

**Press release, December 21, 2005**

## **Orexo announces a licensing agreement for its pain product Rapinyl™ (OX 20) for the European market**

*Orexo AB and ProStrakan Group plc today announced that they have entered into a licensing agreement under which ProStrakan as of January 2<sup>nd</sup>, 2006, receives exclusive rights to register and market Rapinyl™ (OX 20) – Orexo's patented product for management of breakthrough cancer pain – on the European market.*

In return for these rights, Orexo will receive an up-front license fee payment of 5 M EURO (approximately 47 MSEK) in addition to other license fees and payments based on development, regulatory and sales milestones, which total up to 17 M EURO (approximately 160 MSEK). When ProStrakan introduces Rapinyl™ (OX 20) on the European market, the agreement also provides for double-digit royalties upon commercial sales. Furthermore, the licensing agreement provides Orexo with the right to – in parallel with ProStrakan – market Rapinyl™ (OX 20) on the Nordic market.

"ProStrakan has the company profile, and sales organisation that is required for a successful introduction of Rapinyl™ (OX 20) on the European market", says Zsolt Lavotha, president and CEO of Orexo AB. "Rapinyl™ (OX 20) will be marketed and distributed by one of Europe's fastest growing specialty pharma companies, with a sales organisation that will secure a fast market introduction and penetration in key European markets. This licensing deal further provides us with the possibility of continuously focusing our development efforts on our current product portfolio and OX 17 in particular, and to intensify our efforts to identify an optimal licensing partner for OX 22 (Insomnia) and OX 17 (GERD)".

"Rapinyl™ (OX 20) will be a key product and fits extremely well with our oncology supportive care franchise", said Wilson Totten, President and CEO of ProStrakan Group plc. "The market for Rapinyl™ (OX 20), its competitive profile and advantage combined with our strength as a marketing- and distribution partner in Europe, makes this an attractive strategic collaboration for both parties".

Rapinyl™ (OX 20) is an oral, fast-dissolving tablet of fentanyl for the treatment of breakthrough cancer pain. It is based on Orexo's unique proprietary technology for sublingual administration. This novel pharmaceutical preparation provides rapid absorption of the active substance and a fast onset of action.

The marketing rights for Rapinyl™ (OX 20) were licensed to Kyowa Hakko Kogyo Co. Ltd in 2003 regarding the Japanese market and to Endo Pharmaceuticals in 2004 for the North American market.

### **For more information, please contact**

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### About Orexo

Orexo is a product focused drug delivery company that develops proprietary pharmaceuticals to address areas of unmet therapeutic need. Orexo exploits its multidisciplinary capabilities to assess areas of therapeutic need that can be met by developing proprietary pharmaceuticals based on well documented pharmacologically active compounds that incorporate Orexo's proprietary drug delivery technologies.

The Company has commercialized one product, three product candidates in the clinical phase - where of one is out-licensed in North America and Japan - two product candidates in the formulation development phase and one project at an early research stage of development. Orexo is listed on the Stockholm Stock Exchanges O-list.

[www.orexo.com](http://www.orexo.com)

### About ProStrakan

ProStrakan Group plc is one of Europe's fastest growing specialty pharmaceutical companies. ProStrakan is engaged in the research, development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets. With R&D facilities based in the UK and France, the company also markets a range of products in major EU markets through its commercial operations based in the UK, Germany, France and Spain. ProStrakan is listed on the London Stock Exchange.

[www.prostrakan.com](http://www.prostrakan.com)

### About drug delivery

Drug delivery is about finding methods to make the active component of a drug to function in the optimal manner through new preparations or formulations. Many of the pharmaceuticals sold today have shortcomings - for example, they may be slow-acting, product side-effects, require frequent administration in high dosages, or perhaps can only be injected. This is why Orexo believes that the demand for new procedures that can enhance treatment efficiency is increasing sharply. Several best-selling prescription drugs in the U.S. has been improved through drug delivery.

### About breakthrough pain

Breakthrough pain is defined as one or several daily, often intermittent flares ("breakthroughs") of pain that can occur even though a person is taking medications for regular pain control. Many patients with chronic cancer-related pain also experience episodes of breakthrough cancer pain.

### About oral sublingual tablet formulation

Orexo's sublingual tablet technology combines fast disintegration and dissolution in the oral cavity with rapid, site-specific absorption of the active substance across the sublingual mucosa.

When administered, the tablet is placed under the tongue where it rapidly disintegrates into ordered mucoadhesive units of the active substance. Orexo believes that the rapid and reproducible absorption of the active substance makes the dosage form ideal for treatment of conditions requiring immediate onset of effect such as acute pain. The technology can also be applied to substances such as peptides, which cannot be absorbed from the gastrointestinal tract.