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PRESS RELEASE

BIACORE AND BIOREASON FORM MAJOR ALLIANCE TO ACCELERATE DRUG DISCOVERY

Biacore Takes Equity Stake in Bioreason and Agrees to R&D Collaboration for Developing Integrated Drug Screening Software and Instrumentation

Biacore today announces that it will invest US\$900,000 in Bioreason*. In parallel with this investment, the two companies will collaborate to develop novel integrated software and biosensor assay systems for ADME** drug screening. Through this investment, Biacore will gain a minority equity stake in Bioreason, though Bioreason will not be accounted as an associated company of Biacore. In a separate move, Anders P. Wiklund, Senior Vice President of Biacore, will become a member of Bioreason's Board of Directors.

Based on proven BIACORE® technology and Bioreason's chemoinformatics, the objective is to develop instrumentation and validated assays, coupled with comprehensive analysis and predictive models, which pharmaceutical companies will use to accelerate the discovery and development of new drugs. More specifically, the new system will focus on significantly increasing the quality and integration of critical drug discovery data to facilitate earlier and faster identification of high-quality drug leads, thereby reducing drug development costs and time to market.

The first stage of the collaboration will focus on demonstrating the application of the system on human serum albumin (HSA) binding. A joint R&D team will develop Bioreason software to integrate Biacore's in vitro HSA assay with customers' drug discovery processes. This will enable the biochemical assay to act as a tool for predicting the HSA binding characteristics of compounds from large chemical libraries, based on results from the analysis of a defined chemical subset.

The two companies will share development costs and form a joint marketing group to promote the novel software - biochemical assay system to the pharmaceutical and biotechnology industries.

"The reasoning software we aim to develop with Bioreason will complement our on-going internal instrumentation and assay development efforts in drug discovery. We anticipate that this collaboration will further enhance the value of the high-quality detailed molecular interaction data from our biosensors. This will provide the pharmaceutical industry with more timely and relevant information in the drug discovery process," said Lars-Göran Andrén, Biacore's President and Chief Executive Officer. "We believe that the new system will become the gold standard for protein binding studies and will address one of the key bottlenecks in early ADME evaluation."

Anthony Rippo, Bioreason's Chief Executive Officer and Chairman added, "Bioreason has developed automated reasoning systems that extract and interpret drug discovery knowledge from massive amounts of chemistry data to address the bottleneck in high-throughput screening data interpretation. Coupled with Biacore's world-leading affinity-based biosensor technologies, we now aim to develop a product that will optimise and accelerate the lead characterisation and early ADME areas of the drug discovery process. This will provide a seamless process from high-throughput screening to preclinical evaluation."

For further information, please contact:

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** Bioreason is developing data analysis tools and applications for chemical and biological information based on existing and novel data mining techniques and molecular modelling technologies.*

Based in Santa Fe, New Mexico, the company was founded in January 1998. At the end of 1998, Bioreason raised US\$850,000 in initial private fundraising.

Bioreason's lead products include its high-throughput screening data analysis systems, LeadPharmer™ and DrugPharmer™, both composed of automated reasoning systems, which will prioritise the leads that have the highest probability of being successfully optimised into drugs.

For further information about Bioreason, please visit the website at <http://www.bioreason.com> or call Anthony Rippo, Chief Executive Officer and Chairman (Tel: + 1 505 995 8188).

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

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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