

Press Release

Orexo acquires US commercial rights of Abstral and ProStrakan acquires the corresponding rights in the EU and rest of the world

Uppsala, Sweden and Galashiels, UK - Orexo AB (“Orexo”) and ProStrakan Group plc (“ProStrakan”) jointly announce today (4th June, 2012) that the companies have reconfigured the commercial rights to the product, Abstral, in various territories worldwide.

Abstral is the novel, rapidly-disintegrating, sublingual (under the tongue) formulation of fentanyl, a well-established opioid used for the management of episodes of breakthrough pain experienced by cancer patients who are already receiving opioid analgesics for chronic pain.

ProStrakan, which is a subsidiary of global speciality pharmaceutical company, Kyowa Hakko Kirin Co. Ltd. (“KHK”), will acquire the rights to Abstral for Europe and will also acquire Orexo’s interests in the companies’ joint venture business covering the Nordic region (Sweden, Norway, Finland & Denmark). Orexo will acquire all rights to Abstral in the US as from 31st December 2012.

ProStrakan will pay to Orexo a total net cash consideration of £55.0m, of which £22.5m will be paid in 2012, £20.0m in 2013 and £12.5m in 2014. ProStrakan will make double digit royalty payments to Orexo once annual sales of Abstral exceed certain levels in EU. In addition, Orexo are entitled to further milestone payments when EU annual sales reach certain levels. The agreement for EU is valid until the end of 2019.

As part of this alignment of Abstral rights, ProStrakan is also acquiring all existing Abstral partnership agreements in the rest of the world (“RoW”), excluding Japan, where Abstral is already out-licensed to ProStrakan’s parent company, KHK.

Orexo will continue receiving sales and development milestones as well as double digit royalty payments for ProStrakan’s sales of Abstral in the RoW.

Anders Lundström, Chief Executive, of Orexo said:

“I am very satisfied that Orexo now will have full commercial control of Abstral in the US, which is in complete alignment with our previously communicated strategy. With rights to Abstral and the OX219 product soon to be filed, we have a great basis for establishing Orexo with a solid commercial infrastructure in the US.”

Dr Tom Stratford, Chief Executive of ProStrakan, said:

“Abstral is a valuable asset, as has been shown by the demand it has generated from oncologists across Europe and from partners elsewhere in the world. We regard this agreement as an important step forward for ProStrakan as it secures ownership of this oncology product in our European heartland and a potentially significant income stream from partnerships worldwide. In the US, where a significant proportion of the Abstral market is with pain specialists, ProStrakan will continue to focus on our oncology franchise.”

Ends

Further enquiries:

ProStrakan

Callum Spreng, Communications
callum.spreng@prostrakan.com

Tel: +44 (0)7803 970103

Orexo

Anders Lundström, President and CEO
anders.lundstrom@orexo.com

Tel: +46 (0)706 672266

Notes to Editors
About ProStrakan

ProStrakan Group plc is a rapidly growing specialty pharmaceutical company engaged in the development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets.

ProStrakan is a subsidiary of Kyowa Hakko Kirin Co. Ltd., the Japan-based global specialty pharmaceutical company.

ProStrakan's head office is located in Galashiels in Scotland. The company's development capabilities are centred in Galashiels and Bridgewater, New Jersey, USA. Sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries in the UK, US, France, Germany, Spain, Italy and other EU countries.

You can learn more about the business at: www.prostrakan.com

About Orexo

Orexo AB is an emerging specialty pharma company developing improved treatments using proprietary drug delivery technology. Orexo's expertise is within the area of reformulation technologies and especially sublingual formulations.

Orexo has a portfolio of revenue generating EU and US approved products currently marketed under licence and a pipeline of several reformulations of approved compounds for areas of unmet medical need. Orexo also has collaboration projects with several international pharma companies.

Orexo AB is Swedish headquartered with 100 employees and listed on NASDAQ-OMX. The largest shareholders are Danish Novo A/S and Swedish HealthCap. More information can be found at: www.orexo.com