

*To the Copenhagen Stock Exchange
and the Press*

Release no. 20/2002

Interim report for the first 6 months of the financial year 2002

Resume: The Pharmexa Group had turnover of kDKK 8,123 in the first 6 months of 2002 and realised a net loss of kDKK 75,519. Research and Development costs totalled kDKK 78,977. Pharmexa A/S had total research and development costs of kDKK 66,558 and obtained a net loss of kDKK 68,173 exclusive of the result from the subsidiary Inoxell. The result for the first 6 months was as expected, and the company's expectations for the year as a whole remain unchanged.

A summary of significant announcements since the release of the company's last interim report on May 23, 2002 is set out below:

- ❑ On June 6 Pharmexa announced progress in the clinical trial with the company's AutoVac™ HER-2 DNA pharmaccine for breast cancer. The preliminary data from the first two dosage levels show that Pharmexa's therapeutic vaccine is safe and well tolerated by the patients. An analysis of immune response has so far only been conducted for the first dosage level, but the preliminary results show immune responses in some patients even at this low dosage level.
- ❑ Furthermore, an important milestone in this project was achieved on July 30. On this date the enrollment of patients into the phase I/II trial was completed and the last patient received her first vaccination this day. The results from the trial are planned for release before the end of the year.
- ❑ On June 24, Pharmexa's 83.33% owned subsidiary Inoxell A/S and Rigel Pharmaceuticals, Inc. announced that they have entered a global patent settlement concerning certain drug target identification technologies. The agreement involves both cross-licensing and joint ownership to certain patents and allows for worldwide freedom of operation for both companies. Under the terms of the agreement, Rigel awarded Inoxell a non-exclusive license to a number of additional patents relevant for the drug target identification process. Also in connection with the settlement, a collaboration agreement has been signed concerning certain aspects of the technology. The financial terms of the settlement were not disclosed. The process of clarifying Inoxell's ownership and financial situation in the longer term is still ongoing.
- ❑ The remaining of the company's collaborations and projects are likewise developing satisfactory and as planned.

In the near future Pharmexa will in a separate release review its first two years as a listed company and summarise the company's strategy onwards.

Hørsholm, August 21, 2002

Søren Mouritsen
Chief Executive Officer

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Certain parts of this press release contain forward-looking information with respect to the plans, projections and future performance of the company, each of which involves significant uncertainties. The company's actual results may differ materially from the information set forth in these statements.

H1 2002 interim report
Summary financial figures (unaudited)

	Jan. 1 – Jun. 30 2002		Jan. 1 – Jun. 30 2001	Jan. 1- Dec. 31 2001
	Parent kDKK	Group kDKK	Parent /Group kDKK	Group kDKK
Profit/loss				
Net revenues	3,311	8,123	7,169	19,913
Research costs	-35,696	-48,115	-34,320	-76,419
Development costs	-30,862	-30,862	-12,397	-26,169
Administrative expenses	-9,136	-11,051	-9,370	-19,193
Operating profit/loss	-72,383	-81,905	-48,918	-101,868
Other operating expenses	-74	-83	0	-177
Profit/loss before net financials	-72,457	-81,988	-48,918	-102,045
Profit/loss from investment in subsidiaries	-7,346	0	0	
Profit/loss on net financial items	4,284	4,999	6,639	14,890
Net income/loss	-75,519	-76,989	-42,279	-87,155
Minority interests' share of net income/loss from subsidiaries		1,470		963
Parent share of result	-75,519	-75,519	-42,279	-86,192
Balance sheet				
Intangible assets	3,803	3,803	0	3,623
Tangible fixed assets	23,744	30,826	26,949	26,052
Investment in subsidiaries	12,753	0	0	
Cash and cash equivalents	206,520	225,787	346,555	309,313
Total assets	252,956	267,798	377,110	350,393
Equity	207,045	207,045	326,263	282,264
Minority interests		12,550		14,020
Non-current liabilities	26,912	26,912	25,034	25,964
Current liabilities	18,999	21,291	25,813	28,145
Total Liabilities	252,956	267,798	377,110	350,393
Depreciations	3,816	4,667	2,938	7,315
Cash flows				
Operating activities	-63,194	-74,122	-33,455	-78,316
Investing activities	-6,496	-9,704	-10,125	-17,403
hereof invested in tangible fixed assets and intangible assets	-6,496	-9,704	-10,125	-17,403
Financing activities	300	300	100	14,996
Change for the year in cash and cash equivalents	-69,390	-83,526	-43,470	-80,723
Average number of employees	120	145	107	120
Ratios				
Earnings per share of nom. DKK 10 (DKK per share)	-18.4		-10.3	-21.0
Equity ratio	82%	77%	87%	81%

Average number of shares 4,098,644 4,098,644 4,095,397 4,095,813

The key ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts (Den Danske Finansanalytikerforening).

Summary financial figures (unaudited)

Specification of movements in shareholders equity:

	Jan. 1 – Jun. 30 2002	2001	2000	1999
	kDKK	kDKK	kDKK	kDKK
Share capital at the beginning of period	40,962	40,950	4,989	4,528
Capital increase	38	12	35,961	461
Share capital at the end of period	41,000	40,962	40,950	4,989

Development in shareholders' equity

	Share capital	Share premium	Loss carried forward	Total
	kDKK	kDKK	kDKK	kDKK
Equity as of January 1, 2002	40,962	241,302		282,264
Capital increase,				
Warrant exercise	38	262		300
Loss for the period			-75,519	-75,519
Equity as of June 30, 2002	41,000	241,564	-75,519	207,045

Warrant status (Pharmexa A/S)

Movements in warrants issued by the company can be specified as:

	Staff	Management	Board of Directors	Scientific Advisory Board	Total
January 1, 2002	302,625	78,500	41,250	11,460	433,835
Issued February	5,125				5,125
Issued March	2,000				2,000
Issued May	10,800	13,000	600		24,400
Issued June	13,000				13,000
Issued during the year	30,925	13,000	600		44,525
Issued as per August 1, 2002	333,550	91,500	41,850	11,460	478,360

Exercised, expired and cancelled warrants can be specified as:

Issued as per August 1, 2002	333,550	91,500	41,850	11,460	478,360
Exercised during 2000	500				500
Cancelled during 2001	7,500			3,960	11,460
Exercised during 2001			1,250		1,250
Exercised during 2002			3,750		3,750
Expired during 2002	2,000		23,750	6,250	32,000



Issued outstanding warrants as per August 1, 2002	<u>323,550</u>	<u>91,500</u>	<u>13,100</u>	<u>1,250</u>	<u>429,400</u>
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Comments to the interim report

The interim report for the first 6 months of 2002 of Pharmexa A/S follows the same accounting principles as those set out in its Annual Report 2001 and has been prepared in accordance with the provisions of the new Danish Financial Statements Act for major companies in accounting class D, Danish accounting standards and International Accounting Standards (IAS) as well as the general requirements made by Copenhagen Stock Exchange on the financial reporting of listed companies. Since 2000, Pharmexa has prepared financial statements in accordance with International Accounting Standards (IAS). The application of the new Danish Financial Statements Act has not resulted in changes in the accounting policies compared to previously. However, the change has implied individual changes to the accounting layout and notes and with the necessary restatements of comparative figures and financial highlights. This means that the comparative figures and financial highlights do not in all cases agree with figures stated in the company's statutory financial statements for 2000. Furthermore, certain additional and more explicit formulations of applied accounting policies have been stated. As a result of the spin-off of Inoxell July 1, 2001 both Parent and Group accounts have been prepared. Unless otherwise stated, the comments below refer to the Pharmexa Group. The interim report is not audited.

Net turnover in the Pharmexa Group totalled kDKK 8,123 in the first 6 months of 2002, compared to kDKK 7,169 in the first 6 months of 2001. Turnover consisted primarily of research funding provided under the collaborative agreements with H. Lundbeck, AstraZeneca and Lexigen/Merck KGaA. Net turnover in Inoxell amounted to kDKK 4,812.

Due to increasing research activities, the research costs totalled kDKK 48,115 in the first 6 months of 2002, compared to kDKK 34,320 in the same period in 2001. Included in these are research costs of kDKK 12,419 in Inoxell.

The continued progress in the company's development programmes caused an increase in development costs to kDKK 30,862 in the first 6 months of 2002, compared to kDKK 12,397 in the same period in 2001. Inoxell did not incur any development costs.

Financial items totalled kDKK 4,999, compared to kDKK 6,639 in the first 6 months of 2001. Financial expenses consisted primarily of interests on a loan from the Business Development Finance (VækstFonden), whereas the company realised interest income of kDKK 4,766 on its cash position.

The net loss for the first 6 months of 2002 totalled kDKK 75,519 compared to kDKK 42,279 in the same period in 2001. The net loss in Pharmexa A/S amounted to kDKK 68,173 exclusive of the result in the subsidiary Inoxell.

As of June 30, 2002 total assets in the Pharmexa Group amounted to kDKK 267,798 and the Group had cash and cash equivalents of kDKK 225,787. Pharmexa A/S's cash and cash equivalents amounted to kDKK 206,520.

As of June 30, 2002 the Pharmexa Group had 154 employees, of which 27 were employed in the subsidiary Inoxell.

Outlook for the financial year 2002

The company's expectations remain unchanged since the release of its interim report for the first three months of 2002 on May 23, 2002: Based on the company's current collaborative agreements, Pharmexa A/S expects research and development costs of approximately DKK 130 million in the financial year 2002. The net loss is expected to be approximately DKK 115 million. Moreover, the Pharmexa Group expects a negative result in its subsidiary Inoxell.