

Press Release 11 October 2004



Arexis in Commercial Collaboration with Beiersdorf around Novel Skin Care Concept

GOTHENBURG, SWEDEN – 11 October 2004 – The Gothenburg-based drug development company Arexis AB today announced a commercial agreement with the German corporation Beiersdorf – one of the leading international branded goods manufacturers – around the development of new compounds for the skin care market. This agreement is the result of an ongoing, productive R&D collaboration between the two companies. The novel concept is scheduled to hit the market once clinical studies have demonstrated its superiority.

Dry and itchy skin affects a large number of people, who, due to their problems, experience discomfort and in more serious cases pain, leading to impaired quality of life. Products that are available today – representing a market worth more than USD 43 billion globally - are based on moisturizing lotions and creams that are designed to lubricate and moisturize the skin.

Arexis has developed a completely novel concept for the skin care market which is based on the company's world-leading research and development around skin enzyme biology and biochemistry.

The new treatment is based on strong scientific research, where the active mechanism is limited to exact targeting of skin specific enzymes. These enzymes are involved in the turnover of cells of the outermost layer of the epidermis. It is important that this desquamation process is tightly controlled for the skin to maintain its protective barrier. If this is impaired, the skin loses moisture, dries out and can become inflamed and itchy. Substances that can affect these enzymes are therefore very attractive components to be included in skincare products.

Beiersdorf is the leading global manufacturer of skin care products, with such brands as Nivea, Atrix and Hansaplast. In the collaboration with Arexis, Beiersdorf will contribute with skin assay development and knowledge around topical formulation. Beiersdorf will also perform testing on humans within their experienced and well-established research organization.

"Beiersdorf is simply the best possible partner for this type of collaboration. Their longstanding global presence and broad knowledge base in this area, combined with our world-leading scientific competence in skin enzyme biology, will make this collaboration very successful", said Dr Lennart Hansson, CEO at Arexis.

“Our market position is built on high-quality products with superior performance. Hence, we constantly search for leading edge technologies to secure and enhance product efficacy. In our view Arexis constitutes a role model for technology transfer from high-end science to future generation of consumer products”, said Prof. Dr. Klaus-Peter Wittern, Corporate Vice-President of Research & Development at Beiersdorf.

The companies have agreed not to disclose the financial terms of the deal.

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Notes to editors:

About Arexis

Arexis is a privately-owned drug development company with an attractive portfolio of projects, ranging in development from pre-clinical to near commercial stages. Arexis focuses on development of drugs to treat metabolic and inflammatory diseases, such as fat mal-absorption, diabetes, atopic dermatitis and rheumatoid arthritis. These are areas with great unmet medical need and largely unknown disease mechanisms. Arexis has a strong intellectual property and technology platform. The company was founded in 1999 and operates in custom-designed laboratories in the newly built Biotech Center in Gothenburg, Sweden. For more information, please visit www.arexis.com