To the Copenhagen Stock Exchange
and the press

Release no. 26/2002

H. Lundbeck and Pharmexa achieve important milestone in research collaboration

Pharmexa today announce important progress in a research collaboration with H. Lundbeck established in April 2000. The focus of the collaboration is the development of a groundbreaking new drug against Alzheimer's disease using Pharmexa's proprietary AutoVac™ technology.

- During the course of the research phase of the collaboration proof of concept in animals has been achieved. This means that the AutoVac™ technology applied to the protein target causing Alzheimer's disease in relevant animal models has shown the desired therapeutic effect
- Concurrently, H. Lundbeck has decided to take the project into the early development phase, where a limited number of AutoVac™ molecules will be further examined with a view to finally select the molecule to be used in the first human clinical trial. H. Lundbeck and Pharmexa is currently discussing the structure of their further collaboration
- This releases a milestone payment to Pharmexa in accordance with the parties' agreement
- Pharmexa further announce today that the focus of the collaboration is Alzheimer's disease. Alzheimer's disease is an incurable dementia disease, which constitute one of the largest unmet medical needs today.

In April 2000 Pharmexa entered into a 3-year research and development collaboration with H. Lundbeck concerning the use of the AutoVac™ technology on a certain protein target in the central nervous system to develop a treatment of Alzheimer's disease. The collaboration gives H. Lundbeck a global exclusive license to apply the AutoVac™ technology on this protein target. If successful, Pharmexa will receive milestone payments amounting to approximately DKK 150 million as well as royalties on eventual product sales.

In accordance with the agreement, H. Lundbeck and Pharmexa work on a biological drug based on Pharmexa's AutoVac™ technology that represent an entirely new way of treating Alzheimer's disease. Rather than traditional symptom relief, the approach constitutes actual treatment of the disease. The collaboration place H. Lundbeck and Pharmexa on the very forefront of the development of new biotechnology-based drugs against Alzheimer's disease.

Dr. Peter Høngaard Andersen, Divisional Director of Biological Research in H. Lundbeck says: "We have in the last few years seen indications that biotechnology-based drugs could be relevant in the treatment of psychiatric and neurological disorders, and here H. Lundbeck in the collaboration with Pharmexa has achieved a leading position. We have had an excellent collaboration with Pharmexa and it is

therefore natural that the collaboration continue from the research stage into the development stage where we combine our own long standing expertise in Alzheimer's disease with Pharmexa's expertise in the development of protein based drugs for active immunotherapy."

Søren Mouritsen, CEO of Pharmexa says: We are very pleased with our partnership with H. Lundbeck, one of the worlds leading companies in the field of psychiatric and neurological disorders, and with the results achieved so far in the collaboration. We have put a lot of effort into showing that an AutoVac™ product will be without the side effects seen in other companies working with immunotherapy against Alzheimer's disease and in this respect we have achieved very promising results. The market potential for such a product is very large and the need from patients, their relatives and society as a whole for an effective treatment of Alzheimer's disease is enormous."

Alzheimer's disease is a deadly neurodegenerative disease that attacks brain cells, nerves and the communication between these. The disease affects millions of people worldwide and the number is increasing. It is strongly age dependent and 90% of cases affect people over the age of 65. Current treatments are limited to symptom relief and there is a huge need for new and improved drugs.

The disease is characterized by progressive cognitive deterioration, i.e. deterioration in memory, perception and speech problems, which in time will make the patient unable to take care of him/herself. In the late stages of the disease mental problems such as anxiety, confusion and anger may occur.

The milestone payment is accounted for in Pharmexa already announced expectations to the result for the year and therefore does not give rise to any changes.

Hørsholm, December 12, 2002

Søren Mouritsen
Chief Executive Officer

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Stockwise Resumé: Pharmexa and H. Lundbeck has made important progress in the research collaboration and announce for the first time that the focus of the collaboration is the development of an AutoVac™ product against Alzheimer's disease. Concurrently, H. Lundbeck has decided to proceed into early pre-clinical development. This releases a milestone payment to Pharmexa, but the company maintains its expectations to the full year result.

Note to editors:
Pharmexa A/S (CSE: PHARMX) is a leading company in the field of active immunotherapy for the treatment of serious chronic diseases. Pharmexa's proprietary AutoVac™ technology platform is broadly applicable, but the company has focused its resources on a number of cancer forms and chronic inflammatory diseases, with research and development programs targeted towards breast cancer, rheumatoid arthritis and bone degeneration. Collaborative agreements include Schering-Plough, H. Lundbeck and NeuroSearch.

H. Lundbeck A/S is an international pharmaceutical company engaged in the research and development, production, marketing and sale of drugs for the treatment of psychiatric and neurological disorders. In 2001, the company's revenue was DKK 7.7 billion. The number of employees is approx. 4,800.