

Axelar secures funding for the coming Phase II program in lung cancer

STOCKHOLM, SWEDEN, May 11, 2011. Axelar AB, a Karolinska Development portfolio company, today announced that it has secured SEK 123m (EUR 13.7m) which will allow Axelar to complete its coming Phase II program in patients suffering from non-small cell lung cancer (NSCLC). Data from the ongoing Phase I/II trial will be presented later this year.

The financing round was directed to a syndicate of investors including its current major owner Karolinska Development. Axelar recently reported promising interim data from the first part of the Phase I/II study. AXL1717 has shown excellent tolerability and promising survival data in NSCLC patients. More than 45 patients have been treated so far.

Dr. Johan Harmenberg, CEO of Axelar:

“We are very pleased with our progress and the current funding allows Axelar to generate Phase II data for AXL1717 in randomized clinical trials”.

Dr. Torbjörn Bjerke, CEO at Karolinska Development:

“We are encouraged by the promising interim data from the ongoing Phase I/II trial with AXL1717 in cancer patients. AXL1717 has truly unique features as a potential novel cancer treatment. As the lead investor in Axelar we look forward to be part of taking this drug candidate to proof-of-concept.”

For further information, please contact:

Johan Harmenberg, CEO Axelar AB

Phone: +46 (0) 705 14 54 53, e-mail: johan.harmenberg@axelar.se

Torbjörn Bjerke, CEO Karolinska Development AB

Phone: +46 (0) 727 44 41 23, e-mail: torbjorn.bjerke@karolinskadevelopment.com

TO THE EDITORS

About Axelar

Axelar AB is a Swedish biotech company founded in 2003. The company is developing insulin-like growth factor-1 (IGF-1) receptor inhibitors for treatment of cancer and other diseases. Axelar is part of the Karolinska Development portfolio of companies.

www.axelar.se

About AXL1717

Axelar's lead compound, AXL1717 provides a novel treatment regimen for a wide range of cancers. AXL1717 is the first targeted oral small-molecule IGF-1 receptor inhibitor with no effect on the closely related insulin receptor. AXL1717 is presently undergoing Phase I/II clinical trials and the compound combines a superior preclinical efficacy against numerous tumors with an excellent tolerability profile. Most tumor cells are dependent on the IGF-1 receptor signal pathway and the IGF-1 receptor is therefore regarded as a promising target for cancer therapy. To date, there are no IGF-1 receptor inhibitor drugs on the market.

About Karolinska Development

Karolinska Development aims to create value for investors, patients, and researchers by developing innovations from world class research into products that can be sold or out-licensed with high returns. The business model is to: SELECT the most commercially attractive medical innovations; DEVELOP these to the stage where the greatest return on investment can be achieved; and COMMERCIALIZE the innovations through the sale of companies or out licensing of products. This will result in upfront payments, milestone payments and royalties.

An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading Nordic universities, delivers a continuous flow of innovations.

Karolinska Development's flexible exit strategy enables projects to be exited at whichever stage of development offers the greatest return on investment, usually after Phase II clinical trials have indicated the desired pharmaceutical effect on patients - this being an important value enhancing step.

Today, the portfolio consists of over 40 projects at various stages, from concept development to Phase II clinical trials, twelve projects are in clinical trials with six in Phase II. The portfolio is particularly strong in the areas of cancer, dermatology, inflammation, cardiovascular disease, women's health and diseases that affect the central nervous system.

www.karolinskadevelopment.com