

External financing of SEK 165 million secured for Q-Med's oxalate project

Through a recently completed transaction Q-Med became the sole owner of a project that aims to reduce oxalate-based kidney stones, which occur primarily in children with a congenital liver defect and patients with intestinal disease. The project is now entering a new, exciting phase which requires focused efforts to be successful. A product company, OxThera AB, has been formed for this purpose, and the project has received a financial injection of SEK 165 million via a new share issue directed at the risk capital companies Health Cap and SLS Venture (Scandinavian Life Science Venture). Q-Med AB now owns just over 19% of OxThera AB. Jon Heimer, previously in charge of the oxalate project within Q-Med, is the CEO of OxThera. Jon thereby leaves his employment at Q-Med.

"Through this deal, the projects can be carried on and sales of the children's products can be begun as early as in a few years. Kidney stones lead to a great deal of suffering in those affected and there are no effective preventive treatments today. OxThera's patent-protected technology has already demonstrated promising effects in clinical pilot studies. As the market for the treatment of kidney stones is outside Q-Med's core business, a commitment from external backers is highly desirable. In this way resources are secured for important product development and for Q-Med's basic business. I look forward to resuming cooperation with Health Cap and getting to know SLS Venture, two of Sweden's most successful companies in their line of business," says Bengt Ågerup, President and CEO of Q-Med.

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In the US, Q-Med AB's affiliate is the wholly-owned subsidiary Q-Med Scandinavia, Inc.

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Q-Med is a rapidly growing and profitable biotechnology/medical device company that develops, produces and markets medical implants. All products are based on the company's patented NASHA technology - Non-Animal Stabilized Hyaluronic Acid. The products covered by the RESTYLANE trademark are used for the filling out of lips and facial wrinkles and for facial contouring and today account for the majority of sales. RESTYLANE is sold in over 70 countries and has been approved in the USA. DUROLANE, Q-Med's product for the treatment of osteoarthritis of the hip and knee joints, has been approved in Europe since May 2001. DEFLUX is a product which has been approved in Europe and the USA for the treatment of vesicoureteral reflux (a malformation of the urinary bladder) in children. ZUIDEX for the treatment of stress urinary incontinence in women has been sold in Europe since July 2002. Q-Med today has approximately 550 employees, with approximately 350 at the company's production facility and head office in Uppsala. The Q-Med share is listed on the O-list, Attract 40, of Stockholmsborsen.