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Xbrane Biopharma has completed a directed share issue of approximately SEK 200 million

Xbrane Biopharma AB (publ) ("Xbrane Biopharma" or the "Company") has based on the authorization granted by the extraordinary general meeting on 22 September 2020, and in accordance with what the Company indicated in a press release earlier today on 11 November 2020, successfully carried out a directed share issue of approximately SEK 200 million at a subscription price of SEK 68.50 per share (the "Directed Share Issue"). The subscription price was determined through an accelerated book-building procedure. A number of Swedish and international institutional investors, including Swedbank Robur Fonder, TIN Fonder, Andra AP-fonden and Lancelot Asset Management have subscribed for shares in the Directed Share Issue.

The board of directors of the Company have, pursuant to the authorization granted by the extraordinary general meeting on 22 September 2020, resolved on the Directed Share Issue of 2,919,708 new shares at a subscription price of SEK 68.50 per share. Through the Directed Share Issue the Company will receive gross proceeds of approximately SEK 200 million before transaction related costs. The purpose of the Directed Share Issue and the reason for the deviation from the shareholders' preferential rights is to be able to carry out a capital raise in a timely and cost-effective manner, whilst also further diversifying and strengthening the Company's shareholder base. The board of directors' assessment is that the subscription price in the Directed Share Issue is in accordance with market conditions, since it has been determined through an accelerated book-building procedure.

The net proceeds from the Directed Share Issue will be used to finance:

i. Xlucane – finalization of development including the regulatory process;
ii. continued pre-clinical development of Xcimzane and Xdivane;
iii. investments in a new office and development laboratory; and
iv. general corporate purposes.

"We are happy to welcome new shareholders – amongst others Andra AP-fonden and Lancelot Asset Management – to Xbrane and are grateful for the continued support from our existing shareholders, including Swedbank Robur Fonder and TIN Fonder. We are rapidly progressing towards launch of Xlucane – our leading biosimilar candidate – together with our partners STADA and Bausch + Lomb. The funds raised enable us to take Xlucane through the regulatory process in Europe and the US as well as accelerate development of our pre-clincial biosimilars," says Martin Åmark, CEO of Xbrane.

The Directed Share Issue will entail a dilution of approximately 13.2 percent. The number of shares and votes outstanding in the Company will increase by 2,919,708 from 19,280,707 to 22,200,415. The share capital will increase by approximately SEK 654,558 from approximately SEK 4,322,465 to approximately SEK 4,977,023.

In connection with the Directed Share Issue, the Company has, subject to customary exceptions, agreed to a lock-up undertaking on future share issuances for a period of 180 calendar days following completion of the Directed Share Issue. Members of the Company's board of directors, management and the existing shareholder STADA Arzneimittel AG have, subject to customary exceptions, agreed to not sell their shares in the Company for a period of 180 calendar days following completion of the Directed Share Issue. The existing shareholder Serendipity Group AB has, subject to customary exceptions, agreed to not sell their shares in the Company for a period of 90 calendar days following completion of the Directed Share Issue.

Advisers

Pareto Securities AB has been appointed Sole Manager and Bookrunner. Baker McKenzie Advokatbyrå KB is acting as legal adviser to the Company. Advokatfirman Vinge KB and Shearman & Sterling (London) LLP are acting as legal adviser to Pareto Securities AB in connection with the Directed Share Issue.

Contacts

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

About Us

Xbrane Biopharma AB develops biological drugs based on a platform technology that provides significantly lower production costs compared to competing systems. Xbrane's leading product Xlucane, a Lucentis® biosimilar candidate, addresses the €10.4b ophthalmic VEGFa inhibitor market. Xlucane is in phase III and marketing authorization is expected mid-2022. Xbrane has additionally four biosimilars in its pipeline targeting €8.7b in originator sales. Xbrane's head office is in Solna, just outside Stockholm. Xbrane is listed on Nasdaq Stockholm under the ticker XBRANE. For more information, visit www.xbrane.com.

This information constitutes inside information that Xbrane Biopharma is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2020-11-11 [XX:XX] CET.

Important information

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Pareto Securities AB. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Pareto Securities AB is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zeeland, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Xbrane Biopharma has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus for an offering has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Xbrane Biopharma have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Xbrane Biopharma may decline and investors could lose all or part of their investment; the shares in Xbrane Biopharma offer no guaranteed income and no capital protection; and an investment in the shares in Xbrane Biopharma is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Pareto Securities will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Xbrane Biopharma.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Xbrane Biopharma and determining appropriate distribution channels.

This information is information that Xbrane Biopharma is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2020-11-11 23:30 CET.

Attachments

Xbrane Biopharma has completed a directed share issue of approximately SEK 200 million