



Xellia Pharmaceuticals Expands Croatian Product and Innovation R&D Centre of Excellence with Investment of US\$2.0 million

New investment enables substantial expansion of state-of-the-art laboratory facilities and doubling of capacity

Copenhagen, Denmark and Zagreb, Croatia, 15 May 2014 - Xellia

Pharmaceuticals ('Xellia'), a specialty pharmaceutical company focusing on providing important anti-infective treatments against serious and often life-threatening infections, today announced that it has invested US\$2.0 million (around HRK11.5 million) to significantly expand its Product and Innovation R&D Centre of Excellence in Zagreb, Croatia. This development is part of the Company's continuing investment in Croatia and represents the latest stage of Xellia's on-going global expansion plans.

The investment enables the expansion of the existing purpose built Zagreb R&D site to a footprint of more than 1,250m² including an additional 650m² of state-of-the-art laboratories. Construction of the new laboratory space is progressing well with completion expected in June 2014. Steen Riisgaard, Xellia's Chairman of the Board will visit the Zagreb site with other members of the Board of Directors and with Senior Executive Management team on 15-16 May.

This expansion will provide state-of-the-art facilities for the creative research team which was recently strengthened with the employment of an additional 18 roles in pharmaceutical and analytical sciences, clinical innovation and development, project management, R&D quality and intellectual property, significantly increasing the headcount at the site.

Commenting on the expansion of the facility, Steen Riisgaard, Chairman, Xellia said; "Zagreb's Centre of Excellence in product development plays a vital role in Xellia's global R&D growth strategy which is rooted in a culture of innovation and strong commercial partnerships. The impressive skill set of expert, specialist Croatian scientists in this highly technical field made Zagreb a natural choice to base and now extend this key facility."

The R&D Centre of Excellence focuses on the development of generic anti-infective products and innovative formulation technologies to combat serious bacterial and fungal infections, including antibiotic resistant varieties. As a result of the need to control rising healthcare costs in developed countries, and the inability of patients in developing countries to afford life-saving medicines, Xellia's anti-infective products are becoming increasingly important for global health.

Carl-Åke Carlsson, CEO, Xellia said; "Expanding our R&D Centre of Excellence is a priority for us. This is part of our plan to scale-up and extend the range of products we can offer our global customer base, which includes over 500 pharmaceutical companies worldwide. By providing a final product, as opposed to a single active pharmaceutical ingredient, our customers have access to a simpler, more streamlined supply chain."

Dr Aleksandar Danilovski, Vice President Global R&D, Xellia, and Managing Director of the Zagreb site said; "This recent investment means that since 2011 we have invested over US\$5.0 million (around HRK30.0 million) in Croatia. Over this timeframe we have also hired 40 highly talented employees that are focusing on innovation and pharmaceutical technology excellence in developing difficult and differentiated products for the global pharmaceutical market.

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For more information, please contact:

Xellia Pharmaceuticals

Dr Aleksandar Danilovski, Vice President Global R&D
Tel: +385 98 321 346

Instinctif Partners (media relations)

Melanie Toyne Sewell / Eileen Paul / Jen Lewis
Tel: +44 (0) 20 7457 2029 / +44 (0)1260 296 500
Email: xellia@instinctif.com

About Xellia

Xellia Pharmaceuticals is a specialty pharmaceutical company focused on providing important anti-infective treatments against serious and often life-threatening 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, Hungary and China, and currently employs over 900 people.

Xellia 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. Xellia is also developing novel antibiotics effective against MDR Gram-negative bacteria in a development project with SINTEF Materials and Chemistry (Trondheim) and the Statens Serum Institut (Copenhagen), supported by a grant from the Research Council of Norway.

Since July 2013, Xellia has been wholly owned by Novo A/S, the holding Company of the Novo Group

Further information about Xellia can be found at: www.xellia.com.

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