

Sobi and Selecta announce closing of previously announced strategic licensing agreement for SEL-212, a phase 3-ready novel treatment for Chronic Refractory Gout

Stockholm, Sweden and Watertown, Mass. July 28, 2020 - [Swedish Orphan Biovitrum AB \(publ\) \(Sobi™\) \(STO:SOBI\)](#) today announced that the strategic licensing agreement with [Selecta Biosciences, Inc.](#) (Nasdaq: SELB) for SEL-212, entered into as earlier announced on 11 June 2020, became effective on 28 July following the expiration of the Hart-Scott-Rodino Antitrust Improvements Act waiting period.

Under the licensing agreement Sobi must pay USD 75 million in cash as an upfront license fee within 45 days of the effective date.

In addition, pursuant to the terms of the share purchase agreement entered into by the parties simultaneously with the licensing agreement, Sobi must pay USD 25 million in cash on the closing date of its investment in a private placement of Selecta common stock, which closing will happen following the effective date of the licensing agreement.

“We are pleased to complete this agreement and become a shareholder and partner of Selecta,” said Guido Oelkers, Chief Executive Officer of Sobi. “SEL-212 may become an important therapeutic option that could significantly improve outcomes for patients with chronic refractory gout, and we are proud to help address the demonstrated unmet medical need.”

“This transaction enables Selecta to further its research into the application of ImmTOR to improve the efficacy of biologics, enable re-dosing of life-saving gene therapies, and create novel immunotherapies for autoimmune diseases,” said Carsten Brunn, Ph.D., President and CEO of Selecta. “We are confident that Sobi’s strategic focus on immunology, commercial expertise, and resources will maximize the value of SEL-212 and have the greatest benefit for patients, and we look forward to working closely with them to execute a successful phase 3 pivotal programme, which we expect to begin later this year.”

The licensing agreement includes the global rights, excluding China, for the product candidate SEL-212. SEL-212 is a combination of Selecta’s tolerogenic ImmTOR immune tolerance platform and a therapeutic uricase enzyme (pegadricase) that is designed to durably control serum uric acid, reduce immunogenicity, and allow for repeated monthly dosing for the treatment of chronic refractory gout.

The chronic refractory gout market is estimated to be worth at least USD 1 billion in sales in the US alone.

The phase 3 programme for SEL-212 is expected to commence in 2H 2020 and Sobi’s R&D expenses are expected to increase by up to SEK 150 million in 2H 2020.

Transaction terms

Under the terms of the license agreement, Sobi will assume responsibility for development, regulatory,

and commercial activities for SEL-212 in all markets outside of China. Sobi will make initial payments to Selecta of USD 100 million, which include USD 75 million up-front license fee and USD 25 million in a private placement of shares of Selecta common stock. Selecta is eligible to receive potential milestone payments of up to USD 630 million from Sobi, which are dependent upon specific regulatory and development targets having been met, as well as sales thresholds. Additionally, Selecta is eligible to receive tiered double-digit royalties on net sales.

Sobi and Selecta have entered into a share purchase agreement, pursuant to which Sobi will invest USD 25 million in a private placement of 5,416,390 shares of Selecta common stock at a purchase price of USD 4.62 per share (representing a 20 per cent premium to the volume weighted average price over the 10 days prior to signing).

Sobi has financed the considerations above by available funds.

About Selecta Biosciences, Inc.

Selecta Biosciences, Inc. is a clinical-stage biotechnology company focused on unlocking the full potential of biologic therapies based on its pioneering immune tolerance platform (ImmTOR™). Selecta is committed to utilizing ImmTOR to potentially improve the efficacy of biologics, enable re-dosing of life-saving gene therapy, and create novel immunotherapies for autoimmune diseases. Selecta's late-stage product candidate, SEL-212, is designed to be a monthly treatment for chronic refractory gout, a debilitating rare disease with a significant unmet medical need. SEL-212 consists of a combination of its ImmTOR platform co-administered with pegadricase, an enzyme designed to treat patients with symptomatic gout, refractory to standard uric acid lowering treatment. Selecta's proprietary gene therapy product candidates are in development for certain rare inborn errors of metabolism and incorporate our ImmTOR platform with the goal of addressing barriers to repeat administration. In addition to our own pipeline of core discovery and clinical candidates, Selecta has established collaborative relationships with leading biopharmaceutical companies, including Asklepios BioPharmaceutical (AskBio) and Sarepta Therapeutics for gene therapy, and Swedish Orphan Biovitrum AB (Sobi™) for SEL-212. Selecta is based in Watertown, Massachusetts. For more information, please visit www.selectabio.com.

About Sobi

Sobi is a specialised international biopharmaceutical company transforming the lives of people with rare diseases. Sobi is providing sustainable access to innovative therapies in the areas of haematology, immunology and specialty indications. Today, Sobi employs approximately 1,400 people across Europe, North America, the Middle East, Russia and North Africa. In 2019, Sobi's revenue amounted to SEK 14.2 billion. Sobi's share (STO:SOBI) is listed on Nasdaq Stockholm. You can find more information about Sobi at www.sobi.com.

The shares to be sold in the private placement transaction have not been registered under the Securities Act of 1933, as amended (Securities Act), or any state securities laws, and will be sold in a private placement pursuant to an exemption from the registration requirements of the Securities Act. The securities may not be offered or sold in the United States absent registration or pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. Selecta has agreed, subject to certain terms and conditions, to file one or more registration statements under the Securities Act covering the resale of shares of common stock sold pursuant to the share purchase agreement.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the shares, nor shall there be any sale of the shares in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state. Any offering of the shares under the resale registration statement will only be by means of a prospectus.

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