



Stockholm
6 June, 2002

Tripep invests in drug against development and spread of multiresistant bacteria.

Tripep AB (publ) will subscribe for new shares corresponding to 30 % of the share capital in Finnish biotech-company Ipsat Therapies Oy, with an option to subscribe for an additional 10 %. The companies plan to join forces to develop a completely new type of drug for perturbing and spread of multiresistant bacteria arising following treatment with antibiotics. The first product has already passed a phase I clinical study on healthy volunteers.

IPSAT™ is a technology designed to use specific enzymes in conjunction with antibiotic treatment. The enzymes break down antibiotics in the large intestine and thereby help to preserve a normal intestinal flora. This in turn inhibits the growth of resistant bacteria in the intestine and their spread in the hospital environment.

The development and spread of multiresistant bacteria is a growing problem throughout the western world. WHO has emphasised the importance of monitoring the spread of resistant strains and of developing new modes of treatment. Preclinical animal trials using the IPSAT™ technology have shown that the normal intestinal flora is preserved and that the colonization with antibiotic resistant bacteria in the intestines of animals treated with antibiotics is prevented. The technology thus has the potential to make a medical breakthrough in this field.

The first products are intended for administration in connection with intravenous antibiotic treatment. Even patients treated intravenously accumulate a significant share of the antibiotics in their intestine due to the entero-hepatic circulation.

A phase I trial on healthy volunteers of the first product has been finished. A phase II trial will start during autumn 2002.

The number of intravenous (hospital-administered) treatments with antibiotics can be estimated to some 100 million treatment days, while net sales in this segment of the antibiotic market came to approximately SEK 50 billion in 2000.

According to the agreement, Tripep will acquire new shares corresponding to 30 per cent of the share capital in Ipsat Therapies Oy for a subscription settlement of EUR 5.5 million, making Tripep the largest single shareholder.

The parties also have a mutual option to call for the subscription of an additional 10 per cent of the share capital in Ipsat Therapies Oy for a subscription settlement of

EUR 1 million, as well as the issue of 2,250,000 shares in Tripep to be subscribed for by Ipsat at a price of SEK 0.20 per share. A number of "milestones" must first be met before the exercise of the options.

The agreement is subject to the approval of an extraordinary general meeting of shareholders at both companies. Notification of Tripep's extraordinary general meeting of shareholders will be issued shortly. In order to underline the intention of the Boards of both companies to make this a first step towards a future merger, each Board is to propose to its respective shareholders' meeting that one Board member from each company be elected to the other company's Board.

"This is a very exciting project with tremendous potential," says Hans Möller, President of Tripep. "The greatest impact of the IPSAT™ technology, and probably the most important, lies in the opportunity to reduce the incidence of disease caused by multiresistant bacteria during treatment with antibiotics at hospital stays. Another important impact is the opportunity to reduce diarrhoea induced by treatment with antibiotics. It is estimated that around 3 million patients a year in the US alone suffer from this problem, leading to, in some cases, very serious consequences. This project will give us the opportunity to use Tripep's expertise in the field of protein drugs and to attain a diversification of our activities with products in the clinical phase."

"These are interesting products when you consider the fact that multiresistant bacteria acquired during hospital stays currently pose a recurring problem that has major social and economic consequences, particularly during intensive care," comments Ragnar Norrby, Professor of Infectious Diseases at Lund University and member of Tripep's Scientific Advisory Board.

"Together with the approximately EUR 3 million at our disposal today, Tripep's investment will enable us to conduct our clinical development programme and finance an expansion of our production. We will also have access to Tripep's clinical experience as well as their development resources, and this is tremendously valuable to us," says Kai Lindevall, President of Ipsat Therapies.

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Tripep is a biotech research company that develops and commercialises candidate drugs based on patented technologies and including:

- research and development of GPG®, a potential HIV-inhibiting drug,
- preclinical research focusing on the development of therapeutic and prophylactic HIV and Hepatitis C vaccines, and on the RAS™ technology platform.

www.tripep.se

Ipsat Therapies Oy is a Finnish biotech company that develops candidate drugs based on the IPSAT™ enzyme technology (Intestine Protection System in Antibiotic Treatment). By using recombinant betalactamase, the intestinal flora can be protected during treatment with antibiotics, thus preventing the incidence of disease caused by multiresistant bacteria.

www.ipsat-ther.com