PRESS RELEASE
June 1, 2001
Uppsala, Sweden

IXION RECEIVES A RESEARCH GRANT OF USD 500,000

- **Q-Med's majority-owned company in Florida, Ixion Biotechnology, has been awarded a research grant of USD 500,000 to continue with studies into oxalate, an excess of which can lead in certain people to for example kidney stones or aggravate the life-threatening condition primary hyperoxaluria.**

The NIH, the National Institutes of Health in USA, have awarded Ixion Biotechnology, Inc. a research grant of USD 500,000 for phase II studies into the treatment of conditions where there is an excess of oxalate, so-called hyperoxaluria, such as kidney stones and primary hyperoxaluria (a rare metabolic disease where the patient often dies at an early age).

The aim of Ixion's research and studies is to develop an oral treatment in order to be able to control hyperoxaluria, using *Oxalobacter formigenes*, a bacterium which occurs naturally in the intestinal flora. The treatment aims to quickly break down oxalate, prevent the body's uptake of oxalate from food, and stimulate the excretion of excess oxalate. No such treatment exists today.

Hyperoxaluria causes or aggravates a number of different diseases, such as kidney stones, Crohn's disease, cystic fibrosis and primary hyperoxaluria. Oxalate is to be found in many foods, for example rhubarb and spinach, but is also produced by the body.

Research into oxalate is one of two parts of Ixion's business activities. The other part is research within cell therapy for diabetes. Ixion has a number of patents for both branches of its business activities. During the past two years Ixion has received 7 research grants from the NIH, for a total of USD 1,250,000.

June 1, 2001
Uppsala, Sweden
Q-Med AB (publ)
Per Olof Wallström, President and CEO

Queries should be addressed to Per Olof Wallström, President and CEO,
on +46(0)18-474 90 00 or +46(0)70-974 90 70.

Q-Med is a rapidly growing and profitable biotechnology and medical device company that develops, produces and markets medical implants. All products are based on the company's patented technology for the production of NASHA - Non-Animal Stabilized Hyaluronic Acid. Q-Med's operations focus on four areas, Esthetics, Orthopedics, Uro-Gynecology, and Cell Therapy and Encapsulation. The products RESTYLANE, RESTYLANE Fine Lines and PERLANE are used for the filling out of lips and facial wrinkles and today account for the majority of sales. The development of MACROLANE for breast augmentation is ongoing. DUROLANE, Q-Med's product for the treatment of osteoarthritis in the knee-joint, is in the clinical documentation phase. DEFLUX is a product which has been approved in Europe for the treatment of vesicoureteral reflux (malformation of the urinary bladder) in children and stress urinary incontinence in women. Since July 2000 Q-Med has held a majority interest in the American biotechnology company Ixion Biotechnology, Inc., which carries out research within cell therapy for diabetes. Q-Med today has 220 employees, with just above 150 at the company's production facility and head office in Uppsala, 20 at Ixion and the remainder in wholly owned foreign subsidiaries. The Q-Med share has been listed on the O-list of the Stockholm Stock Exchange since December 1999.

Q-Med AB (publ), Seminariegatan 21, SE-752 28 Uppsala, Sweden. Corporate identity number 556258-6882.
Tel: +46(0)18-474 90 00. Fax: +46(0)18-474 90 01. E-mail: info@q-med.com. Home page: www.q-med.com