Pressmeddelande den 26 april 2017

Informationsbrev till aktieägarna från Protein Sciences

Protein Sciences Corporation (Protein Sciences) har distribuerat ett informationsbrev till sina aktieägare. Protein Sciences har godkänt att Mertiva offentliggör detta informationsbrev. Informationsbrevet innehåller en redogörelse för de viktigaste händelserna i bolaget och finns att läsa nedan.

Protein Sciences har tidigare beslutat att man inte vill låta publicera sina oreviderade kvartalssiffror, varför kvartalssiffror alltså inte ingår i pressmeddelandet. För pressmeddelanden från Protein Sciences som publicerats under perioden hänvisas till Protein Sciences hemsida; http://www.proteinsciences.com.

Protein Sciences har sagt att man avser att distribuera informationsbrev kvartalsvis till sina aktieägare och de har godkänt att Mertiva publicerar dessa i detta format. När ett informationsbrev kommer avser Mertiva att lägga ut det via pressmeddelande och hemsidan så snart som möjligt.

För ytterligare information, vänligen kontakta:

Andreas Bergsten, VD Mertiva AB
info@mertiva.se
0708-247048

Om Mertiva

Mertiva AB är ett investeringsföretag som i huvudsak består av innehav i Protein Sciences Corporation och Mercodia AB.

Mertiva-aktien är listad på NGM:s handelsplats Nordic MTF (kortnamn: MERT MTF).

Mer information finns på www.mertiva.se.

Denna information offentliggörs enligt lagen om värdepappersmarknaden, lagen om handel med finansiella instrument eller krav ställda i noteringsavtal.

Protein Sciences CORPORATION

April 2017

To Our Shareholders:

We continue to work on establishing a marketing partnership and expect to report on this matter no later than Q3, 2017. We appreciate your understanding that deal-making with large pharma is an intensive and slow process.

We are delighted to report that FDA extended the shelf life of Flublok® Quadrivalent to 9 months. This ensures that both trivalent and quadrivalent Flublok can be used throughout the flu season. We expect to receive approval for a one year shelf life for both formulations in the near future.

We were informed that our PSC12 clinical efficacy trial of Flublok Quadrivalent in adults 50 years and older that confirmed the superior protective efficacy of Flublok over conventional egg-derived inactivated vaccine has been accepted for publication in an important medical journal. Our paper demonstrating the absence of rhabdovirus in our cell line was published in the April 19 edition of the scientific journal PLOS ONE.

We finalized an agreement with Adimmune to fill Flublok Quadrivalent in prefilled syringes and notified our distribution channels that we will focus on selling Flublok Quadrivalent in the 2017/18 season. This has been greeted favorably in the market place.

We continue to build awareness for Flublok internationally. In February, we donated 45,000 doses to the Partnership for Influenza Vaccine Introduction (PVI) and the Mongolian Ministry of Health to help protect communities from the potentially devastating consequences of the flu.

Our lead Zika vaccine candidate had good safety results and induced strong neutralizing antibodies against the Zika virus in preclinical studies.

We received disappointing news from our Flublok licensee in Japan, UMN Pharma. Astellas, UMN's marketing partner for Flublok in Japan, withdrew the license application from PMDA (the equivalent of the FDA in Japan) and returned its rights to UMN due to continuous delays in the approval process. On the positive side, PMDA has approved Unigen as a manufacturing facility. We remain confident that Flublok can be approved in Japan and are evaluating possibilities to determine the best course of action.

Flublok Sales: The 2016/17 flu season is concluding and we have been working with our distributors to process returns and determine total sales for the season. This should be confirmed by the end of April. For the 2017/18 season, we plan to produce material based primarily on pre-booking received.

We have been focused on securing more precise pre-book commitments from distributors and direct customers. We have already achieved some success with regional chain pharmacies with a pre-book of over 100,000 doses. We are now licensed and able to direct ship to 48 states, which will result in continued savings to the Company.

The Healthy Choices mobile vaccination collaboration with Hunters Ambulance, Hartford Healthcare at Home, HealthMed Urgent Care and Health Mart pharmacies had a successful year.
They conducted 163 clinics and administered almost twice as many doses of Flublok compared to the 2015/16 season. We terminated our relationship with Health-At-Work due to differences with our partner.

Clinical Trials: We received the preliminary topline data from our post-marketing, observational study conducted by Kaiser Permanente, Northern California (PSC13), of Flublok safety outcomes compared to those of other licensed, inactivated influenza vaccines (IIV traditionally egg-grown vaccines). The data show that none of the prespecified events (mostly allergic or autoimmune inflammatory conditions) were more common among Flublok recipients than among IIV recipients. There were three cases of Guillain-Barré Syndrome and four cases of narcolepsy among the >230,000 IIV recipients and none among the >21,000 Flublok recipients. More intriguing, during the 6 months following vaccination there were 40% fewer hospitalizations and 7% fewer deaths for any cause among Flublok recipients. The data require further inquiry and analysis to fully interpret but are nevertheless encouraging and provide additional support that Flublok is a better choice than traditional flu vaccines.

We were invited by the National Center for Immunization and Respiratory Diseases (part of the CDC) to include Flublok in an international trial of four influenza vaccines and sixteen different two-year strategies of immunization of elderly individuals. After review of the PSC12 and PSC13 data, the trial investigators became enthusiastic about comparing the efficacy of Flublok with egg-grown quadrivalent vaccine (IIV4), Fluzone High Dose and Fluad (adjuvanted IIV). The inclusion of Flublok in this CDC-sponsored trial is a major step in raising public awareness of Flublok.

Regulatory: Our BLA submission to tighten some of our specifications for Flublok was approved. We now have a higher purity standard for the vaccine reported in our package insert, although we have consistently exceeded that standard. FDA also approved performing bioburden testing on Flublok drug substance in our Pearl River facility. Previously, this testing was outsourced so this change will reduce our costs. We obtained a refund of our FY'2017 FDA Product and Establishment User Fees, saving the Company a significant amount of money.

We submitted our application for FDA approval of the large-scale manufacturing facility in Japan. Approval of this facility will allow production of Flublok drug substance at the 21,000 L scale and at a significantly lower the cost than in our US facilities.

Our colleagues at Laboratorios Liomont in Mexico are gearing up to apply for licensure of Flublok Quadrivalent (*Tetravalent* in Mexico). Data was presented to Mexico's Subcommittee for Evaluation of Biological Products as a first step in the registration process.

In December, Orygen submitted its file for Flublok quadrivalent to ANVISA, the regulatory agency in Brazil. Approval could come as early as Q4 2017.

Manufacturing: The manufacturing teams in Meriden and Pearl River commenced commercial manufacturing early this year and have generated drug substance inventory for the 2017/18 season. We

decided to produce some commercial Flublok in Meriden in preparation for the potential increased demand of quadrivalent vaccine in prefilled syringes. By operating at both sites we retain production flexibility.

The first process validation run using our experimental fed batch process was performed in Pearl River to produce the H1 A/California protein. The yield was 2.7 times higher than the yield using the non-fed batch process, confirming our expectations. We expect to perform the remaining process validation runs and submit the process for regulatory approval around mid-2017.

We are also preparing for what we expect will be a busy inspection season during Q2 2017. FDA Team Bio initiated its expected bi-annual inspection in Pearl on April 5th and we have received their report. We believe that complying with FDA's observations will be straightforward and will not require any capital expenditures. We have a confirmed audit date from ANVISA, the Brazilian regulatory agency, to support Flublok licensure for our partner Orygen in Brazil. ANVISA will be inspecting both Meriden and Pearl River manufacturing operations.

BARDA: We completed the first task order under the BARDA stockpile contract to produce the starting materials for H5 A/Gyrfalcon Panblok® and develop a batch of H5 A/Gyrfalcon rHA. We received two additional task orders from BARDA to produce the starting materials and develop batches of rHA for flu strains H7 A/Hong Kong and H7 A/Guangdong that have pandemic potential, both of which are causing avian outbreaks and human deaths in China. We have also been tasked with production of a GMP batch for H7 A/Guangdong for a clinical trial combined with two different well regarded adjuvants. BARDA is very excited about our platform and stated that it will provide a minimum three-month advantage in initiating a clinical trial compared to egg-based vaccines.

Zika: We had meetings with BARDA and NIH in Q1 2017 to seek additional funding for our vaccine candidate and NIH has agreed to fund a mouse Zika virus challenge study. If the study shows our vaccine is effective in preventing disease, NIH will consider funding a non-human primate challenge study and a human clinical study.

We announced the addition of a new partner to our multinational Zika consortium – Fundacão Oswaldo Cruz (Fiocruz). Fiocruz, through its Instituto de Tecnologia em Imunobiológicos – Bio-Manguinhos, is one of Brazil's premier public health institutions. Their participation brings additional resources and the attention of the Brazilian government, where the 2016 Zika outbreak centered. Our consortium now includes three international partners in addition to Protein Sciences and Fiocruz: Sinergium Biotech in combination with Mundo Sano in Argentina, Liomont in Mexico and UMN Pharma in Japan.

Other Collaborations: We continue to build on our existing partnerships and began a pilot study of a new product candidate for Orygen, our Flublok licensee in Brazil. The study is designed as proof of concept and, if successful, could lead to a larger product development opportunity.

The versatility of our platform was once again recognized, this time by PATH, an international nonprofit organization that supports development of vaccines for countries in need. We have been shortlisted by

PATH as a potential manufacturer of their recombinant malaria vaccine candidate. Notification of award is anticipated this spring.

Cordially,

Manon M.J. Cox
President & CEO

Daniel D. Adams
Executive Chairman