

Xellia Pharmaceuticals Expands its Global Specialty Anti-infective Product Manufacturing Capabilities with a US\$25m Investment in its Copenhagen Site

- Ground breaking ceremony for new 1,000m² multi-story building for sterile manufacturing of critical care products that play a vital role in treating anti-microbial resistant infections

Copenhagen, Denmark, 11th October 2017 - Xellia Pharmaceuticals ('Xellia'), a specialty pharmaceutical company focusing on providing important anti-infective treatments against serious and often life-threatening infections, has held an official ground breaking ceremony for a new US\$25 million expansion at its Copenhagen site. This site houses Xellia's headquarters and is the Company's largest product manufacturing plant.

The ceremony which took place on 11th October 2017, was to celebrate the start of the construction of a new state-of-the-art multi-story building that will house the latest sterile manufacturing equipment and containment solutions in a purpose built environment.

Xellia's Copenhagen site is responsible for manufacturing, stability testing and packaging of both sterile Active Pharmaceutical Ingredients (APIs) and the Finished Dosage Forms (FDFs) for anti-infectives such as vancomycin, and colistmethate sodium.

Anti-microbial resistance is one of the world's most serious threats to human health and Xellia's specialty anti-infective medicines are often used as a last line of defence, where all other medicines have failed. This upgrade in facilities will ensure that Xellia is able to continue to provide a reliable supply of injectable anti-infective critical care medicines and remain at the forefront of manufacturing excellence.

Carl-Åke Carlsson, Xellia's CEO said:

"We are pleased to celebrate the ground breaking ceremony of our new building. Xellia is one of the world's leading suppliers of specialty anti-infectives and we are committed to constantly improving our facilities so that we can continue to produce a high quality and reliable supply."

Xellia Pharmaceuticals has an extensive portfolio of specialty anti-infectives. Since 2013, the Copenhagen site has increased its number of employees by around 150 across different functions including roles relating to manufacturing. In addition, over the past 15 months Xellia has invested significantly across several of its global sites. Recent developments include:

 Expanding production capacity for sterile injectable products in the US. In addition to Xellia's Raleigh, North Carolina site, a new production facility in Cleveland, Ohio, received notification from the FDA in November 2016 to allow packaging and distribution of drug products at the site. Full manufacturing of products is anticipated during 2018.

- Completing the expansion of a new US\$13m, 3,000m², multi-story Centralized Laboratory Services building at Xellia's Budapest, Hungary, manufacturing site in August this year. This will strengthen the Company's global anti-infective product capabilities with additional product stability and release testing expertise and capabilities. The building is located next to Xellia's current Active Pharmaceutical Ingredient (APIs) manufacturing plant.
- Significantly expanding the Product and Innovation R&D team with more than 15 new scientists and approx.1,000 m² of new lab space at its purpose-built Centre of Excellence in Zagreb, Croatia in September 2016. The Xellia Zagreb site, now has around 100 highly skilled employees, who are working to provide solutions for improving the efficacy, safety and delivery of existing anti-infectives, and reducing toxic side effects, to developing novel drug-device combination antimicrobial therapies.

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About Xellia

Xellia Pharmaceuticals is a specialty pharmaceutical company focused on providing important anti-infective treatments against serious and often life-threatening bacterial and fungal infections. With over 100 years of experience Xellia is a leading developer, manufacturer and trusted supplier of fermented and semi-synthetic Active Pharmaceutical Ingredients (APIs) and Injectable Finished Dosage Forms (FDFs) to the pharmaceutical industry. The Company has growing sales in more than 70 countries to over 500 customers across the healthcare industry. Headquartered in Copenhagen, Denmark, Xellia has global facilities including operational and manufacturing capabilities in Denmark, USA, Hungary and China, and currently employs over 1,500 people.

Xellia has a portfolio of specialty anti-infectives, and is a leading supplier of vancomycin and colistimethate sodium (CMS) which together combat life-threatening, multi-drug resistant bacterial infections across Gram-positive and Gram-negative species. Many of these are last resort antibiotics, often used when all other treatments have failed. Xellia is also dedicated to providing new anti-infective treatment options by improving the efficacy and delivery, and reducing toxic side effects of existing products. The Company also has early stage R&D programs focused on the discovery and formulation of new chemical entities effective against resistant microbes, with novel modes of action. Since July 2013, Xellia has been wholly owned by Novo Holdings A/S, the holding company of the Novo Group.

Further information about Xellia can be found at: <u>www.xellia.com</u>.