

## Press release

### Action Pharma focuses its strategy and appoints a new CEO

Holte, Denmark, March 24, 2010

The Board of Directors of Action Pharma has decided to focus the Company's strategy on partnering of its [two?] lead projects and to explore the opportunity of strengthening the Company through M&A or consolidation. To drive this process the Board of Directors has appointed Ingelise Saunders as new CEO of Action Pharma. The appointment will bring substantial M&A and partnering expertise to the Company. Søren Nielsen, former CEO, takes up the position as Chief Operating Officer (COO) and continues as part of Action Pharma's executive management group.

"We are extremely pleased that we have been able to recruit Ingelise Saunders as new CEO of Action Pharma. Ingelise represents a very strong executive management career in both the international pharmaceutical and biotech industry. Following a satisfactory outcome of the phase I and II clinical development of its two lead programs, Action Pharma is now focusing on M&A and partnering. Ingelise brings to the Company a very strong track record in these areas", says Sten Verland, Chairman of the Board of Directors.

Ingelise Saunders has more than 30 years of experience in the international pharmaceutical and biotech industry. Before joining Action Pharma, she was President and CEO of ACE BioSciences, Denmark, for five years. Prior to that, Ms. Saunders was for three years CEO of Celltech Pharmaceuticals Plc, the UK, with global commercial responsibility, and spent 16 years with Novo Nordisk in senior executive management positions, both in Denmark and in the UK.

"With two lead programs in clinical phase I and II, which exploits a new mode of action, there is significant partnering and M&A interest in Action Pharma. I am excited to get involved at this important stage of Action Pharma's development, and I look forward to working with the Action Pharma team and the Board of Directors to take the Company to the next phase", says Ingelise Saunders.

"AP214 is in phase II clinical development to prevent post-surgical kidney injury after major cardiac surgery. We have already obtained positive results in early phase I and IIa programs, and expect additional phase II data shortly. AP214 is expected to reduce the inflammatory response as well as post-surgical reperfusion injuries, factors known to cause kidney injury and hence major increase in co-morbidity and mortality", says Søren Nielsen, COO of Action Pharma. He continues, "AP1030 is under development for the treatment of type II diabetes associated with obesity. AP1030 has completed phase Ib clinical studies with potent effects on glucose metabolism. AP1030 is orally available (once daily), and combined with its potent effects, it has significant competitive advantages compared to current non-insulin antidiabetics."

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## About Action Pharma A/S

Action Pharma is a privately owned Danish biotech company. Action Pharma develops novel drug candidates targeting melanocortin receptors and bring these to the stage of clinical proof of concept for subsequent partnering. The drug candidates are first in new drug classes and exploit novel mode of action profiles with an efficacy that is superior compared to compounds currently on the market. Action Pharma has a pipeline of several patent protected, in-house developed, drug candidates. Two drug candidates are currently in clinical development, AP1030 (completed phase IB) and AP214 (in phase II), and two drug candidates in late preclinical development. The Action Pharma team has significant scientific expertise and has published more than 400 scientific papers.

AP214 is developed to prevent post-surgical kidney injury after major thoracic surgery. AP214 is currently being tested in a phase II clinical trial investigating the effect of AP214 on organ protection in patients undergoing cardiac surgery, who are at increased risk of kidney injury. Every year, more than 150,000 patients in the USA and in the EU undergo major thoracic surgery. Approximately 10-20% of these patients experience various degrees of kidney injury which again is associated with marked increase in mortality, co-morbidity and prolonged hospitalization. Currently, there is no treatment to prevent or treat kidney injury associated with major surgery. Thus there is a major unmet medical need. AP214 mediates its potent effect via the type 1 and type 3 melanocortin receptors. Initial results from an earlier phase II US clinical trial and from a phase IB trial in human volunteers subjected to LPS-induced inflammation, revealed positive effects of AP214.

AP1030, the lead compound within the Company's small molecule program, has potent pre-clinically documented anti-diabetic and anti-obesity effects. AP1030 is currently in clinical development in obese individuals and has completed a two-week phase IB clinical trial with positive effects on glucose metabolism. AP1030 has the potential to be superior to other anti-diabetics, including GLP-1 analogues, DPP-4 inhibitors and glitazones. Importantly, AP1030 can be administered orally (once daily) in contrast to GLP-1 analogues. Moreover, the marked weight reducing effects of AP1030 observed in non-clinical pharmacodynamic models contrast the absence of weight reduction by other orally available anti-diabetics, including DPP-4 inhibitors. Thus, this makes AP1030 highly attractive in the market for type II diabetes associated with obesity. The mode of action of AP1030, first in its drug class, involves a central melanocortin type 4 receptor mediated effect, thereby modulating appetite and central regulation of glucose metabolism plus a systemic anti-inflammatory melanocortin type 1 receptor mediated anti-diabetic effect aimed at reverting low grade inflammation in fatty tissue, and thereby reducing peripheral insulin resistance.

In addition, Action Pharma develops AP1189, an oral treatment of systemic inflammatory diseases such as rheumatoid arthritis and inflammatory bowel diseases. Similarly, AP405 is developed for topical treatment of inflammatory skin diseases, such as atopic dermatitis.

Action Pharma has a strong investor base of leading European investors, including Sunstone Capital, Global Life Science Ventures, InnovationsKapital, SLS Invest, Inventure Capital, and Oestjysk Innovation. For more information, please visit [www.actionpharma.com](http://www.actionpharma.com)