

**Press release, October 24, 2006**

## **Orexo builds a platform for new, innovative drugs by developing a unique drug delivery technology**

*The pharmaceutical company Orexo has initiated a collaboration with the medical technology company Doxa. Orexo and Doxa are to develop new, innovative pharmaceuticals based on a unique drug delivery technology, which will be designed for slow and controlled release of the active ingredient. The initial and primary objective is to develop a new, improved pharmaceutical product for pain treatment.*

"A technology that enables slow and controlled release of potent active ingredients, will open up for unique pharmaceuticals with significant medical and commercial potential", says Zsolt Lavotha, President and CEO Orexo AB. "There is an increasing demand for new, potent drugs for pain treatment. Furthermore, we see the additional and significant opportunities where we can apply this technology on other product candidates where a slow and controlled release of the active compound is desired".

"The combination of Orexo's and Doxa's expertise in formulation technologies respectively Doxa's expertise in bioactive-ceramics, will enable new, innovative administration forms, where the active ingredient is released from a ceramic material. We assess this to be a great potential for Doxa, especially within orthopaedics", says Peter Bramberg, CEO Doxa AB.

Orexo will own the product rights for all pharmaceutical and medical applications, while Doxa will have exclusive rights within orthopaedic and odontologic applications.

The product intellectual property will be developed in collaboration between Orexo and Doxa and will be owned by Orexo. Orexo will make a milestone payment in the amount of MSEK 4,0 to Doxa, at the time the first patent is approved. Orexo will make a further milestone payments in the amount of MSEK 10,0 for each resulting new pharmaceutical product upon the grant of a market authorization in the first of Japan, US or any European market. Furthermore, each party will receive a royalty on the other party's product sales and licensing revenues.

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**TO THE EDITORS****About Orexo**

Orexo is a pharmaceutical company that focuses on developing new pharmaceutical drugs within areas currently subject to considerable clinical needs. Orexo's products are based on existing pharmaceuticals and the company's patented drug-delivery technologies. Orexo applies its broad expertise in medicine and pharmacy to the further development of existing pharmaceutical substances. By combining well-documented compounds with its own patented drug-delivery methods and its unique expertise in "dry formulations" (for example, tablets), Orexo is able to develop new patented pharmaceuticals.

At present, the company has two products on the market, one product submitted for registration on the European market, three in late stage clinical development - one of which has been out-licensed in the US, Europe and Japan - and two projects in pharmaceutical formulation phase. Orexo has an active intellectual property rights strategy and an extensive patent portfolio to protect its products and technologies.

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

**About Doxa**

Doxa develops and commercializes its own patented biomaterials. Doxa's material has a unique mechanism for immediate integration both chemically and biologically on the nanoscale with natural bone material of the skeleton and teeth. Doxa current focus is on commercializing its biomaterial for orthopedic applications, starting with Xeraspine™ biocement for vertebral compression fraction therapy. In dental applications, Doxa has signed a licensing deal with the world's largest dental supply company, Dentsply International Inc. The Doxa organization has approximately 20 employees, where most are involved in research and development. Doxa has approximately 1,200 stockholders, of which the largest include Investor Growth Capital, SLS Venture, 3i Group plc and the company's founder, Leif Hermansson.

[www.doxa.se](http://www.doxa.se)

**About drug delivery**

The science of drug delivery can be summarized as the process of ensuring that the active substance in a pharmaceutical product is optimally delivered to the site of action. The demand for drug-delivery products is increasing rapidly due to the fact that these new pharmaceuticals can for example offer shorter time to onset of effect or improved safety profiles.

Many pharmaceutical products on the market today have shortcomings - for example, they are slow-acting, have side effects, must be administered frequently or perhaps can only be injected. This is why demand for technologies that can make already existing products more efficient is increasing rapidly. In 2004, industry sources estimated that sales of pharmaceutical products that utilize drug-delivery methods exceeded USD 79 billion, a figure that is expected to grow to USD 117 billion by 2009 (Datamonitor 2004).