

Update to Xbrane's shareholders

I have always believed that biosimilars have a big role to play in making often expensive but very effective biological drugs available to more patients. In the US, for example, biological drugs account for 40% of drug costs, but are only given to 2% of the population. The biosimilar market is one of the fastest growing segments in the pharmaceutical industry with annual growth of around 30%. In Europe, the latest launches of biosimilars have been very successful, for example, biosimilars on rituximab (Rituxan®) took 60% of the market in the first year after launch. Our goal with our leading biosimilar Xlucane is to take 25% of the market for ranibizumab (Lucentis®) three years after launch. We shall thereby reach annual sales of approximately SEK 3.5 billion, of which SEK 1 billion will be income to Xbrane after deduction of costs and profit sharing by our partner, STADA.

STADA, who will sell and marketing Xlucane, with a 50/50 profit share with Xbrane, has just launched its third biosimilar Movymia® (teriparatide biosimilar) in parallel in 24 countries in Europe. Additionally, STADA recently invested in Xbrane and owned at end of second quarter 9.9% of the company. Currently, discussions are underway with them regarding other biosimilars in our portfolio. The co-ownership in Xbrane shows STADA's enthusiasm, commitment and dedication to deliver a successful market launch of Xlucane. I can't think of a better partnership where Xbrane's unique patented technological platform and team develop high quality products that can be sold through STADA's effective sales channels.

Me and our team at Xbrane are convinced, for the following reasons, to be able to deliver according to our sales target for Xlucane. Recruitment in the pivotal phase III-study is progressing and we expect to be able to report data on the primary end-point for all patients by mid-2020. Since biosimilars have an average 95% probability of success in phase III, we see a low risk in the study. The development of Xlucane including the clinical trial is fully funded and we have institutional owners such as Swedbank Robur Medica and Nyenburgh, who are specialists in selecting biotech companies, to become an owner in. In STADA we see the the best possible partner for sales and marketing of Xlucane.

With this in mind, and together with our adviser Vator Securities, we are planning an extensive international road show in the fall of 2019 and spring 2020. Our road show will include Europe, US and Singapore.

Thank you for your support. I very much look forward to presenting Xbrane Biopharma to the broader investment community and to share our enthusiasm for our strategy and vision for the future of Xbrane. Based on our unique patented technological platform, we truly believe that Xbrane will become a world leader in biosimilar development, that continually develops new biosimilars that will benefit patients and payers around the world.

Best regards,

Martin Åmark

Contacts

Martin Åmark, CEO/IR
M: +46 (0) 763-093 777
E: martin.amark@xbrane.com

Susanna Helgesen, CFO
M: +46 (0) 708-278 636
E: susanna.helgesen@xbrane.com

About Us

Xbrane is a commercial phase Swedish biopharmaceutical company specialized in biosimilars. Xbrane has a patented protein production platform for development of biosimilars and world leading expertise in biosimilars. Xbrane's headquarter is located in Solna outside of Stockholm and the company's in-house research and development facilities are in Sweden and Italy. Xbrane is listed at Nasdaq First North since February 3rd, 2016 under the name XBRANE and Avanza Bank AB is Xbrane's certified adviser (corp@avanza.se, +46 (0)8 409 421 20). For more information see www.xbrane.com.

Attachments

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