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PRESS RELEASE

BIACORE AIMS TO REDUCE TIME TO MARKET FOR NEW DRUGS

US\$8m To Be Invested In Collaborative New Product Development Programme.

Biacore AB has committed US\$8 million of its current R&D budget, over the next two years, to developing innovative new products that will help improve the pharmaceutical industry's clinical candidate hit rate. Biacore will work in collaboration with pharmaceutical partners to use its proprietary new biosensor technology for developing novel instrumentation for applications downstream of high-throughput drug screening. Specifically, applications will be developed in the areas of lead characterisation, lead optimisation and early ADME* studies.

The new system will be complementary to Biacore's current product range which focuses on solutions for the early phase of drug discovery – target identification, target validation and high-throughput assay design – extending the application range across the drug discovery process. By leveraging its unrivalled expertise in biosensor technology, Biacore envisages that its drug discovery products will help significantly reduce the time to market for new therapeutics by providing more comprehensive biological data on compound functionality earlier in the drug discovery process. This is a critical area for the pharmaceutical and biotechnology industries, which are predicted to spend approximately US\$39 billion on R&D this year alone**.

The Company has appointed a team, under the leadership of Mr Julian Abery, to develop and implement commercial and marketing communications strategies and lead product development programmes for drug discovery. Mr Abery brings with him more than 10 years' bioindustry experience, covering all aspects of lead discovery, from target validation to preclinical evaluation of clinical candidates, and commercial and business development expertise.

"Already our BIACORE®3000 system is being used to help R&D teams generate invaluable information on biomolecular interactions, facilitating better decision making at resource-critical stages, saving time and money. In much the same way,

the new system will aim to increase understanding of lead compound optimisation and generate more informative data in a phase of drug development where the savings for getting it right and the costs of getting it wrong are dramatically increased,” said Mr Abery.

He also stressed the value of Biacore’s collaborative approach in product development: “We are already in discussions with a number of pharmaceutical and biotechnology companies regarding co-development collaborations. The advantage of our approach is that it provides opportunity for drug discovery operations to gain competitive edge through early access to advanced biosensor technologies, resulting in drug discovery solutions tailored to their needs.”

This development is in line with corporate strategy to expand profile and commercial activities within the high growth drug discovery sector as highlighted in the Company’s interim report for January-June 1999.

** ADME stands for absorption, distribution, metabolism and excretion and represents the pharmaceutical characterisation of new drug candidates.*

*** Source: Pharma 2005 An Industrial Revolution in R&D, PricewaterhouseCoopers*

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Biacore is a global market leader in affinity-based biosensor technology. Target groups consist primarily of medical and life science research laboratories. However, expansion is also being pursued in other areas, such as food analysis. Biacore had sales of SEK 288.8 million in 1998 and an operating income of SEK 52.8 million. Based in Uppsala, Sweden, the company is listed on the OM Stockholm Exchange and NASDAQ in the U.S.

Further information on Biacore can be found on the web: www.biacore.com

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