

CEO's Statement



“ I hope I've succeeded in conveying a picture of the new Tripep as an attractive company with exciting projects from a patient and shareholder perspective. If one of our clinical projects attains positive results, we will probably start negotiating with potential partners in 2008. ”

So what does the new Tripep look like? After intensive efforts on our turnaround, we now have a company in the clinical phase with one project, ChronVac-C[®], and one project approaching a phase II trial, ChronSeal. We also have a number of preclinical projects. The CDs (candidate drugs) we are working on are in segments subject to a substantial medical need for new types of therapy.

Our therapeutic vaccine, ChronVac-C[®], is now undergoing its first trial on patients in a study at the prestigious Karolinska University Hospital at Huddinge and Solna, Sweden. Overall, this study will involve 12 patients, and at the time of writing, about half of them had started treatment. This study has attracted international attention, with for example, inquiries from patients from other countries wishing to participate. This corroborates the substantial need for new treatment methods for the troublesome hepatitis C disease. Estimates indicate that there are between 12 and 15 million people chronically infected with hepatitis C in the industrialised world. Extant therapies help about half of them, but new, effective therapies are needed for the remainder. If ChronVac-C[®] lives up to expectations, we will have a drug that is simpler to administer, cheaper to produce and have a shorter treatment time than current standard therapy.

Progress on our wound-healing project ChronSeal was largely according to the plan we prepared early in the year. The forthcoming phase II trial will address patients with slow-healing venous leg ulcers. Assuming the Swedish Medical Products Agency approves the application the company filed in January 2008, the study is scheduled to start in the second quarter 2008, and will be conducted at several clinics in Sweden and Norway. Treatment with ChronSeal is fairly simple, because the drug is applied locally in the wound for a limited time. Venous leg ulcers represent a substantial medical and social problem, apart from the long-term suffering they

cause those affected. In Sweden alone, there are between 20,000 and 40,000 patients. For an idea of the big picture, remember that Sweden only represents one half to one percent of the market in industrialized world. If we obtain good clinical results on venous leg ulcers, we see major opportunities in other indications.

In autumn 2007, we started work on designating a final CD for our new preclinical project ChronVac-B. In 2008, we hope to produce the CD and start toxicology studies. On RAS[®], Tripep is now working on identifying the peptides that may become future CDs.

Around year-end 2007, we conducted a rights issue that was fully guaranteed and that would raise the company approximately SEK 24 m before issue costs. Unfortunately, Rutger Smith, one of two guarantors, informed the company that due to liquidity problems, he would be unable to fulfil his commitment, implying that the issue raised the company SEK 16 m. Obviously, this is unfortunate, but it does not immediately affect current projects. Accordingly, we will be bringing a previously planned private placement forward.

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HUDDINGE, SWEDEN 17 MARCH 2008

A handwritten signature in blue ink, appearing to read 'Jan Nilsson'. The signature is stylized and fluid.

JAN NILSSON
Chief Executive Officer