—	—	—	-9
Gain/loss from remeasurement of equity instruments recognised in equity	—	—	—	-81	—	-81
Tax effect on equity instruments	—	—	—	5	—	5
Gain/loss from remeasurement of defined-benefit pension plans and similar plans	—	—	—	—	70	70
Tax on gain/loss from remeasurement of defined-benefit -pension plans and similar plans	—	—	—	—	-10	-10
Closing balance, 31 December 2022	**800**	**-121**	**-317**	**-56**	**45**	**351**
Opening balance, 1 January 2023	**800**	**-121**	**-317**	**-56**	**45**	**351**
Translation differences	-1,347	—	—	—	—	-1,347
Hedging instruments						
Gain/loss from remeasurement of hedging instruments recognised in equity	—	668	98	—	—	766
Tax on gain/loss from remeasurement of hedging instruments recognised in equity	—	-138	-20	—	—	-158
Transferred to profit or loss	—	145	—	—	—	145
Tax on transferred to profit or loss	—	-30	—	—	—	-30
Transferred to goodwill		-565				-565
Gain/loss from remeasurement of equity instruments recognised in equity	—	—	—	-26	—	-26
Tax effect on equity instruments	—	—	—	—	—	—
Gain/loss from remeasurement of defined-benefit pension plans and similar plans	—	—	—	—	-80	-80
Tax on gain/loss from remeasurement of defined-benefit -pension plans and similar plans	—	—	—	—	11	11
Closing balance, 31 December 2023	**-547**	**-41**	**-239**	**-82**	**-24**	**-934**

i. The closing balance for the hedging reserve consist of translation differences of SEK 7 M (-22) from hedging effects where a hedging relationship no longer exists.

At year-end, Sobi's share capital was SEK 194 M, distributed between 354,358,946 shares with a par value of SEK 0.55. All shares issued at the balance sheet date were ordinary shares, which carry one vote per share. Sobi held 14,601,832 shares in treasury at the balance sheet date. The own shares item corresponds to 4.5 per cent of the total number of shares in Sobi.

Earnings per share
Earnings per share before dilution are calculated by dividing earnings attributable to Parent Company shareholders by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares.

To calculate earnings per share after dilution, the weighted average number of ordinary shares outstanding is adjusted for the dilutive effect of all potential ordinary shares.

Rights issue
Through the rights issue, Sobi's share capital increased by SEK 23,275,903 from SEK 170,832,201 to SEK 194,108,104, and the number of shares increased by 42,419,668. Sobi received approximately SEK 6,024 M through the rights issue before deductions for issue costs.

Share data	2023	2022
Earnings attributable to Parent Company shareholders (SEK M)	2,409	2,638
Earnings per share (SEK per share)i	7.47	8.52
Adjusted earnings per share (SEK per share)[i, ii, iii]	8.55	10.29
Earnings per share after dilution (SEK per share)[i]	7.39	8.44
Adjusted earnings per share after dilution (SEK per share)[i, ii, iii]	8.47	10.19
Number of ordinary shares[i]	354,358,946	352,224,450
Number of ordinary shares (treasury)	14,601,832	13,789,723
Number of ordinary shares (excluding treasury shares)[i]	339,757,114	338,434,727
Number of ordinary shares after dilution[i]	357,667,700	355,068,580
Average number of ordinary shares (excluding treasury shares)[i]	322,658,894	309,477,622
Average number of ordinary shares after dilution (excluding treasury shares)[i]	325,967,648	312,455,233

i. Comparatives have been adjusted to consider the bonus issue element in the rights issue, for which the final outcome was announced on 19 September 2023.

ii. See Alternative performance measures.

iii. For Items affecting comparability, see Note 12 and Alternative performance measures.

26 Financial assets and liabilities per category

Group	Assets measured at amortised cost	Assets measured at fair value through profit or loss	Assets measured at fair value through other comprehensive income	Total
31 December 2023				
Assets on the balance sheet				
Accounts receivable	5,169	—	—	5,169
Loan receivables	20	—	—	20
Endowment policy	—	46	—	46
Derivatives[i]	—	37	—	37
Equity instruments[ii]	—	—	37	37
Cash and cash equivalents	904	—	—	904
Total	**6,094**	**84**	**37**	**6,215**
31 December 2022				
Assets on the balance sheet				
Accounts receivable	5,249	—	—	5,249
Loan receivables	—	—	—	—
Endowment policy	—	48	—	48
Derivatives[i]	—	8	—	8
Equity instruments[ii]	—	—	64	64
Cash and cash equivalents	1,361	—	—	1,361
Total	**6,610**	**56**	**64**	**6,730**

i. Of the 2023 derivatives, SEK 37 M (8) was measured at fair value through profit or loss, and SEK 0 M (0) was included in cash flow hedges. The derivatives are classified as Other assets on the balance sheet.

ii. Equity instruments relates to the shares in Cartesian Therapeutics, Inc. (previously Selecta Biosciences, Inc.). The shares are measured at fair value through other comprehensive income.

Group	Liabilities measured at amortised cost	Liabilities measured at fair value through profit or loss	Total
31 December 2023			
Liabilities on the balance sheet			
Borrowings	20,169	—	20,169
Lease liabilities	316	—	316
Derivatives[i]	—	323	323
Accounts payable	1,024	—	1,024
Contingent considerations[ii]	4,432	—	4,432
Non-contingent considerations[ii]	580	—	580
Total	**26,520**	**323**	**26,843**
31 December 2022			
Liabilities on the balance sheet			
Borrowings	8,767	—	8,767
Lease liabilities	333	—	333
Derivatives[i]	—	21	21
Accounts payable	1,252	—	1,252
Contingent considerations[ii]	3,406	—	3,406
Non-contingent considerations[ii]	1,748	—	1,748
Total	**15,507**	**21**	**15,528**

i. Of the 2023 derivatives, SEK 323 M (21) was measured at fair value through profit or loss, and SEK 0 M (0) was included in cash flow hedges. The derivatives are classified as other liabilities on the balance sheet.

ii. Liabilities are reported per counterparty in Note 28.

See Note 2 for more information about what is included in the various categories.

Financial instruments measured at fair value
The following table shows financial instruments measured at fair value, based on their classification in the fair value hierarchy. The different levels are defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable data for the asset or liability other than the quoted prices included in Level 1.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Liabilities related to considerations were SEK 5,022 M (5,154) at the end of the year. These are measured at amortised cost using the effective interest method. Fair value for these liabilities was SEK 4,609 M (4,773) at the end of the year. All other financial instruments on the balance sheet had reported values that are in all material aspects equivalent to fair value on 31 December 2023.

On 31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value through profit or loss				
Derivatives held for trading	—	-286	—	-286
Endowment policy[i]	—	—	46	46
Equity instruments	37	—	—	37
Total	**37**	**-286**	**46**	**-202**

On 31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value through profit or loss				
Derivatives held for trading	—	-13	—	-13
Endowment policy[i]	—	—	48	48
Equity instruments	64	—	—	64
Total	**64**	**-13**	**48**	**99**

i. Endowment policies are reported gross with the corresponding liability, which is reported as a provision, see Note 30.

All derivatives are measured at fair value based on market data. On 31 December 2023, the net value of derivatives recognised on the balance sheet was SEK -286 M (-13).

27 Borrowings

At the balance sheet date, Sobi had credit facilities totalling EUR 1,710 M and SEK 5,000 M. During the year, two credit facilities of EUR 190 M and EUR 335 M were refinanced to three credit facilities totalling EUR 630 M.

In connection with the CTI acquisition, Sobi entered into an agreement including four credit facilities amounting to EUR 800 M. Sobi also entered to another agreement with one credit facility of SEK 8,000 M, which was later repaid in connection with the rights issue conducted during the year. In addition to the above, Sobi has two overdraft facilities of SEK 250 M and USD 5 M. Sobi has customary covenants in its facility agreements and was fully compliant with those in 2023. For further information about the maturity structure, see Note 3.

Group and Parent Company	2023	2022
Non-current liabilities to banks and other credit institutions	11,356	2,971
Current liabilities to banks and other credit institutions	4,923	3,728
Commercial papers	3,891	2,067
Total	**20,169**	**8,767**

Specification per currency, converted to SEK M

Group and Parent Company	2023	2022
Currency		
EUR	13,418	3,435
SEK	6,715	5,332
USD	36	—
Total	**20,169**	**8,767**

28 Other liabilities, non-interest bearing, current and non-current

Group	2023	2022
Non-current		
Liability to Sanofi	—	1,346
Liability to Eisai	—	527
Liability to Cartesian	1,251	1,028
Liability to Apellis	668	684
Liability to ADC Therapeutics	312	313
Liability to DRI	295	—
Other	4	—
Total	**2,530**	**3,899**
Current		
Liability to Sanofi	1,670	—
Liability to Eisai	525	678
Liability to Cartesian	214	—
Liability to Apellis	—	34
Liability to ADC Therapeutics	—	520
Liability to DRI	62	—
Derivatives	323	21
VAT	166	361
Other	294	286
Total	**3,253**	**1,900**

Parent Company	2023	2022
Non-current		
Liability to Sanofi	—	1,346
Liability to Cartesian	1,251	1,028
Liability to Apellis	668	684
Liability to ADC Therapeutics	312	313
Other	3	—
Total	**2,234**	**3,372**
Current		
Liability to Sanofi	1,670	—
Liability to Cartesian	214	—
Liability to Apellis	—	34
Liability to ADC Therapeutics	—	520
Derivatives	323	21
Other	111	222
Total	**2,318**	**797**

Sanofi

In 2019, Sobi entered a contract with Sanofi for efanesoctocog alfa. Upon approval by the EMA, Sobi must pay a one-time payment corresponding to 50 percent of the total development costs, estimated at USD 230-250 M, less USD 50 M that has already been paid. During the year, Sobi increased the debt and associated intangible asset due to the likelihood of the payment being deemed to increase when the application for market approval is validated by the EMA. This was partially offset by the fact that the estimated development costs were reduced because the time for EMA approval is expected to be obtained earlier in 2024. At the end of the year the commitment amounted to SEK 1,670 M (1,346).

Eisai

At the end of the year, there remained an obligation to pay SEK 525 M (678), approximately USD 53 M to Eisai Inc., which is based on annual net sales of Doptelet, calculated per calendar year. During the year, Sobi made a milestone payment of USD 65 M to Eisai.

Cartesian (previously Selecta Biosciences, Inc.)

In 2020, Sobi entered into a strategic license agreement for the potential new medicine SEL-212 with Selecta Biosciences, Inc., now Cartesian Therapeutics, Inc. At the end of the year, Cartesian was eligible to receive potential future milestone payments of up to USD 615 M, subject to certain regulatory and commercial milestones being met. The commitment amounted to SEK 1,251 M (1,028) and SEK 214 M (—) at the end of the year. The increase during the year is mainly attributable to an updated assessment of the likelihood of achieving certain milestones and expected US regulatory approval application for SEL-212.

Apellis

In 2020, Sobi and Apellis Pharmaceuticals, Inc entered into a collaboration for the global development and commercialisation outside the US of systemic pegcetacoplan for rare diseases with an urgent need for new medicines. At the end of the year, Apellis is eligible to receive potential future milestone payments of up to USD 860 M subject to the achievement of certain regulatory and commercial milestones. The commitment amounted to SEK 668 M (684) and SEK — M (34), respectively at the end of the year. During the year, Sobi made a milestone payment of USD 5 M to Apellis.

ADC Therapeutics
In 2022, Sobi signed an exclusive license agreement with ADC Therapeutics SA to develop and commercialise Zynlonta. At year-end, ADC Therapeutics is eligible to receive potential future milestone payments of up to USD 333 M subject to the achievement of certain regulatory and commercial milestones. The commitment amounted to SEK 312 M (313) and SEK — M (520), respectively, at the end of the year. During the year, Sobi made a milestone payment of USD 50 M to ADC Therapeutics.

DRI
Sobi's commitment to DRI Healthcare Acquisitions LP originates from the acquisition of CTI. At the end of the year, DRI is eligible to receive future potential milestone payments of up to USD 108 M subject to certain regulatory and commercial milestones being met for Vonjo. The commitment amounted to SEK 295 M (—) and SEK 62 M (—), respectively, at the end of the year.

29 Post-employment benefits

Group employees have various forms of pension benefits, either defined-contribution or defined-benefit plans. Most of Sobi's employees are covered by defined-contribution plans.

SEK M	2023	2022
Present value of funded obligations	783	438
Fair value of plan assets	-588	-366
Deficit in funded plans	**194**	**72**
Present value of unfunded obligations	13	10
Net	**207**	**82**

SEK M	2023	2022
Recognised assets[i]	2	5
Recognised obligations	210	87
Net	**207**	**82**

i. Plans with a net surplus, i.e. where plan assets exceed the defined benefit obligations, are reported as an asset and included in financial assets.

Switzerland
The Swiss pension plans are funded and covered by the Swiss Federal Act on Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). The pension plans are administrated by two separate legal entities and funded by regular contributions from the employees and Sobi. The final benefit is contribution-based with certain minimum guarantees. Due to these minimum guarantees, these plans are considered defined-benefit according to IFRS, even though many of their characteristics are otherwise similar to a defined-contribution plan. If the plans are underfunded, they can be adjusted using various measures, such as by raising contributions for employees and companies, lowering interest rates on the pension obligations, reducing future benefits and disallowing the early withdrawal of pension funds. At the end of the year, the recognised liability was SEK 191 M (70) and the plans covered 211 (152) employees, of whom all were active.

Sweden
Sweden has both defined-benefit and defined-contribution plans based on collective agreement between the parties in the Swedish labour market.

For white-collar employees in Sweden, the ITP 2 plan's defined-benefit pension obligations for retirement, family pensions and disability pensions are insured through Alecta. According to the Financial Reporting Board's statement UFR 10 Accounting for ITP 2 Plans Financed by Insurance with Alecta, this is a multi-employer defined-benefit plan. For the 2023 financial year, Sobi did not have access to the information required to recognise these obligations as a defined-benefit plan. The ITP 2 pension plan is therefore recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually, and is based on factors including salary, previously earned pension and expected remaining period of service. In 2024, expected contributions for ITP 2 plans insured through Alecta amounts to SEK 17 M (13). Sobi's share of the total plan contributions and the total number of active members in the plan is immaterial. The collective funding ratio is the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 175 per cent. If Alecta's collective funding ratio falls below 125 per cent or exceeds 175 per cent, measures should be taken to create the right conditions for the ratio to return to the normal range. If the ratio is low, an appropriate measure could be to raise the agreed price for new policies and extensions of existing benefits. If the ratio is high, premium reductions could be introduced. At the end of 2023, Alecta's surplus in the form of the collective funding ratio was 157 per cent (172).

The occupational pension premium for a certain number of current and former executives exceeds a certain level, which is why a direct pension is used for that portion of the premium that is not deductible. Sobi secures the direct pension by taking out an endowment policy that is pledged to the senior executive.

There is a net surplus in the Swedish pension plan at the end of the year of SEK 2 M (5) which is recognised as a financial asset.

Other
On 31 December 2023, the liability recognised for other defined-benefit pension plans was SEK 18 M (17). Other pension obligations are attributable to France, Italy and Norway.

Changes in defined-benefit obligations during the year

1 January-31 December 2023	Present value of obligations	Fair value of plan assets	Total
At beginning of the year	**448**	**-365**	**82**
Amounts in profit or loss			
Service cost current year	42	—	42
Service cost previous years	42	—	42
Interest expense	9	—	9
Interest income	—	-8	-8
Amounts in cash flow			
Contributions from employees	18	-18	—
Contributions into plans from employer	—	-49	-49
Payments from the plans	128	-124	4
Pension payments directly from the employer	-3	—	-3
Amounts in other comprehensive income			
Remeasurement			
Return on plan assets, excl. amounts included in interest expenses	—	-6	-6
Changed demographic assumptions	1	0	1
Changed financial assumptions	25	—	25
Experience-based assumptions	59	1	60
Other			
Translation differences	27	-19	8
At year-end	**796**	**-588**	**207**

1 January-31 December 2022	Present value of obligations	Fair value of plan assets	Total
At beginning of the year	**442**	**-299**	**143**
Amounts in profit or loss			
Service cost current year	37		37
Service cost previous years	-10	—	-10
Interest expense	6	—	6
Interest income	—	-5	-5
Amounts in cash flow			
Contributions from employees	15	-15	0
Contributions into plans from employer	—	-32	-32
Payments from the plans	-27	31	4
Pension payments directly from the employer	-3	—	-3
Amounts in other comprehensive income			
Remeasurement			
Return on plan assets, excl. amounts included in interest expenses	—	-9	-9
Changed financial assumptions	-79	0	-80
Experience-based assumptions	13	0	13
Other			
Translation differences	57	-36	20
At year-end	**448**	**-365**	**82**

Actuarial assumptions at end of the year

Average for pension plans	2023	2022
Discount rate, %	1.5	2.2
Expected annual salary increase, %	2.4	2.4
Pension increases	0.1	0.3
Retirement age	65	65
Remaining life expectancy after retirement age, male, years	21.4	20.9
Remaining life expectancy after retirement age, female, years	23.4	23.2

Distribution by plan assets

	2023	Whereof quoted %	2022	Whereof quoted %
Equity funds	167	100	124	100
Interest-bearing securities	235	100	136	100
Properties	128	—	78	—
Other	58	—	27	—
Total	**588**	**68**	**365**	**71**

Sensitivity analysis

	2023	2022
Pension obligation under current assumptions	796	448
Discount rate -0.5%	840	468
Discount rate +0.5%	756	429
Salary decrease -0.5%	782	441
Salary increase +0.5%	809	454
Life expectancy after retirement -1 year	786	443
Life expectancy after retirement +1 year	806	452

The above sensitivity analyses are based on a change in one assumption, with all other assumptions remaining constant. In practice, this is highly unlikely to occur and some of the changes in the assumptions may be correlated. When calculating the sensitivity of the defined-benefit obligations to significant actuarial assumptions, the same method (present value of the defined-benefit obligation applying the projected unit credit method at the end of the reporting period) was applied as when calculating the pension liability recognised on the balance sheet.

Other information
For the 2024 financial year, contributions to plans for post-employment benefits are expected to be SEK 53 M (31). The weighted average duration of the obligation is an estimated 17.0 years (14.6).

Risks
Through its defined-benefit pension plans, the Group is exposed to a number of risks. The most significant risks are described in the following table:

Type of risk	
Life expectancy assumptions	Most of the pension obligations entail that the employees covered by the plan will receive life-long benefits and, accordingly, the longer life expectancy assumptions will result in higher pension liabilities.
Inflation	Some of the plan's pension obligations are linked to inflation. Higher inflation leads to higher liabilities (although, in most cases, a ceiling has been set for the level of inflation to protect the plan against exceptional increases in inflation). Most of the plan assets are either unaffected by inflation (fixed-rate bonds) or weakly correlated with inflation (shares), which means that an increase in inflation will also increase the deficit.
Discount rate	A decrease in the interest rate on corporate bonds will increase the liabilities of the plans, although this will partially be offset by an increase in the value of the bond holding.
Asset volatility	The pension liability is calculated using discount rates derived from corporate bonds. A deficit exists if the discount rate does not reflect the expected return on plan assets. The plan assets include shares, which are eventually expected to exceed the interest on corporate bonds, but also entail volatility and risk in the short term.

30 Other provisions

Group	Restructuring	Personnel	Legal disputes	Share-based payments	Other	Total
Opening balance, 1 January 2022	**—**	**54**	**70**	**186**	**44**	**353**
Provisions current year	280	28	—	268	3	579
Adjustment provisions previous year	—	—	-28	-6	-10	-44
Utilised provisions/payments during the year	-53	-23	—	-183	0	-259
Translation differences	3	1	1	23	1	29
Closing balance, 31 December 2022	**230**	**60**	**43**	**287**	**38**	**658**
Non-current other provisions	69	52	—	1	38	**159**
Current other provisions	161	8	43	286	—	**499**
Opening balance, 1 January 2023	**230**	**60**	**43**	**287**	**38**	**658**
Provisions current year	114	24	—	298	11	447
Acquisition of business	—	6	—	—	—	6
Adjustment provisions previous year	-41	0	—	-3	-2	-46
Utilised provisions/payments during the year	-125	-27	—	-236	-5	-393
Translation differences	-1	-1	0	-14	0	-15
Closing balance, 31 December 2023	**177**	**62**	**43**	**332**	**43**	**657**
Non-current other provisions	28	50	—	2	41	**121**
Current other provisions	149	11	43	330	2	**535**

Restructuring
Provision for restructuring refers mainly to the acquisition of CTI, discontinuation of contract manufacturing for Pfizer and the consolidation of a legacy site in Geneva into Basel. Remaining long-term provision of SEK 28 M is expected to be paid within 1-3 years.

Provision for personnel
Provision for personnel refers mainly to endowment policy and termination benefits.

Legal disputes
As many pharmaceutical companies, Sobi is involved in several ongoing disputes, which had not been closed at the end of the year.

Shared-based payments
Refers to provision for cash-based share programmes and social security costs for the share-based programmes.

Other
Refers mainly to a provision to restore the production facility, rented for contract manufacturing for Pfizer, to an acceptable condition with consideration for the operations conducted in accordance with the rental agreement.

Parent Company	Restructuring	Personnel	Legal disputes	Share-based payments	Other	Total
Opening balance, 1 January 2022	**—**	**45**	**70**	**34**	**34**	**183**
Provisions current year	313	3	—	27	0	342
Adjustment provisions previous year	—	—	-28	—	—	-28
Utilised provisions/payments during the year	-25	—	—	-16	—	-41
Translation differences	—	—	1	—	—	1
Closing balance, 31 December 2022	**288**	**48**	**43**	**45**	**34**	**457**
Non-current other provisions	164	48	—	1	34	**247**
Current other provisions	123	—	43	44	—	**210**
Opening balance, 1 January 2023	**288**	**48**	**43**	**45**	**34**	**457**
Provisions current year	—	3	—	38	22	64
Adjustment provisions previous year	-17	—	—	—	—	-17
Utilised provisions/payments during the year	-63	-5	—	-10	—	-78
Translation differences	—	—	0	—	—	0
Closing balance, 31 December 2023	**208**	**46**	**43**	**73**	**56**	**427**
Non-current other provisions	102	46	—	0	46	**195**
Current other provisions	105	—	43	73	10	**231**

The provision for restructuring in the Parent Company includes a provision for rent following the discontinuation of contract manufacturing for Pfizer, which at the end of the year amounted to SEK 104 M. In the Group, this has been recognised as an impairment of right-of-use assets according to IFRS 16, see Note 9. For more information about the various types of provisions, refer to the comments for the Group.

Expected timing of payment, SEK M	Non-current other provisions	
Group	**2023**	**2022**
Between 1-3 years	118	159
Between 4-5 years	3	—
Later than 5 years	0	0
Total	**121**	**159**

Expected timing of payment, SEK M	Non-current other provisions	
Parent Company	**2023**	**2022**
Between 1-3 years	195	247
Between 4-5 years	—	—
Later than 5 years	—	—
Total	**195**	**247**

31 Accrued expenses and deferred income

Group	2023	2022
Sales-related	2,904	3,131
Employee-related	784	623
Royalty	312	253
Research and development	225	274
Co-Promotion	139	177
Inventory-related	223	182
Other	660	613
Total	**5,248**	**5,253**

Parent Company	2023	2022
Sales-related	481	327
Employee-related	185	179
Royalty	222	213
Research and development	162	254
Co-Promotion	139	177
Inventory-related	170	171
Other	293	294
Total	**1,652**	**1,614**

32 Pledged assets and contingent liabilities

Group	2023	2022
Pledged assets		
Endowment policy	46	48
Total	**46**	**48**

Parent Company	2023	2022
Pledged assets		
Endowment policy	46	48
Total	**46**	**48**

Parent Company	2023	2022
Contingent liabilities		
Guarantee commitment	76	78
Total	**76**	**78**

Guarantee commitments relate to general guarantees for subsidiaries up to a specified amount for certain types of commitments, mainly related to tenders.

33 Related-party transactions

Apart from that stated in the Notes on remuneration of senior executives and intra-Group transactions, there were no related-party transactions.

See Note 5 for internal transactions between the parent and the group's subsidiaries. For a list of subsidiaries see Note 18.

34 Business combinations

On June 26 2023 Sobi completed the acquisition of CTI BioPharma Corp. (CTI), whereby Sobi acquired 100 per cent of the outstanding shares of common stock of CTI, a publicly owned US Company listed on Nasdaq. The total consideration was SEK 18,060 M, which was paid in cash.

Through the acquisition Sobi gained access to CTI´s commercial product Vonjo which is reported within the segment Haematology. Vonjo was approved by the FDA in February 2022 and is a medicine for the treatment of adults with certain types of myelofibrosis, specifically with severe thrombocytopenia, which is an unmet medical need. The acquisition of CTI strengthens Sobi´s access to the US market and Vonjo is highly complementary to Doptelet.

In the period 26 June-31 December CTI contributed to a total revenue of SEK 706 M and a profit of SEK 77 M. If the acquisition had taken place on 1 January 2023 CTI would have contributed to total revenue of SEK 1 218 M and a loss of SEK 102 M. The profit/loss have been adjusted for transaction costs, restructuring costs, financing costs, amortisations on the intangible asset Vonjo and other costs followed by the acquisition.

Transactions costs of SEK 173 M were expensed as IAC and included in administrative expenses in the income statement.

Goodwill represent the opportunity for future growth on the US market and further opportunities in Haematology world wide. Furthermore, it represents the acquired workforce and the expected future synergies and other benefits to be derived from the integration of CTI into Sobi. The goodwill is allocated to Haematology and is not deductible for tax purposes. The purchase price allocation (PPA) is preliminary as the deferred tax asset on acquired net operating losses (NOLs) are being investigated. The current PPA led to the recognition of SEK 2,971 M of goodwill, determined as follows:

SEK M	Preliminary Purchase price allocation (PPA)
Agreed purchase price	18,060
Foreign exchange hedge	-712
Total net consideration	**17,349**
Assets	
Intangible assets (Product and marketing rights)[i]	17,479
Inventory[ii]	772
Cash and cash equivalents	388
Other assets[iii]	1,884
Total assets	**20,523**
Liabilities	
Other liabilities and provisions[iv,v]	-1,638
Deferred taxes[iii]	-4,507
Total liabilities	**-6,145**
Total identifiable net assets at fair value	**14,378**
Goodwill	2,971
Purchase consideration transferred	**17,349**
	Cash flow on acquisition
Net cash acquired with the subsidiary	388
Cash paid including hedge impact	17,349
Net cash flow - Investing activities	**16,961**

i. The fair value attributable to intangible assets was SEK 17,421 M and represents the intellectual property rights of Vonjo. The fair value was determined using a discounted cash flow analysis (DCF) which uses a number of estimates regarding amount and timing of future cash flows. The key assumptions in cash flows are probability of technical success (PTS) of the PACIFICA trial, peak year sales and competitive pressure in myelofibrosis.

ii. The fair value of the inventory was estimated at SEK 772 M, an uplift of SEK 765 M on the carrying value prior to the acquisition. Costs associated with the procurement of APIs, production, labelling and packaging has been expensed by CTI until the FDA approval of Vonjo. Therefore, part of the revaluation to fair value of work in progress and finished goods represents the standard cost value. The fair value was calculated as the estimated selling price less costs to complete and sell the inventory and associated margins on these activities. The release of the fair value on the inventory, excluding the standard cost value, will be recognised as an IAC.

iii. Other assets includes deferred tax of SEK 1,574 M, mainly consisting of NOLs, which are preliminary. Deferred tax liabilities are primarily attributable to the Vonjo intangible asset. For further information regarding deferred taxes, see Note 20.

iv. Other liabilities and provisions include contingent considerations and a term loan to DRI Healthcare Trust (DRI). Contingent considerations are linked to milestone payments for Vonjo of up to USD 108 M, see Note 28. These have been recognised to fair value according to Sobis principles for contingent considerations as described in Note 2 and 4. The term loan was recognised at fair value and repaid by Sobi directly after closing the acquisition.

v. In 2021 CTI entered into a Royalty Financing Agreement with DRI, pursuant to which CTI sold to DRI the right to receive certain royalty payments from CTI for a purchase price of up to USD 85 M in cash. In 2022, DRI funded the upfront purchase price of USD 60 M following FDA approval of Vonjo in February 2022. In March 2023 CTI received additional payment in connection with the achievement of certain minimum Vonjo sales thresholds. DRI will not be required on the remaining contractual funding of up to USD 18.5 M as the minimum Vonjo sales threshold was not met by the end of the third quarter 2023. DRI is entitled under the agreement to receive tiered royalties based on net product sales of Vonjo in the US to an amount equal to 9.6 per cent of annual net sales up to USD 125 M, 4.5 per cent of annual net sales between USD 125 M and USD 175 M, and 0.5 per cent of annual net sales between USD 175 M and USD 400 M. No royalty payments are payable on annual net sales over USD 400 M. CTI recorded the agreement as Royalty financing obligation on the balance sheet. The fair value of the obligation has been considered in the value of the intangible asset Vonjo as the agreement does not contain subjective acceleration clauses or provisions that would require the repayment of funding. Sobi will expense the royalty as cost of goods sold in the same period as the corresponding sales occurs.

35 Proposed appropriation of profit

The following funds are at the disposal of the AGM:

SEK K	
Share premium reserve	15,758,291
Retained earnings	11,291,520
Profit for the year	1,076,815
Total	**28,126,626**

The board proposes that no dividends be paid for the 2023 financial year.

The board proposes that the share premium reserve, retained earnings and profit for the year, totalling SEK 28,126,626 K, be carried forward.

36 Events after the balance sheet date

Annette Clancy assumed the role of Chair of the board

On 5 January, 2024, board member Annette Clancy assumed the role of Chair of the board with immediate effect. She has been a board member of Sobi since 2014 and has extensive experience from executive positions and board positions in the pharmaceutical industry. Bo Jesper Hansen resigned at his own request and with immediate effect due to health reasons.

Pegcetacoplan CAD programme terminated

In January, Sobi and the collaboration partner Apellis decided to stop the CASCADE phase 3 study (EudraCT Number 2021-003160-27/ NCT05096403) evaluating the efficacy and safety of pegcetacoplan in patients with Cold Agglutinin Disease (CAD). This was due to a realignment of Sobi's and Apellis' development activities. There were recruitment challenges due to availability of alternative therapeutic options that limited the number of patients eligible for this study. There were no safety concerns and efficacy was not evaluated due to the blind design of the study. Due to this, Sobi will not pay the commitment of USD 15 M that remained at the end of the year linked to compensation for research and development costs.

Pegcetacoplan received positive CHMP opinion for 1L PNH

On 25 January Pegcetacoplan received positive CHMP opinion for first line (1L) treatment of adult patients with paroxysmal nocturnal haemoglobinuria (PNH) who have haemolytic anaemia.

Sobi and Handok establish joint venture for rare disease business in South Korea

The joint venture, due for incorporation in the first half of 2024, is expected to enhance the Sobi and Handok collaboration. Strengthening their position in the rare disease business, Handok and Sobi aim to develop, commercialise and distribute Sobi's innovative medicines in South Korea.

The board and CEO confirm that the consolidated financial statements have been prepared in accordance with IFRS, as adopted by the EU, and provide a true and fair view of the Group's financial position and results. The Annual report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's financial position and results.

The directors' report for the Group and the Parent Company provides a true and fair view of the development of the Group and the Parent Company's operations, financial position and results and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group. The income statements and balance sheets will be presented to the AGM on 14 May 2024 for adoption.

Stockholm, 26 March 2024

Annette Clancy
Chair of the board of directors

Christophe Bourdon
Board member

Helena Saxon
Board member

Staffan Schüberg
Board member

Filippa Stenberg
Board member

Anders Ullman
Board member

Mats Lek
Employee representative

Katy Mazibuko
Employee representative

Guido Oelkers
Chief Executive Officer

Our auditor's report was submitted on 28 March 2024
Ernst & Young AB

Jonatan Hansson
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Swedish Orphan Biovitrum AB (publ), corporate identity number 556038-9321

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Swedish Orphan Biovitrum AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 34-96 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December, 2023, and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 32 December, 2023, and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the statement of comprehensive income and balance sheet for the group and the income statement and balance sheet for the parent company.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue – Estimate of Unsettled Pharmaceutical Taxes and Discounts

Description	How our audit addressed this key audit matter
The Group (below referred to as the Company) operates in a number of countries where sales to customers take place under various commercial and governmental contracts and regulations where pharmaceutical taxes and discounts exist as conditions for certain products. Net sales are reported after deductions from pharmaceutical taxes and discounts. Therefore, an estimate of the unsettled revenue adjustments for pharmaceutical taxes and discounts needs to be made at year end. The unsettled revenue adjustments recorded at 31 December, 2023, are based on the Company's best assessment of the expected outcome of future settlement of the commitments at year end. The assessment is complex and often requires access to both internal and external market and sales data that may be limited at the time of assessment. Refer to Note 2, 4 and 5 in the annual report for a detailed description of the revenue adjustments and the liabilities reported. Due to the significant amount that the revenue adjustments represent in relation to the Company's comprehensive income for the period and the complex assessments, revenue adjustments is a key audit matter in our audit.	We have in our audit obtained an understanding of the Company's process to identify and assess the unsettled revenue adjustments. We have also evaluated the Company's previous accuracy in preparing forecasts, on a sample basis tested the Company's calculation of liabilities for the revenue adjustment against agreements or regulation and assessed the reasonableness of the assumptions and data that the Company used in its assessment. In certain countries we have also been supported by our internal specialists in our audit. We have also assessed the disclosures in the annual report.

Valuation of product and market rights and goodwill

Description	How our audit addressed this key audit matter
Per 31 December, 2023, the majority of (80% or SEK 58,930 M) the Group's (below referred to as the Company) total assets consist of product- and marketing rights as well as goodwill (hereafter referred to as "the assets"). The Company performs an impairment test of the assets on an annual basis and when events or changes in conditions indicate that the carrying amount of the assets may exceed the recoverable amount. Testing of impairment for the assets involve a number of significant assumptions and assessments, among other assessing the value in use through identifying cash generating units, estimating expected future cash flows including the growth rate and calculating weighted average cost of capital ("WACC") used to discount future cash flows. The Company's process for assessing impairment requirements also includes the use of the management's and the board of directors' business plans and forecasts. For additional information refer to the Group's accounting principles in Note 2, significant assessments and assumptions in Note 4 as well as information about the product and marketing rights and goodwill in Note 16. We focused on this area as the book value of the assets are significant and the impairment test is sensitive to changes in assumptions. Therefore, we considered this a key audit matter in our audit.	Our audit was conducted together with our valuation specialists and included but was not limited to the following audit procedures: • obtained an understanding of the Company's process and models used for identifying indicators of impairment • evaluation of methods used by management when performing the impairment test including the sensitivity analysis and • review of the assessments made by the Company when testing the impairment with our focus on assumptions for which the result of impairment testing is most sensitive to by comparison to historical outcome and accuracy in previous forecasts, evaluation of the Company's own sensitivity analysis and performing our own sensitivity analysis. We have also assessed the disclosures in the annual report.

Acquisition of CTI BioPharma Corp.

Description	How our audit addressed this key audit matter
The Group (below referred to as the Company) has during 2023 made a business combination through the acquisition of all shares in CTI BioPharma Corp. The acquired identifiable assets and liabilities are measured at fair value at the acquisition date by performing a purchase price allocation. The purchase price allocation for the business combination is presented in Note 34. The difference between the fair value of the consideration and the fair value of acquired assets and assumed liabilities is recognized as goodwill. Since the process of identifying and valuing assets and liabilities in a purchase price allocation involves assessments and complex valuation models, we have assessed the accounting for the business combination of CTI BioPharma Corp. as a key audit matter in our audit. Disclosures related to the Company's accounting principles, significant estimates and assumptions are described in Note 2 and Note 4. Information related to the acquisition is presented in Note 34.	Our audit has included, but was not limited to, the following audit procedures: • obtained an understanding of the Company's process for accounting of business combinations, • audit of the presented purchase price allocation and reconciled the presented information against supporting documentation, • audit of the opening balances as of the acquisition date, • evaluation of management's assessments and valuations of identifiable assets and assumed liabilities, • evaluation, with support of our valuation specialists, of the applied valuation model as well as the material assumptions used in the purchase price allocation such as discount rates and growth rates. We have also assessed the disclosures in the annual report.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-22, 30-33, 110-114 and 153-162. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The board of directors and the managing director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the board of directors and the managing director
The board of directors and the managing director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of directors and the managing director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The board of directors and the managing director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the board of directors and the managing director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit committee shall, without prejudice to the board of directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and the managing director.
- Conclude on the appropriateness of the board of directors' and the managing director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the board of directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the board of directors and the managing director of Swedish Orphan Biovitrum AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the board of directors and the managing director
The board of directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The managing director shall manage the ongoing administration according to the board of directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the board of directors or the managing director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the board of directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the board of directors and the managing director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Swedish Orphan Biovitrum AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Swedish Orphan Biovitrum AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the board of directors and the Managing Director
The board of directors and the managing director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the board of directors and the managing director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the board of directors and the managing director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the board of directors and the managing director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB, Box 7850, 103 99 Stockholm with Jonatan Hansson as auditor in charge was appointed auditor of Swedish Orphan Biovitrum AB (publ) by the general meeting of the shareholders on May 9. 2023, and has been the company's auditor since May 8, 2014.

Stockholm, 28 March, 2024
Ernst & Young AB

Jonatan Hansson
Authorized Public Accountant

Corporate governance report

Swedish Orphan Biovitrum AB (publ) is a Swedish public limited liability company with its registered office in Stockholm, Sweden. Sobi is listed on Nasdaq Stockholm. This report for the 2023 financial year has been audited.

Sobi is an international biopharmaceutical company focused on rare diseases with in-house capabilities that stretch from R&D and biologics manufacturing to distribution and commercialisation.

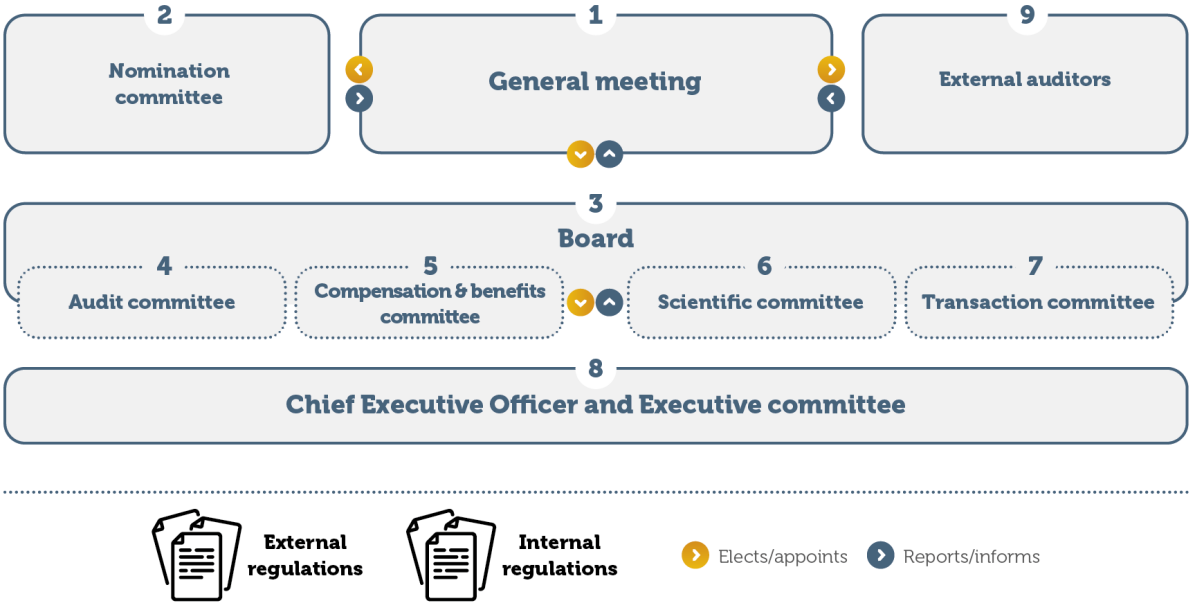
In addition to Swedish legislation and other regulations, the Group's corporate governance is based on the Swedish Corporate Governance Code and the Nasdaq Stockholm Nordic Main Market Rulebook for Issuers of Shares. Sobi complies with the Swedish Corporate Governance Code without any deviations and has not breached the Nordic Main Market Rulebook for Issuers of Shares or standards of good practice for listed companies. The Swedish Corporate Governance Code is available at www.bolagsstyrning.se and the Nordic Main Market Rulebook for Issuers of Shares is available at www.nasdaqomxnordic.com.

This corporate governance report summarises how corporate governance is organised and how it was carried out in 2023. The report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Governance Code. The illustration below provides an overview of Sobi's corporate governance structure, which is then described in more detail in this report.

In addition to the external regulations set out above, there are also a number of internal regulations in place to support Sobi's corporate governance, such as the Articles of Association, Rules of Procedure for the board and its committees, CEO instructions and Sobi's governing documents with Sobi's Code of Conduct as a portal document.

1. General meeting

Sobi's highest decision-making body is the general meeting through which shareholders have the right to make decisions on Sobi's affairs. The AGM must be held within six months of the end of the financial year, and extraordinary general meetings may be held if the board deems it necessary, or at the request of Sobi's auditors or shareholders holding at least 10 per cent of all shares in the company. The AGM adopts the income statement and balance sheet, resolves on the appropriation of profits and elects board members, the chair and auditors.



Sobi does not apply any special arrangements with regard to the function of the general meeting, either on the basis of provisions in the Articles of Association or, to the extent they are known to the company, shareholder agreements.

The Articles of Association state that the AGM is to be held in Stockholm or Solna. At present, Sobi has not found that the composition of the shareholder base calls for any special measures to enable shareholders to follow the AGM remotely. Notice of the AGM is published in The Official Swedish Gazette (Post- och Inrikes Tidningar) and on the company's website. When this has been done, an announcement to this effect is published in Svenska Dagbladet.

2023 AGM

The AGM was held on 9 May 2023 in Stockholm. The shareholders were able to exercise their voting rights at the meeting also by postal voting in accordance with the regulations in Sobi's Articles of Association. The meeting was attended by 863 shareholders (300) in person, by postal voting or by proxy. They represented 66.7 per cent (64.0) of the total number of votes. Lawyer Eva Hägg was elected to chair the meeting.

The complete minutes and information from the 2023 AGM are available at sobi.com.

Resolutions 2023 AGM

The following resolutions were inter alia adopted by the 2023 AGM:

- Re-election of five board members
- Election of two new board members
- Election of new chair
- Re-election of Ernst & Young AB as auditor
- Remuneration of the board members and auditors
- Approval of the board's remuneration report for 2022
- Discharge from liability for the board and CEO for the 2022 financial year
- Introduction of long-term incentive programmes

2023 EGM

The EGM was held on 15 August 2023 in Stockholm. The shareholders were able to exercise their voting rights at the meeting also by postal voting in accordance with the regulations in Sobi's Articles of Association. The meeting was attended by 806 shareholders in person, by postal voting or by proxy. They represented 56,3 per cent of the total number of votes. Lawyer Emil Boström was elected to chair the meeting. The complete minutes and information from the 2023 EGM are available at sobi.com.

Resolutions 2023 EGM

The following resolutions were adopted by the 2023 EGM:

- Authorisation for the board to resolve on a new issue of common shares
- Authorisation for the board to resolve on a directed issue of series C shares and authorisation for the board to resolve on repurchase of issued series C shares

2024 AGM

The AGM will be held on Tuesday, 14 May 2024. For more information about the AGM, see page 153.

Shareholders, share capital, the share and voting rights

At year-end, Sobi had a total of 22,408 (21,914) shareholders. Investor AB was the largest shareholder, with 34.7 per cent (34.7) of the share capital and 34.7 per cent (34.7) of the votes. The 15 largest shareholders accounted jointly for 74.9 per cent (74.5) of the share capital and 74.9 per cent (74.5) of the votes. No shareholders other than Investor AB have a direct or indirect shareholding that represents one-tenth or more of the votes for all shares in the company. Sobi's Articles of Association do not contain any restrictions on how many votes each shareholder may cast at a general meeting.

Nor do they contain any specific provisions on the appointment and dismissal of board members or amendments to the Articles of Association.

Conversion of shares and authorisations for the board

In order to secure commitments under long-term incentive programmes, the AGM on 9 May 2023 adopted (i) a directed issue of redeemable and convertible C shares, (ii) authorisation for Sobi's board to resolve on the repurchase of issued C shares, and (iii) the transfer of Sobi's own shares to participants in the programme for the CEO, senior executives, managers and other pre-selected key employees.[15]

The AGM also resolved to transfer a maximum of 556,986 of Sobi's own shares in order to cover some expenses, mainly social security contributions, which may arise due to the 2019 and 2020 Incentive Programmes. The AGM also resolved to authorise the board to make decisions regarding the issue of shares and/or convertibles and/or warrants.

On 31 December 2023, Sobi held 14,601,832 shares in treasury. In 2023, all previously issued C shares were converted into ordinary shares. For more information about the total number of shares in the company, the different classes of shares and the votes carried by the company's shares, see the section The share.

Dividend policy

Sobi's board bases its evaluation of potential future dividends on several factors, including:

- The company's sustainable earnings trend
- The company's expansion potential and access to capital
- The company's operational risk
- The dividend's impact on liquidity in terms of cash flow

No dividend has been paid since Sobi was listed on Nasdaq Stockholm in 2006. Moreover, it is the board's intention that future profits made by the company will be reinvested in the continued development and expansion of the business and, consequently, no dividend is expected in the short to medium term.

The board proposes that no dividend be paid for 2023.

2. Nomination committee

The Nomination committee represents Sobi's shareholders and is tasked with preparing the AGM's resolutions on election and fee matters regarding board of directors and auditor.

According to the instructions and statutes adopted by the AGM on 9 May 2019, the Nomination committee shall consist of four members: the chair of the board and one representative from each of the three largest shareholders in terms of votes in the company on the last banking day of August, based on ownership statistics from Euroclear Sweden AB, who wish to appoint a representative. The Nomination committee observes the rules on the independence of board members according to

[15] As regards the programme for other employees the AGM 2023 resolved on an equity swap agreement with a third party in order to secure commitments under the programme.

the Swedish Corporate Governance Code. The names of the members of the Nomination committee prior to the 2024 AGM were published on the company's website on 19 October 2023.

In the period up to the 2024 AGM, the Nomination committee has the following composition: Daniel Nodhäll (Investor AB) and chairman of the Nomination committee, Thomas Ehlin (Fourth Swedish National Pension Fund), Niklas Johansson, Handelsbanken Fonder AB, and Annette Clancy, chair of the board of Sobi.[16] Prior to the 2024 AGM, the Nomination committee held six[17] minuted meetings. As a basis for its work, the Nomination committee has taken note of the chairman's account of the board's work.

The Nomination committee has prepared proposals for the AGM regarding the election of board members, fees of board and committee members, appointment of auditor, auditor fees and chair of the AGM.

Nomination committee prior to the 2024 AGM

Name/Representing	Votes 31 Dec. 2023, %	Votes 31 Dec. 2022, %
Daniel Nodhäll, chairman of the Nomination committee, Investor AB	34.7	34,7
Thomas Ehlin, Fourth National Pension Fund	5.9	6.5
Niklas Johansson, Handelsbanken Fonder AB	2.2	1.9
Annette Claincy, chair of Swedish Orphan Biovitrum AB (publ)[i]	0.0	0.0
Total	**42,8**	**43.1**

i. Bo Jesper Hansen resigned from the position as Chairman of the board and board member on 5 January 2024 due to health reasons and was replaced as chair of the board by the board member Annette Clancy.

3. Board/chair of the board

Sobi is a specialised international biopharmaceutical company transforming the lives of people with rare and debilitating diseases.

The portfolio contains both medicines and projects at various stages of development. It is therefore crucial that board members have relevant experience from marketing and research in the pharmaceutical industry, as well as solid financial expertise. The board is responsible for the Group's organisation and management. The board also decides on overall objectives, strategies, the financial structure, policies, appointment of the CEO, remuneration of the Executive committee, acquisitions, divestments and major investments. The board produces annual and interim reports and proposes dividends to the AGM.

The board's work is based on its charter, the CEO instructions and the principles for the division of work between the CEO, chair of the board, board members and committees established by the board. The board charters and the CEO instruction are revised and updated once a year.

Composition of the board

The company's board shall comprise a minimum of three and a maximum of twelve members. The Nomination committee represents the shareholders and is responsible for preparing the AGM's decisions on matters related to election and fees as regards board of directors and auditor and, when applicable, procedural matters for the next Nomination committee. The Nomination committee has applied rule 4.1 of the Swedish Corporate Governance Code as a diversity policy. The objective of the policy is that the board shall have an appropriate composition with regard to the company's business, stage of development and situation in general, characterised by versatility and breadth in respect of the competence, experience and background of members elected by the AGM, and that efforts shall be made to achieve an even gender distribution. As set out in the Nomination committee's motivated opinion to the 2023 AGM, the Nomination committee has taken into account the importance of a well-functioning composition of the board in terms of diversity, including gender, nationality, professional experience and experience of sustainability work, and that the Nomination committee strives to achieve and maintain an equal gender balance. The current composition of the board is the result of the Nomination committee's work prior to the 2023 AGM.

The 2023 AGM adopted the Nomination committee's proposal that the board, as of the 2023 AGM and until 31 December 2023, has consisted of seven elected members (five re-elected and two newly elected by the 2023 AGM) as well as two employee representatives appointed by the trade union organisations (plus two deputies for the employee representatives). Three of the elected board members are women. Bo Jesper Hansen resigned from the position as Chairman of the board and board member on 5 January 2024 due to health reasons and was replaced as chair of the board by the board member Annette Clancy.

For more information about the board, see pages 110-111.

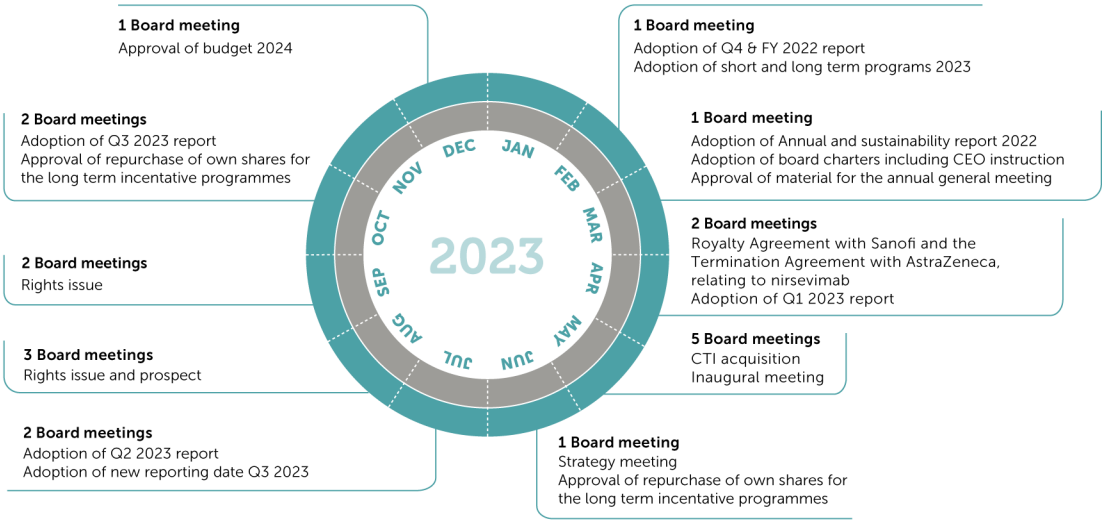
Independence

Sobi meets the Swedish Corporate Governance Code's independence requirements in that a majority of the AGM-elected board members are independent of the company and its management, and that at least two of them are independent of major shareholders. The table on page 105 shows the independence of board members on the publication date of this report.

Chair of the board

In addition to leading the board's work, the chair of the board's duties include monitoring the company's performance and ensuring that any important matters are addressed if required, in addition to those already on the agenda. The chair shall consult with the CEO on strategic matters, participate in important external relationships and represent the company in ownership issues. The chair is also responsible for ensuring that the board's work is regularly evaluated and that new board members receive adequate training.

[16] Bo Jesper Hansen resigned from the position as Chairman of the board and board member on 5 January 2024 due to health reasons and was replaced as Chair of the board by the board member Annette Clancy.
[17] As of the date of this corporate governance report.



Number of meetings

In addition to the statutory board meeting, the board shall meet at least four times per year, generally in connection with the publication of interim and annual reports and the AGM. Additional meetings or teleconferences are convened as necessary. The board conducts an in-depth strategic review of operations during at least one of the board meetings each year. For 2024, the board has scheduled a total of ten ordinary meetings in addition to the statutory board meeting.

Board work in 2023

In 2023, the board held a total of 20 meetings, of which nine were scheduled in addition to the statutory meeting, and ten were extra meetings. Sobi's CEO and President attends board meetings, as does Sobi's General Counsel, who has served as secretary at the meetings. Other Sobi employees have attended in a reporting capacity. The number of extra board meetings was mostly motivated by Sobi's acquisition of CTI and the following rights issue, and discussions related to business development projects. The matters addressed are shown in the illustration above. The board members' attendance at board meetings is presented in the table on the following page.

Board fees

At the AGM on 9 May 2023, the board resolved that for the period until the next AGM, a fee of SEK 570 K would be paid to each of the elected board members except for the chairman, who would be paid a fee of SEK 1,725 K.

Fees for the Audit committee's work would be SEK 190 K for the chair and SEK 110 K for each of the other members. Fees for the Compensation & benefits committee's work would be SEK 125 K for the chairman and SEK 80 K for each of the other members. Fees for the Scientific committee's work would be SEK 125 K for the chair and SEK 80 K for each of the other members, and that fees for work in another committee in accordance with a decision by the board should be SEK 80 K to each member of that committee. In 2023, board fees of SEK 6,615 K were paid, including remuneration for committee work.

It was further resolved that for each physical board meeting, a fee of SEK 20 K would be paid to board members residing in Europe but outside the Nordic region and 3,500 USD to board members residing outside Europe.

The board members' remuneration for committee meetings is presented in the table on the following page.

Evaluation of the board's work

The board conducts an annual evaluation of its work. The evaluation covers working methods and climate, and the main focus of the board's work. This evaluation also focuses on access to, and the need for, specific skills on the board. The evaluation is used as a tool for developing the board's work and serves as input for the Nomination committee's work. Every year, the chair initiates and leads the evaluation of the board's work. In 2023, the board members answered written questionnaires. As part of the evaluation process, the chairman also held individual discussions with individual board members. The chairman presented the results of the evaluation for the Nomination committee.

4. Audit committee

The Audit committee's main task is to address issues related to the company's accounting, auditing and financial reporting, and matters related to internal governance and control. The Audit committee consists of three members, all who are independent of management:

- Helena Saxon (chair)
- Staffan Schüberg
- Filippa Stenberg

Sobi's CFO serves as secretary of the committee but is not a member. Sobi's CEO attended all meetings but is not a member. The committee held six meetings during the year. Sobi's auditor attended five of the meetings. The committee reports regularly to the board about its work. The board members' attendance and remuneration for committee meetings is presented in the table on the following page.

		Remuneration (KSEK)							Attendance[i]				
	Independence	Fees	Audit committee	Compensation & benefits committee	Scientific committee	Transaction committee	Other[v]	Total	Board	Audit committee	Compensation & benefits committee	Scientific committee	Transaction committee
Bo Jesper Hansen[ii]	x	1,450	–	83	77	53	20	1,744	20/20	–	9/9	4/4	2/2
Håkan Björklund[iii]	x	588	–	40	–	–	–	598	5/6	–	5/5	–	–
Christophe Bourdon[iii]	x	380	–	53	–	–	–	433	13/14	–	7/9	–	2/2
Annette Clancy	x	563	–	–	93	53	20	770	18/20	–	–	4/4	2/2
Matthew Gantz[iii]	x	183	–	23	–	–	72	279	6/6	–	4/5	–	–
Helena Saxon	iv	563	188	23	–	53	–	828	20/20	6/6	14/14	–	2/2
Staffan Schüberg	x	563	110	–	–	53	20	827	19/20	6/6	–	–	2/2
Filippa Stenberg	iv	563	110	–	–	–	–	673	20/20	6/6	–	–	–
Anders Ullman[iii]	v	380	–	–	83	–	–	463	14/14	–	–	4/4	–
Mats Leek	vi	–	–	–	–	–	–	–	7/7	–	–	–	–
Katy Mazibuko	vi	–	–	–	–	–	–	–	20/20	–	–	–	–
Sara Carlsson	vi	–	–	–	–	–	–	–	1/1	–	–	–	–
Åsa Kjellström	vi	–	–	–	–	–	–	–	1/1	–	–	–	–
Pia Axelson	vi	–	–	–	–	–	–	–	5/6	–	–	–	–
Erika Husing	vi	–	–	–	–	–	–	–	19/19	–	–	–	–
Linda Larsson	vi	–	–	–	–	–	–	–	11/15	–	–	–	–
Susanna Rönnback	vi	–	–	–	–	–	–	–	1/10	–	–	–	–
Total		**5,205**	**408**	**223**	**253**	**213**	**132**	**6,615**					

i. The figures in the table show the totals for attendance/meetings. In 2023, the board held a total of 20 meetings, of which nine were scheduled in addition to the statutory meeting and ten were extra meetings. The Audit committee held six meetings, the Compensation & benefits committee held 14 meetings, the Scientific committee held four meetings and the transaction committee held two meetings.

ii. During the year, Bo Jesper Hansen fulfilled the role of chairman of Sobi's board and the remuneration committee from the 2023 annual general meeting until 5 January, 2024.

iii. At the AGM on 9 May 2023 Håkan Björklund resigned as Chairman of the board and Matthew Gantz as ordinary member of the board while Bo Jesper Hansen was appointed as new Chairman of the board and Christophe Bourdon and Anders Ullman were appointed new ordinary members of the board.

iv. Board member does not qualify as independent in relation to major shareholders.

v. Board member does not qualify as independent in relation to the company.

vi. Employee representatives. During the year Mats Lek and Katy Mazibuko were appointed as regular employee representative for the board and Sara Carlsson and Åsa Kjellström were appointed as deputies. In addition Pia Axelson and Erika Husing resigned as regular employee representatives for the board and Susanna Rönnback and Linda Larsson as deputies.

vii. For each physical board meeting, a fee of SEK 20 K (10) is paid to members who live in Europe but outside the Nordic region, and USD 3,5 K (3) to each member who lives outside Europe.

5. Compensation & benefits committee

The Compensation & benefits committee's task is to recommend guidelines and principles for Sobi's remuneration programmes. This includes a review of and proposals for the remuneration of senior executives, the long-term incentive programmes, pension plans and other issues related to employee benefits. Sobi's Compensation & benefits committee consists of three members[18], who are all independent of management:

- Annette Clancy (chair)
- Helena Saxon
- Christophe Bourdon

Sobi's Head of HR serves as secretary of the committee but is not a member. The Compensation & benefits committee held 14 meetings during the year. At nine of the fourteen meetings, decisions were made per capsulam. At these meetings, the committee discussed and monitored annual salary revisions and bonus outcomes for the CEO and senior executives, and proposed guidelines and allotments for the long-term incentive programme. The committee reports regularly to the board about its work.

A remuneration report has been prepared and will be presented at the 2024 AGM for adoption by the shareholders. The board members' attendance and remuneration for committee meetings is presented in the table above.

For information about salaries and remuneration of the CEO and senior executives, see Note 10.

[18] Bo Jesper Hansen is not part of the Compensation and benefits committee since 5 January 2024 when he resigned from the position as Chairman of the board and board member due to health reasons. Annette Clancy has replaced Bo Jesper Hansen as member and chair of the Compensation and benefits committee.

6. Scientific committee

The Scientific committee's task is to provide advice on scientific matters, to evaluate the company's R&D strategies and to monitor and report to the board on scientific trends and new fields of R&D. Sobi's scientific committee consists of two members[19]. Annette Clancy is independent of management, while Anders Ullman is dependent of management:

- Anders Ullman (chairman)
- Annette Clancy

Sobi's CEO and Head of RDMA attend the meetings, but are not members. Head of RDMA serves as secretary of the committee. The committee held four meetings during the year. The committee reports regularly to the board about its work. The board members' attendance and remuneration for committee meetings is presented in the table on the previous page.

7. Transaction committee

During the second half of 2023 the board decided to appoint a transaction committee. The Transaction committee's task is to advice on transactional initiatives. As part of its responsibilities, the committee evaluates Sobi's transaction strategy and reviews, recommends and reports to the board on potential transactions. Sobi's Transaction committee consists of three members[20], who are all independent of management:

- Annette Clancy (chair)
- Helena Saxon
- Staffan Schüberg

Sobi's CEO and Head of strategy and business development have participated in the meetings, but are not members. Head of strategy and business development has been secretary of the committee. The committee held two meetings during the second half of the year. The committee reports regularly to the board about its work. The board members' attendance and remuneration for committee meetings is presented in the table on the previous page.

8. Chief Executive Officer and Executive committee

Sobi's operations are divided into regions and functions, and Sobi's Executive committee consists of the CEO and head of each region or function. The Executive committee has a broad composition of members with extensive experience in R&D, the markets in which Sobi operates and the production and sale of medicines. In addition, members of the Executive committee hold the required competence in accounting, finance, law, communications and HR. At Sobi, we see diversity, equality, and inclusion (see page 26 Always act responsibly) as important components in building a successful organisation. These components also provide a guidance in the composition of the Executive committee, which is characterized by diversity and breadth in terms of the members competences, experience, and background, and the strive for even gender distribution. In 2023 the Executive committee had monthly meetings. For more detailed information about the Executive committee members, see pages 112-114.

Each year, the board establishes the division of work between the board, the chair and the CEO. Operational management is based on the decision-making procedure detailed in the Group authority policy adopted by the board.

9. Auditor

Sobi's auditor is the auditing firm Ernst & Young AB (EY) with Authorised Public Accountant Jonatan Hansson as auditor in charge. EY was elected as Sobi's auditor until the end of the 2024 AGM and has been Sobi's auditor since the 2014 AGM. The auditor reviews one interim report, normally Q3, and audits the Annual report and consolidated financial statements. As a result of the rights issue, the auditor reviewed the quarterly report for quarter 2 in 2023. The auditor also expresses an opinion on whether this corporate governance report has been prepared, and whether certain disclosures herein are consistent with, the annual accounts and consolidated financial statements. The auditor reports the results of their audit of the annual accounts and consolidated financial statements and their review of the corporate governance report in the auditor's report, with a separate opinion on the corporate governance report, which they present to the AGM. In addition, the auditor presents detailed findings from their reviews to the Audit committee three times a year, and to the full board, without the presence of the CEO and the executive committee, once a year.

For information about remuneration of the company's auditors, see Note 11.

Sobi's internal control over financial reporting

The board is responsible for ensuring effective internal control systems in accordance with the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Governance Code. The board presents the most important elements of Sobi's internal control and risk management over financial reporting below.

Sobi's internal control framework

Sobi´s description of internal control complies with the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission) and its five components: control environment, risk assessment, control activities, information and communication and monitoring activities.

The illustration on the following page provides an overview of Sobi's framework for internal control over financial reporting and shows how the framework's components interact to ensure good internal control over financial reporting. The components are described in more detail below.

Control environment

The control environment constitutes the basis of Sobi's internal control. The control environment comprises culture on which the board and management base their work as well as processes and Sobi's internal regulations.

The control environment for financial reporting comprises processes with appointed key controls, clear roles and responsibilities, high competence and governing documents.

Sobi's governing documents are gathered on the company's intranet. Some of the governing documents with relevance for financial reporting are:

- Sobi's Code of Conduct
- The board charters and the CEO instruction
- Decision-making powers established by the board
- Financial closing and reporting instructions
- Accounting manual
- Treasury policy
- Tax policy
- Risk management policy

[19] Bo Jesper Hansen is not part of the Scientific committee since 5 January 2024 when he resigned from the position as Chairman of the board and board member due to health reasons. No new member of the Scientific committee has been appointed to date.

[20] Bo Jesper Hansen is not part of the Transaction committee since 5 January 2024 when he resigned as Chairman of the board and board member due to health reasons. No new member of the Transaction committee has been appointed to date.

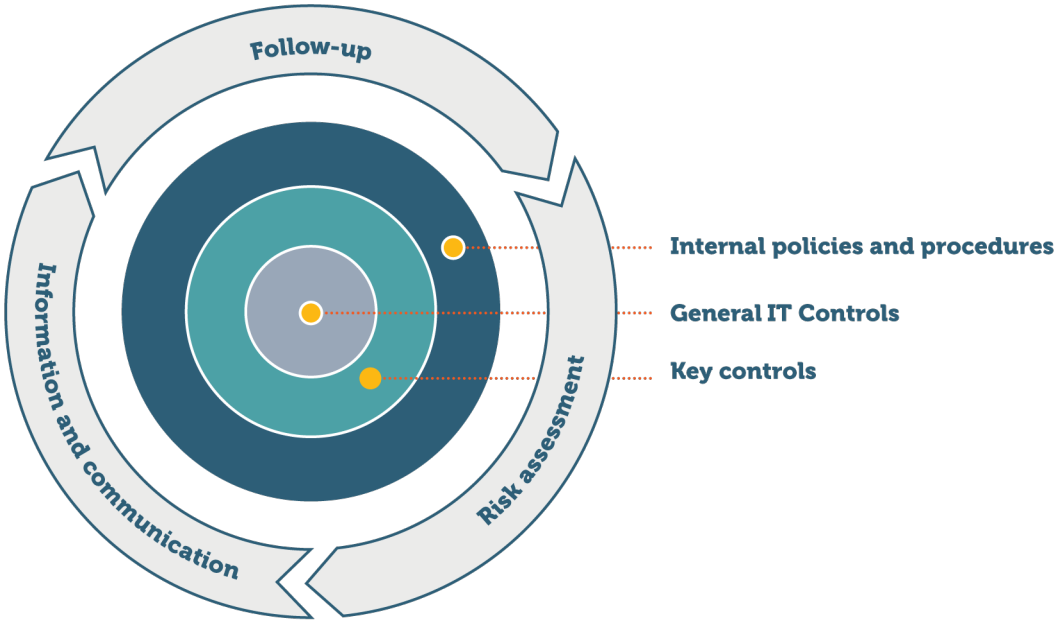
Risk assessment

The risk management process contributes with structures and systems to proactively identify and manage risks that could have a negative impact on the company's ability to achieve its financial targets and reputation. Sobi's enterprise risk management process is business-wide, and consolidation and reporting of significant risks is done at least yearly. In 2023, Sobi's enterprise risk management process has been updated to align with Sobi's double materiality assessment. Sobi´s climate-related risk assessment (TCFD) is part of the enterprise risk management process since 2022.

Significant business-wide risks that have been identified are described on pages 42-44.

Control activities

The aim of control activities is to manage identified risks and contribute to strong internal control and organisational efficiency. Control activities applicable to financial reporting process include approval of decisions and transactions, account reconciliation and analytical monitoring. Sobi´s identified key controls concerning the financial reporting process are described and documented in Sobi´s control framework. Sobi´s control activities are either manual or automated in Sobi´s financial systems. Sobi also has general IT controls in place for managing its system environment. General IT controls include identity and access management and change management.



Information and communication

Sobi has internal information and communication channels to ensure that financial reporting disclosures are efficient and accurate. Sobi's intranet, which also includes the Finance Portal, which is a platform for information to support the financial closing and reporting process, is the main communication platform. The Group's financial organisation also holds continuous meetings with a focus on ensuring that everyone has enough information to ensure accurate financial reporting. The board and its Audit committee receive regular reports on the Group's financial position and performance.

Procedures for external information disclosure aim to provide the market with relevant, reliable and accurate information about Sobi's performance and financial position. The guidelines for financial reporting are set out in Sobi's Communication policy. Financial information is presented regularly in the form of:

- Interim reports
- Annual report
- Press releases about important news and events that could significantly affect the valuation of the company and the share price
- Presentations and teleconferences for financial analysts, investors and media representatives on the publication date of interim reports and in connection with the release of other important information
- Meetings with investors and financial analysts

Reports, presentations and press releases are published on sobi.com.

Follow-up

Forms of supervision of internal control are determined by the board and the Audit committee. Sobi's CFO is responsible for ensuring that internal control over financial reporting and have as support Head of Internal Control with the objective to strengthening, develop and monitor the internal control.

The board deals with all interim and annual reports prior to publication and monitors the review of internal control through the Audit committee.

Sobi's external auditor reports their observations and assessment of internal controls to the Audit committee.

Internal audit

Sobi does not have a separate internal audit function, but an internal control function that develop and monitor compliance with Sobi's internal control framework, together with the operational organisation.

The board and Audit committee regularly examine the issue of whether an internal audit function should be established and based on this year's internal control report do not consider that a separate Internal audit function is not necessary at present.

Activities that strengthened internal control in 2023

- Development and digitalization of the Group's internal control framework.
- Monitoring of the internal control framework, using both self-assessment and internal control visits.
- Continued collaboration with other control functions.

Internal control over sustainability reporting

During 2023 Sobi initiated a taskforce to make sure that the new EU sustainability legislation, CSRD, affecting the financial and sustainability reporting, is understood and implemented into Sobi´s formalized internal reporting procedures with good internal control. To make sure Sobi´s financial and sustainability reporting is prepared in accordance with law, applicable accounting standards and other requirements for listed companies' processes, Sobi´s internal reporting procedures including controls will be continuously developed and reviewed during 2024.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Swedish Orphan Biovitrum AB (publ), corporate identity number 556038-9321

Engagement and responsibility
It is the Board of directors who is responsible for the corporate governance statement for the year 2023 on pages 101-108 and 110-114 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 28 March 2024
Ernst & Young AB

Jonatan Hansson
Authorized Public Accountant

Board of directors

Sobi has a highly experienced board of directors and Executive committee with diverse expertise in drug development, regulatory affairs, market access, research and development, and commercialisation. Their proficiency spans pharmaceutical operations, strategic planning, legal affairs, sustainability,and corporate governance, bringing perspectives from biotechnology, clinical research, patient engagement and healthcare systems around the globe. The leadership team's extensive experience enables Sobi to navigate challenges and opportunities in treatments for rare diseases.

Annette Clancy

Chair, board member since 2014; chair of the Transaction committee and member of the Scientific committee.

Born 1954; British national.

Education: Bachelor of Science (Hons) in pharmacology from Bath University, UK.

Other assignments: Operational Investor at Jeito Capital.

Prior experience: Senior Advisor, Biopharmaceutical Team of Frazier Healthcare. Chair of Genable Therapeutics, Lysogene SA, Obseva SA and Enyo SA. Board member of Silence Therapeutics plc. and Clavis Pharma. Head of Transaction and Alliance Management, Global Business Development at GlaxoSmithKline (GSK).

Independent of Sobi and its executive management: Yes

Independent in relation to major shareholders of Sobi: Yes

Shares in Sobi: 3,414.

Christophe Bourdon

Board member since 2023; member of the Compensation & benefits committee.

Born 1970; French and German national.

Education: Master of Business Administration from International Institute for Management Business School Switzerland and Bachelor of Arts from ISG Business School, France.

Other assignments: CEO of Leo Pharma A/S.

Prior experience: CEO of Orphazyme A/S. Senior Vice President, General Manager, US Oncology Business and member of the Operating Team at Amgen Inc. Senior Vice President of Europe, Middle East, Africa and Canada at Alexion. Other key roles within the international pharmaceutical industry.

Independent of Sobi and its executive management: Yes

Independent in relation to major shareholders of Sobi: Yes

Shares in Sobi: 0.

Helena Saxon

Board member since 2011; chair of the Audit committee and member of the Compensation & benefits committee and the Transaction committee.

Born 1970; Swedish national.

Education: Master of Science from Stockholm School of Economics, Sweden.

Other assignments: CFO at Investor AB. Board member of SEB. Board member of Stockholm School of Economics.

Prior experience: CFO at Hallvarsson & Halvarsson. Vice President at Investor AB. Financial analyst at Goldman Sachs. Board member of Aleris and Mölnlycke Health Care.

Independent of Sobi and its executive management: Yes

Independent in relation to major shareholders of Sobi: No

Shares in Sobi: 22,856.

Staffan Schüberg

Board member since 2020; member of the Audit committee and the Transaction committee.

Born 1969; Swedish national.

Education: Bachelor of Arts (Hons) in business administration from the London Guildhall University, UK.

Other assignments: CEO of the ESTEVE Group. Board member of Dizlin Pharmaceuticals AB, Hangzhou Jiuyuan Gene Engineering Co. Ltd and Corporacíon Químico Farmacéutical Esteve S.A.

Prior experience: More than 20 years of experience from board and executive management roles, including several senior positions within Lundbeck A/S, such as Regional Vice President for Southern and Western Europe, President and Chairman of the US operations and Global Chief Commercial Officer on Group level.

Independent of Sobi and its executive management: Yes

Independent in relation to major shareholders of Sobi: Yes

Shares in Sobi: 7,142.

Board of directors, cont.

Filippa Stenberg

Board member since 2021; member of the Audit committee.

Born 1985; Swedish national.

Education: Master of Science in economics from Stockholm School of Economics, Sweden.

Other assignments: Managing Director at Investor AB.

Prior experience: Chief Strategy Officer at Atlas Antibodies. Analyst at Swedbank LC&I.

Independent of Sobi and its executive management: Yes

Independent in relation to major shareholders of Sobi: No

Shares in Sobi: 571.

Anders Ullman

Board member since 2023; chair of the Scientific committee.

Born 1956; Swedish national.

Education: MD, PhD in clinical pharmacology, Gothenburg University, Sweden.

Other assignments: Board member of Verona Pharma plc.

Prior experience: Head of Research & Development and Medical Affairs and Chief Medical Officer at Sobi 2022-2023. Head of the COPD centre at the Sahlgrenska University Hospital 2015-2020. Board member of Sobi from May 2021 to December 2021, Board member of NeuroSearch and of PexA. More than 20 years of experience from several executive positions within research and development in the international pharmaceutical industry, including Baxter Bioscience, Nycomed/ Takeda, Biovitrum, Bayer Pharmaceuticals and AstraZeneca.

Independent of Sobi and its executive management: No

Independent in relation to major shareholders of Sobi: Yes

Shares in Sobi: 3,429.

Mats Lek

Board member, employee representative since 2023.

Born 1983; Swedish national.

Education: Bachelor of Science in Mechanical Engineering, Royal Institute of Technology (KTH), Stockholm, Sweden.

Sobi position: Business Controller Technical Operations.

Independent of Sobi and its executive management: No

Independent in relation to major shareholders of Sobi: Yes

Shares in Sobi: 138.

Katy Mazibuko

Board member, employee representative since 2019.

Born 1973; Swedish national.

Education: Master of Science, Royal Institute of Technology (KTH), Stockholm, Sweden.

Sobi position: External Manufacturing Manager, Global Manufacturing and Supply/External Packaging and Clinical Supplies.

Independent of Sobi and its executive management: No

Independent in relation to major shareholders of Sobi: Yes

Shares in Sobi: 6,043.

Deputies for the employee representatives:

- Sara Carlsson
- Åsa Kjellström

Shares in Sobi reported as of 31 December 2023.

Executive committee

Guido Oelkers

Chief Executive Officer; employed since 2017.

Born 1965; German national.

Education: PhD in strategic management, University of South Australia, Adelaide, Australia. Master of Economics, South Bank University, London, UK. Complementary studies in economics, London School of Economics and Political Science, London, UK.

Other assignments: Member of the Advisory committee of Zentiva Group. Industrial advisor at EQT.

Prior experience: CEO of BSN Medical. President & CEO of Gambro. EVP Commercial Operations at Nycomed. CEO of Invida. Global Head of Healthcare at DKSH. Managerial roles at Aventis and preceding entities. Board member of Meda and Sartorius AG.

Shares in Sobi: 427,107.

Henrik Stenqvist

Chief Financial Officer; employed since 2018.

Born 1967; Swedish national.

Education: Master of Science in business administration and economics, University of Linköping, Sweden.

Other assignments: Board member of Midsona AB. Board member of Calliditas Therapeutics AB. Board member of Orion Corporation.

Prior experience: CFO of Recipharm. CFO of Meda. Regional Finance Director at AstraZeneca. Finance Director at Astra Export & Trading. Board member of MedCap.

Shares in Sobi: 56,346.

Lydia Adab-Franch

Chief Medical Officer, Head of R&D; employed since 2020.

Born 1971; Spanish national.

Education: Graduate in medicine and surgery (medical doctor), School of Medicine, University of Valencia, Spain. Family physician board certification. Residence at University Hospital Dr. Peset, Valencia (Spain). PhD courses and recognition of research aptitude test Anatomy Department, School of Medicine, University of Valencia, Spain. MBA at University Carlos III of Madrid, Spain.

Prior experience: Sr Medical Director Global Medical Affairs, Shire/Takeda. Medical Director Global Medical Affairs, Shire/Baxalta. Associate Medical Director, Baxter EMEA. Global Medical Advisor Haemophilia, Novo Nordisk. Clinical investigator at the Thrombosis and Haemostasis Unit – Congenital Bleeding Disorders Unit, University Hospital La Fe, Spain. Investigator at the Clinical Research Unit, Rheumatology Section, University Hospital Dr. Peset, Spain.

Shares in Sobi: 0.

Duane H. Barnes

Head of North America; employed since 2021.

Born 1960; American national.

Education: Master of Business Administration, Master of Science, Indiana University, Kelley School of Business, IN, US. Bachelor of Arts, West Virginia University, WV, US. Eberly College of Arts and Sciences, WV, US.

Prior experience: Board member of Biotechnology Innovation Organization (BIO) and Healthcare Leadership Council (HLC). President and Head of US Operations at UCB. Vice President & General Manager, Value, Access, Reimbursement and Patient Experience at Amgen. Chief Operating Officer at Prime Therapeutics. Division President, Head of Pharmacy at Aetna Healthcare.

Shares in Sobi: 0.

Executive committee, cont.

Lena Bjurner

Head of Human Resources; employed since 2023.

Born 1968; Swedish national.

Education: Bachelor of Social Science degree, Major in Business administration, Dalarna University, Sweden.

Prior experience: Secretary general Swedish HR association. Senior Vice President HR and Sustainability at Scandic Hotel Group. VP HR Europe Flexible markets and France at American Express.

Shares in Sobi: 0.

Sofiane Fahmy

Head of Europe; employed since 2013.

Born 1972; French national.

Education: Degree in marketing, University of Paris XI, France. Degree in pharmacy, University of Poitiers, France.

Prior experience: General Manager Sobi France and North Africa. Managerial roles at Pfizer. Commercial roles at GSK. Brand Manager Hospital Products at Roche.

Shares in Sobi: 26,530.

Torbjörn Hallberg

General Counsel and Head of Legal Affairs; employed since 2018.

Born 1969; Swedish national.

Education: Master of Law, University of Lund, Sweden.

Prior experience: Vice President, General Counsel, Emerging Markets at Takeda Pharmaceuticals. Corporate Counsel at Nycomed Pharma. Corporate Counsel at Ferring Pharmaceuticals. Senior Associate/ Lawyer at Advokatfirman Lindahl.

Shares in Sobi: 30,505.

Mahmood Ladha

Head of Strategic Transformation Operations; employed since 2019.

Born 1964; American national.

Education: Master of Business Administration and Bachelor of Science, University of South Carolina, SC, US.

Prior experience: Head of Business Development and Alliance Management, Sobi. President and Head of Dova Pharmaceuticals. Senior Advisor to the CEO, VP and Head of Transactions at AstraZeneca. Executive Director and Head of US Respiratory at AstraZeneca.

Shares in Sobi: 6,266.

Executive committee, cont.

Norbert Oppitz

Head of International; employed since 2017.

Born 1967; Austrian national.

Education: Dipl. BW (FH)/Business Administrator, FH Rhenania Palatina, Mainz, Germany.

Prior experience: Member of the Executive Committee of BSN Medical in charge of Latin America. Member of the Executive committee of Endo Pharmaceuticals, Emerging Markets. Head of Latin America at Takeda/Nycomed. Country management roles at Roche Pharmaceuticals and Aventis Pharma.

Shares in Sobi: 39,731.

Daniel Rankin

Head of Strategy and Corporate Development; employed since 2017.

Born 1980; Slovak and British national.

Education: PhD in biology, University of Helsinki, Finland. Master of Science in biology, Leiden University, The Netherlands. Bachelor of Science, University of York, UK.

Prior experience: Head of Corporate Development at Sobi. Head of Global Product and Portfolio Strategy at Sobi. VP Chief of Staff to the CEO at Sobi. Management consultant at McKinsey & Company New York and Zürich. Group Leader at the University of Zürich.

Shares in Sobi: 17,636.

Armin Reininger

Senior Scientific and Medical Advisor; employed since 2017.

Born 1957; German national.

Education: MD, PhD, Ludwig Maximilian University of Munich, Germany. Certified specialist in Transfusion Medicine.

Prior and academic experience: Head of Medical Affairs EMEA Haematology at Baxalta/Shire. Head of Global Medical Affairs Haematology at Baxalta. Head of Medical Affairs EMEA Haemophilia at Baxter. Senior Physician at University Clinic of Munich, Germany. Visiting Scientist/Visiting Lecturer, Harvard Medical School & Massachusetts General Hospital, Boston, MA, US. Visiting Fellow, The Scripps Research Institute, La Jolla, CA, US. Professor of Anatomy at the Ludwig Maximilian University of Munich, Germany.

Shares in Sobi: 16,775.

Christine Wesström

Head of Technical Operations; employed since 2010.

Born 1975; Swedish national.

Education: Master of Science in chemical engineering, major in biotechnology, Mälardalens University, Eskilstuna, Sweden.

Other assignments: Vice chairman of the Board in SwedenBIO.

Prior experience: Head of Global Manufacturing & Infrastructure, Head of External Manufacturing at Sobi. Project Management roles within Manufacturing and CMC Development at Biovitrum.

Shares in Sobi: 11,053.

Shares in Sobi reported as of 31 December 2023.

Sustainability report

Sobi's main contribution to the global sustainable development agenda is closely aligned with the company's mission – to transform the lives of people living with rare and debilitating diseases.

Business model and sustainable growth
Sobi's business model centres on evaluating and developing clinical projects, commercialisation and bringing medicines to people as quickly as possible. This is accomplished based on an understanding of patient and patient community needs. Sobi's sustainability strategy is integrated into the business and is based on two priorities – maintaining the commitment to patients and always acting responsibly. By expanding geographical reach, investing in the development of novel medicines and deepening engagement in the areas of haematology, immunology and specialty care, Sobi enhances access to rare disease medicines for patients worldwide and positively impacts the people and communities it serves. Sobi is a signatory to the UN Global Compact and has integrated the ten principles of the Global Compact in all business operations. Sobi commits to operating in a way that contributes to achieving the UN SDGs and the Paris Agreement.

Sobi has four strategic business priorities:

- Lead in Haematology
- Grow Immunology
- Go global
- Capture the value of the pipeline

... and two strategic sustainability priorities:

Maintain commitment to patients

- Access to treatment
- Patient centricity and engagement
- Patient and product safety
- Ethical marketing and sales
- Transparent and ethical R&D

Read more on page 119.

Always act responsibly

- An inclusive and diverse workplace that grows people
- Safe, healthy and fair working conditions
- Reduction of environmental footprint
- Responsible sourcing
- Compliance and corruption prevention

Read more on page 123.

Commitment to the UN Global Compact. Contribution to the 2030 Agenda with the UN Sustainable Development Goals and the Paris Agreement.

Sustainability strategy

Sobi's sustainability strategy helps deliver on the company's vision of transforming the lives of people living with rare diseases and is crucial to the execution of the business strategy. Progress in sustainability performance will also deliver value to Sobi's stakeholders and society in general. The Sobi sustainability strategy is based on a commitment to the realisation of the 2030 Agenda as expressed by the SDGs and the Paris Agreement and focuses on two areas – maintaining commitment to patients and always acting responsibly. The strategy includes ten sustainability priorities, each linked to the SDGs and connected to targets perceived as business critical.

Materiality process and material sustainability topics

Sobi's material sustainability topics are areas where the business has or could contribute to a significant economic, environmental or social impact, and areas where the financial potential impact on Sobi is substantial, applying the double materiality assessment principles.

Sobi's materiality process is based on the continuous mapping of external and internal stakeholder needs, priorities and real situations. This is done through surveys and targeted stakeholder dialogues, attending conferences, participating in ESG ratings and research, and conducting internal dialogues on future legislation.

Sobi's key stakeholders are patients and their caregivers, Sobi's own employees and people in the Sobi supply chain. Other main stakeholders include shareholders, institutional investors, the financial market, healthcare providers and their procurement bodies, patient advocacy groups, NGOs, industry associations, as well as medicine practitioners and researchers.

A full stakeholder dialogue cycle is conducted every third year. The present assessment is based on digital surveys and interviews with stakeholders conducted in 2022. A similar outreach was made in 2019, with very similar results. The outcome from these stakeholder dialogues is used as input for Sobi's materiality assessment.

Sobi's last materiality assessment was conducted during 2021-2022. Sustainability topics drawn from stakeholder dialogues and earlier materiality and risk assessments were evaluated from two perspectives. Internal functional leaders and experts assessed the significance of the impact of material sustainability topics on the external environment (social, environmental and human rights) in terms of size and probability of negative or positive impact. The Executive committee assessed the sustainability topics based on the significance of contribution to Sobi's strategy. The mapping of both these dimensions provided the final list of Sobi's material sustainability topics which can be found in the 'Governance of material topics' table in the next page.

Five of the top ten topics identified in 2022 were connected to governance, and only two to environmental topics. The results were in line with previous materiality assessments.

Results and priorities are revisited annually to ascertain relevance. During 2023, preparations began to update the materiality assessment according to the ESRS requirements on double materiality. This work continues in 2024.

Sustainability governance

The board

Sobi's board has overall responsibility for Sobi's sustainability performance and material topics. Plans and progress are reported to the board on a regular basis, together with outcomes of sustainability risk assessments and adverse events. The board approves the annual sustainability report.

Management

The CEO and the Executive committee approve Sobi's sustainability strategy, ensure compliance, decide on overall objectives, manage the implementation of the sustainability strategy and monitor overall progress. Leadership teams in each respective business area and function are responsible for strategy implementation and follow-up. The Global Head of Sustainability is, on behalf of the Executive committee, responsible for driving implementation and communication of the strategy in close collaboration with the corporate functions and business units. Sobi's sustainability approach and performance is publicly reported on each year in the Annual and sustainability report.

Sustainability risk management

Sobi describes its climate risk management in detail in the section Report on climate risks and opportunities, based on the framework defined by the Taskforce on climate-related disclosures (TCFD).

Sobi's overall risk management process is based on the Group risk management policy, and aims to identify and assess all relevant strategic, operational, financial, regulatory and sustainability risks. The outcome of the TCFD climate risk mapping is included in the company's overall risk mapping. The process and the results of the 2023 risk assessment are described in detail in the section Risk management. The risk management function reports the risk status to the Executive committee, and the board. Identifying the company's critical flows and implementing business continuity plans is part of the risk management process.

Compliance and oversight

The Sobi compliance function has overall responsibility for the company's global policy framework and conducts annual reviews to ensure that policies are up to date and aligned. All sustainability-related polices have appointed owners who are responsible for updating, implementing and monitoring policy adherence. Corporate policies shall be reviewed at minimum every third year and approved by senior management or the board. Regular internal reviews are performed, often as a collaboration between Compliance and Group Internal Control. The most important sustainability-related practices and policies are listed in the section Policies and responsibilities.

Governance of material topics

Sobi sustainability governance summary

This table summarises Sobi's material topics, which were defined through the materiality process, and how these topics are managed and reported on. The material topics are linked to GRI reporting standards and are described in detail in each respective section of the 2023 Sustainability progress report.

	Maintain commitment to patients	Always act responsibly
Material topics	• Patient safety and product quality • Access to treatment • Research ethics • Responsible marketing and sales • Community engagement	• Compliance and anti-corruption • Attracting and retaining employees • Diversity and inclusion • Occupational health and safety • Fair working conditions • Training and education • Responsible procurement practices • Resource management • Use of energy and GHG emissions
Applicable GRI topic standards	GRI 203: Indirect economic impact 2016; GRI 415: Public policy 2016; GRI 416: Customer health and safety 2016; GRI 417: Marketing and labelling 2016; GRI 418: Customer privacy 2016.	corruption 2016; GRI 206: Anti-competitive behaviour 2016; GRI 207: Tax 2019; GRI 302: Energy 2016; GRI 305: Emissions 2019; GRI 303: Water and effluents 2016; GRI 306: Waste 2020; GRI 308: Supplier environmental assessment 2016; GRI 401: Employment 2016; GRI 402: Labour – management relations 2016; GRI 403: Occupational Health and Safety 2018; GRI 404: Training and education 2016; GRI 405: Diversity and equal opportunity 2016; GRI 406: Non-discrimination 2016; GRI 407: Freedom of association & collective bargaining 2016; GRI 414: Supplier social assessment 2016; GRI 415: Public policy 2016.
Relevance for Sobi	Sobi's mission is to transform the lives of people with rare and debilitating diseases. The most important commitment is to patients and the rare disease community as Sobi provides reliable and secure access to medicines and gives a voice to patients and promotes connectedness. A strong pipeline and expanded access through geographical expansion are key elements. Patient safety is a fundament.	Sustainability is built on responsible behaviour, which is expressed through strong business ethics and understanding and mitigating impacts throughout the value chain. To achieve this, it is critical to work together with partners to reduce the total environmental footprint, and strive to make a positive contribution to individuals and societies throughout the value chain – both inside and outside the company.
Responsibility and actual and potential impact in the value chain	Described in the section Sustainability value chain.	
Actions to manage impacts	See detailed descriptions in each section of the Sustainability progress report that corresponds to the material topics.	
Delimitations of the report (boundaries)	Sobi reports the impacts and governance connected to its own operations and direct business partners, where the possibility to influence and monitor is real. Risks and opportunities are mapped throughout the value chain.	
Policies and commitments	• Policy on healthcare interactions • Good pharmaceutical practice, including: – Good manufacturing practice (GMP), – Good distribution practice (GDP), – Good clinical practice (GCP) and – Good pharmacovigilance practice (GVP)	• Code of Conduct • Partner Code of Conduct • Group risk management policy • Policy on fair competition • Sobi Group authority policy • Policy on anti-corruption due diligence on third parties • Global expense policy • Communication policy • Insider policy • Procurement policy • Environmental policy • Health and safety policy • Policy on processing of personal data • Policy on investigations
Tracking of effectiveness	See detailed descriptions in each section of the Sustainability progress report that corresponds to the material topics.	

Policies and responsibilities

The sustainability strategy is based on the Code of Conduct.The Sobi Code of Conduct summarises Sobi's most important policies and provides a framework for appropriate conduct. It applies to all Sobi employees worldwide, as well as to temporary personnel. Related company policies such as the Environmental policy, the Health and safety policy and the Partner Code of Conduct provide further details, and govern the work.

Functions with critical responsibilities for managing Sobi's material sustainability topics and delivering on the sustainability strategy are:

- The Sustainability function evaluates materiality, creates guidelines, supports implementation of the strategy and reports on outcomes.
- The Compliance function is responsible for implementation of policies for anti-corruption and healthcare interaction and data privacy, and for third-party risk due diligence and the compliance hotline (whistleblowing hotline).
- The Technical Operations function is responsible for environmental compliance of in-house operations and for driving supply chain partners' performance, including implementing Responsible Sourcing Programme principles.
- Finance controls data, evaluates and improves processes for management, internal control, and risk through Controlling and Internal Control. Suppliers of indirect material are monitored by Indirect Procurement according to Responsible Sourcing principles.
- Human Resources manages people related topics and processes.
- Sobi's affiliates deploy the principles of the Code of Conduct and other policies, execute the sustainability strategy and drive local performance.
- The Community Engagement organisation supports patient needs at all stages of the patient journey and engages with key stakeholders.

Sustainability reporting and communication

The aim of Sobi's sustainability reporting and communication is to provide investors and other stakeholders with accurate and relevant information about the company's sustainability performance, goals and strategy and to fulfil all statutory requirements. Sobi is committed to transparency in its sustainability performance and progress.

Sobi is covered by the reporting obligation of the Non-Financial Reporting Directive (NFRD), and is thereby required to also provide information of eligibility and alignment with the EU Taxonomy objectives. For financial year 2022, disclosure was required for the first two objectives. For 2023, disclosure of eligibility for remaining four objectives is also required. Sobi's core business – developing, commercialising and manufacturing pharmaceutical products – was in 2023 identified to be covered by economic activity identified within the Delegated Act (EU) 2023/2486. The formal Taxonomy tables are included in section EU Taxonomy.

Sobi's auditor has confirmed that a statutory sustainability report has been prepared.

Sustainability progress report

Sobi plays an active role in environmental, social and governance (ESG) evaluations and aims for continuous improvement. In 2023, and for the second consecutive year, Sobi qualified as a component of the Dow Jones Sustainability Indices (DJSI) by joining DJSI Europe. Sobi upheld previous years' progress in several other analyst indices, as the company's sustainability work was recognised by various organisations. For details, see table below.

On pages 119-127, the Sobi approach, ambitions and the 2023 progress are described in detail.

Sustainability rating institutes

Rating	2023	2022	2021	2020
MSCI	A	A	A	A
Sustainalytics (risk ranking in Biotech)	21.6 medium risk (24 out of 397)	20.4 medium risk (6 out of 439)	20.5 medium risk (3 out of 365)	26.4 medium risk (16 out of 367)
Institutional Shareholder Services (ISS)	B- High relative performance	B- High relative performance	C+ High relative performance	C+ High relative performance

Sobi's sustainability rating.

Maintain commitment to patients

For Sobi, meaningful engagement and cooperation with the rare disease community are essential. Sobi is in a position to improve health globally for a number of small and often overlooked patient populations.

Expanded access to treatment

Sobi's growth and expansion strategy helps bring medicines to new markets and adds indications, allowing more patients to access medicine. Sobi also has a partnership strategy to serve currently underserved markets.

Excluding use in pandemic related conditions, over 36,000 full time equivalent patients were treated with a Sobi medicine in 2023. The corresponding number in 2022 was just over 32,000. During the year, six of seven of Sobi's main medicines were made available in more than ten new markets. The section Market availability of key Sobi medicines outlines the current approval and reimbursement status in markets worldwide for Sobi's main medicines.

To increase access to medicine, Sobi works with communities to increase patient access through the established healthcare system. Sobi supports home nursing and medicine delivery programmes, telemedicine, patient navigation tools, culturally and linguistically adapted tools as well as adherence programmes.

In the US, Sobi for several years offered patient support programmes through Kineret On Track and Orfadin4U. These programmes include offerings such as financial assistance and reimbursement support, injection training and support, and home delivery. Similar services are also available for patients and caregivers using other Sobi medicines in the US.

Pricing and reimbursement

Following regulatory approval, pricing and reimbursement are key factors in patient access, differing in each market.

Sobi strives to set a price that reflects the benefit that the innovation delivers to patients, healthcare systems, societies and payers – to create sustainable access to medicines for patients and continued long-term affordability to health systems to meet patient and healthcare priorities. A means for this is generating evidence that helps quantify the clinical and patient value of a medicine. Sobi works continuously to develop data that reflects the resolution of unmet medical need on both an initial and an ongoing basis.

The EU Pharmaceutical Strategy adopted in 2020 is a policy document aimed at tackling important challenges for European patients and health sectors. It sets out a comprehensive set of actions to ensure access to affordable medicine and facilitate collaboration on unmet needs and evidence generation among key stakeholders. Sobi has participated in these collaborations for many years.

In some markets, patient access to medicine may be limited by the lack or complexity of reimbursement processes. Sobi has several initiatives in place, such as the above-mentioned US programme, to support patients and treaters and to bridge the gap.

Acting with a sense of urgency

Regulatory pathways for orphan drugs are implemented in several markets. Sobi's pipeline is positioned to use these pathways to shorten time to access for patients. A priority review will direct attention and resources to the evaluation of applications for therapies which, if approved, could provide significant improvements in the safety or efficacy of the treatment, or the diagnosis or prevention of serious conditions when compared with standard applications.

Sobi recognises that there may be circumstances when patients with serious or life-threatening diseases have exhausted all treatment options currently available to them and are unable or ineligible to participate in a clinical trial. Additionally, new medicines are often unavailable between the completion of a clinical study and regulatory approval or commercial availability. For such patients, upon an independent request from their treating physician and where legally permissible, Sobi considers making medicines available via managed access programmes[21]. Requests from treating physicians for managed access are assessed purely on the basis of medical need and managed by the R&D and Medical Affairs organisation.

Sobi has an established process for emergency orders within the EU for life-saving medicines (Orfadin and Kineret), which are also available during non-office hours 365 days a year for immediate service if needed to save a patient's life.

WFH Humanitarian Aid Program donation

More than 75 per cent of people with haemophilia around the world have limited or no access to diagnosis and treatment, particularly in the developing world. The WFH Humanitarian Aid Program helps address the lack of access to care and treatment by providing support for people with inherited bleeding disorders in developing countries.

By providing a more predictable and sustainable flow of humanitarian aid donations, the Program allows for people living with haemophilia to receive consistent and reliable access to treatment and care. In addition, the Program provides educational training for treaters and patients, training that is critical in helping to develop in-country capacities to improve diagnosis and treatment monitoring. In 2020, Sobi and Sanofi announced the agreement to extend their support of the WFH Humanitarian Aid Program by an additional donation of up to 500 million IU of factor medicine for humanitarian aid, thereby fulfilling the 2014 pledge to donate up to an unprecedented 1 billion IU over a 10-year period.

Since the 2014 pledge, more than 810 million IU of factor have been donated and over 22,000 people with haemophilia have been treated with factor donated by Sobi and Sanofi. Both companies are recognised by the WFH as Founding Visionary Contributors to the Program.

Training and workshops were organised for healthcare providers and other important stakeholders in donation countries by the WFH in both physical and digital format during 2023, supporting the envisaged multi-channel approach of donation country interactions by the WFH.

Supply-chain continuity

Sobi's supply chain was not interrupted during 2023 despite geopolitical instability in Europe.

The key factors for the continuous supply of Sobi medicines are strong partner relationships throughout the production and warehouse network, good supply chain planning and close communication on demand management.

[21] Managed access describes areas regularly known as compassionate use, expanded access and other similar programmes.

Expand access to treatment – ambitions
- Increase geographical and patient reach
- Continual medicine launches in the areas of rare diseases
- Support managed access[20]
- WFH Humanitarian Aid Program 500 million IU donations 2020-2025

Patient and community engagement

Sobi strives to apply patient centricity throughout the medicine lifecycle as well as the patient journey, and in all its ways of working to develop solutions that are truly shaped by and around patient needs.

Sobi aims for patients, caregivers and patient organisations to connect with one another and the community, enabling access to essential information and resources for prompt diagnosis, effective treatment and improved quality of life. Sobi actively collaborates with patient organisations, advocating for and assisting in the establishment and growth of patient networks in line with healthcare interaction policies.

Integrating the patient perspective and insights into study design and set-up is critical to ensure that future medicines adhere to patient needs. Sobi has to date established patient councils in four disease areas to deliver insights into design of clinical studies and study protocols. This enables Sobi to choose patient-reported outcomes more appropriately for the targeted patient populations, design more patient-friendly forms and information materials for study participants, and adapt study design to facilitate patient participation. Sobi co-develops patient support programmes, advocacy and evidence generation activities with patient organisations in several disease areas.

During 2023, a joint taskforce consisting of Sobi senior subject matter experts as well as patient community representatives started a collaborative effort to formalise Sobi's commitment to patients, and better express what patients and patient communities can expect from Sobi. This work will continue in 2024.

To ensure company-wide integration of patient-centred approaches, Sobi provides training on patient engagement in alignment with the Patient Focused Medicine Development (PFMD) framework. In 2023, 525 (1,677) employees and consultants to Sobi completed this training.

Sobi is a long-term sponsor of patient organisations such as the European and North American rare disease organisations EURORDIS and NORD respectively, the WFH, the EHC, and also supports local patient organisations. An annual summary of support provided to patient organisations is published on sobi.com. Furthermore, important partnerships are in place with the PNH Global Alliance as well as with the not-for-profit organisations PFMD and EUPATI.

Sobi also contributes to the wider community through collaborations with third parties. A share of Sobi's corporate insurance premiums are put into investments with an additional social objective via QBE's Premiums4Good. These investments include social impact bonds, social bonds, green bonds and infrastructure – to support a range of projects and programmes that seek to create positive change.

Community engagement – ambitions
- Scale and cultivate meaningful partnerships
- Embed patient's voice throughout lifecycle
- Leverage innovative tools to strive for full patient community inclusion (health equity)

Knowledge contribution to enhance the practice of medicine

Sobi is committed to contributing to the increased understanding, diagnosis and treatment of rare diseases. Sobi engages by sponsoring and attending scientific meetings and arranging medical training designed to share medical advancements and by taking part in discussions to enhance the practice of medicine. Participation in medical events is governed by Sobi's policy on healthcare interactions. Sobi participated in several international scientific meetings in 2023, among them the International Society on Thrombosis and Haemostatis (ISTH) as well as the American Society of Hematology Annual Meeting and Exposition (ASH).

Sobi's annual support for the WFH Corporate Partner Program has enabled country development programmes, educational resources, training for healthcare professionals, capacity building and training for patients and patient organisations as well as support for the World Bleeding Disorder Registry.

Knowledge contribution – ambitions
- Participation in and sponsorship of medical conferences
- Support of community-led initiatives to increase knowledge sharing

Focus on patient safety

The safety profile and monitoring of Sobi's medicines is of the utmost importance.

By adhering to pharmaceutical standards, Sobi strives to provide safe medicines that meet the high-quality standards of the pharmaceutical industry. Safety surveillance, pharmacovigilance, continues across the medicine's life cycle, allowing potential safety risks to be identified at an early stage and mitigated to minimise or avoid harm. For all medicines under development or on the market, Sobi has systems in place for identifying and evaluating possible adverse effects. A robust pharmacovigilance system allows continuous monitoring of the benefit/risk profiles of all medicines and ensures alignment with the precautionary principle. To achieve this, Sobi has a safety team for each medicine, including a dedicated global safety physician.

As part of the commitment to patient safety, Sobi continues to develop staff, processes, systems and tools. Annual training is provided for employees, consultants and vendors to ensure that all safety information – such as any adverse events, product complaints or incorrect use – in relation to Sobi's medicines is reported. Training results are reported.

Quality regulations

As part of the pharmaceutical industry, Sobi works in a heavily regulated environment. It is essential that Sobi meets all regulations and acts in compliance with GMP, GDP, GCP and GVP, including the dossier requirements of all countries in which the company's medicines are licensed, manufactured or sold.

Good Practice (GXP) guidelines are maintained to monitor and ensure medicine safety and quality compliance during the medicine's life cycle. The Quality Assurance department is responsible for release management which includes the evaluation of medicine testing and the manufacturing steps. In the EU, release is carried out by a qualified person. The qualified person for pharmacovigilance is responsible for safety (pharmacovigilance).

[20] Managed access describes areas regularly known as compassionate use, expanded access and other similar programmes.

To ensure and evaluate compliance with current requirements, inspections of Sobi facilities by regulatory authorities are performed regularly. In addition to external inspections, Sobi continuously monitors the performance and internal processes and operations of suppliers.

Ensuring integrity
Sobi works to further strengthen patient safety through updated medicine information, safe packaging and extensive safety monitoring of known or new side effects.

Product recalls are governed by standard operating procedures (SOP) and managed for all medicines for which Sobi is the marketing authorisation holder, and for Investigational Medicinal Products in Sobi-sponsored clinical studies in cases when a medicine may cause damage, injury or inconvenience to the consumer and may affect one or several batches or the whole product. An expert committee is responsible for assessing quality and compliance risks for medicines released into market and clinical studies, and a Recall Decision Body will take the decision on a recall together with the relevant regulatory authority or authorities.

Correct labelling is important to ensure proper use, and current and new safety information needs to be communicated consistently and promptly to authorities, prescribers, patients and within the organisation. SOPs are in place to ensure timely updates to medicine information and patient information leaflets in the medicine packaging. The labelling process consists of a series of processes and is a cross-functional responsibility involving the Benefit-Risk Council, Drug Safety, Regulatory Affairs, Medical Affairs, External Manufacturing/ Packaging and Quality Assurance, and Supply Chain.

Counterfeit pharmaceuticals are an increasing concern worldwide. Governments all over the world are introducing regulations and systems to detect and prevent the distribution of counterfeit medicines. All Sobi medicines are serialised and given unique identification codes. Sobi's medicines have not yet been subject to falsification.

Patient safety – ambitions
- Patient safety training for all Sobi employees
- No critical or major incident of recall
- No incident of incorrect labelling

Responsible marketing and sales
Sobi is committed to employing high ethical standards of sales and marketing practice worldwide, in line with its Code of Conduct and supporting policy framework. Employees involved in promotional activities undergo regular training.

The policy on healthcare interactions provides guidance for promotional activities. The policy applies to all relevant Sobi employees, contractors, agents and third parties. General managers are accountable for ensuring compliance at local level and for instructing qualified representatives to design processes for local implementation and training, including approval processes incorporating the appropriate internal stakeholders. Promotional materials are always approved prior to external use and following each modification by a cross-functional team of qualified representatives, and review and approvals are documented and saved in a digital vault. Approvals relating to promotional and non-promotional material are retained for ten years after final use.

Ethical R&D focused on medical need
Sobi's pipeline is focused on innovative and differentiated medicines. Entering new indications and generating new evidence can contribute to the expansion of medicines for rare diseases in areas of unmet medical need. Sobi's medicines are developed and evaluated for multiple indications and an integrated lifecycle management approach is applied.

Sobi's development is based on scientific and medical need. Study designs enable a scientifically sound evaluation of the medicines that Sobi develop and provide.

Ethics in clinical development
To avoid exposing participants to unnecessary risks, all clinical studies are ethically and scientifically reviewed and approved, and conducted and reported in compliance with the International Conference on Harmonisation Guideline for good clinical practice and the latest revision of the Ethical Principles for Medical Research Involving Human Subjects (the Declaration of Helsinki).

Participants in clinical trials are given comprehensive, easy-to-understand information to confirm their voluntary willingness to participate and informed consent. Patients also have the right to withdraw from a study without compromising their current or future care.

Working in the rare disease area may pose extraordinary requirements regarding paediatric and vulnerable patients and people with genetic diseases. This can include special precautions in areas such as obtaining consent, considerations for data privacy in small patient populations and the research of genetic diseases. Through close collaboration with patient representatives, Sobi acts in the belief that this group should stand to benefit from the knowledge, practices or interventions resulting from the research.

Sobi conducts research openly and publishes clinical studies on the webpage clinicaltrials.gov. All clinical studies are registered and reported, and the complete results from clinical studies are shared even if they show an outcome that is not beneficial. Most clinical development is outsourced. Employees as well as sourced personnel undergo regular training in the medical aspects, processes and monitoring of disease.

Sobi recognises the important role that investigator-sponsored studies can play in expanding knowledge related to Sobi's medicines and their associated disease areas. In such a study, an investigator independently generates a development proposal to Sobi and a request for support. If these are approved, Sobi may provide support, which can include medicine, expert advice, funding and more. The investigator serves as the study sponsor and assumes full responsibility for ensuring regulatory compliance.

Bioethics
The use of human biological samples in research & development is a potentially sensitive area and internal SOPs ensure that all use complies with all relevant legislation, regulations and guidelines. Sobi does not conduct stem-cell research. Trials on cells of human origin could constitute a necessary step during development projects, to verify mechanisms of action and ascertain patient safety. Sobi does not perform in-house animal studies and only contracts from audited and validated suppliers. Where animal testing is necessary, it is carefully considered and justified, with the 3R (replacement, reduction and refinement) principles applied.

Ethical R&D focused on medical needs – ambitions
- Committed R&D budget for rare diseases
- Increased number of R&D programmes in rare diseases and areas of high medical need
- Shorten time to patient through the use of orphan drug regulations
- Support investigator-sponsored studies

Commitment to patients and the SDGs

For Sobi, meaningful engagement and cooperation with the rare disease community are essential. Sobi is in a position to improve health globally for a number of small and often overlooked patient populations and contributes actively to several of the SDGs through specific targets.

SDG	Sustainable Development targets	Actions and ambitions	Progress	Read more
SDG 3 Good health and well-being	3.2 End preventable deaths of new-borns and children under 5 years of age	Promote life expectancy by expanding access to paediatric treatments	Synagis remains an important medicine in the US for the prevention of serious lower respiratory tract infections caused by RSV in high-risk infants.	p 11, 16, 19
			Gamifant reached more patients in the US and the medicine was launched in the United Arab Emirates.	p 16
			The use of Kineret for Still's disease increased in Europe and international countries (adults and children from eight months and 10 kg).	p 16, 19
	3.4 Reduce premature mortality from non-communicable diseases	Increase number of R&D programmes in rare diseases and areas of high unmet medical need	At year-end, Sobi's pipeline consisted of eight medicines or potential new medicines in ten projects.	p 20
			Ongoing clinical studies on efanesoctocog alfa and avatrombopag among others.	p 20-22
	3.8 Achieve universal health coverage	Continue 10-year commitment to the WFH Humanitarian Aid Program	Since the initial pledge, over 22,000 people with haemophilia have been treated with factor donated by Sobi and Sanofi.	p 24
		Contribute to cost-support programmes	Continued support of Kineret On Track and Orfadin4U support programmes in the US.	p 119
	3b Support R&D and make vaccines and medicines available for all	10-15% of revenue in R&D spend	R&D spend 13% of revenue in 2023.	p 25, 37
		Expand the global market reach of medicines	Increased market availability of several Sobi medicines through launches and reimbursement decisions; Elocta/Alprolix, Aspaveli/Empaveli, Kineret, Gamifant.	p 11, 15, 16, 18
SDG 10 Reduced inequalities	10.3 Equal opportunity	Expand rare disease and orphan drug pipeline	Aspaveli/Empaveli is in clinical development for use in new indications.	p 20
SDG 16 Peace, justice and strong institutions	16.7 Inclusive, participatory and representative decision-making	Include patient and healthcare representatives in decision-making	Four international patient councils established to advise on early clinical development.	p 24, 120
SDG 17 Partnerships for the goals	17.16 Global and multi-stakeholder partnership for sustainable development	Support rare disease organisations and participate in multi-stakeholder organisations	Sobi has important, long-standing relationships with the rare disease community and its peak bodies. It is a long-term sponsor of several patient organisations.	p 24, p 120
			Sobi is member of the PSCI since 2020.	p 125

Always act responsibly

As a company, Sobi works to always ensure responsible behaviour in its role as an employer, as a business and within the value chain in which Sobi operates. Sobi supports employees to act and make decisions that reflect its corporate principles.

Caring for employees

Sobi is committed to always being a responsible and inclusive employer that creates a safe and equitable environment where every individual has opportunities to realise their potential.

Diversity, Equity and Inclusion (DEI)

Every employee is offered equal opportunities regardless of their ethnicity, age, gender, religion, sexual orientation or physical abilities. Sobi's guidelines clearly prohibit discrimination and all forms of harassment. The company-wide DEI initiative launched in 2022 was further deployed in 2023. A toolbox for training was launched, and HR processes reviewed from a DEI perspective. October 2023 was designated as Global Diversity Awareness Month. The Sobi Employee Resource Group (ERG) initiative that started as a North American initiative with groups formed around topics such as BIPOC and LGBTQ+ during 2023 grew to a global opportunity for Sobi employees. The DEI initiative has a senior management level steering team and a working team with a diverse, cross-functional and global representation.

In Sweden, an annual gender equality analysis is carried out to prevent discrimination and promote equal rights and opportunities. The results are evaluated in collaboration with trade unions and action is taken when required. Roles and responsibilities are mapped proactively to ensure that salaries and development opportunities are provided in an equitable manner.

Employee engagement

Sobi has committed to performing regular all-employee surveys, including pulse surveys to monitor employee satisfaction, inclusion and engagement and has done so annually since 2020..

The results from the 2023 pulse survey showed an improvement from 69 to 73 points compared with the previous survey, with an improvement visible across all organisational entities. Response rate was slightly down at 79 per cent (86) but still above benchmark (75 per cent). A majority of responders believe relevant action has been taken since the last survey. Strengths identified includes the high feeling of purpose connected to Sobi's business as well as the culture of professionalism, collaboration and engagement. Improvement areas included communication and workload. A full engagement survey is planned for 2024.

During 2023, Sobi welcomed 581 (329) new individuals to Sobi and finished the year with more than 1,790 (1,560) highly skilled employees in around 30 (30) countries. At year end, 69 of Sobi's employees come from the newly integrated CTI.

Development, leadership, training and compensation

Skilled and high-performing teams are key to meeting Sobi's strategic objectives and Sobi continued to focus on leadership and personal development. The global leadership competency model established in 2022 was during 2023 rolled out to Sobi's top 350 managers through four workshops, each focusing on one of the identified leadership competences to which Sobi leaders should aspire, and Sobi employees expect from their leaders.

The competency model is integrated into the Sobi Management Toolbox programme, in place with an online version since several years to help managers practise their leadership skills, identify their own strengths and development areas, and learn from their peers..

Business introduction sessions, where corporate leaders present their respective areas, are offered regularly and are open to the whole company.

All Sobi employees receive regular performance and career development reviews. A talent management process is used to support employee evaluation and development. Sobi applies a 70:20:10 learning and development model: training opportunities are offered as part of the role (70 per cent), through interactions with others (20 per cent) and formal educational events (10 per cent).

All Sobi employees have access to the Sobi Learning Management system, which lists available business, management and medicine training. Employees are assigned training based on their role, supported and documented by a training matrix system. The system meets regulatory requirements in the pharmaceutical field and serves as a comprehensive digital platform for ensuring individualised and specialised training as well as evidence of learning. Internal processes and control measures involve scientific, regulatory and compliance training which covers all employees (including part-time) and contractors. An online Learning Resource Guide is also available to all employees. In addition, Sobi offers locally managed training on topics such as product knowledge, IT-proficiency and leadership.

Competitive terms of employment are a prerequisite for recruiting and retaining highly qualified and skilled people. Sobi offers competitive salaries and benefits that are individually determined and adapted to the local labour market. All employees are offered long-term incentive programmes, as described in Note 10. For North American and Asia-based employees, these programmes are cash-based.

Caring for Sobi employees – ambitions

- Offering all employees equal opportunities, with zero-tolerance for discrimination and harassment
- Perform regular employee engagement surveys
- Offer all employees annual performance and career development discussions
- Provide training and development tools to facilitate continuous personal growth
- No workplace accidents leading to lost workdays

Health. safety and wellbeing

Sobi's global Health and safety (H&S) policy is an extension of the Sobi Code of Conduct. The management of occupational health and safety (OHS) is based on international standards and is integrated into operational control as part of the company's daily work.

At Sobi, OHS risks are continuously assessed to prevent incidents and take action. Managers have a responsibility to understand how activities influence the H&S of all people working for and with Sobi and must take appropriate action to prevent accidents or ill health.

OHS should be regularly addressed at meetings and managers are responsible for addressing any concerns raised. The joint management-worker H&S committee operates from head office and includes representatives from all operational areas. The committee meets quarterly and reports to the Executive committee. Sobi entities with more than 50 team members should appoint OHS employee representatives. Local practices also include extra health insurances, access to healthcare and support for wellbeing/fitness.

Investigating and identifying the cause(s) of each accident, dangerous situation or near-miss makes it possible to take action to prevent a similar occurrence in the future. All workers are required to report OHS-related incidents to management, and managers have a duty to ensure that legislative reporting requirements and internal reporting and follow-up processes are adhered to and that preventive measures are taken as necessary. Entities in Sweden are since many years connected to a digital reporting system, and training is carried out to highlight the importance of reporting and follow-up.

Reducing environmental footprint

Sobi's environmental and climate-related impacts comprise direct and indirect impacts, through activities related to the company's operations and through sourced activities both upstream and downstream.

Sobi's carbon footprint is caused by energy consumption in pharmaceutical manufacturing, business travel, supply chain logistics and the distribution of medicines. Environmental impacts from production and laboratories are mainly due to the use of energy, water and chemicals, waste generated and sewage discharge.

By end of 2023, the internal manufacturing in Sweden was stopped. Reduction of water and energy consumption, chemicals, waste and emissions has been prioritised in Sobi's production and laboratory facilities. Specific and detailed environmental guidance for the facilities was given in specific SOPs and in the environmental compliance programme, to improve the control of the environmental impact of production. Energy and water consumption at Sobi's production facility has continuously been assessed to improve environmental performance.

Responsible handling of chemicals

All applicable chemical regulations are monitored closely and constitute an important aspect of Sobi's business. The use of Triton X-100 (a non-ionic surfactant, in the ReFacto AF/Xyntha production process and for which Sobi was granted REACH authorisation in the Sobi production site), was stopped completely during 2023 as part of the closing down of manufacturing.

Chemical regulations are extensive and continuously expanding. All handling of chemicals in Sobi laboratory and manufacturing processes follows strict instructions. Sobi performs continuous risk assessments and internal audits.The Responsible Sourcing Programme is an important tool for influencing, managing and monitoring the sourcing and handling of chemicals in Sobi's supply chain.

Sobi's GHG emissions in tonnes CO_2e	
Scope 1 Direct emissions from Sobi's own operations	**904**
Scope 2 Indirect emissions from Sobi's own operation	**648**
Total emissions scope 1 & 2:	**1,551**
Scope 3 Other indirect emissions that occur in Sobi's value chain	**124,565**

Pharmaceuticals in the environment

The environmental hazards of a specific medicine refer to its inherent properties, such as toxicity and biodegradeability. According to existing EU and US guidelines on the environmental risk assessment of medicines, biopharmaceuticals composed of proteins and peptides are not considered to have a significant negative environmental impact. A high proportion of Sobi's medicines are protein-based and therefore not considered to have a significant impact on the environment. For so called small molecules, environmental risk assessments of active pharmaceutical ingredients (API) are conducted according to legal requirements. The ones performed to date show a low risk to the environment.

Direct and indirect GHG emissions (scope 1 and 2)

Sobi's emissions occur from commercial operations in 30 country units as well as the biological production facility (reported as Manufacturing/Haematology) in Stockholm, Sweden, the legacy laboratory in Geneva, Switzerland, as well as the company's car fleet.

Sobi is committed to substantially reducing emissions from its sites and car fleet by 2025 and aims to achieve net-zero emissions and use 100 per cent renewable energy by 2030. Total energy consumption and energy consumption per employee fell during the year, largely due to the winding down of the Swedish production site. Other entities increased their consumption. As a result, the share of renewable energy fell.

Sobi's global and local car policies and car lease set-ups have been revised to promote electric and hybrid cars. Currently, 47 (46) per cent of the leased car fleet is either hybrid or electric.

The details of the impact from global operations are described in detail in the section Sustainability notes.

Indirect GHG emissions (scope 3)

Sobi mapped and identified its relevant scope 3 categories in 2022, and emission data connected to these categories is since then gathered and calculated annually. The table GHG emissions (CO_2e) - scope 3 in Sustainability notes E1 shows the relevant categories, numbers and sources of emission data.

The mapping, made using a mix of spend-based and real emissions-based data, identified Categories 1 (Purchased goods), 4 (Upstream transport) and 6 (Business travel) as the largest contributors to Sobi's indirect emissions. Using spend-based data results in broad approximations, and it is expected that scope 3 figures will fluctuate as calculation methods mature. The mapping is an important foundation for Sobi's efforts to address scope 3 emissions.

All the production of commercial medicines is outsourced to contract manufacturers. Sobi collects emission data from contract manufacturers and transport and logistics partners to monitor supply chain climate performance. These numbers are however not used in scope 3 calculations, as data quality is uneven.

Development of emissions-reduction targets

Target year	Topic	Ambitions
2025	Emissions – scope 1 and 2	Reduce operational GHG footprint by 50% from 2016 baseline.
2030	Emissions – scope 1 and 2	Reduce operational GHG footprint to net zero emissions. Shift to 100% renewable energy.
2030	Emissions – scope 3	Reduction targets will be set in 2024 based on 2023 mapping.
2030	Vehicle fleet	Achieve a 100% hybrid or electric fleet.

Waste
Sobi strives to continually increase data collection on waste and thereby enable continual reductions in waste volumes wherever possible. Measures are also taken to minimise the generation of waste.

Sobi has an established process for the reuse and recycling of its unwanted IT equipment via a certified technology life cycle management service partner. This process is being rolled out to Sobi's operations worldwide, including the training of local teams.

Responsible sourcing
As the manufacturing of Sobi's medicines is outsourced, the vast majority of its impact occurs outside the company's own operations. The Sobi Responsible Sourcing Programme is therefore an important process. The programme consists of three main pillars: alignment of values and principles, risk assessment and qualification, and performance management and monitoring. All supplier categories are included in the scope of Responsible Sourcing.

Sobi's Partner Code of Conduct, outlines requirements for all partners on human rights, protection against child and forced labour, environmental protection, anti-corruption, research ethics, protection of information, and legal compliance.

Contracts include a requirement to comply with the Sobi Partner Code of Conduct. Sobi evaluates prospective and existing partners and performs due diligence and screening for responsible management and compliance with labour and human rights and environmental standards through the evaluation tool provided by the EcoVadis sustainability ratings platform.

The Responsible Sourcing Programme covers all Sobi suppliers but evaluation is customised depending on the geographic and supplier category risk profile as well as the strategic importance of the supplier. Contract manufacturers and clinical study partners carry the highest risk.

Suppliers that do not achieve a total EcoVadis score higher than 40, that have a theme score lower than 40 or lack processes or adequate performance in Sobi priority topics, are encouraged to improve through identified activities.

By the end of 2023, the Sobi contract manufacturers scored on average 64 (65) points, which puts them between a "good" and "advanced" performance according to the EcoVadis scoring methodology.

Sobi is part of the PSCI. PSCI brings together members of the global pharmaceutical and healthcare industry to define, establish and promote responsible supply chain practices. The platform offers an efficient way for both suppliers and customers to improve sustainability performance and increase knowledge.

Responsible sourcing is an integrated part of Sobi's supply chain and procurement strategies and supplier performance is monitored and reported within the procurement organisations. Members of Sobi's procurement departments undergo regular training in responsible sourcing.

Responsible sourcing – ambitions
- Conduct ESG due diligence on all defined supplier risk categories
- Secure minimum performance and drive continuous improvement with special attention to Sobi priority topics

Dedication to ethics, compliance and fair competition
Sobi's Code of Conduct provides a framework for responsible and appropriate conduct. It is approved by the board and applies to everyone working at Sobi and its subsidiaries – including employees, temporary personnel and on-site consultants.

The Code of Conduct connects to essential corporate policies, Sobi values and sustainability priorities. Topics include human rights, health in the workplace, freedom of association, zero tolerance for child and forced labour, patient and community interactions, product safety and quality, ethical research, anti-corruption, fair competition, conflicts of interest, data privacy, intellectual property and environmental responsibility.

The Code of Conduct is available for both employees and external audiences and was updated in 2023..

Sobi promotes high ethical standards by supporting a corporate culture that embraces open discussion on ethics – both in its operations and among key stakeholders.

Compliance
Sobi's compliance programme is designed to be proactive and follows the elements and principles for effective compliance programmes established by regulators. All new employees are introduced to compliance as part of the induction programme. Other means of training and communication include general and topic-specific e-learnings as well as articles on Sobi's intranet, InsideSobi.

The Global Compliance Governance Charter ensures management oversight of the compliance programme, including a governance structure with compliance committees, compliance accountability and responsibilities throughout the organisation and a network of country compliance managers. Sobi has during the past two years focused on strengthening local capabilities in this area. The Chief Compliance Officer reports directly to the General Counsel, and regular updates on the compliance programme are provided to the Corporate compliance committee and board.

The Corporate compliance committee consisting of the CEO, the CFO, the General Counsel and the Chief Compliance Officer has oversight of compliance investigations, ensuring both non-retaliation against whistleblowers, and organisational fairness in regard to how sanctions and disciplinary measures are applied.

Sobi employees are encouraged to report potential misconduct or unethical behaviour openly to their line management, Human Resources, Compliance or the Legal Department, or by using the Sobi compliance hotline, which is a whistleblowing hotline run by a third party to allow for anonymity. The Sobi compliance hotline is also available for external audiences via a link on the company's website. All reports made through the whistleblowing hotline are reviewed by Compliance and are subject to investigation according to Sobi's Investigation policy and followed up with the appropriate remediation measures.

During 2023, Sobi continued to establish the monitoring element within the global programme while keeping up its self-inspection efforts.

In 2023, 14 (12) cases were reported via the hotline. To capture all cases, events reported outside the system can also be entered by proxy. More details in Sustainability notes, G6.

Anti-corruption
The pharmaceutical industry is exposed to several corruption risks. It is a highly regulated sector with global operations, multiple interactions with government officials and the widespread use of third parties throughout the pharmaceutical value chain. Sobi works actively to prevent any form of corruption.

Sobi's Anti-corruption policy, which is approved by the Executive committee, has a global scope and complements the Code of Conduct with Sobi's global minimum standards to prevent corruption in activities under Sobi's control. It is aligned with industry codes and legislation, such as the Foreign Corrupt Practices Act and the UK Bribery Act. Key principles outlined include not accepting any form of bribe, any offer or provision of facilitation payments, ensuring accurate book-keeping and records, and that no gifts are made to public officials or healthcare professionals. Risk assessments are carried out on a regular basis and risk-based due diligence procedures are carried out in respect to third parties. The policy was updated in 2023, and a new training was launched.

All employees are required to undergo regular e-learning compliance training on the Code of Conduct, anti-corruption and data privacy, with records kept of the training. Training on the Code of Conduct, anti-corruption, and anti-bribery are mandatory every second year. In 2023, 95 per cent (97) of eligible Sobi employees completed the Code of Conduct training and 91 per cent (96) completed the recently launched anti-corruption and anti-bribery training. Additional training for specific audiences is defined in annual compliance training plans and may include 'train the trainer' materials on relevant topics delivered by compliance subject-matter experts or face-to-face training on key risks or compliance topics.

Managing corruption risks in the pharmaceutical industry

As a pharmaceutical company, the most apparent corruption risk lies within Sobi's interactions with healthcare stakeholders. All engagements are governed by the Code of Conduct, while a majority are also covered by the Anti-corruption policy and the more specific policy on healthcare interactions. Other policies relevant to preventing corruption are: Anti-corruption due diligence on third parties, Group authority policy, Global expense policy, Procurement policy and Risk management policy.

Sobi's healthcare compliance programme includes system support to minimise the risk of corruption. This includes policies, mandatory training for customer-facing employees, as well as reporting and controls. The programme is an important tool for ensuring that all interactions and value transfers remain legal and can withstand external scrutiny. It is also important that all healthcare interactions are intended for the benefit of patients or to enhance the practice of medicine, and that all interactions have the required prior approval and appropriate documentation. An annual compliance monitoring plan is adopted and executed that involves sample testing and the verification of key controls for different activity types and processes. The findings are categorised, logged, and reported.

Monetary transactions and value transfers with healthcare providers and patient organisations follow local transparency initiatives such as under the European Federation of Pharmaceutical Industries and Associations (EFPIA) Code, US Sunshine Act and national transparency laws, and are made public on an annual basis on sobi.com. Sobi publishes Transfers of Value
to healthcare providers in 35 markets across Europe (including Russia and Ukraine), Asia, Australia, the Middle East, and the US.

Third-party risk management

Compliance and sustainability requirements on third parties are reflected in the Partner Code of Conduct. In addition, using a risk-based approach, all relevant third parties undergo screening and due diligence in alignment with the SOP on anti-corruption due diligence on third parties. During 2022 and 2023, the process was strengthened and digitalised and additional trainings provided to local organisations, with focus on third party risks.

Additional controls are in place to protect Sobi from engaging with third parties performing services that may violate the applicable international and local laws, regulations, industry codes, standards and principles in both the fields of anti-bribery and anti-corruption as well as human and labour rights and environmental protection and the global Compliance programme is evolving with market and legal requirements .

Data privacy

Data privacy is part of Sobi's Code of Conduct and is a prioritised area throughout Sobi. It is important that customers, clinical study subjects, employees and others Sobi interacts with can trust that the company processes personal data in a responsible and secure manner.

Sobi has implemented a data privacy programme to promote data privacy compliance, including appointing a Data Protection Officer (DPO), a global policy on processing of personal data, procedures for responding to data breaches and data subject access requests, and monitoring procedures. In addition, data privacy champions have been appointed throughout the Sobi organisation to promote compliance and support the business.

EU data privacy legislation requires Sobi to assess all suspected and confirmed personal data breaches. If a personal data breach is confirmed, Sobi must also determine whether reporting to supervisory authorities and/or data subjects is required. In order to comply with these requirements, Sobi has implemented a personal data breach process globally, which require all staff to report suspected and confirmed personal data breaches immediately to Sobi's DPO. The DPO assesses all cases and ensures that the appropriate actions are taken. Twelve cases were received and reviewed during 2023, and two cases reported on to the supervisory authority.

Corporate income tax

Sobi has a central Group tax function, which is responsible for the overall management of corporate income taxes, and reports to the CFO. The Group tax function maintains governing documents to secure tax compliance and continuously monitors the tax legislation affecting Sobi. Sobi pays taxes in a responsible way, meaning that taxes are paid where profits are earned in accordance with international tax rules. Sobi works to ensure compliance with all applicable tax legislation and regulations in each jurisdiction in which the Group has a taxable presence. A commercial approach, rather than a tax driven approach, is taken when operating the business and managing the legal structure. Sobi keeps a balanced tax risk profile and does not engage in tax-avoidance activities.

Compliance – ambitions

- All employees undergo regular e-learning training. Required for all employees: Code of Conduct, anti-corruption and anti-bribery, data privacy and safety training
- Zero tolerance for bribery
- No violations of data privacy
- Transparent reporting of monetary transactions to healthcare-professionals and organisations

Responsible behaviour and the SDGs

Sobi works to always ensure responsible behaviour in its role as an employer, as a business and within the value chain in which Sobi operates. Sobi supports employees to act and make decisions that reflect its corporate principles. Ambitions are aligned with the SDGs and Sobi contributes through several targets.

SDG	Sustainable Development targets	Action and ambitions	Progress	Read more
SDG 7 Affordable and clean energy	7.2 Increase share of - renewable energy	Shift to 100% renewable energy	Sobi entities worldwide track their use and sources of energy. Renewable energy with certificate of origin is sourced for offices and facilities in Sweden and Boston.	p. 135 (E2)
			Sobi encourages suppliers to switch to renewable energy. Among contract manufacturers tracked in EcoVadis, 86% report the use of renewable energy.	p. 138 (G5)
		Transition to 100% hybrid/ electrical car fleet by 2030	47% (46) of car fleet hybrid/electrical.	pp 134-135 (E1)
SGD 8 Decent work and economic growth	8.8 Protect labour rights and promote safe working environments	Ambition for zero workplace incidents	Lost time injuries per million working hours decreased, 6 of 11 accidents were related to commute. 96% of Sobi employees have access to beyond statutory health insurances. Several local well-being initiatives in place.	p. 137 (S6 & S7)
SDG 12 Responsible consumption and production	12.1 Implement the sustainable consumption and production framework	Implement the Sobi Responsible Sourcing Programme in supplier relationship management	The Partner Code of Conduct is a key part of supplier contracts. EcoVadis assessments are conducted on prospective and current partners. Important practices are monitored.	p. 125, p. 138 (G5)
	12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycles	Comply with REACH legislation	Sobi maintains REACH authorisation for the use of Triton X-100. Usage stopped with closure of production unit in Sweden.	p. 124
		Environmental assessments of medicines	Environmental risk assessments of active pharmaceutical ingredients (APIs) carried out according to requirements.	p. 124
		Increase data collection on waste to enable reduction of waste volumes	Waste reporting covering 72% (70) of Sobi operations. Total amount of waste showing decline, due to decreasing amounts of hazardous waste.	p. 136 (E7)
SDG 13 Climate action	13.2 Integrate climate change measures	Apply TCFD risk analysis and adopt a climate strategy in response	First formal TCFD report completed in 2022, and updated in 2023. The TCFD process is integrated into Sobi's overall risk management process.	pp 42-44, pp 128-132
		Complete scope 1, 2 and 3 reporting with targets	Targets for scope 1 and 2 set.	p. 124
			A complete mapping of scope 3 emissions was completed in 2022, updated in 2023.	pp 134-135 (E1)
SDG 16 Peace, justice and strong institutions	16.4 Combat organised crime and illicit financial and arms flows	Zero incidents of medicine counterfeiting	100% serialisation of medicines to prevent counterfeiting.	p. 121
	16.5 Anti-corruption and bribery	Zero incidents of bribery or corruption	Sobi's Anti-corruption policy was updated in 2023, and a new training was launched. 14 (12) cases reported via the hotline and investigated.	pp 125-126, 139 (G6)
			91% (96) completion rate in anti-bribery and anti-corruption training. launched late in 2023.	p. 137 (S8)

Report on climate risks and opportunities (TCFD report)

This report has been prepared using the framework defined by the Taskforce on climate related financial disclosures (TCFD)[22]. Sobi adheres to the recommendations by TCFD to disclose in four thematic areas: governance, strategy, risk management and metrics and targets.

Governance

Sobi's board has overall responsibility for Sobi's sustainability performance. Climate mitigation and adaptation have been identified by Sobi as material topics to manage. Plans and progress are reported to the board on a regular basis, together with the outcomes of sustainability risk assessments and adverse events.

The CEO and the Executive committee approve Sobi's climate strategy, ensure compliance, and decide on the overall objectives and implementation of measures related to energy and climate. Each area or function with impact on climate management is responsible for implementing relevant measures and following up on progress. Results are reported back to the Executive committee.

The Global Head of Sustainability is, on behalf of the Executive committee, responsible for driving the implementation and communication of the strategy in close collaboration with the corporate functions and business units, and to support with monitoring progress.

Functions managing Sobi's contract manufacturing relationships, logistics and distribution as well as the recently closed own manufacturing, carry a special relevance. Within these functions, responsibilities and representatives (individuals or forums) have been identified to communicate Sobi's climate and energy ambitions and oversee that they are accepted and respected. Other functions, such as Indirect procurement, Packaging and regional and country organisations are also important stakeholders.

The Internal Control function oversees risk management, including risks relating to climate. The risk management function aggregates and consolidates risks found in risk analyses throughout the organisation and presents a Group-wide risk map to the Executive committee and the board. Sobi's risk management process is described in the Sobi Group risk management policy and the Sobi Group risk management instructions.

Strategy

Introduction

Sobi is a specialised biopharmaceutical company providing access to innovative medicines in the areas of haematology, immunology and specialty care. Sobi operates in an international environment and has own presence in around 30 countries but delivers medicines to patients in many more.

The strategic business priorities are leadership in haematology, growth in immunology, growing globally and focusing on medicines in mid- and late-stage development. This frames Sobi's efforts to reduce its climate impact and improve its energy management.

Sobi's climate impacts are both direct, from commercial operations and the final year of inhouse pharmaceutical manufacturing, and indirect. Indirect impact stems from sourced activities upstream and downstream such as the manufacturing of input materials and the contract manufacturing of medicines, logistics and the distribution of intermediates and medicines, and finally the use of Sobi medicines. Major impacting activities throughout the value chain have been identified as part of Sobi's ongoing sustainability management, and efforts are made to reduce climate impact where relevant and possible. Targets have been set to achieve net zero emissions from the company's own operations (scope 1 and 2) by 2030. Scope 3 emissions are mapped since two years.

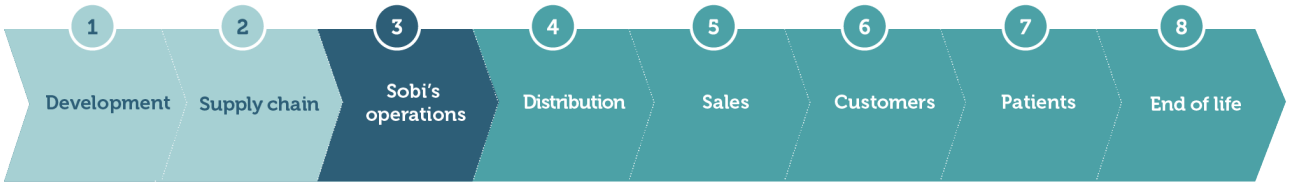
More information on Sobi's strategies and activities related to climate and energy management can be found in the sections Reducing environmental footprint and Responsible Sourcing of the Sustainability report. Data is found in section Sustainability Notes.

Sobi's strategic business priorities have guided the analysis of climate-related risks and opportunities that Sobi may face. A more detailed description is found in the section Risk management.

[22] Task Force on Climate-related Financial Disclosures (TCFD) (fsb-tcfd.org).

Identified risks and opportunities according to the TCFD framework
For a detailed description of methodology and references, see the section Risk management.

The conclusions take into consideration both the specifics of Sobi's value chain (see below and the description in section A value chain perspective on sustainability) – and the kinds of regional impacts more likely to occur in geographies of special importance to Sobi. The analysis has only been conducted for impacts related to CO_2. Currently there is no knowledge of any significant impact related to other greenhouse gases.



Sobi's contributions and impact occur throughout the value chain, both upstream, in Sobi's own operations as well as downstream.

Main transition risks and opportunities
Among the two scenarios chosen to represent and visualise climate related risks, the Net Zero 2050 scenario provides the best summary of potential transitional risks and opportunities.

The table Sobi's main risks and opportunities lists the risks and opportunities that carry the highest impact and probability of occurrence for Sobi. The risks and opportunities are classified according to the Intergovernmental Panel on Climate Change (IPCC) impact table structure and listed in no particular order.

Net Zero 2050 (phase IV)

This scenario limits global warming to 1.5 °C, through stringent and rapidly introduced climate policies and use of carbon dioxide removal schemes to accelerate decarbonisation. The target is to reach net-zero CO_2 emissions by 2050 giving at least a 50 per cent chance of limiting global warming to below 1.5 °C by the end of the century with low risk of overshoot. Physical risks are relatively low, while transition risks are high.

A rapid transition across all sectors of the economy and most geographies is forecasted to take place. Electricity supply will be decarbonised, electrification of buildings, industry and transport, as well as energy efficiency improvements will be key. Innovation in new fuels and carbon storage will take place. All of this will in turn have effects on energy sourcing and supply as well as energy pricing and costs for emissions. Changes in technology for mobility will result in effects on pricing and potentially transport capacity.*

* https://www.ngfs.net/ngfs-scenarios-portal/explore/

Sobi's main risks and opportunities connected to a rapid transition

		Short term (1-3 years)	Medium term (3-5 years)	Long term (5-15 years)
Policy or legal risk	**Financial impact of policy change**			
	Cost models affected due to cost increases connected to the implementation of new policies in the manufacturing of medicines or input materials.		x	
	Changes in requirements on packaging and input material requiring time and resources. Limited impact on cost.	x		
	Electrification of transport in Europe – risks of cost increases or availability of long-distance cold transport.		x	
Technology risk	**Risk that new technology displaces old systems and disrupts some parts of the existing economic system**			
	Strict power management or power distribution limitations could affect production at contract manufacturers as energy systems move to renewables.		x	
	Requirements to use BAT (Best Available Technology) in EU production could bring about supply chain disruptions and/or cost increases.	x		
Market risk	**Shift in supply or demand when climate risks and opportunities are being considered**			
	Increasing customer requirements for good climate performance throughout value chain can be both an opportunity and a risk. .	x		
Reputation risk	**Changing perception of a company connected to its contribution or lack thereof to transition**			
	The impact of climate performance on reputation will grow quickly.	x		
Resource efficiency and energy source opportunities	Focus on energy, water, materials, waste is an opportunity to avoid increased costs and is needed in all areas of the value chain.	x		
	Climate linked loans can provide an attractive model for finance.		x	
	Making Packaging Information Leaflets (PILs) available online instead of physically integrated in product could reduce need of artwork changes and as a consequence product scrapping, benefiting not only Sobi but the entire industry.		x	

It is assessed that Sobi is reasonably well prepared to manage identified risks. Sobi's Responsible Sourcing Programme already incorporates climate and energy management into assessments of potential and onboarded suppliers, and existing collaboration mechanisms are used to further increase the focus on climate and energy management in dialogue with contract manufacturers. This also improves Sobi's ability to deliver more complete and accurate climate data and information to customers.

Logistics and transport partners report on climate footprint, and discussions are ongoing to increase climate requirements. It is believed that primarily the European transport market will see a shift from fossil fuels due to customer requests. Interest among customers is already visible and Sobi should monitor and make use of such opportunities .

Processes for third-party due diligence are being revisited to ascertain that climate and energy management is properly manifested. Also business continuity processes and packaging strategies are analysed to reinforce with these perspectives.

Opportunities related to improved energy efficiency in facilities where Sobi operates today, or will operate in the short or mid-term, and possibilities to transition to renewable energy and decrease the energy footprint are a regular part of the ongoing work to minimise Sobi's climate footprint. .

Main physical risks

Between the two scenarios chosen to represent and visualise climate related risks, the Current Policies scenario provides the best summary of potential physical risks.

Current Policies (phase IV)

This scenario assumes that only current policies are preserved, leading to low transitional risks but high physical risks, slightly decreased compared to last version due to recent policy implementations.

If no further policies are implemented, average and extreme temperature changes are expected throughout the century, and the present global warming of about 1.2 °C compared to pre-industrial times would increase to 2 °C around 2050 and 3 °C within this century.

This is projected to lead to non-linear increases in severe and irreversible climate impacts, leading to regional and local exposure to different types of risks to eco-systems, human health and supply chains. This includes both irreversible impacts manifested as chronic risks and acute risks stemming from more volatile climate conditions.

Chronic risks include deteriorating living conditions in many parts of the world, and a rising sea level. Acute risks include heatwaves primarily in Europe and Asia and droughts in North America and Africa.*

*https://www.ngfs.net/ngfs-scenarios-portal/explore/

The table Sobi's main physical risks shows the chronic and acute physical risks that were identified to carry the highest impact and probability of occurrence for Sobi. The risks are classified according to the IPCC impact table structure and listed in no particular order.

Sobi's main physical risks connected to keeping with current policies

		Short term (1-3 years)	Medium term (3-5 years)	Long term (5-15 years)
Acute	**Event driven, including weather-related**			
	Acute weather events such as heavy precipitation, floods or extreme winds with storm surges could affect supply, logistics and distribution chains, and in the end medicine availability, patient health as well as company financials. In primary focus are the main logistics hubs in Europe, and impact could increase during new launches or if stock levels are low.	x		
	Extreme weather events can affect possibilities for Sobi's suppliers to access input materials. Monitoring and ascertaining proper contingency planning is more difficult in companies further up in the supply chain, thereby increasing risks.		x	
	Heat waves risk affecting temperatures during storage or transport, jeopardizing product quality or increasing costs. This risk is not isolated in geography but could appear in any of Sobi's distribution flows.		x	
Chronic	**Permanent changes caused by climate change**			
	Effects on energy supply, such as limitations in supply, Increased energy costs and CO_2-emissions related to cooling due to higher temperatures and increased need for cooling.		x	
	Infrastructure not designed for a warmer and wetter climate, making logistics less reliable	x		

Sobi's business model creates a dependency on external partners within the supply eco-system. Sobi's biggest flows of medicines are within Europe and North America and between the two continents. Unchecked climate change will mean a considerable increase in the risk of extreme weather events such as floods or heatwaves in certain parts of Europe and droughts on the North American continent.

Under this scenario, the likelihood for increased and unforeseen consequences and costs caused by extreme events will increase. To counter this risk, business continuity processes are being revisited to include weather-related risks. A regular assessment of Sobi as well as suppliers' locations should take place to identify potential hazards and ensure that suppliers have business continuity plans that include climate change parameters. Climate change preparedness should be part of the regular dialogue with, and assessment of potential supplier partners. Critical materials should be listed, including materials used in manufacturing.

It is not assessed that any of Sobi's current manufacturing or distribution partners are in areas with high risk in the short-term.

There is a risk that extreme temperatures could affect single deliveries, but it is not considered a systemic risk. According to the same logic, extreme weather could have potential negative impact on the ability of patients to access medicines. Access to medicines is already a top priority for Sobi and processes exist to ensure timely deliveries.

Risk management

Sobi conducted formal climate scenario planning sessions for the first time in 2022, using the recommendations and impact tables identified by the TCFD[23], dividing potential impacts into transitional and physical risks and opportunities.

Three workshops were held focusing on the perspectives Finance and Legal, Technology and Product and Market. The workshops included relevant senior representatives and internal experts from these functions. The workshops were conducted using the same methodology:

1. A review of the conclusions of the Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report Working Group I (AR6 WGI)[24] and some of the more detailed conclusions on impacts, regional vulnerabilities, and potential adaptation effects from the Working Group II report (AR6 WGII)[25].
2. A discussion on effects on society and industry using two of the Representative Concentration Pathways (RCPs) described in AR6 WGI: Shared Socio-Economic Pathway SSP 1-1.9 and SSP 3-7.0.
3. An identification of risks and opportunities for Sobi using two of the climate scenarios identified by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).[26] The chosen climate scenarios, illustrating two opposing evolutionary paths, are 'Current Policies' (similar to SSP 3-7.0) and 'Net Zero 2050' (resembling SSP 1-1.9).
4. A rough estimation of time horizons for risks and opportunities. Three time horizons (short term – one to three years, medium term – three to five years, and long term – five to fifteen years) were used. This exceeds the ten-year time horizon normally used for business planning and is also why a longer time horizon than 15 years was not deemed practical to use.
5. A judgment on the size of the impact and probability of the realisation resulting in a final ranking of main identified risks and opportunities.

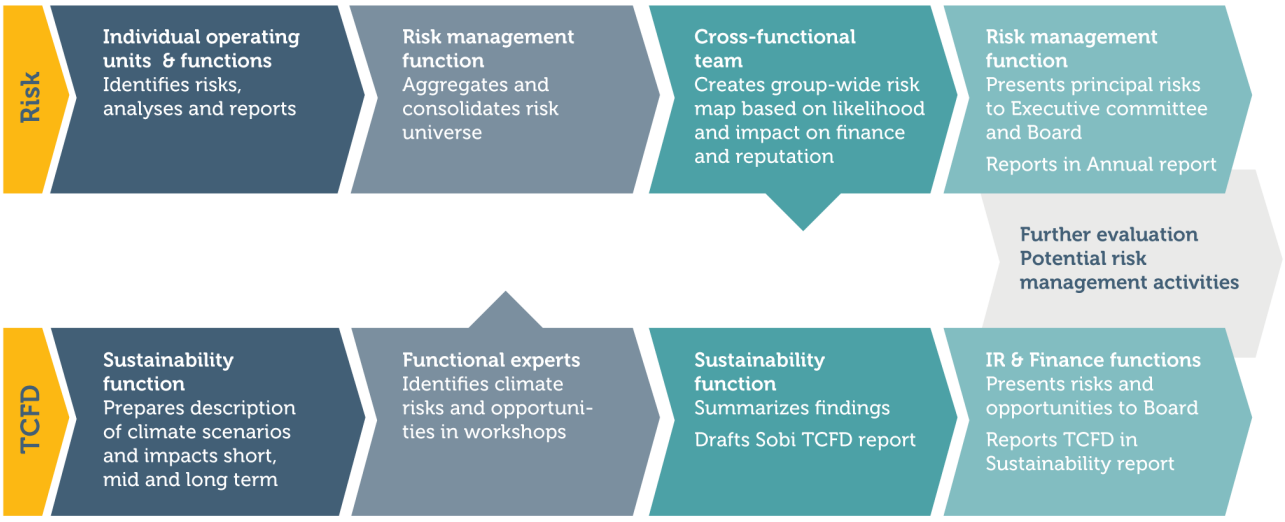
A review and light update of the risks and opportunities were made in 2023, using the most recent release of NGFS's phase IV climate scenarios. While both chosen scenarios have been slightly modified in the latest release, they still correspond well to the SSPs of the Sixth Assessment Report. The updated scenario data was used to review risks and opportunities identified in the 2022 workshops, updating impacts, probabilities and time horizons and adding new potential risks and opportunities. The updated 2023 summary tables are presented under each scenario.

[23] FINAL-2017-TCFD-Report.pdf (bbhub.io)
[24] IPCC_AR6_WGI_SPM_final.pdf
[25] https://www.ipcc.ch/report/ar6/wg2/
[26] https://www.ngfs.net/ngfs-scenarios-portal/

Sobi's overall risk management process is based on the Group risk management policy. The process aims to identify and assess all relevant strategic, operational, financial, and regulatory risks as well as sustainability risks. The risk assessment and the results of the 2023 risk management process are described in detail in the section Risk management. The risk management function reports the risk status to the Executive committee, and to the board. As part of the risk management process, the company's critical flows are identified, and business continuity plans are implemented. This process is managed by Sobi's Internal Control function.

The conclusions of the TCFD climate risk mapping have been included and integrated into the overall risk mapping conclusions. An annual workflow has been established where climate and overall sustainability risks will feed into the overall risk management process, see below.

Integrated processes for risk management and TCFD reporting



Metrics and targets

Sobi tracks its CO_2 footprint and reports scope 1 and 2 emissions annually in the Annual and sustainability report. Targets have been set to reach net-zero emissions from Sobi's own operations (scope 1 and 2) by 2030. The share of renewable energy is also tracked, and a target set to reach 100 per cent use of renewable energy in operations worldwide by 2030. The use of company cars is monitored and a target in place to switch to 100 per cent electric or hybrid technology by 2030.

The energy and CO_2 footprint of contract manufacturers and logistics partners is tracked, as well as these companies' climate ambitions. This is a part of the regular business reviews and ongoing dialogue with these companies. A complete mapping of Sobi's scope 3 emissions was made for the first time in 2022 and scope 3 is now part of regular annual reporting.

2022 was the first year that Sobi tracked and reported on the energy performance of the buildings in which it operates. This continued in 2023.

More details on metrics and performance related to climate and energy can be found in the sections Reducing environmental footprint and Responsible Sourcing as well as in the section Sustainability notes.

Sobi participates in the S&P Corporate Sustainability Assessment (CSA) and reports to CDP (previously known as the Carbon Disclosure Project) to assess and benchmark its performance versus best practice.

KPIs for manufacturing and delivery performance are well established. These measurements can also be used to identify climate-related impact on company performance.

Sustainability notes

The Sustainability notes contains a summary of the progress and results obtained during 2023. Sobi bases its sustainability work on the most recent materiality assessment that was completed in 2022, when also the process was updated. A description of stakeholder groups and outcomes of the assessment is found in section Materiality process and material sustainability topics.

Sobi is covered by the reporting obligation of the Non-Financial Reporting Directive (NFRD), and is thereby required to also provide information of eligibility and alignment with the EU Taxonomy objectives. For financial year 2022, disclosure was required for the first two objectives. For 2023, disclosure of eligibility with the remaining four objectives is also required. Sobi's core business – developing, commercialising and manufacturing pharmaceutical products – has been identified to be covered by economic activity identified within the Delegated Act (EU) 2023/2486. The formal Taxonomy tables are included in section EU Taxonomy.

Economic performance
In 2023, revenue growth was 12 per cent with revenue of SEK 22,123 M. EBITA was SEK 7,075 M, resulting in an EBITA margin of 32 per cent for the full year. Cash flow from operating activities totalled SEK 4,470 M.

Direct economic value generated

SEK M	2023	2022	2021
Revenue	22,123	18,790	15,529
Operating expenses	12,956	10,201	8,288
Employee wages and benefits	3,722	3,081	2,481
Payments to providers of capital	825	229	302
Payments to governments[i]	641	673	1,124
Community investments[ii]	27	17	17

The calculation is based on the consolidated statement of comprehensive income.

i. Includes corporate income tax payments, i.e. no special payroll tax on pensions, VAT or social security contributions. Does not include other taxes such as pharmaceutical, environmental and individual employees' income tax.

ii. Community investments are based on costs for financial support to patient organisations. The largest recipients are the World Federation of Hemophilia and the European Haemophilia Consortium. Patient organisations receiving support are made public on sobi.com.

Indirect economic impact
Sobi reports on the humanitarian aid donation of haemophilia factor treatments as a significant indirect economic impact in the stakeholder community and in developing countries.

In 2020, Sobi and Sanofi announced the agreement to extend their support of the World Federation of Haemophilia (WFH) Humanitarian Aid Program with an additional donation of up to 500 million international units (IU) of factor medicine for humanitarian use, thereby fulfilling the 2014 pledge to donate one billion IU over a ten-year period.

The positive impact created is a result of Sobi's and Sanofi's contribution to the Program and is reported in accordance with the WFH Humanitarian Aid Program Impact report.

Number	2023	2022	2021
Total MIUs[i] donated	811	685	612
Total patients treated (cumulative)	22,023	20,274	18,881
Acute bleeds treated	42,406	32,866	31,528
Surgeries	1,069	648	412
Number of workshop attendees	145	400	1,468

i. Million international units.

In addition to the humanitarian aid donation to the WFH, Sobi contributes to the WFH Corporate Partner Program. Read more about the impacts of the Corporate Partner Program in section Maintain commitment to patients, and on sobi.com.

Environmental performance
The scope of Sobi's environmental impact reporting includes the Sobi-owned biological manufacturing facility, its headquarters in Sweden, international offices, and business travel. Environmental data from subsidiaries was first included in 2020, and new data points have been added in since. In 2022, historical figures were recalculated to reflect the full company footprint and value chain emissions (scope 3) were for the first time included, expressed as carbon dioxide equivalents (CO_2e emissions).

E1. Greenhouse gas (GHG) emissions

GHG emissions (CO_2e[i]) – scope 1 and 2

(tonnes)	2023	2022	2021	2020	2019	2016[ii]
GRAND TOTAL SCOPE 1 AND 2	**1,551**	**1,351**	**975**	**2,720**	**2,501**	**1,591**
Total scope 1 and 2 emissions per employee (tonnes per FTE)	0.88	0.87	0.63	1.80	1.87	2.09
Scope 1 (direct emissions)						
Heating	5.0	3.1	3.3	1.7	2.2	2.6
Oil	*2.5*	*1*	*3.3*	*1.7*	*2.2*	2.6
Gas	*2.6*	*2.1*	*0*	*0*	*0*	0
Company cars	899	784	701	676	558	432
Total scope 1	**904**	**787**	**704**	**677**	**560**	**435**
Scope 2 (indirect emissions) [iii]						
Electricity (market-based)	457	359	161	1,929	1,831	1,044
Electricity (location-based)	517	415	233	1,337	1,079	617
Heating	183	195	110	113	110	113
Cooling	8	9	0	0	0	0
Total scope 2 (using market-based numbers)	**648**	**563**	**271**	**2,043**	**1,941**	**1,157**

[i] Emissions contain a mix of greenhouse gases, but mainly CO_2. No single emissions of other greenhouse gases are known.

[ii] 2016 is the base year for Sobi's targets for scope 1 and 2.

[iii] Scope 2 emissions calculated using both market and location-based components.

GHG emissions (CO_2e) – scope 3

	Category	GHG emissions (t CO_2e) 2023	GHG emissions (t CO_2e) 2022	Calculation method	Source of emission factors
1	Purchased goods and services	103,001	94,410[i]	Spend based	2023 & 2022: Exiobase 3.9 (2019)
2	Capital goods	2,595	776[i]	Spend based	2023 & 2022: Exiobase 3.9 (2019)
3	Fuel and energy related activities	193	159	Scope 1 and 2 data	2023: Energiföretagen (2022) & IEA (2021) 2022:DEFRA 2022
4	Upstream transportation and distribution	7,970	5,904[i]	Spend based	2023 & 2022: Exiobase 3.9 (2019)
5	Waste	11	14[ii]	Reported waste data	DEFRA (2023), DEFRA (2022) and other factors
6	Business travel	9,895	9,937	Reported data on physical travel and spend based data	2023 & 2022: Travel agency emission data and car manufacturer data (WLTP) 2023: Exiobase 3.9 (2019), 2022: Quantis (2021)
7	Employee commuting	871	1,732	Employee commuting surveys conducted in 2022 and 2023	2023: NTM (2018), DEFRA (2022 & 2023) 2022: NTM (2018), DEFRA (2022)
8	Upstream leased assets	not relevant	not relevant		
9	Downstream transportation and distribution	not relevant	not relevant		
10	Processing of sold products	not relevant	not relevant		
11	Use of sold products	voluntary – not included in 2023	voluntary – not included in 2022		
12	End-of-life treatment	29	25	Primary packaging data	2023 & 2022: DEFRA 2022
13	Downstream leased assets	not relevant	not relevant		
14	Franchises	not relevant	not relevant		
15	Investments	not relevant	not relevant		
	GRAND TOTAL SCOPE 3	**124,565**	**112,957**[i]		

i Restated due to change of emission factors and updated spend classification.

ii Restated due to calculation error.

Relevant scope 3 categories and data sources

Emission factors used in calculations
For scope 1 and 2 emission calculations, a number of sources have been used, see below. Scope 3 emission factors are listed in the scope 3 table.

Scope 1 and 2 emission factor data sources

Aspect	Source
Location-based emissions	AIB (2022)
Market-based emissions	AIB (2022) IEA (2023)
District heating	Energiföretagen (2022) IEA 2021 DEFRA (2022) Légifrance (2021) KfW (2022)
District cooling	DEFRA (2023) Stockholm Exergi (2020)
Fossil fuel (production facility Sweden)	DEFRA (2022)
Leased cars	Car manufacturer data, WLTP

Comments GHG emissions
Emissions include data from Sobi's global operations. Historically, emission data was only available for the Swedish Parent Company. Total scope 1 and 2 emissions for 2020 and back were therefore restated in 2022 to reflect Sobi's global footprint and updated to reflect both market-based and location-based calculation methods, as defined by the GHG Protocol Scope 2 Guidance. The extrapolation was made using average employee consumption figures[27], which is believed to be a liberal estimation.

Starting 2021, GHG figures have been extrapolated to compensate for organisational units for which data was not available. In 2022, 94.1 per cent of Sobi facilities worldwide (calculated as share of employees) reported all or some energy data, and in 2023 this number was 95 per cent. Some reporters for leased car data have not split between business and private travel. The share of electric and hybrid cars out of leased cars has increased to 47 per cent. The total number of leased cars however increased in 2023, leading to higher emissions.

Sobi completed its first full scope 3 inventory in 2022. In 2023, the methodology was further developed in line with developing reporting practices, and the 2022 numbers for some categories have therefore been restated. Categories 1 (Purchased goods and services), 4 (Upstream transportation and distribution) and 6 (Business travel) were identified as the largest contributors.

Emissions for the 2023 report have been calculated using data from the full year 2022. The 2023 calculations are a stepping stone for Sobi in the effort to address scope 3 emissions and work towards setting Science Based Targets, SBTs. The base for assumptions made and sources of emissions data is summarised in the scope 3 table on the previous page.

Categories 1, 2 and 4 have been calculated using spend-based data, and 2022 figures restated as new emission factors have been implemented and the scoping of spend to be included has been updated.

Emission data in Category 6 connected to physical travel are based on data from travel agencies and mobility management companies, and completed by spend-based calculations of emissions connected to other travel-related activities. Total emissions in this category decreased slightly in 2023.

Data in Category 7 stems from Sobi employee commuting surveys conducted in both 2022 and 2023.

E2. Energy use and mix
Energy consumption refers to all operations, including Sobi's in-house - manufacturing and offices. Energy consumption by source of origin and the proportion that is renewable is included where data is available. Starting 2022, only energy sources with a certificate of origin are considered renewable.

In 2023, energy consumption was tracked completely or partially in 95 per cent of Sobi's sites (as measured by share of employees). Renewable energy is sourced for offices and facilities in Sweden and the US, amounting to 76 per cent of consumed energy, a slight drop as the Swedish operations show a reduced consumption due to the closure of the production site.

Three Sobi entities operate in buildings with energy performance certifications, corresponding to 30 per cent of Sobi's employees.

Energy consumption (Megawatt hours, MWh)

MWh	2023	2022	2021	2020	2019
Electricity	6,485	8,511	8,440	8,318	7,518
of which renewable	*4,819*	*6,845*	*8,042*	*8,318*	*7,518*
Heating	2,920	2,427	2,391	2,133	2,550
of which renewable	*2,126*	*2,028*	*2,268*	*1,770*	*2,015*
Fossil fuel (oil)[i]	10.0	4.0	9.6	5.6	7.2
Cooling	1,131	1,890	2,121	2,902	3,059
of which renewable	*1,084*	*1,834*	*2,064*	*2,902*	*3,059*
Total	**10,545**	**12,832**	**12,962**	**13,359**	**13,134**
of which renewable[ii]	*76%*	*83%*	*n/a*	*n/a*	*n/a*
per employee	6.76	8.25	8.31	8.84	9.84

i. Direct energy.
ii. Definition of renewable energy updated in 2022.

E2.1 Total amount of energy directly consumed
The direct energy produced and consumed on-site (scope 1 Production facility) is generated by an emergency generator that is tested on a regular basis. During 2023, the facility experienced several power outages, which increased the use of the emergency generator.

E2.2 Total amount of energy indirectly consumed
Energy saving possibilities are regularly evaluated at the facilities in Stockholm, Sweden. Sobi targets to switch to 100 per cent renewable energy and reach net zero emissions in operations by 2030. The winding down of the production facility in Stockholm has led to a decrease in total amount of electricity consumed, but also the share of renewable electricity.

E3. Energy intensity
Total direct energy use for in-house manufacturing per output scaling factor.

Total direct energy use (MWh/SEK M)

	2023	2022	2021	2020	2019
Energy (MWh)	3,033	4,989	5,958	6,597	5,867
Revenue manufacturing (SEK M)	431	413	445	481	376
MWh/SEK M	7.0	12.1	13.4	13.7	15.6

E4. Water use
Water consumption data includes Sobi's head office and production facilities in Stockholm, Sweden as well as offices outside Sweden. In 2023, 66 per cent (53) of Sobi operations reported on water usage expressed as share of employees.

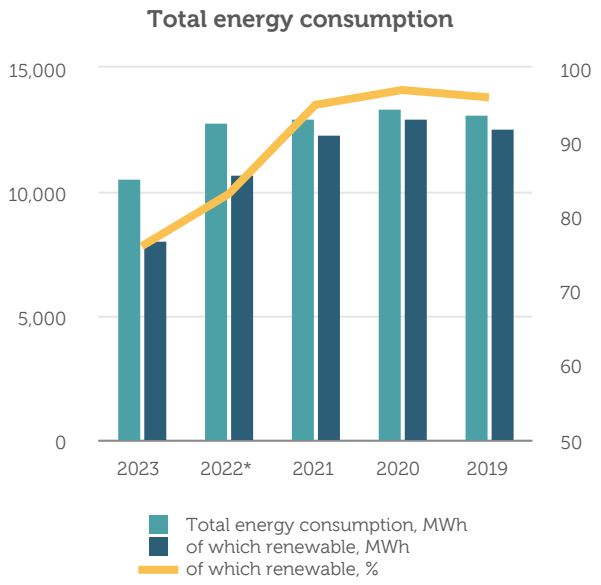
Water consumption

m^3	2023	2022	2021	2020	2019
Purchased water	13,663	26,469	53,728	56,725	31,776

In the production facility, water consumption is regularly monitored in relation to internal performance indicators. During previous years, water consumption readings at the corporate headquarters have been incorrect resulting in readings considerably higher than real consumption. Starting 2022, the readings are correct. The 2023 water consumption is heavily impacted by the closure of the production facility, which reduced its consumption with over 12,000 m^3.

[27] https://www.odyssee-mure.eu/publications/efficiency-by-sector/services/end-use-electricity-consumption-per-employee.html.

Total energy consumption and share of renewable energy



* Starting 2022, only sources with a certificate of origin included.

E5. Environmental management
The Environmental policy states the principles and defines roles and responsibilities for managing environmental issues within all of Sobi's operations, including affiliates, as well as Sobi's sphere of influence. It emphasises Sobi's commitment to complying with applicable laws and regulations, a proactive approach to protecting land, water, air, climate, natural resources and biodiversity, as well as a commitment to risk reduction and transparency.

To Sobi's best knowledge, there were no confirmed incidents resulting in administrative and judicial sanctions for failure to comply with environmental laws and/or regulations in 2023.

E6. Climate oversight and risk mitigation
Sobi describes its climate risk management in detail in the section Report on climate risks and opportunities (TCFD) and the outcome of the TCFD climate risk mapping is included in the company's overall risk mapping.

Sobi's direct GHG emissions are limited, and the company is not at risk of substantial exposure to climate change in the short term.

Supply chain partners with a high impact on Sobi's operations and which are impacted by climate-related risks are assessed and monitored as part of Sobi's Responsible Sourcing Programme.

E7. Waste
Waste figures mainly emanate from Sobi's head office and production facilities in Stockholm, Sweden but since 2021 also includes data from operations outside Sweden, now covering 72 per cent (70) of global Sobi operations. Several entities have limited possibilities to report per treatment method.

The amount of non-hazardous waste per employee has decreased in recent years, a result of several measures, including digitalisation of deviation management and changes to available archive spaces. The winding down of production has decreased this waste stream. Adding more entities means that decreases are partly offset. The inclusion of data from the Sobi US entities, means an increase in non-hazardous waste to landfill.

Used IT equipment is sent for repurposing through a collection system that in 2021 was expanded from Sweden to cover all Sobi countries, except Asia, the Middle East and Russia.

Office and production site waste

(tonnes)	2023	2022	2021	2020	2019
TOTAL AMOUNT OF WASTE	**40.4**	**52.8**	**55.4**	**35**	**39**
Total per employee	0.02	0.03	0.04	0.02	0.03
Production	26.0	42.0	36,0	n/a	n/a
Office	14.3	10.9	19.4	n/a	n/a
Non-hazardous waste					
Recycling	6.4	7.9	7.9	5	6
Reuse	0.7	0	0.3	0	0.6
Combustion with energy recovery	11.5	20.1	20.3	16	17.5
Other treatment	1.1	0	0	0	0.6
Landfill[i]	11.5	4.2	1.9	1	0.2
Total non-hazardous	**31.2**	**32.3**	**30.4**	**22**	**24.3**
Hazardous waste					
Recycling	10.8	6.8	13.8	6	5
Reuse[ii]	0.4	1.3	0.5	1	–
Combustion with energy recovery	4.3	9.2	8.4	0	0
Other treatment	1.1	3.0	1.9	7	8.6
Landfill[iii]	0.1	0.2	0.3	0	0
Total hazardous	**16.5**	**20.5**	**25**	**13**	**14**

i. A limited amount of Sobi's waste cannot be recycled and is therefore sent to landfill. The waste is mostly construction related. An increase starting in 2022 stems from the addition of entities in the US to the reporting.

ii. IT equipment sent for repurposing, a system expanded to cover all Sobi markets, except Asia, Middle East and Russia. In 2023, collections took place in Sweden, Germany, Greece and the UK.

iii. Obsolete chemicals from production that were sent for final, authorised, treatment and where remaining residue (ash/calcified end product) is subsequently landfilled.

Social performance
In 2023, Sobi had commercial operations in Europe, North America, North Africa, the Middle East, Eastern Asia and Australia. Biological manufacturing has taken place in Sweden and one laboratory facility is located in Switzerland.

To Sobi's best knowledge, there were no confirmed incidents resulting in administrative or judicial sanctions for failure to comply with laws and/or regulations in the social and economic area in 2023.

S1. CEO remuneration
See Note 10 for information about CEO remuneration. See also the Remuneration report available on sobi.com in connection with documentation for the 2024 AGM.

S2. Gender pay ratio
In Sweden, a gender equality analysis is carried out annually, designed to prevent discrimination and promote equal rights and opportunities. Results are evaluated in collaboration with trade unions and actions are taken if necessary. Roles and responsibilities are mapped proactively to ensure fair and equitable salaries as well as development opportunities.

S3. Employee turnover
In 2023, Sobi increased in number of employees due to the integration of a new entity and had a turnover rate of 15 per cent (18) due to voluntary terminations. During the year, 73 (39) employees were affected by a planned lay off due to the closure of the Sobi manufacturing site and a reorganisation. Numbers below are headcount, fixed term employees excluded.

Year	New hires	Voluntary termination	Total number of employees (year end)
2023	581	177	1,797
2022	329	260	1,567

S4. Gender diversity
Sobi has strong representation of women in management roles within STEM-related areas (Science, Technology, Engineering, and Mathematics). Positions such as SVP Technical Operations, Head of Global Quality and Head of Internal Manufacturing are all held by women.

	2023		2022		2021	
% per gender	Women	Men	Women	Men	Women	Men
Board	43	57	43	57	50	50
Executive committee	25	75	8	92	8	92
Senior management[i]	39	61	40	60	40	60
All employees	**60**	**40**	**59**	**41**	**59**	**41**

i. Senior management – management positions reporting to Executive committee.

Data includes permanent and fixed term employees.

New hires diversity
The share of female new hires increased slightly in 2023 and reflects the current gender balance. The share of both under 30 years and over 50 years increased.The age profile of new hires reflects the industry and the company's need for highly qualified and experienced staff.

Split of new hires – gender and age[i]	<30	30-49	>50	Total 2023
Women	27	221	101	349
Men	20	127	85	232
Total new hires per age group	**47**	**348**	**186**	**581**

i. Includes both permanent and fixed term employees.

S5. Temporary worker ratio
Typically, Sobi does not have part-time positions. Employees may be granted voluntary part-time equivalent employment for personal needs such as childcare.

Employees, contract type

Employees[i]		2023	2022
Permanent contract	An employee employed by Sobi without a predetermined end date.	1,740	1,520
Fixed-term contract	An employee employed by Sobi with a predetermined end date.	32	36
FTE consultants	Consultants acting as line staff and temporarily replacing a Sobi employee.	91	106

i. Employee numbers are expressed as full-time equivalents (FTE).

S6. Injury rate
The total number of accidents includes those that did not lead to absence from work but that may have required medical care. Accidents during the commute to and from the workplace is since 2021 part of the total. In 2023, six of total eleven accidents happened during commuting,

Incidents	2023	2022	2021	2020	2019
No. of accidents	11	17	17	10	26
Lost workday injury (LWI)	4	4	4	0	0
Lost time incident rate LTFIR (LTIR)[i]	1.11	1.33	1.33	0	0

i Calculations based on number of FTEs and standard working time.

- LWI – Accidents with a lost workday (in addition to the day of the accident).
- LTFIR – Lost time injuries / total number of hours worked * 1,000,000 .
- LTIR – Lost time incident rate per million hours worked.

S7. Global health and safety
A number of Sobi entities operate joint worker-management H&S committees to monitor and develop the local H&S practices. In 2023, 40 per cent of Sobi employees belonged to those entities. Another 10 per cent of Sobi employees work in organisations that engage external H&S resources to support HR and management to drive this topic.

Joint H&S committees	2023	2022	2021	2020	2019
% of employees[i] represented by H&S committees	40	43	53	–	–

i. Calculated using headcount per unit.

Health insurances follow statutory requirements, and 96 per cent of employees also have access to additional health insurances. Company insurances for accidents cover all employees, also for activities done off-site. 73 per cent of Sobi employees have access to health, wellness or fitness activities and 74 per cent of employees have access to other health services such as medical check-ups or different types of counselling.

S8. Training and education
All Sobi employees receive regular performance and career development reviews. Training documentation and performance management processes are digitalised.

A number of training modules are identified as compulsory for all or large parts of the Sobi workforce, and participation is tracked centrally. In 2023, completion rates within the defined deadline among eligible Sobi employees were between 91 and 97 per cent, maintaining a high completion rate. Lack of completion is escalated.

Main trainings completion rate

Training title	Completion rate
Sobi all – introduction	94%
Sobi all – anti-corruption and anti-bribery training[i]	91%
Sobi all – data privacy and information security training	91%
Sobi all – environment, health and safety training	94%
Sobi all – GXP introduction	92%
Sobi all – patient safety core	95%
Sobi all – patient safety refresher	97%
Sobi all – Sobi Code of Conduct training	95%
Sobi local EHS training for production and lab	95%

i Updated training launched late 2023.

In addition, Sobi collects data on locally managed training. In 2023, over 18,500 hours of product knowledge training and over 8,400 hours of training connected to leadership and personal development was reported.

All employees, 100 per cent, completed their performance management process (PMP) in 2023. All managers and employees are encouraged to set up individual development plans. In 2023, the second year this measure was centrally tracked, the share of employees that have a confirmed development plan was 16.5 per cent, up from 14 per cent.

S9. Patient safety
To ensure and evaluate statutory compliance with quality and patient safety regulations, Sobi's facilities are regularly inspected. In 2023, Sobi hosted four GXP inspections. In addition to external inspections, Sobi continuously monitors the performance of its suppliers and internal processes and operations.

Sobi had no incidents of product recall in 2023.

S10. Marketing and labelling
In 2023, one incident of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling was reported. One single unit of one medicine with label in English instead of the local language was distributed and dispensed.The incident was reported to the local authorities for assessment and potential implementation of corrective action.

S11. Forced and child labour
Sobi has zero tolerance for forced and child labour and is a signatory to the UN Global Compact. The company's statement on forced and child labour is included in the Code of Conduct and Partner Code of Conduct, the latter applying specifically to the supply chain. The Partner Code of Conduct is part of the contractual agreements with suppliers. Both documents are available on sobi.com.

S12. Human rights
Sobi is a UN Global Compact signatory and the company's statement on human rights is included in the Code of Conduct and Partner Code of Conduct, the latter applying specifically to the supply chain. The Partner Code of Conduct is part of the contractual agreements with suppliers. Both documents are available on sobi.com.

Governance
Sobi sets high ethical standards in its operations globally. The aim is to maintain a culture of compliance with corporate principles. This objective extends to Sobi's supply chain. Sobi has a well-developed governance system for compliance. For more details, see sections Sustainability governance and Compliance.

G1. Board diversity
The Nomination committee applies rule 4.1 of the Swedish Corporate Governance Code in regard to composition of the board.

Board diversity

number	2023	2022	2021
Men	4	4	4
Women	3	3	4
Nationalities	4	4	3
30-50 years	1	1	1
Over 50 years	6	6	7
Committee chairs (four committees from 2023)			
Men	2 (of 4)	2 (of 3)	2 (of 3)
Women	2 (of 4)	1 (of 3)	1 (of 3)

G2. Board independence
See the corporate governance report.
The company meets the Swedish Corporate Governance Code's requirements that a majority of board members must be independent of the company and its executive management, and that at least two board members must also be independent of the company's major shareholders.

G3. Incentivised pay
Executives are formally incentivised for objectives that are determined for the promotion of the company's business strategy and long-term development, including its sustainability, in accordance with the remuneration guidelines set out in Note 10. Remuneration involves base salary, bonus and share programmes. Note 10 outlines the principles of total remuneration: market-competitive, enabling international hiring and supporting diversity within the Executive committee.

G4. Collective bargaining agreements
All of Sobi's employees are free to form, join or refrain from joining organisations that represent their interests as employees, This is stated in the Sobi Code of Conduct. All employees are also allowed to negotiate collectively. 33 per cent (36) of Sobi's employees (France, Greece, Italy, Portugal, Spain, Sweden and Austria) are covered by collective bargaining agreements.

Employees covered by collective bargaining

Share (per cent) of employees in country or region	2023
Sweden	100
Europe[i]	30
North America[ii]	0
Rest of the world	0
Total	**33**

i. Excluding Sweden.

ii. US and Canada.

G5. Supplier Code of Conduct
Sobi has a Partner Code of Conduct in place for vendors, suppliers and partners. The Code is available on sobi.com.
Since 2020, Sobi has been a formal associate member of the PSCI and participates in several PSCI working groups to promote responsible supply chain practices as well as human rights, environmental sustainability and responsible business practices in the global pharmaceutical supply chain.
Sobi engages EcoVadis to rate supplier sustainability performance, and supplier categories identified to carry sustainability risks are a priority.

- Among contract manufacturing suppliers, over 95 per cent (90) calculated as share of spend have been scored, with a mean score of 64 (65), which puts the average Sobi supplier between "good" and "advanced" performance according to the EcoVadis scoring methodology.
- Within indirect procurement, 40 per cent of suppliers calculated as share of addressable spend are so far scored in EcoVadis, with a mean score of 59. Within the one high risk category in indirect procurement, 78 per cent of addressable spend is scored with a mean score of 52. In total, two indirect procurement suppliers scored less than 40.
- Among transport suppliers, another high risk category, over 95 per cent of suppliers calculated as share of addressable spend are scored, with a 63 point average.

Sobi also encourages implementation of key practices among its suppliers and tracks the implementation rate through the EcoVadis platform and as part of business review meetings.

Proportion[i] of contract manufacturers with implemented practices

	2023	2022
Actions on energy consumption and GHGs	100	94
Use of renewable energy	86	88
Audit or assessment of suppliers on CSR issues	100	75
Policy on anti-corruption	100	100
Active whistleblowing procedure	96	88

i.Calculated in per cent of 2022 and 2021 spend respectively.

At end of 2023, 71 per cent of Sobi's contract manufacturers, measured in share of spend 2022, had approved SBT's, and another 12 per cent had officially committed to set such targets.
For more details about the Sobi Responsible Sourcing Programme, see page 27.

G6. Ethics and anti-corruption

Sobi's ethical standards statement is included in the Code of Conduct and Partner Code of Conduct, the latter applying specifically to the supply chain. Sobi's Anti-corruption policy applies to all employees.

In 2023, 14 cases were reported via the Sobi compliance hotline and other channels, and reviewed by the Corporate compliance committee.

Total number of cases reported per category	2023
Business conduct	8
Employee relations	3
Interactions with government officials, healthcare professionals, patients	3
Accounting, auditing and financial reporting	0
Human rights	0
R&D, manufacturing, supply and quality	0

All cases were investigated and appropriate corrective and disciplinary action taken where needed. In 2023, 12 cases were managed by the compliance function and 2 by other business functions. Of the ten cases closed by compliance during 2023, six were substantiated,

95 per cent of the eligible workforce completed the Code of Conduct e-learning. 91 per cent has completed the new anti-corruption training launched in late 2023.

More information about Sobi's work on ethics and compliance can be found on page 125. R&D-related ethics principles are found on page 121.

G7. Data protection

Sobi's data protection programme is described in page 126. To allow for continuous improvements as well as compliance with data protection legislation, it is of great importance to establish and maintain a robust data breach reporting process.

Sobi's data protection office received 12 (4) internal reports of suspected personal data breaches during 2023, showing a continued readiness to report potential issues. All incidents were investigated, and corrective actions taken. Two cases (two in 2022) were reported to the supervisory authority, as required by applicable data protection laws.

EU Taxonomy

The EU Taxonomy regulation (EU Taxonomy) is as a classification system which defines environmentally sustainable activities based on the EU climate and environmental objectives. The purpose of the EU Taxonomy is to guide investors to environmentally sustainable investments and is a key component in the European Green Deal. For an economic activity to be defined as environmentally sustainable (Taxonomy-aligned) it has to substantially contribute to at least one of the environmental objectives, do not significant harm (DNSH) in relation to the other environmental objectives and comply with established minimum safeguards. To determine whether an economic activity substantially contributes to one of the environmental objectives and does no significant harm to the other environmental objectives, the EU Commission adopted delegated acts with technical screening criteria that must be fulfilled for the economic activity within each environmental objective. The six environmental objectives are the following:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources (WTR)
4. The transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. The protection and restoration of biodiversity and ecosystems (BIO)

Below, Sobi presents the Group's share of the economic activities that is Taxonomy-eligible and the activities that have the potential to be Taxonomy-aligned relating to the two first environmental objectives. For environmental objectives three to six, there are no requirements on disclosing Taxonomy-alignment in 2023.

Sobi's Taxonomy-eligible activities
Sobi has carried out a mapping of its activities and concluded that a part of the activities are Taxonomy-eligible. The following economic activity has been identified for PPC:

- PPC 1.2 Manufacture of medicinal products

Until the end of the year, Refacto was manufactured in Sobi's own product facility for Pfizer. Remaining manufacturing is outsourced to external partners. To determine whether outsourced manufacturing activities are included in the economic activity PPC 1.2, Sobi has analysed the manufacturing processes and made the assessment that Sobi is considered the manufacturer in cases when Sobi owns the raw material and the final output.

Revenue from medicinal products where Sobi has made the assessment that Sobi is not the manufacturer, royalty and other revenue are not Taxonomy-eligible.

Further, Sobi has carried out a mapping of capital expenditures (CapEx) and operational expenditures (OpEx) relating to the purchase of output from Taxonomy-eligible economic activities. The following economic activities have been identified for CCM:

- CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- CCM 7.7 Acquisition and ownership of buildings

Leasing of company cars are included in activity CCM 6.5 and leasing of office properties are included in activity CCM 7.7.

Assessment of Taxonomy-alignment
In the following sections, Sobi presents its assessment of the Taxonomy-eligible economic activities that have the potential to be defined as Taxonomy-aligned relating to the two first environmental objectives.

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
Transport has potential to contribute to CCM through decarbonisation of the vehicle fleet.

A part of the year's CapEx in leased company cars is assessed to substantially contribute to CCM. Even if the company cars meet most of the relevant DNSH-criteria some information is missing, for instance information regarding the tires of the cars. Therefore, Sobi also reports this part of the year's CapEx in leased company cars as not Taxonomy-aligned.

CCM 7.7 Acquisition and ownership of buildings
Acquisition and ownership of buildings has a potential to contribute to CCM through leasing of property with low energy consumption. During 2023, Sobi has revised its interpretation of activity CCM 7.7 and concluded that leasing of office property is to be equated with ownership. For financial year 2022, an adjusted comparative figure is thus presented in the table below.

Since the properties do not fulfil the criteria to substantially contribute to CCM or sufficient information is lacking to determine whether the criteria are fulfilled, the assessment has been made that the year's CapEx is not Taxonomy-aligned.

Social minimum safeguards
In addition to the criteria for activities to substantially contribute and DNSH, the EU taxonomy demands that companies performing the activities must ensure certain social minimum safeguard requirements.

Sobi considers that the economic activities are carried out in compliance with the social minimum safeguards. Sobi suppliers shall accept and adhere to the Sobi Partner Code of Conduct and sustainability performance is monitored within the Responsible Sourcing Programme. Sobi's policies and processes are based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Reporting principles
The EU Taxonomy KPIs are defined as follows.

Turnover
Turnover consists of Sobi's total revenue as presented in the Consolidated statement of comprehensive income and Note 5.

CapEx
CapEx covers investments in tangible- and intangible assets including right-of-use assets before depreciation, amortisation and any re-measurements, including those resulting from impairments and excluding changes in fair value. CapEx also covers investments from above arising from business combinations. Goodwill is excluded. Total CapEx can be reconciled to the Consolidated financial statements, see Note 16 and 17. Sobi has not presently established a capital expenditure plan.

OpEx
OpEx consists of research and development expenses and short-term lease expenses which are based on the Consolidated statement of comprehensive income and Note 9. Further, expenses for building renovations measures, maintenance and repair and other direct expenses relating to day-to-day servicing of tangibles are included, which cannot be reconciled against specific records in the Group's financial statements.

Turnover

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Turnover	Proportion of Turnover, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2022	Category enabling activity	Category transitional activity
		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Of which Enabling		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	E	
Of which Transitional		—	—	—						—	—	—	—	—	—	—	—		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of medicinal products	PPC 1.2	8,685	39%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								—		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8,685	39%	—	—	—	39%	—	—								—		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		8,685	39%	—	—	—	39%	—	—								—		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		13,438	61%																
TOTAL		**22,123**	**100%**																

	Proportion of Turnover/Total Turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	—	—
CCA	—	—
WTR	—	—
CE	—	—
PPC	—	39%
BIO	—	—

CapEx

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	CapEx	Proportion of CapEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2022	Category enabling activity	Category transitional activity
		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Of which Enabling		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	E	
Of which Transitional		—	—	—						—	—	—	—	—	—	—	—		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of medicinal products	PPC 1.2	17,506	84%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								—		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	41	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Acquisition and ownership of buildings	CCM 7.7	34	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		17,581	84%	0%	—	—	84%	—	—								5%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		17,581	84%	0%	—	—	84%	—	—								5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		3,265	16%																
TOTAL		**20,846**	**100%**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	—	0%
CCA	—	—
WTR	—	—
CE	—	—
PPC	—	84%
BIO	—	—

OpEx

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	OpEx	Proportion of OpEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2022	Category enabling activity	Category transitional activity
		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Of which Enabling		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	E	
Of which Transitional		—	—	—						—	—	—	—	—	—	—	—		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of medicinal products	PPC 1.2	997	35%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								—		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		997	35%	—	—	—	35%	—	—								—		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		997	35%	—	—	—	35%	—	—								—		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1,832	65%																
TOTAL		**2,829**	**100%**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	—	—
CCA	—	—
WTR	—	—
CE	—	—
PPC	—	35%
BIO	—	—

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Market availability of key Sobi medicines

Regulatory approvals and indications for Sobi's medicines vary by geographical region. In addition to regulatory approval, local pricing and reimbursement agreements are required for a medicine to be fully available through regular healthcare pathways.

The table below shows the countries for which Sobi has been granted marketing authorisation, including the indication, and whether market access is achieved through approved pricing and/or reimbursement (x in table below), managed access programmes (MAP in table below) or named patient use (NPU in table below). In the EU, the marketing authorisation approval and indication is valid for all EU member and EFTA states.

Sobi is commercialising the following main and/or proprietary medicines: Alprolix, Aspaveli/Empaveli, Doptelet, Elocta/Eloctate, Gamifant, Kineret, Orfadin, and Zynlonta, listed in the table below. In November 2022, Kineret was granted an Emergency Use Authorization by the FDA for the treatment of COVID-19 in the US, following an EMA marketing authorization for COVID-19 in the EU in December 2021. Furthermore, Vonjo for myelofibrosis and Synagis for RSV are not included in the table as Sobi sells these medicines in the US exclusively.

See section Definitions for more information on the listed indications.

	Access to Sobi's medicines							
Region	**Elocta[i]**	**Alprolix[i]**	**Doptelet**	**Aspaveli/ Empaveli**	**Zynlonta**	**Kineret**	**Gamifant**	**Orfadin**
EU and EFTA states	**Haemophilia A**	**Haemophilia B**	**CLD/ITP**	**PNH**	**DLBCL**	**RA, CAPS, Still's, FMF**	**N/A**	**HT-1 and AKU**
Belgium	x	x	x	x		x		x
Bulgaria	x	x		x		x		x
Cyprus	x		x			x		x
Denmark	x	x	x	x		x		x
Estonia	x	x	x	x		x		x
Finland	x	x	x	x		x		x
France	x	x		x		x		x
Greece	x	x	x	x		x		x
Ireland	x	x	x			x		x
Iceland	x	x				x		x
Italy	x	x	x	x		x		x
Croatia	x	x	x	x		x		x
Latvia						x		
Liechtenstein	x	x	x	x				
Lithuania						x		x
Luxembourg	x	x	x	x	x	x		x
Malta			x			x		
Netherlands	x	x	x	x		x		x
Norway	x	x	x			x		x
Poland	x	x	x	x		x		x
Portugal	x	x				x		x
Romania	x	x				x		x
Slovakia	x	x	x	x		x		x
Slovenia	x	x	x	x		x		x
Spain	x	x	x	x		x		x
Sweden	x	x	x	x		x		x
Czech Republic	x	x	x			x		x
Germany	x	x	x	x	x	x		x
Hungary	x	x	x (ITP only)	x		x		x
Austria	x	x	x	x	x	x		x

i. Sobi has final development and commercialisation rights in Europe, most Middle Eastern markets, as well as North Africa and Russia.

Market availability of key Sobi medicines, cont.

	Access to Sobi's medicines							
Region	**Elocta**[i]	**Alprolix**[i]	**Doptelet**	**Aspaveli/ Empaveli**	**Zynlonta**	**Kineret**	**Gamifant**	**Orfadin**
Europe – other	**Haemophilia A**	**Haemophilia B**	**CLD/ITP**	**PNH**	**DLBCL**	**RA, CAPS, Stills, FMF**	**pHLH**	**HT-1**
Russia	x					x + COVID-19	MAP	
Switzerland	x	x	x	x		x		x
United Kingdom	x	x	x	x	x	x		x + AKU
Turkey	x					x		NPU
Ukraine								x
North America	**Not Sobi territory**	**Not Sobi territory**	**CLD/ITP**	**PNH**	**DLBCL**	**RA, NOMID**	**pHLH**	**HT-1**
Canada				x		x		x
Mexico								x + AKU
United States			x	Not Sobi territory	Not Sobi territory	x + DIRA	x	x
Asia	**Haemophilia A**	**Haemophilia B**	**CLD/ITP**	**PNH**	**DLBCL**	**RA, CAPS, Stills, FMF**	**pHLH**	**HT-1**
Bahrain						NPU		x
United Arab Emirates	x	x	x			NPU	x	x (MAP)
Iraq	x	x						
Iran		x						
Israel	x	x	x			x		x
Japan	Not Sobi territory	Not Sobi territory	x (CLD only)	x				x
Jordan						x		x
China	Not Sobi territory	Not Sobi territory	Outlicensed				x	
Kuwait	x	x	x			x		NPU
Lebanon						x		
Oman	x	x	x			x		NPU
Palestine								x
Qatar	x	x				x		x
Saudi Arabia	x	x	x	x	DSPR	x + COVID-19	MAP	x
North Africa	**Haemophilia A**	**Haemophilia B**	**CLD/ITP**	**PNH**		**RA, CAPS, Stills, FMF**	**pHLH**	**HT-1**
Algeria	x					NPU		x
Egypt						x		
Morocco						x		
Tunisia						NPU		x
South America	**Not Sobi territory**	**Not Sobi territory**	**CLD/ITP**	**PNH**		**RA, CAPS**	**pHLH**	**HT-1**
Argentina				x		NPU		x + AKU
Australia (Oceania)	Not Sobi territory	Not Sobi territory	x	x		x + sJIA		x
Chile						NPU		x
Colombia				x				

i. Sobi has final development and commercialisation rights in Europe, most Middle Eastern markets, as well as North Africa and Russia.

About the Sustainability report

The Sobi Sustainability report 2023 is included in the Annual and sustainability report 2023 and has been prepared in accordance with GRI Standards 2021. It also fulfils the requirements on sustainability reporting outlined in the Swedish Annual Accounts Act. The Sustainability report has been approved by Sobi's board of directors. The report is not assured by an independent party.

Scope of the report

Sobi reports its sustainability performance on an annual basis, in the Annual and sustainability report. The report covers data collected for the calendar year 2023 and was published on 2 April 2024. Unless otherwise stated, the report has the same scope as the financial report and includes all Sobi operations. See Note 10 for list of employee locations and Note 18 for list of Group companies. During 2023, an acquisition was made of CTI, adding employees. There was also an organic growth in number of employees. This has assessed to be of impact on the sustainability performance, but not on the reporting as such.

Consolidations

The GRI disclosures have been selected based on the materiality analysis, further described in section Material sustainability topics. All page references refer to pages in Sobi's Annual and sustainability report 2023 or sobi.com. The sections mainly used are:

- Sobi's business model, strategy and description of activities on pages 11-13.
- A description of the Sobi approach to sustainability is found on pages 23-29 and 115-132.
- A report on the 2023 performance is found in the Sustainability notes and EU Taxonomy sections, on pages 133-144.

Restatements

The Stockholm production facility is closed after the contract manufacturing for Pfizer stopped at the end of 2023. During.the year, the manufacturing processes were gradually phased out.

In some cases, CO2-emissions reported earlier years have been recalculated to be more comparable. This is highlighted in the report.

Omissions

Omissions of information on material topics, and the reasons for the omissions, are noted in the GRI Content Index.

For questions regarding the Annual and sustainability report, contact info@sobi.com.

GRI content index

Statement of use		Swedish Orphan Biovitrum AB has reported in accordance with the GRI standards for the period 1 January 2023 to 31 December 2023.		
GRI 1 used		**GRI 1: Foundation 2021**		
GRI STANDARD/ OTHER SOURCE	**DISCLOSURE**	LOCATION	OMISSION	
		SECTION & PAGE(S)	REQUIREMENT(S) OMITTED	REASON & EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organisational details	pp30-31, 34, 55, 82, 101-103		
	2-2 Entities included in the organisation's sustainability reporting	About the Sustainability report p147		
	2-3 Reporting period, frequency and contact point	About the Sustainability report, p147		
	2-4 Restatements of information	About the Sustainability report, p147		
	2-5 External assurance	Auditor's report on the statutory sustainability statement, p152		
	2-6 Activities, value chain and other business relationships	pp3-5, 9, 12, 15-19, 28-29, 34, 35-37, 125		
	2-7 Employees	Note 10 p67, S3-S5 pp136-137	No regional split in type of employment.	Sobi is a relatively homogenous organisation.
	2-8 Workers who are not employees	S5 p137		
	2-9 Governance structure and composition	Corporate governance report p101, Board/chair of the board p103		
	2-10 Nomination and selection of the highest governance body	Corporate governance report p101-108, Sustainability governance pp116-117, G2 p138		
	2-11 Chair of the highest governance body	Board p110		
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance pp116-117		
	2-13 Delegation of responsibility for managing impacts	Sustainability governance pp116-117		
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance pp116-117		
	2-15 Conflicts of interest	Compliance p125		
	2-16 Communication of critical concerns	Sustainability governance pp116-117, Compliance p125		
	2-17 Collective knowledge of the highest governance body	Board p110-111		
	2-18 Evaluation of the performance of the highest governance body	Evaluation of the board's work p104		
	2-19 Remuneration policies	Note 10 pp68-69, S1 p136, Remuneration report on sobi.com		
	2-20 Process to determine remuneration	Compensation & benefits committee p105, Minutes from AGM on sobi.com		
	2-21 Annual total compensation ratio	Minutes from AGM on sobi.com	x	Data incomplete due to lack of systems.
	2-22 Statement on sustainable development strategy	From the CEO p7		
	2-23 Policy commitments	Policies and responsibilities p118		
	2-24 Embedding policy commitments	Policies and responsibilities p118, Material topics pp119-127, Compliance p125		
	2-25 Processes to remediate negative impacts	Risk management pp40-42, Sustainability governance pp116-117, Compliance p125		
	2-26 Mechanisms for seeking advice and raising concerns	Compliance p125		
	2-27 Compliance with laws and regulations	E5 p136, Social performance p136		
	2-28 Membership associations	Trade association memberships on sobi.com		
	2-29 Approach to stakeholder engagement	Sustainability value chain pp28-29, Material sustainability topics p116		
	2-30 Collective bargaining agreements	S7 p137, G4 p138		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material sustainability topics p116		
	3-2 List of material topics	Material topics table p117		

Economic performance				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic performance p133		
	201-2 Financial implications and other risks and opportunities due to climate change	Report on climate risks and opportunities (TCFD) pp128-132		
Indirect economic impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, SDG table p122, Patient and community engagement p120		
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Indirect economic impact p133		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Compliance p125		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk management p44, Compliance p125		
	205-2 Communication and training about anti-corruption policies and procedures	Compliance p125		
	205-3 Confirmed incidents of corruption and actions taken	Compliance p125, G6 p139		
Anti-competitive behaviuor				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Dedication to ethics p125		
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Risk management p44, Compliance p125, G6 p139		
Tax				
GRI 207: Tax 2019	207-1 Approach to tax	Corporate income tax p126		
	207-2 Tax governance, control and risk management	Corporate income tax p126, Risk management p44		
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate income tax p126		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Reducing environmental footprint p124		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	E2 p135		
	302-2 Energy consumption outside of the organisation	E1 & E2 pp134-135, G5 p138		
	302-3 Energy intensity	E3 p135		
	302-4 Reduction of energy consumption	E1 & E2 pp134-135		
	302-5 Reductions in energy requirements of products and services		x	No energy required for Sobi medicines.
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Reducing environmental footprint p124		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	E4 p135		
	303-5 Water consumption	E4 p135		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, E1 pp134-135		
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	E1 pp134-135		
	305-2 Energy indirect (scope 2) GHG emissions	E1 pp134-135		
	305-3 Other indirect (scope 3) GHG emissions	E1 pp134-135		
	305-4 GHG emissions intensity	E1 pp134-135		
	305-5 Reduction of GHG emissions	E1 pp134-135		
	305-6 Emissions of ozone-depleting substances (ODS)		x	Information unavailable/incomplete. Sobi is preparing to report in time for the implementation of CSRD/ESRS.
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions		x	Information unavailable/incomplete. Sobi is preparing to report in time for the implementation of CSRD/ESRS.

Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Waste p125		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste p125, E7 p136		
	306-2 Management of significant waste-related impacts	Waste p125, E7 p136		
	306-3 Waste generated	E7 p136		
	306-4 Waste diverted from disposal	E7 p136		
	306-5 Waste directed to disposal	E7 p136		
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Responsible sourcing p125		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible sourcing p125, G5 p138		
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible sourcing p125, G5 p138		
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Caring for employees p123		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	S3 & S4 pp136-137		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		x	Information unavailable/incomplete. Sobi is preparing to report in time for the implementation of CSRD/ESRS.
	401-3 Parental leave		x	Information unavailable/incomplete.
Labour/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Caring for employees p123		
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	G4 p138	x	33% of Sobi employees are covered by collective agreements. but data from all countries is not available.
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality topics table p117, Health, Safety and Wellbeing pp123-124		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health, safety and wellbeing pp123-124, S7 p137		
	403-2 Hazard identification, risk assessment, and incident investigation	Health, safety and wellbeing pp123-124		
	403-3 Occupational health services	Health, safety and wellbeing pp123-124, S7 p137		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health, safety and wellbeing pp123-124, S7 p137		
	403-5 Worker training on occupational health and safety	Health, safety and wellbeing pp123-124, S8 p137		
	403-6 Promotion of worker health	Health, safety and wellbeing pp123-124, S7 p 137		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsible sourcing p125, G5 p138		
	403-8 Workers covered by an occupational health and safety management system	Health, safety and wellbeing pp123-124, S7 p137		
	403-9 Work-related injuries	S6 p137		
	403-10 Work-related ill health		x	Information unavailable/incomplete. Sobi is preparing to report in time for the implementation of CSRD/ESRS.
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Caring for employees p123		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	S8 p137		
	404-2 Programmes for upgrading employee skills and transition assistance programmes	S8 p137		
	404-3 Percentage of employees receiving regular performance and career development reviews	S8 p137		

Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Caring for employees p123		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	S4 p137		
	405-2 Ratio of basic salary and remuneration of women to men		x	Information unavailable/incomplete. Sobi is preparing to report in time for the implementation of CSRD/ESRS.
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Caring for employees p123		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Compliance p125, G6 p139		
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible Sourcing p125, G4 & G5 p138		
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Patient and community engagement p120	x	Only patient communities relevant and therefore included.
	413-2 Operations with significant actual and potential negative impacts on local communities		x	Not applicable.
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117, Responsible sourcing p125		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible sourcing p125		
	414-2 Negative social impacts in the supply chain and actions taken	Responsible sourcing p125, G5 p138		
Public policy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117		
GRI 415: Public Policy 2016	415-1 Political contributions		x	Political contributions not allowed. see https://www.sobi.com/en/code-of-conduct.
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Focus on patient safety pp120-121		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	S9 p137		
Marketing and labelling				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117		
GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labelling	Focus on patient safety pp120-121		
	417-2 Incidents of non-compliance concerning product and service information and labelling	S10 p138		
	417-3 Incidents of non-compliance concerning marketing communications	S10 p138		
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics table p117		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7 p139		

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Swedish Orphan Biovitrum AB (publ), corporate identity number 556038-9321

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability statement for the year 2023 on pages 23-29 and 115-151 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A statutory sustainability statement has been prepared.

Stockholm, 28 March 2024
Ernst & Young AB

Jonatan Hansson
Authorized Public Accountant

Annual general meeting 2024

Annual general meeting 2024
Swedish Orphan Biovitrum AB (publ) will hold its annual general meeting on Tuesday 14 May 2024.

Shareholders who wish to participate in the meeting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB (the Swedish Central Securities Depository) concerning the circumstances on 3 May 2024 and must give notice of participation in accordance with what is stated in the notice convening the annual general meeting.

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, to be entitled to participate in the meeting, register their shares in their own name, so that the shareholder is listed in the presentation of the share register as per 3 May 2024. Such registration may be temporary (so-called voting rights registration) and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than 7 May 2024 will be considered in the presentation of the share register.

Additional instructions will be stated in the notice convening the annual general meeting, which will be issued not later than four weeks prior to the annual general meeting.

Financial calendar 2024

Q1 2023 report	25 April
Annual general meeting	14 May
Q2 2023 report	16 July
Q3 2023 report	24 October

The Annual and sustainability report can be downloaded in pdf format from sobi.com, as well as previous annual and quarterly reports and press releases.

Alternative performance measures – financial measures not defined according to IFRS

Sobi uses certain financial measures, Alternative performance measures, in this report that are not defined according to IFRS. Sobi considers these measures to provide valuable supplementary information for stakeholders and company management, as they enable an assessment and benchmarking of the company's reporting. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. The alternative performance measures should not, therefore, be regarded as substitutes for measures defined according to IFRS. See below metrics not defined according to IFRS and definitions used, referred to and presented in this report. Numbers are presented in SEK M unless otherwise stated.

Change at CER

Definition: change at CER on total revenue excludes the effect of exchange rates by recalculating total revenue for the relevant period using the exchange rates that were used for the comparable period.

Reason to use: the measure is important in order to understand the underlying performance of the operations and increases the comparability between periods

Full year 2023	Total revenue	FX impact	Total revenue, adjusted for FX impact	Total revenue, comparable period	Change at CER
Haematology					
Elocta	4,916	-246	4,670	4,402	6%
Alprolix	2,125	-134	1,991	1,885	6%
Royalty	1,565	-68	1,497	1,427	5%
Doptelet	2,997	-146	2,851	2,526	13%
Aspaveli/Empaveli	594	-37	557	178	>200%
Zynlonta	33	-3	31	—	n/a
Vonjo	706	-9	696	—	n/a
Manufacturing	431	—	431	413	4%
Other	2	—	2	—	n/a
Total	**13,370**	**-644**	**12,726**	**10,831**	**17%**
Immunology					
Kineret	2,415	-130	2,284	2,284	0%
Synagis	2,422	-156	2,267	3,501	-35%
Beyfortus royalty	1,153	13	1,166	—	n/a
Gamifant	1,645	-63	1,582	895	77%
Total	**7,635**	**-336**	**7,299**	**6,679**	**9%**
Specialty Care	**1,119**	**-62**	**1,056**	**1,280**	**-17%**
Total	**22,123**	**-1,042**	**21,081**	**18,790**	**12%**

Full year 2022	Total revenue	FX impact	Total revenue, adjusted for FX impact	Total revenue, comparable period	Change at CER
Haematology					
Elocta	4,402	-245	4,157	3,960	5%
Alprolix	1,885	-110	1,775	1,764	1%
Royalty	1,427	-232	1,195	1,251	-4%
Doptelet	2,526	-395	2,130	1,116	91%
Aspaveli/Empaveli	178	-15	163	1	>200%
Manufacturing	413	—	413	445	-7%
Total	**10,831**	**-997**	**9,834**	**8,536**	**15%**
Immunology					
Kineret	2,284	-254	2,031	2,290	-11%
Synagis	3,501	-544	2,957	2,650	12%
Gamifant	895	-142	752	840	-10%
Total	**6,679**	**-939**	**5,740**	**5,780**	**-1%**
Specialty Care	**1,280**	**-124**	**1,156**	**1,213**	**-5%**
Total	**18,790**	**-2,060**	**16,730**	**15,529**	**8%**

Gross margin

Definition: gross profit as a percentage of total revenue.

Reason to use: gross margin is an important measure that provides a better understanding of the business development. Gross margin is impacted by several factors such as business, product and region mix and price development.

Items affecting comparability

Definition: items that are of significant value, have no clear connection to recurring, ordinary operations and are of such a type that they cannot be expected to occur often. This may, for example, refer to capital gains/losses from divestments, restructuring, impairments and other unusual one-time income/expenses and fair value adjustments. Restructuring refers to structural efficiency programmes that impact the scope of the business or other changes to business operations. Costs for carrying out restructuring are identified on a project basis and may be incurred over several years.

Reason to use: provides a better understanding of the company's underlying operating activities.

SEK M	2023	2022
Total revenue	22,123	18,790
Total cost of goods sold	-4,995	-4,776
Gross profit	**17,128**	**14,014**
Gross margin	**77%**	**75%**
Items affecting comparability		
-Restructuring costs:		
-Discontinuation of contract manufacturing	*42*	*-363*
-Acquisition of business	*-76*	*—*
Items affecting comparability	**-34**	**-363**
Adjusted gross profit	**17,162**	**14,377**
Adjusted gross margin	**78%**	**77%**
EBIT	**4,066**	**3,813**
Items affecting comparability		
-Restructuring costs:		
-Discontinuation of contract manufacturing	*42*	*-363*
-Acquisition of business	*-309*	*—*
-Consolidation of sites	*21*	*-72*
-Efficiency programmes	*—*	*-134*
-Other:		
-Transactions costs	*-173*	*—*
-Provision for expected credit losses in Russia	*—*	*-106*
Items affecting comparability	**-419**	**-675**
Adjusted EBIT	**4,485**	**4,488**

EBITA and EBITA margin

Definition: earnings before interest, tax, amortisation and impairment of intangible assets. EBITA margin; EBITA as a percentage of total revenue.

Reason to use: EBITA is an important performance measure and gives a fair picture of the profitability of the current business.

SEK M	2023	2022
EBIT	4,066	3,813
Plus amortisation and impairment of intangible assets	3,009	2,117
EBITA	**7,075**	**5,930**
EBITA margin	**32%**	**32%**

SEK M	2023	2022
Items affecting comparability		
-Restructuring costs:		
-Discontinuation of contract manufacturing	*42*	*-363*
-Acquisition of business	*-309*	*—*
-Consolidation of sites	*21*	*-72*
-Efficiency programmes	*—*	*-134*
-Other:		
-Transactions costs	*-173*	*—*
-Provision for expected credit losses in Russia	*—*	*-106*
Items affecting comparability	**-419**	**-675**
Adjusted EBITA	**7,494**	**6,605**
Adjusted EBITA margin	**34%**	**35%**

EBITDA

Definition: earnings before interest, taxes, depreciation, amortisation and impairment of intangible and tangible assets.

Reason to use: it is a relevant measure to present profitability aligned with the industry standard.

SEK M	2023	2022
EBITA	7,075	5,930
Plus depreciation and impairment of tangible assets	191	301
EBITDA	**7,266**	**6,231**
Items affecting comparability		
-Restructuring costs:		
-Discontinuation of contract manufacturing	*51*	*-227*
-Acquisition of business	*-309*	*—*
-Consolidation of sites	*21*	*-60*
-Efficiency programmes	*—*	*-134*
-Other:		
-Transactions costs	*-173*	*—*
-Provision for expected credit losses in Russia	*—*	*-106*
Items affecting comparability	**-410**	**-527**
Adjusted EBITDA	**7,676**	**6,758**

Adjusted earnings per share

Definition: adjusted profit for the period divided by the average number of ordinary shares.

Reason to use: adjusted earnings per share is a good measure of the company's profitability and is used to determine the value of the company's outstanding shares.

SEK M	2023	2022
Profit for the period	2,409	2,638
Items affecting comparability	-419	-675
Tax on items affecting comparability		
-Restructuring costs:		
-Discontinuation of contract manufacturing	*-9*	*75*
-Acquisition of business	*77*	*—*
-Consolidation of sites	*—*	*6*
-Efficiency programmes	*—*	*28*
-Other:		
-Provision for expected credit losses in Russia	*—*	*22*
Tax on items affecting comparability	*68*	*130*
Items affecting comparability (net of tax)	-351	-545
Adjusted profit for the period	**2,759**	**3,183**
Average number of ordinary shares (excluding shares in treasury)	322,658,894	309,477,622
Average number of ordinary shares after dilution (excluding shares in treasury)	325,967,648	312,455,233
Adjusted EPS before dilution, SEK	**8.55**	**10.29**
Adjusted EPS after dilution, SEK	**8.47**	**10.19**

Net debt

Definition: borrowings to banks and other credit institutions and commercial papers less cash and cash equivalents.

Reason to use: net debt is relevant to present as it is useful to illustrate the indebtedness, financial flexibility and capital structure.

SEK M	2023	2022
Borrowings	20,169	8,768
Cash and cash equivalents	904	1,361
Net debt	**19,265**	**7,406**

Equity ratio

Definition: shareholders' equity as a proportion of total assets.

Reason to use: a measure for showing financial risk, expressing the percentage of total assets that is financed by the owners.

Equity per share

Definition: equity divided by the number of ordinary shares.

Reason to use: a measure of the amount of equity that exists per outstanding share and is used for measuring the share against the share price.

SEK M	2023	2022
Shareholders' equity	33,867	26,525
Total assets	74,027	52,496
Equity ratio	**46%**	**51%**
Number of ordinary shares	354,358,946	352,224,450
Number of ordinary shares after dilution	357,667,700	355,068,580
Equity per share, SEK	**95.6**	**75.3**
Equity per share after dilution, SEK	**94.7**	**74.7**

Return on equity
Net income divided by shareholders' equity.

Return on capital employed
Earnings before interest and taxes (EBIT) divided by capital employed.

Return on total capital
Profit/loss after financial items plus financial income as a percentage of average total assets.

Equity per share
Equity divided by the weighted average number of ordinary shares.

Cash flow from operating activities per share
Cash flow from operating activities divided by the weighted average number of shares outstanding.

Cash flow per share
Changes in cash and cash equivalents divided by the weighted average number of shares outstanding.

Adjusted EPS, SEK
Adjusted profit for the period divided by the weighted average number of ordinary shares.

Adjusted EPS after dilution, SEK
Adjusted profit for the period divided by the weighted average number of ordinary shares after dilution.

Debt-to equity ratio
The proportion of shareholders' equity and debt used to finance the company's assets.

Capital employed
Total assets less non-interest-bearing liabilities.

Definitions

Alprolix (eftrenonacog alfa)	A recombinant, extended half-life (EHL) clotting factor IX medicine for the treatment of haemophilia B.
Altuviiio (efanesoctocog alfa)	Sold by Sanofi in the US. Indicated for routine prophylaxis and on-demand treatment to control bleeding episodes, as well as perioperative management (surgery) for adults and children with haemophilia A. Efanesoctocog alfa is under regulatory review in Europe.
Aspaveli/Empaveli (pegcetacoplan)	Treatment targeting C3, a protein within the complement cascade, a part of the body's immune system. Designed to regulate excessive activation of the complement cascade, which can otherwise lead to the onset and progression of numerous serious and rare diseases.
Beyfortus (nirsevimab)	Nirsevimab is a single-dose, long-acting antibody, developed and commercialised in partnership by AstraZeneca and Sanofi and marketed under the name Beyfortus. It is designed to protect newborns and infants entering or during their first RSV season and for children up to 24 months of age who remain vulnerable to severe RSV disease through their second RSV season.
Cryopyrin-associated periodic syndromes, CAPS	CAPS are a group of rare, autoinflammatory disorders that includes familial cold autoinflammatory syndrome (FCAS), Muckle-Wells syndrome (MWS), and neonatal-onset multisystem inflammatory disease (NOMID).
Chronic liver disease, CLD	A liver disease becomes chronic when it has been present for more than 6-12 months without signs of resolution. Chronic liver disease can be inherited (genetic) or caused by a variety of factors such as viruses, auto-immunity, obesity and alcohol use.
Chronic refractory gout, CRG/Gout	Occurring especially in men, a disorder of purine metabolism characterized by fluctuating blood uric acid levels and sudden, severe recurrent acute arthritis, caused by the deposition of sodium urate crystals in connective tissues and joint cartilage.
Cold agglutinin disease, CAD	A rare autoimmune disorder characterised by the premature destruction of red blood cells (haemolysis). More specifically, CAD is a subtype of autoimmune haemolytic anaemia. The disease is termed "cold" because the disease is active and cause haemolysis at cold temperatures, usually 3 to 4^{0}C.
Diffuse large B-cell lymphoma, DLBCL	A form of non-Hodgkin lymphoma and the most common blood cancer. Lymphomas occur when cells of the immune system, known as B-lymphocytes, grow and multiply uncontrollably. DLBCL occurs mostly in adults and is a fast-growing (aggressive) lymphoma.
Doptelet (avatrombopag)	An orally administrated thrombopoietin receptor agonist used in the treatment of thrombocytopenia by increasing platelet count.
Efanesoctocog alfa	A new factor VIII medicine designed to extend protection from bleeds with once-weekly prophylactic dosing for the treatment of haemophilia A. It adds a region of von Willebrand factor and XTEN® polypeptides to extend its time in circulation and is the first new factor VIII medicine to break through the von Willebrand factor ceiling. Efanesoctocog alfa is under regulatory review in Europe.
Elocta (efmoroctocog alfa)	A recombinant, extended half-life (EHL) clotting factor VIII medicine for the treatment of haemophilia A. It is also known as Eloctate in some countries.
Familial Mediterranean Fever, FMF	An autoinflammatory genetic disorder that mainly affects people of Mediterranean or Middle Eastern origin, characterised by recurrent episodes of fever and serositis (an inflammation in chest, abdomen, joints), leading to painful attacks early during childhood.
Full-time equivalents	A unit that indicates the workload of an employee in a way that makes it comparable.
Gamifant (emapalumab)	A monoclonal antibody medicine that binds to and neutralises interferon gamma for the treatment of ultra-rare syndromes of hyperinflammation.

Haemophilia	A genetic bleeding disorder caused by insufficient levels of blood proteins, including factor VIII (haemophilia A) and factor IX (haemophilia B). Clotting factors are essential for proper clotting, the process by which blood clumps together to plug the site of a wound to stop bleeding. Haemophilia A occurs in about one in 5,000 male births annually, and haemophilia B occurs in about one in 25,000 male births annually. The product portfolio for haemophilia includes Alprolix and Elocta. Efanesoctocog alfa, a new medicine for haemophilia A, has been approved in the US under the brand name Altuviiio and is under regulatory review in Europe.
Immune-complex membranoproliferative glomerulonephritis, IC-MPGN and C3 glomerulopathy, C3G	Are complement-mediated renal diseases. Although IC-MPGN is considered a distinct disease from C3G, the underlying cause and progression of the two diseases are remarkably similar and include over-activation of the complement cascade, with excessive accumulation of C3 breakdown products in the kidney causing inflammation and damage to the organ. C3 is a protein within the complement cascade, a part of the body's immune system.
Immune thrombocytopenia, ITP	An autoimmune disorder caused by low platelet count in the blood, leading to bruising and an increased risk of bleeding.
Kineret (anakinra)	A recombinant protein medicine that blocks interleukin-1α and β by binding to interleukin-1 type 1 receptors. Interleukin-1 is a key mediator of inflammation and a significant contributor to autoinflammatory diseases, including several rare diseases.
Launch medicines	Includes Aspaveli/Empaveli, Doptelet, Gamifant, Vonjo and Zynlonta.
Macrophage activation syndrome, MAS	A severe and potentially fatal complication of rheumatic diseases, such as Adult-Onset Still's disease.
Myelofibrosis	A rare type of blood cancer that causes scar tissue to form in the bone marrow. As the scar tissue builds up, it disrupts the body's normal production of blood cells.
Orfadin (nitisinone)	A medicine used to treat hereditary tyrosinaemia type 1. It blocks the breakdown of tyrosine, thereby reducing the amount of toxic tyrosine by-products in the body. Patients must maintain a special diet in combination with Orfadin treatment as tyrosine is not adequately broken down. Orfadin can also be used for alkaptonuria.
Paroxysmal nocturnal haemoglobinuria, PNH	A rare disorder in which red blood cells break apart prematurely. It is an acquired haematopoietic stem cell disorder. Some haematopoietic stem cells in individuals with PNH are defective and consequently produce defective blood cells. These defective red blood cells of PNH are extremely susceptible to premature destruction by a particular part of a person's own immune system called the complement system.
Primary haemophagocytic lymphohistiocytosis, pHLH	A rare, life-threatening condition caused by an overactive, abnormal response of the immune system. In heamophagocytic lymphohistiocytosis, the immune system responds to a stimulus or 'trigger', often an infection, but the response is ineffective and abnormal. Some affected individuals may have a genetic predisposition to developing haemophagocytic lymphohistiocytosis. This is known as the primary or familial form.
Respiratory syncytial virus, RSV	A common virus and the most common cause of lower respiratory tract infections in young children. The RSV season usually occurs from early autumn until late spring and peaks during the winter.
SEL-212	A novel investigational combination therapy designed to reduce serum urate levels in people with chronic refractory gout. SEL-212 consists of pegadricase, co-administered with ImmTOR, designed to mitigate the formation of anti-drug antibodies.
Still's disease	A rare systemic autoinflammatory disease characterized by fevers, rash, and joint pain. Still's disease includes Systemic juvenile idiopathic arthritis (SJIA) and Adult-Onset Still's disease (AOSD) which share symptoms but vary in frequency and presentation. A potentially fatal complication is macrophage activation syndrome (MAS).
Strategic portfolio	Includes launch medicines (Aspaveli/Empaveli, Doptelet, Gamifant, Vonjo and Zynlonta) and royalties on Sanofi's sales on Beyfortus, and efanesoctocog alfa.
Synagis (palivizumab)	An RSV F protein inhibitor monoclonal antibody immunisation indicated for the prevention of serious lower respiratory tract infection caused by RSV in infants and young children at high risk of RSV disease.
Tegsedi (inotersen)	A medicine for the treatment of polyneuropathy caused by hereditary transthyretin-mediated amyloidosis in adults.
Vonjo (pacritinib)	An oral medicine approved in the US for the treatment of adults with certain types of myelofibrosis and low platelet counts. It is a targeted kinase inhibitor, which works by blocking the activity of specific kinases responsible for blood cell formation and immune system function.
Waylivra (volanesorsen)	A medicine used to reduce triglyceride blood levels in patients with familial chylomicronaemia syndrome (FCS) that has been confirmed by genetic testing.
Zynlonta (loncastuximab tesirine)	A medicine used to treat adults with certain types of diffuse large B-cell lymphoma (DLBCL) that has come back (relapsed) or that did not respond to previous treatment.

Forward-looking statements

This report includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of R&D programmes and intellectual property rights may affect future results. There are also external conditions such as the economic climate, political changes and competing R&D programmes that may affect Sobi's results.

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