To the Copenhagen Stock Exchange
and the press

Release no. 25/2002

Interim report for the first 9 months of the financial year 2002

Summary: Pharmexa made important progress in Q3. Based on positive results from the clinical phase I/II trial soon to be completed, Pharmexa has decided to proceed to clinical phase II with the HER-2 AutoVac™ DNA pharmaccine against breast cancer. In the HER-2 AutoVac™ Protein programme, the company expects to file an IND application in Q1 2003 to start a clinical phase I/II trial in the United States. Research and development costs were DKK 121.2 million, which was in line with expectations, and the company maintains its financial forecast for the full year.

Pharmexa has experienced very positive developments in the third quarter. The headlines are:

- Preliminary results fully support that Pharmexa's HER-2 AutoVac™ DNA product continues in clinical phase II trials and the preparation for such trials are now ongoing.
- Pharmexa is currently finishing the pre-clinical studies on the HER-2 AutoVac™ Protein product and expects to initiate a clinical phase I/II trial in the United States early next year.
- Pharmexa has made important progress in the TNF-alpha AutoVac™ programme.

Status of Pharmexa's activities

HER-2 AutoVac™ DNA soon ready for phase II
Pharmexa's research and development projects continue to develop satisfactorily. Pharmexas most advanced project is the HER-2 AutoVac™ DNA product against breast cancer. On June 6, 2002, the company announced that preliminary data from the first two dosage levels showed that Pharmexa's pharmaccine was safe and well tolerated by the patients and that immune responses were induced in some patients already at the lowest dosage level.

All 27 patients in the trial have now been recruited and treated, providing Pharmexa with additional data for final analysis. However, it is already clear at this stage that the results fully validate the progression of the product to clinical phase II, and against this background, Pharmexa has initiated the work of filing an application to start such clinical phase II trial. The Application is expected to be filed in the beginning of 2003. The overall results of the current phase I/II trial will be released on December 12, 2002 at the 25th Annual San Antonio Breast Cancer Symposium in San Antonio, Texas.

Positive development in the HER-2 AutoVac™ Protein programme
Important progress has also been made in Pharmexa's other breast cancer programme, HER-2 AutoVac™ Protein. The final toxicological trials are ongoing and have confirmed Pharmexa's high expectations for this product. Over the past few months, Pharmexa has prepared the scheduled phase I/II trial and expect to file the IND application in Q1 2003 to start-up clinical phase I/II trials in the USA. Pharmexa hopes to publish the results of this trial before the end of 2003 as previously announced.

Improved TNF-alpha AutoVac™ molecules under development
Significant progress has been made in the TNF-alpha AutoVac™ programme, which Pharmexa recently bought back. Pharmexa has already developed a number of new TNF-alpha AutoVac™ molecules, which initially confirm Pharmexa's belief that significant improvement can be made compared to the two molecules developed by Ferring, Pharmexa's former partner. Over the coming months, Pharmexa expects to announce further details about its clinical development plans in the highly attractive area of anti-TNF-alpha therapy.

Prioritisation in Pharmexa's portfolio
In the years ahead, Pharmexa's three leading product candidates, HER-2 AutoVac™ DNA, HER-2 AutoVac™ Protein and TNF-alpha AutoVac™, will be given top priority. Those three product candidates are expected to create the most value to the company and its shareholders in the short and medium term, partly through the validation of both the DNA and the Protein versions of the AutoVac™ technology in patients, partly through the generation of an important news flow. These three products in its portfolio alone make Pharmexa a broadly based company. Furthermore, Pharmexa's collaborate partners H. Lundbeck, Schering-Plough and Lexigen are all working with AutoVac™ products, and these collaborations are set to provide Pharmexa with substantial milestone and royalty income, if the products are developed successfully.

IL5 AutoVac™ programme put on hold
Pharmexa has on this basis decided to give lower priority to the IL5 AutoVac™ programme against asthma. Specifically, this entails that Pharmexa will not take the IL5 AutoVac™ programme to the clinical stage at this time, even though this product has had a highly successful research and development course and is at an advanced pre-clinical stage. This decision is also based on recent clinical results from other companies that have raised doubts concerning the relevance of IL5 as a therapeutic target in asthma in humans.

As described in Pharmexa's release dated September 20, 2001, two other pharmaceutical companies have tested the effect of monoclonal antibodies targeting IL5 in clinical phase II trials in asthma in patients. So far, these trials have shown disappointing results, and on September 17, 2002, the American pharmaceutical company Schering-Plough announced its decision to stop further development of its IL5 antibody. The reason given in the announcement was that although down regulation of IL5 in a large phase II trial reduced the number of inflammatory cells in the lungs, this reduction did not appear to have a beneficial effect on the lung function of asthma patients.

The development of the IL5 AutoVac™ therapeutic vaccine has progressed according to plan, and Pharmexa has shown and published results demonstrating a highly beneficial effect on the lung function using the product in pre-clinical trials. However, the failure of other companies to reproduce these results in patients means that it is currently too risky to continue, particularly given the lack of an explanation of why the beneficial effect apparently fails to show in patients. The fact that Pharmexa is putting this project on hold is not ascribable to shortcomings in the AutoVac™ technology – rather it illustrates the risk involved in working with less validated targets such as IL5. Also, the decision illustrates Pharmexa's strategy of keeping close track of the performance in other companies that work with the same targets, and react accordingly. Pharmexa is ready to resume the IL5 AutoVac™ programme on short notice if new clinical results should substantiate that IL5 is a relevant therapeutic target in asthma.

Pharmexa's RANKL AutoVac™ and IgE AutoVac™ programmes continue their satisfactory performance, and the company's early research projects are progressing according to plan. Concurrent with the prioritisation around IL5 AutoVac™ and the most advanced products, Pharmexa has since august implemented a temporary stop on new hires.

Inoxell
Inoxell has experienced rapid growth since its inception in last year. Inoxell has focused its research activities on immunology and metabolic diseases – areas in which the company has significant expertise. A number of complementary technologies have been developed or introduced to enhance the business concept. Inoxell is working to identify and validate new drug targets on its own and in collaboration with other pharmaceutical and biotech companies. The first example hereof is the research collaboration with AstraZeneca, in which the second stage is close to being completed.

Inoxell aims to develop its own drug candidates, and the recent agreement with Rigel plays an important part of these efforts. This agreement gives Inoxell access to a number of complementary technologies, potentially allowing it to reduce the time to market.

Inoxell is outside Pharmexa's strong focus on active immunotherapy. The intention is therefore that Pharmexa's stake in Inoxell should be reduced and that Inoxell should develop independently of Pharmexa, possibly through a merger with another biotech company. Pharmexa continues to review different scenarios for Inoxell's further development and estimate that a satisfactory solution may be found despite the recent resignation of Inoxell's CEO and CSO. Pharmexa hopes to announce the results of these endeavours within the next few months.

Unchanged outlook for the 2002 financial year
Pharmexa reiterates the financial forecast as announced in the interim report dated August 21, 2002. Based on the company's current collaborative agreements, Pharmexa A/S expects research and developments costs of approximately DKK 130 million in the financial year 2002. The net result for 2002 is expected to be a loss of approximately DKK 115 million. Moreover, the Pharmexa Group projects negative results in the subsidiary Inoxell.

Hørsholm, November 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.**

Q3 interim report 2002

Summary financial figures (unaudited)

	1. Jan. – 30. Sept. 2002		1. Jan. – 30. Sept. 2001	1. Jan. – 30. Sept. 2001	1. Jan. – 31. Dec. 2001
	Parent kDKK	Group kDKK	Parent kDKK	Group kDKK	Group kDKK
Profit/loss					
Net revenues	9,051	15,745	10,366	10,366	19,913
Research costs	-52,990	-70,538	-48,969	-53,757	-76,419
Development costs	-50,667	-50,667	-18,986	-18,986	-26,169
Administrative expenses	-12,890	-15,675	-13,069	-13,529	-19,193
Operating profit/loss	-107,496	-121,135	-70,658	-75,906	-101,868
Other operating expenses	-48	-57	0		-177
Profit/loss before net financials	-107,544	-121,192	-70,658	-75,905	-102,045
Profit/loss from investment in subsidiaries	-10,587	0	-4,052		
Profit/loss on net financial items	6,186	7,129	12,268	12,653	14,490
Net income/loss	-111,945	-114,063	-62,442	-63,253	-87,155
Minority interests' share of net income/loss from subsidiaries		2,118		811	963
Parent share of result	-111,945	-111,945	-62,442	-62,442	-86,192
Balance sheet					
Intangible assets	3,567	3,567	3,828	3,828	3,623
Tangible fixed assets	27,216	34,122	22,176	23,444	26,052
Investment in subsidiaries	9,512	0	20,948		
Cash and cash equivalents	163,942	178,456	301,652	336,844	309,313
Total assets	217,647	230,825	344,929	366,896	350,393
Equity	170,619	170,619	306,100	306,100	282,264
Minority interests		11,902		14,189	14,020
Non-current liabilities	27,407	27,407	25,495	25,495	25,964
Current liabilities	19,621	20,897	13,334	21,112	28,145
Total Liabilities	217,647	230,825	344,929	366,896	350,393
Depreciations	5,771	7,084	5,088	5,129	7,315
Cash flows					
Operating activities	-100,833	-116,228	-52,153	-56,891	-78,316
Investing activities	-11,435	-14,929	-37,673	-13,433	-17,403
hereof invested in tangible fixed assets and intangible assets	-11,435	-14,929	-37,673	-13,433	-17,403
Financing activities	300	300	1,443	17,133	14,996
Change for the year in cash and cash equivalents	-111,968	-130,857	-88,383	-53,191	-80,723
Average number of employees	121	147	114	119	120
Ratios					
Earnings per share of nom. DKK 10 (DKK per share)	-27.3		-15.2		-21,0
Equity ratio	78%	74%	89%	87%	81%
Average number of shares	4,098,644	4,098,644	4,095,674	4,095,674	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)

Development in shareholder's equity

	1. Jan. – 30. Sept. 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			-111,945	-111,945
Equity as of September 30, 2002	**41,000**	**241,564**	**-111,945**	**170,619**

Warrant status (Pharmexa A/S)

Movements in warrants issued by Pharmexa 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 November 1, 2002	**333,550**	**91,500**	**41,850**	**11,460**	**478,360**

Exercised, expired and cancelled warrants can be specified as:

Issued as per November 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 November 1, 2002	**323,550**	**91,500**	**13,100**	**1,250**	**429,400**

Comments to the interim report

The interim report for the first 9 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 15,745 in the first 9 months of 2002, compared to kDKK 10,366 in the first 9 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 6,694.

The research costs totalled kDKK 70,538 in the first 9 months of 2002, compared to kDKK 53,757 in the same period in 2001. Included in these are research costs of kDKK 17,548 in Inoxell.

The continued progress in the company's development programmes caused an increase in development costs to kDKK 50,667 in the first 9 months of 2002, compared to kDKK 18,986 in the same period in 2001. Inoxell did not incur any development costs.

Financial items totalled kDKK 7,129, compared to kDKK 12,653 in the first 9 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 7,444 on its cash position.

The net loss for the first 9 months of 2002 totalled kDKK 111,945 compared to kDKK 62,442 in the same period in 2001. The net loss in Pharmexa A/S amounted to kDKK 101,358 exclusive of the result in the subsidiary Inoxell. The net loss was as expected.

As of September 30, 2002 total assets in the Pharmexa Group amounted to kDKK 230,825 and the Group had cash and cash equivalents of kDKK 178,456. Pharmexa A/S's cash and cash equivalents amounted to kDKK 163,942.

As of September 30, 2002 the Pharmexa Group had 150 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 of August 21, 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.

Announcements since H1 2002

Listed below is a summary of stock exchange announcements released since the company's interim report of August 21, 2002:

- Following an extraordinary general meeting held on August 21, Pharmexa announced the election of Claus Braestrup to the Board of Directors and that the Board of Directors had subsequently convened with Claus Braestrup as its new chairman.

- On September 2, Pharmexa announced that the company had bought back the TNF-alpha AutoVac™ pharmaccine, which had until then been licensed out to Ferring.

- On September 10, Pharmexa released an announcement in which the company reviewed its first two years as a listed company and announced its future strategy.

- On October 30, Pharmexa announced that Peter Kristensen, CEO, and Jacob Sten Petersen, CSO, had both resigned their positions in Inoxell to return to Novo Nordisk.