

ChronSeal

ChronVac-C[®]

RAS[®]



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Annual General Meeting

Invitation to Attend Tripep's Annual General Meeting

Tripep AB's (Corp. Id. No. 556705-1965) Annual General Meeting will be held on Thursday, 22 March 2007 at 6 p.m. in the Atlanta facility, the World Trade Centre, Klarabergsviadukten 70 (entrance also via Kungsbron 1), Stockholm, Sweden.

Participation Rights at the AGM

To qualify for participation at the AGM shareholders must both be included in the share register maintained by VPC (the Swedish Central Securities Depository & Clearing Organisation) by no later than Friday 16 March 2007, and have informed the company of their intention to attend by no later than 3 p.m. on Friday 16 March 2007. Shareholders with nominee-registered holdings must temporarily re-register their shares in their own name with VPC. This means that shareholders desiring such re-registration must inform their nominee thereof in good time before 16 March 2007.

Notifications of intention to attend can be made directly on Tripep's website, www.tripep.se, by mail to Tripep AB (publ), Hälsovägen 7, 141 57 Huddinge, Sweden, by telephone on +46 (0)8 449 8480, by fax on +46 (0)8 449 8481 or by e-mail: caroline.borrman@tripep.se.

In their applications, shareholders must state their name, personal or corporate identity number, address, telephone number, number of shares and the number of assistants (maximum two) shareholders intend to bring to the AGM.

Participants at the AGM must be able to verify their identity, with authorized signatories bearing a copy of their certificate of incorporation or equivalent documentation.

Forthcoming Financial Reports

- First-quarter Interim Report 2007 – Friday, 27 April 2007
- Second-quarter Interim Report 2007 – Friday, 24 August 2007
- Third-quarter Interim Report 2007 – Friday, 26 October 2007
- Year-End Report 2007 – Friday, 1 February 2008

Investor Relations

All contacts with external markets are through the CEO and the Head of Research. Tripep's website, www.tripep.se, publishes all information on the company's progress and its stock. To subscribe to financial information, send an e-mail to info@tripep.se, or apply by mail to: Tripep AB (publ), Hälsovägen 7, 141 57 Huddinge, Sweden.

Tripep's Annual Report is accessible on the company's website, www.tripep.se.

TRIPEP is a biotechnology research company that develops and commercialises candidate drugs based on patented and proprietary technologies. Its main focuses are:

- clinical development of ChronSeal, a wound-healing project based on HGF
- clinical development of ChronVac-C[®], a therapeutic vaccine against Hepatitis C
- preclinical research focusing on the development of therapeutic and prophylactic vaccines against HIV and Hepatitis C
- the RAS[®] technology platform.

Highlights of the Year

- The research operations were spun off to shareholders. The corporate name of Gamla Tripep (Old Tripep) was changed to Din Bostad Sverige AB, which was re-formed as a property company
 - The product portfolio was extended by the acquisition of ChronSeal, a wound-healing project, and Tripep was listed on the First North marketplace
 - Application filed with the Swedish Medical Product Agency to start phase I trials on ChronVac-C®
 - Rights issue consummated
 - Agreement regarding shared development of ChronSeal with Kringle Pharma
- Against the background of a resolution by Gamla Tripep's (now Din Bostad Sverige AB) Extraordinary General Meeting (EGM) on 25 September 2006, Tripep's research operations were spun off to its shareholders, with a record day of 28 September 2006. The corporate name of Old Tripep was changed to Din Bostad Sverige AB, which was re-formed as a property company.
 - On 18 October, the company was listed on the First North marketplace as Tripep AB (code: TPEP).
 - The company had no net sales for the period July-December 2006. Research and development costs for the period July-December 2006 were SEK 13.3 m. The loss after tax for the period July-December 2006 was SEK -21.1 m. Earnings per share for the period July-December 2006 were SEK -0.78.
 - In the period, the combination of ChronVac-C® and Inovio's Medpulsar® DDS was observed to generate very positive immune response extending to larger animals such as rabbits. Additionally, animal studies proving the concept on mice for the combination of ChronVac-C® and Inovio's Medpulsar® DDS was also concluded.
 - In October, the company acquired a project—ChronSeal for treating chronic wounds—developed by researchers at the Linköping University Hospital, Sweden.
 - In December, the company filed an application with the Swedish Medical Products Agency for approval to start a phase I trial on ChronVac-C®.
 - In December, the company consummated a rights issue raising approximately SEK 30.1 m before issue costs of some SEK 2.5 m.
 - Rolf L. Nordström resigned as Chairman of the Board and Board member due to Dormant Properties selling all its Tripep shares to Verrazano Ltd., a company represented by Thomas Lynch.

Events after the End of the Year

- An EGM on 25 January 2007 elected Thomas Lynch as a Board member and Chairman of the Board.
- Tripep has reached an agreement regarding shared development of Tripep's wound-healing project, ChronSeal, with the Japanese company Kringle Pharma.

Key Figures

	7 June 2006
	31 December 2006
Operating income, SEK m	0.1
Internal research and development costs (written off), SEK m	-0.7
External research and development costs (written off), SEK m	-12.6
Operating profit/loss, SEK m	-21.3
Profit/loss for the period, SEK m	-21.1
Earnings per share, SEK	-0.78
Investment in tangible fixed assets, SEK m	0.2
Balance sheet total, SEK m	42.3
Cash flow, SEK m	40.2
Shareholders' equity per share, SEK	0.65
Equity ratio, %	73.5
Return on capital employed, %	neg
Return on equity, %	neg
Debt/equity ratio, multiple	0.14
Liquid assets, SEK m	40.2
Share of risk-bearing capital, %	73.5
Average no. of employees	10

CEO's Statement

“ I see a bright future for Tripep. We've brought ChronVac-C® as far as filing an application to start a phase I trial. In October we acquired the exciting wound-healing project, ChronSeal, and early 2007 we reached an agreement with Kringle Pharma regarding the shared development of this project. ”



The year 2006 was highly eventful, full of ups and downs. Early in the year, we signed a collaboration agreement with Inovio Inc., enabling ChronVac-C's® clinical development to really get going. This was followed in the spring by the discouraging news from our trial on alphaHGA in Thailand. The results were that while certainly well tolerated, alphaHGA didn't demonstrate any effect on HIV levels in serum.

We quickly shifted our focus and raised the priority of our work on ChronVac-C®. Accordingly, in 2006 we were quickly able to conduct several animal toxicology studies, whose results were compiled in the autumn.

In December, we achieved a new milestone in ChronVac-C's® development, when we filed an application with the Swedish Medical Products Agency to conduct a phase I trial on ChronVac-C®, administered with Inovio's Medpulsor® DNA Delivery System. We're proud that it took us less than a year from signing a collaboration agreement with Inovio to being able to file an application for a completely new clinical trial. This demonstrates how effective the collaboration in Tripep's network is.

Our plan for ChronVac-C® is to start a phase I trial in spring 2007 at the Karolinska University Hospital, Solna, Sweden. Assuming we keep to our schedule, the results of this trial may be available in late-2007. If they are as expected, we follow up with a phase II trial, i.e. on hepatitis C patients, as soon as possible.

On 17 October, we were able to report that we had licensed a new and very exciting project. Once again, this is a highly innovative project, this time, in the advanced wound-healing segment, called ChronSeal. Chronic wounds significantly reduce the quality of life of sufferers, and are also a major burden to the healthcare sector. ChronSeal has already been successfully trialled on pa-

tients with chronic leg ulcers.

On February 20th we announced that we had reached an agreement regarding shared development of Tripep's ChronSeal with the Japanese company Kringle Pharma, Inc. Kringle Pharma is a world leading company in the development of the growth factor HGF (Hepatocyte Growth Factor). This growth factor is the pivotal component in Tripep's ChronSeal project. The agreement gives Tripep access to Kringle's recombinant HGF, manufactured according to Good Manufacturing Practice (GMP), i.e. having the product quality that is required for clinical studies in humans. This means that the developing time for ChronSeal has been reduced by 18–24 months. Tripep will immediately start the development of an optimal formulation, which then will be followed by toxicity studies. Thus the conditions look very promising for starting a phase II study with ChronSeal with recombinant HGF before the end of the year.

In late summer 2006, we conducted a transaction with a number of property owners, resulting in Tripep's shareholders receiving shares in two companies: research entity Tripep AB and Din Bostad Sverige AB, a property company trading on First North (previously the Stockholm Stock Exchange O-list). This transaction enables Tripep's shareholders to benefit from the loss carry-forwards that Tripep has generated over the years. After the consummated transaction, on 18 October, Tripep AB was listed on the Stockholm Stock Exchange's First North marketplace.

The transaction with Din Bostad Sverige also helped us by senior executives of Din Bostad participating in a guaranteed rights issue, which Tripep consummated late in the year. The capital injection from this transaction assured the implementation of the phase I trial on ChronVac-C®, and will help fund ChronSeal. Around

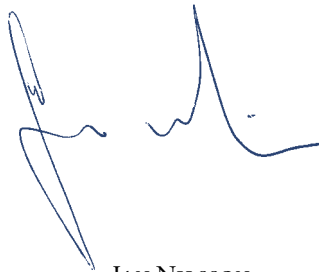
year-end, we also gained a new major shareholder, when Thomas Lynch acquired Dormant Properties' shareholding. Thomas was then elected Chairman at an EGM in January 2007. He has a solid biotechnology background, where for example, he participated in transforming Elan from a formulation business into one of the biggest biotech corporations in Europe. This was achieved with a series of product and corporate acquisitions, and collaboration agreements, where he served as Chief Financial Officer, and then Deputy Chairman. Thomas is now the largest shareholder and Chairman of Amarin Corporation, a biotech company listed on the London

Stock Exchange and NASDAQ. Amarin's main CD (candidate drug) is in phase III in the EU and US.

I'm convinced that Thomas's extensive experience of the global biotech industry and his contact network will help us shape a strong Tripep.

I see a bright future for Tripep. We've brought ChronVac-C® as far as filing an application to start a phase I trial, and have acquired an exciting wound-healing project, ChronSeal. We've modified our organizational structure and are focusing our resources, with the consistent intention of developing our projects into new drugs quickly and cost-efficiently.

HUDDINGE, SWEDEN, 21 FEBRUARY 2007



JAN NILSSON
Chief Executive Officer

Chairman's Statement

“ I am very pleased to accept the nomination as Chairman of Tripep AB. I have enormous respect and admiration for the quality of medical and scientific research in Sweden and very much look forward to working with the management to build our research and development of medicines for immunological and virological diseases, an area of significant unmet medical need. ”



THOMAS LYNCH
Chairman of the Board



Business Concept, Goals and Strategies

Tripep's business concept is to create a successful biotechnology company by developing and commercialising CDs either based on its patent-pending and patented technologies or by inlicensing CDs and technologies.

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Goals

ChronVac-C®

Tripep's objective for the coming year for ChronVac-C® is to begin a phase I trial on healthy volunteers in early-2007. The study will be conducted at Karolinska University Hospital in Solna, Sweden, with its results expected to be available in late-2007. If the results are positive, it will be followed by a phase II trial on hepatitis C patients.

ChronSeal

Tripep's objective for the coming year for the recently acquired wound-healing project ChronSeal is to formulate a development plan and begin development activities. The agreement with Kringle Pharma ensures Tripep access to HGF. Tripep will prioritize work on ensuring the production of ChronSeal and identifying a suitable type of preparation. Toxicology studies will begin as soon as this is achieved. In tandem with this process, the trial protocol will be designed and the necessary documentation compiled to gain a permit to start a phase II trial.

Strategies

Focus

A research enterprise of Tripep's size and financial resources must strive to focus its limited internal resources. In the coming year, Tripep's resources will be concen-

trated on the development of the company's main projects, ChronSeal and ChronVac-C®. Largely, projects in preclinical phases will be developed by Tripep's collaboration partners at Swedish and foreign universities in the coming year.

Collaborations

To optimize its resources, Tripep runs its research projects both in-house and through collaboration agreements with strategic partners. Such collaborations enable Tripep to manage projects cost-efficiently and participate in more research projects, thereby reducing its dependence on individual projects. To ensure the commercial value of research results remains in the company, Tripep has contracts with university researchers regarding the transfer of ownership rights on their discoveries to Tripep.

Patents

Tripep's proactive patent strategy safeguards its intellectual property, which is crucial for a biotech company. Tripep's strategy is to create effective protection for its products and technologies in its key regions—North America, Europe and Asia. Initially, the strategy is to apply for patents in the US. Tripep is using the US patent bureau Knobbe Martens Olson & Bear to manage patent issues.

Funding

Financing a biotech company's development-phase activities may be achieved by outlicensing the company's technologies to established pharmaceutical companies for onward clinical development, through partnerships or issuing new shares.

The Research Process and Project Finance



Conducting drug research requires commitment, persistence and financial resources. It takes between 10 and 15 years to develop a new drug, and only a fraction of all the CDs tested result in new pharmaceuticals.

Drug Development Step by Step

Research starts with an idea of how a disease could be tackled. The introductory phase involves experimental investigation of whether a compound has the prospects of hitting the intended target for therapy. These activities are time-consuming, and multiple compounds are screened before one or more CDs are produced. Patents protecting the idea and/or CDs are filed as soon as possible. The designated compound is then studied and documented so it can be administered on humans. The whole preclinical phase usually takes three to five years. This is followed by the clinical phase, which in turn, is usually divided as follows:

Phase I Trials intended to verify that a compound can be given to humans with an acceptable safety profile. Here, the dosages to be administered and how the compound is absorbed, distributed, metabolised and excreted from the body is defined.

Phase II The compound is tested on patients suffering from the intended disease, with the aim of demonstrating that it has the postulated effect. Attempts are made to find an optimal dose, and obviously, documentation of safety and tolerability continues.

Phase III Large-scale trials comparing the compound with current therapy, or if there is none, a placebo. The purpose is to demonstrate the effect of the compound compared to existing therapies. If the product has equivalent or better efficacy, onward development proceeds.

A number of other studies into safety, the effect on other drugs, types of preparation and other considerations are conducted in parallel. After clinical trials, documentation is compiled in a registration application that is filed with the authorities in the relevant countries.

Phase IV Trials are conducted after approval to document how the drug functions in the everyday clinical environment. On occasion, the authorities issue conditional approval, whereby the company must generate a specified amount of knowledge on the drug within a given time, which is frequently the purpose of phase IV trials.

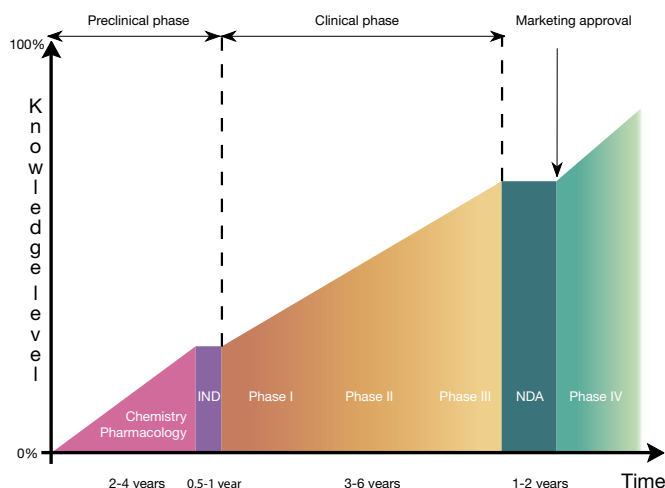
Research Builds Knowledge and Value

New knowledge of CDs accumulates through the various research phases. Simultaneously, a range of potential risks can be progressively eliminated, such as the compound triggering unacceptable side-effects. Rising value corresponds to this increasing knowledge. The figure on the next page illustrates the schematic schedule of the various developmental phases, and how knowledge accumulates and deepens during development.

Regulators and potential business partners are applying more stringent standards to the documentation of research results. This implies time-consuming and resource-intensive activities. The cost of developing a complete new drug has increased with these more stringent standards, and is now estimated at an average of EUR 895 m (EFPIA) including investments in projects that never reach the market.

As value grows with increasing knowledge, trials become increasingly complex and extensive the further research progresses. The most costly portion of development are the large-scale clinical trials that conclude the process. Each step a project takes through clinical development means increasing likelihood of reaching the market. In standard terms, the likelihood of reaching the market is:

- After all preclinical approx. 20%
- After phase I approx. 30%
- After phase II approx. 65%
- After phase III approx. 90%



Funding and Partnerships

Most often, investments in the later research phases are funded wholly or partly by the major pharmaceutical corporations.

A company like Tripep can seek partnerships at various points in development. The choice of timing to start partnerships is based on balancing a series of factors. The further successful research is conducted in-house, the stronger negotiating position ahead of a partnership. Accordingly, the company assuring sufficient access to funding for taking a project to the ideal point is a key issue.

However, it is seldom appropriate for a research company with limited resources and lacking cash flow to take a project right to commercialization itself. Time to market is also significant to value, because all patents are time finite. Major pharmaceutical corporations have specialist know-how and resources enabling them to maintain a high tempo in the final phases of development. They also have the necessary market presence to reach the market quickly when a drug is ready for sale.

Moreover, a partnership agreement can generate revenues that the research company can use to develop other promising CDs it may have in its portfolio.

In practice, it is usually suitable and possible to reach partnership agreements in phase II, because the likelihood of reaching the market at this point is fairly high, while the costs of continued trials are accelerating.

Usually, partnership agreements include the following components: down-payments, milestones and royalties on future sales, with or without guarantees. These various payments are mutually dependent, so for example, high milestones may imply lower royalties. But each agreement is unique and can contain components other than those stated above.

Example Royalties for a Specialist Drug with Estimated Sales of over USD 500 m.

Developmental Phase	Royalty (%)
Preclinical phase	5-10
Clinical phase I	8-15
Clinical phase II	10-20
Clinical phase III	18-25
Approved products	>25

Source: Redeye Research

More Stringent Standards on Financial Evaluation

The cost of drugs in the industrialized world more than doubled in the 1990s. For example, their share of total healthcare costs in Sweden grew from 8 to 15%. The growing cost of drugs has accentuated the need for what is termed evidence-based care. Clinical documentation that a new therapy is effective and free from serious side-effects is no longer sufficient for a new product to achieve sales success. To be incorporated into public and private healthcare systems, the drug must also be cost-efficient for healthcare providers and society. Demands for securing drug subsidies have become more stringent in efforts to build value on the optimal scientific foundations. Accordingly, being able to demonstrate that the usage of a drug creates financial benefits, with any increased costs being offset by reduced healthcare expenditure and increased patient working capacity and quality of life is a critical success factor. However, no international quality criteria for economic evaluations of what constitutes cost efficiency have been formulated at present. Accordingly, it is vital that the market's researching companies accumulate clinical and financial evidence of the positive qualities of their products. Moreover, building close relations with leading opinion-formers and conducting researching in collaboration with internationally renowned treatment centres is also very important.

The Research Portfolio



Chronic leg ulcers are very hard to treat, and mean long-lasting suffering for patients. Tripep's new research project ChronSeal is a new biological treatment method that has been successfully tested on patients.

ChronSeal

Slow-healing Leg Ulcers— Consequences for the Individual and Society

About 1% of the population risks suffering from chronic leg ulcers at some point in their lives, a risk that increases with age. Chronic leg ulcers are an extensive problem in the healthcare sector and a widespread disease.

Chronic leg ulcers are slow-healing wounds on the lower leg or feet, usually caused by poor circulation. This means the skin does not receive sufficient nutrients and oxygen to heal effectively. In turn, poor circulation may depend on other disorders, for example, diabetes sufferers running an increased risk of contracting leg ulcers due to compromised vascular function. For the sufferer, a slow-healing leg ulcer is often a social handicap, with severe pain in the ulcers themselves, or the legs.

Patients with slow-healing leg ulcers generate considerable costs to healthcare providers. In the West, the treatment of these conditions consumes substantial carer time and the cost of treating each patient is high. Various sector sources estimate that the number of patients with slow-healing leg ulcers will increase rapidly over the coming years as a result of more diabetics, an ageing and heavier population.

Accordingly, there is a pressing need to develop new wound care products that can improve treatment, and generate healthcare savings, while simultaneously enhancing patient care quality.

Existing Therapies

Dressings are still the foundation of all leg ulcer treatment, because most ulcers heal better with effective compression using a bandage or support stocking. This treatment involves washing the ulcer, combating infection and applying dressings. In some cases, patients may need a vascular surgery procedure or skin transplant to accelerate healing and alleviate pain. The healing time of ulcers varies from one or a few months to several years.

Traditional treatments have shortcomings and there is a recognized need for enhanced methods and technologies to accelerate healing. However, a new generation of promising biological wound-healing products and technologies to regenerate the skin are emerging in the wake of the advances that have been made in wound-healing cell biology over the last 20 years. These are termed active products and technologies, which are being developed to accelerate healing by creating a favourable cellular environment. ChronSeal is in this wound care product category.

ChronSeal

ChronSeal is a gel containing human hepatopoietin (Hepatocyte Growth Factor, HGF), which plays a key role in wound-healing. This is a new biological therapy method that creates new opportunities for slow-healing ulcers, particularly venous leg ulcers and diabetic ulcers. The treatment method has been successfully tested on patients with chronic leg ulcers. It is based on the discovery that normal HGF is defective in many slow-healing

ulcers, and is thus not active in the patient. By providing the patient with active HGF in combination with suitable antibiotics, it is possible to restore the cellular balance and promote the wound-healing process. HGF can be industrially produced from plasma, but also synthetically. Combination therapy with antibiotics is necessary, because wound bacteria can metabolise HGF.

Development and Future Trials

Until the present, two clinical pilot studies have been successfully conducted on a total of 24 patients with chronic leg ulcers. Eight of the eleven patients that received functional HGF attained 60% wound healing and improved blood circulation after just a week's treatment. It was also possible to demonstrate that treatment efficacy of defective HGF was comparable with placebo. The pilot studies were approved by an ethical committee at Linköping University Hospital.

The agreement with Kringle Pharma ensures Tripep access to HGF for the forthcoming phase II trial. In this trial, patients with chronic leg ulcers will be treated by a combination of ChronSeal and appropriate antibiotics. After the trial, the subjects will be monitored to study the risk of recurrence after healing. The objective is to heal the wound in most patients and then ensure healing

sustains. In parallel with ChronSeal's clinical development, Tripep is also planning to conduct an economic study in collaboration with internationally renowned treatment centres.

Tripep's ambition is to develop ChronSeal alongside a global wound care player in the chronic skin wound segment after the planned phase II trial has been conducted.

Market

The ageing population is a key factor for the market growth of new innovative wound-healing products. This ageing population represents a significant portion of the healthcare cases related to chronic wounds. At present, chronic leg ulcers represent over 40% of the market for active wound care products, a market that has traced annual growth of over 10% over the last decade¹⁾. The estimated global market value of active wound-healing products was USD 1.7 bn in 2005, and sector commentators estimate it at USD 3 bn in 2011²⁾.

There are currently over 100 companies operating in active wound care products, competing in various market segments. Players like Smith & Nephew and Johnson & Johnson have broad product portfolios, and are active in several segments of the wound-healing market.

¹⁾Frost & Sullivan 2005. ²⁾Frost & Sullivan 2005 and BCC Research.



An 81 year-old woman with gout and combined arterial and venous insufficiency was referred to an infection clinic for her chronic leg ulcers. The woman had had the ulcers on both sides of her ankles for 14 years. No previous treatment had been effective. An examination revealed abundant growth of staphylococcus aureus in the ulcers. The infection was treated with a powerful antibiotic (Heracillin) which was effective against the infection but not for wound-healing. The ulcers were then treated with a combination of HGF and antibiotics locally for seven days. Both ulcers healed with this treatment. The images illustrate one of the ulcers before treatment and four weeks after therapy concluded.

ChronVac-C®

Hepatitis C Virus—Consequences for the Individual and Society

International experts indicate that nearly 70% of people infected with HCV develop a chronic liver infection, which can remain in the body for many decades. A small number of patients resolve chronic infections spontaneously, but the virus remains in the vast majority and can then result in serious liver damage. Chronic HCV infections are now the most common cause of liver transplantation in the West. Apart from the purely physical symptoms, chronic HCV infection can put the patient under psychological strain.

Estimates indicate that the patient population with serious liver damage caused by HCV will increase sharply over the next 20 years, as will the number of treatments and social cost for treatment. Accordingly, developing new types of treatment is an important issue.

Existing Therapies

Certain types of chronic HCV infection caused by viruses termed genotype 2 or 3 can already be treated quite successfully. Some 80% of patients can be cured by combining interferon and ribavirin for 24 weeks. The fact that this infection is curable is almost unique for virus infections. However, the most common form of HCV, genotype 1, is far harder to treat. Approximately 50% of all HCV infections in Sweden are of genotype 1, and up to 70% in Europe and the US. Existing therapies enable 40-50% of genotype 1 infections to be cured. The cost of therapy is approximately SEK 200,000 per patient. Existing therapy can cause side-effects such as pronounced tiredness and serious depression. Overall, this means that there is a great need for new types of therapy.

The Body's Capacity to Cure

Over the last 10-15 years, a number of suspected contributory factors to spontaneous clearance of HCV infection have been identified. One of the most important seems to be the body's ability to generate an immune response to the infection rapidly and effectively. Research indicates that the people resolving HCV infection spontaneously form a strong immune response to various HCV proteins, and particularly against one called non-structural 3 (NS3), an important component of ChronVac-C®. Chronic infection develops in people who, for some reason, are unable to generate a strong response. More recent research has been able to demonstrate that the immune response to HCV is activated by interferon and ribavirin treatment of chronic HCV infections, and that this immune response remains, particularly in those cured by therapy. Overall, this suggests that

activation of the body's immune response can result in a resolution of the infection, and the patient being cured. This, in turn, indicates that therapies that can activate the body's own immune response against HCV, similar to interferon treatment, could constitute a new type of therapy for chronic HCV infections.

ChronVac-C®

ChronVac-C® is what is termed a therapeutic vaccine, i.e. a vaccine given to people already infected with the intention of reinforcing their immune response. ChronVac-C® is also what is termed a 'genetic vaccine', which means that rather than just filling syringes with the vaccine, the vaccine's genetic code, its DNA, is used. When the vaccine DNA is injected into muscle, it is absorbed by muscle cells, which then convert the DNA into protein, and produce the vaccine to activate the body's immune response themselves.

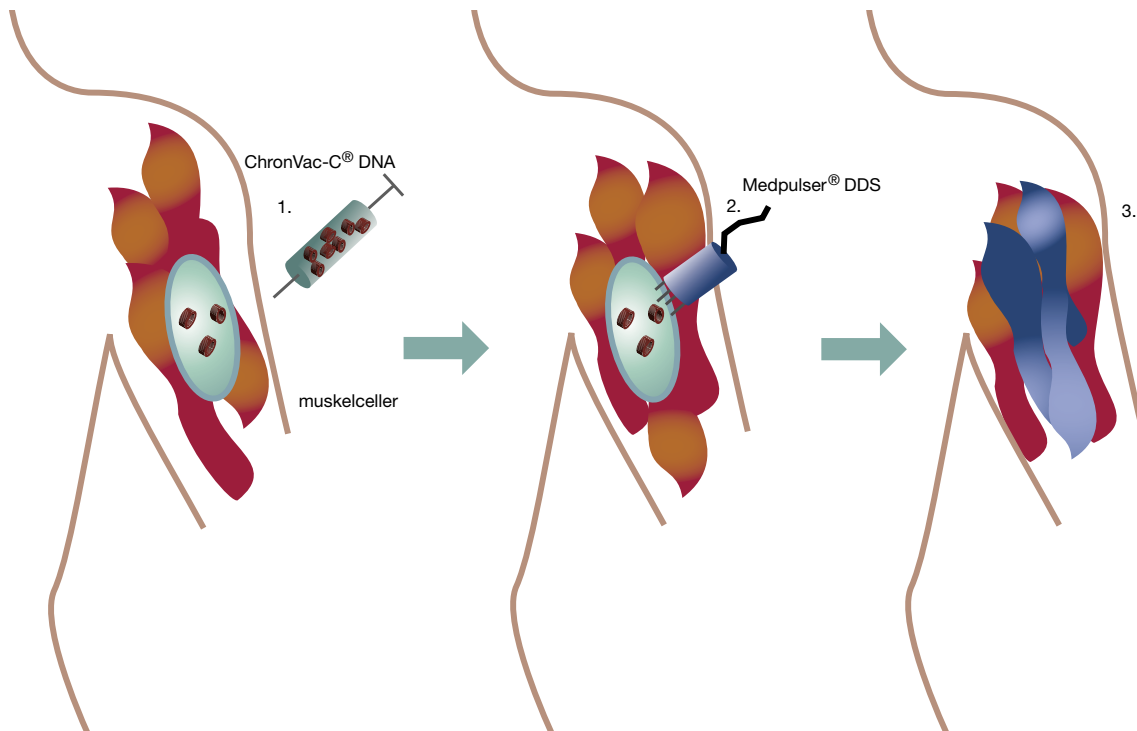
One big problem with this type of DNA vaccination is that if ordinary syringes are used, most of the DNA remains outside muscle cells and is metabolised. However, DNA vaccine enjoys many benefits: it is easy and cheap to produce, has a long shelf-life, and the same production facility can be used for a wide array of vaccines.

But to exploit these advantages it is necessary to resolve the first and biggest problem—muscle cells do not take up the vaccine DNA. HCV infections in the liver do not trigger an immune response very effectively, which may be a contributor to the high proportion of chronic carriers. In other words, activating the immune response to a non-mutable portion of HCV elsewhere in the body rather than the liver may prove very valuable. Muscle is a good location, and where vaccinations are usually administered.

Tripep has identified a solution to these problems through its collaboration with US corporation Inovio, a world leader in *in vivo* electroporation. This technology, implemented with Inovio's Medpulser® DNA Delivery System (DDS), involves exposing cells to short-duration electric pulses, which produce temporary pores in the cell membrane. When the pores open DNA can enter the cell. The pores then quickly re-seal.

Inovio has now developed this technology so it can be applied to humans. Firstly, the physician injects ChronVac-C® into a muscle, and immediately applies the Medpulser® DDS and introduces its four electrodes to the same region as the vaccine DNA was injected. A few short-duration electrical pulses are then applied, and treatment is finished. Complete therapy would encompass four similar treatments, once a month. Hopefully, this would result in the body activating an immune response that helps heal the infection.

DNA-vaccination with ChronVac-C[®] and Inovio's Medpulsar[®] DDS

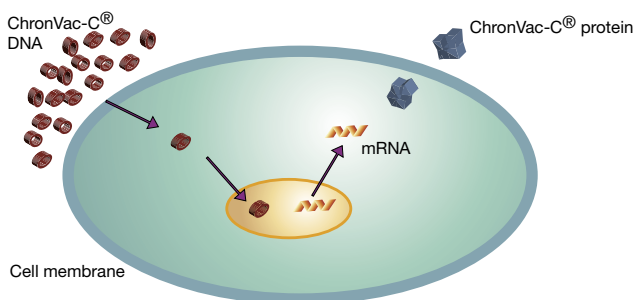


1. Intra muscular injection of ChronVac-C[®] DNA.
2. Electroporation with the Medpulsar[®]DDS enhances the uptake of ChronVac-C[®] in muscle cells.
3. Many muscle cells produce the ChronVac-C[®] vaccine whereby a strong immune response is mounted

What happens inside the cell?

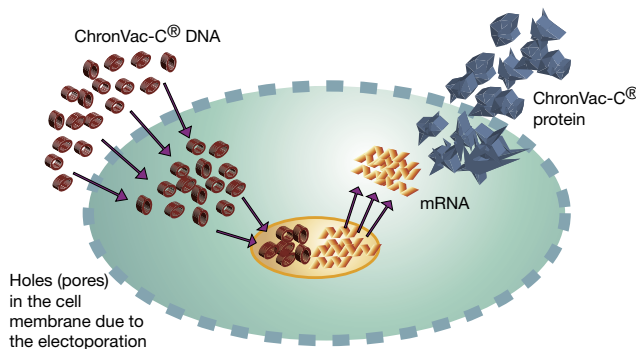
Injection of ChronVac-C[®] without Medpulsar[®]DDS electroporation

Most of the ChronVac-C[®] DNA is not taken up by the cell and is degraded outside the cell



Injection of ChronVac-C[®] with Medpulsar[®]DDS electroporation

ChronVac-C[®] DNA enters the cell through pores (holes) in the cell membrane and is converted into the vaccine



ChronVac-C® has been in development since 1999. Tripep has been able to produce models to demonstrate what the vaccine can do. ChronVac-C® can activate B cells and T cells, the latter currently regarded as the most significant to clearing the chronic infection. Experiments on mice have demonstrated that ChronVac-C® vaccination activates T cells that enter the liver and eliminate the liver cells producing HCV protein, a basic prerequisite for any therapeutic vaccine to work. The combination of ChronVac-C® and Medpulsar® DDS was noted at the Second Hepatitis C Conference in Dublin on 23 June 2006, when Professor Matti Sällberg presented positive results from mouse experiments, which were then followed by more positive results in the year. The company was able to demonstrate that the combination triggered a T cell response, that was able to enter the liver and eliminate HCV protein-producing liver cells. This is genuine proof of concept for the combination of ChronVac-C® and Medpulsar® DDS, and exactly the desired result of a therapeutic vaccine.

2006, a Momentous Year for ChronVac-C®

ChronVac-C® made several breakthroughs in 2006, and the project achieved several milestones. In January, the company was able to report that it had entered a collabo-

ration agreement with San Diego-based company Inovio on the joint clinical development of ChronVac-C®. This agreement provides Inovio with part-ownership of ChronVac-C®, while in return, Tripep secures access to Inovio's human DNA vaccination technology. GMP-produced ChronVac-C® was delivered from Vecura AB in February, and two Medpulsar® DDS *in vivo* electroporation devices were supplied to the company. This meant that the toxicological evaluation of ChronVac-C® could start immediately. In March, the company secured its most important patent on ChronVac-C® until that time, which protected the heavily modified and enhanced hepatitis C virus gene that ChronVac-C® contains. This means that Tripep has protection on its CD, ChronVac-C®, for at least 17 years. Three toxicology studies are now being conducted, one for biodistribution and pharmacokinetics, an acute toxicological study and one to observe the effect of repeat administration. The studies concluded in the third and fourth quarter 2006. In tandem, all the necessary documentation for applications to the Ethical Committee and the Swedish Medical Products Agency was compiled to enable the start of a phase I trial on healthy volunteers as soon as possible. The company was able to file the documentation with the Swedish Medical Products Agency in December.

Inovio's Medpulsar® DDS



Market

In 2004, the total market for drugs against HCV infections was worth over USD 2 bn, and is currently dominated by Schering-Plough and Roche with their pegylated interferons, called PegIntron and Pegasys respectively. Robust market growth is expected in coming years, with the primary drivers being enhancements and improvements of interferons and ribavirin.

At present, drugs against HCV infection are being developed that impact the virus directly, inhibiting its capacity to replicate or infect new cells. They are termed antivirals, and are very reminiscent of extant HIV compounds. As yet, they are in relatively early development, and are expected to reach the market in 2011-2013.

Antiviral drugs are expected to mark a paradigm shift in the treatment of chronic HCV infections, estimated to represent over one-third of the total market for pharmaceuticals against chronic HCV infections by 2013. But their potential remains uncertain, because no clear clinical benefit has been demonstrated yet.

An entirely novel class of drugs, separate from the above antivirals and called therapeutic vaccines, are in development. Hopefully, such vaccines will be administered early in the course of the illness, thus replacing interferons as first-line therapy. Moreover, there are good chances that such vaccines could be used prophylactically, to prevent new HCV infections. If a therapeutic vaccine like ChronVac-C® could be demonstrated to offer comprehensive protection against HCV infections, this would probably revolutionise the market for the treatment of HCV infections.

Other Research Projects

RAS®, which stands for redirecting antibody specificity, is a proprietary Tripep platform technology. The RAS® project includes activities mainly relating to HIV, where RAS® molecules function as adapters, redirecting naturally inherent antibodies so they can neutralize HIV.

HIV-binding peptides coupled to a sugar structure, Gal-alpha1,3-Gal, which everybody has antibodies against, have been produced and are now being tested for inhibiting HIV. The first US patent on RAS® peptides with Gal-alpha1,3-Gal targeted against proteins on staphylococcus aureus (nosocomial bacteria), another application for RAS®, was secured in the first quarter of 2006. Tripep has now produced RAS® peptides that inhibit (neutralize) HIV replication in culture cells in the presence of ordinary human serum, even in very low concentrations. Such serum contains natural antibodies to the Gal-alpha1,3-Gal portion of the RAS® peptides. These antibodies against the Gal-alpha1,3-Gal antibodies will now be redirected on HIV, thus inhibiting the virus. Thus, the RAS® peptides work as an adapter between the natural antibodies and HIV. If in control tests, the Gal-alpha1,3-Gal antibodies are removed from human serum before it is added with RAS® peptides, no inhibition (neutralisation) of virus replication is achieved in culture cells.

Tripep is now working on optimizing the RAS® peptides it has produced to determine which will be designated as CDs.

Networking and Professionals



Tripep collaborates with world-leading researchers and corporations so it can develop CDs rationally and cost-efficiently. This means that Tripep can safeguard the research on all its projects despite modest organizational resources. Tripep's professionals have extensive contact networks, based on their long-term sector experience, either as drug industry executives, clinical researchers or lecturers at universities and institutes of further education.

Organisational Resources

Tripep has a compact in-house organisational structure supplemented with a broad array of collaboration partners and subcontractors. By maintaining an array of collaboration partners, Tripep has been able to tie in key know-how and experience. Research is conducted by teams at some of Sweden's pre-eminent research institutions, and by Tripep's employees at its own laboratories. Ensuring functional control of the external know-how associated with the company is the key to Tripep's success.

Human Resources

The company has modified and rationalised its organisational resources, and at year-end, had nine employees.

Networking Know-how

Tripep collaborates with world-leading researchers and corporations in each segment to be able to develop CDs rationally and cost-efficiently. Tripep signs collaboration agreements with partners that effectively complement its internal know-how. This means that Tripep can safeguard the research on all its projects despite modest organizational resources. Tripep has quickly succeeded in creating the right networked know-how for ChronVac-C®'s clinical development. Through its agreement with Inovio, Tripep has access to world-leading expertise in the *in vivo* electroporation segment, a technique used in DNA vac-

ination. Tripep has engaged Vecura AB for the production of ChronVac-C® and engaged Visionar AB to conduct toxicology studies. Both Vecura and Visionar have participated in the clinical development of DNA vaccines used on humans, and thus possess a unique combination of skills. Overall, this means that Tripep can conduct ChronVac-C®'s clinical development quickly and efficiently. The first phase I trial on ChronVac-C® will be conducted at the Karolinska University Hospital, Solna, Sweden, where Tripep has engaged leading clinicians in the treatment of hepatitis C virus infections.

Tripep collaborates with research teams at two of Sweden's most renowned research institutions: the Karolinska Institute and the University of Uppsala. Experimental research is conducted at university laboratories, while the more industrial research is conducted at Tripep's laboratories at the Novum Research Park in Huddinge, near Stockholm, Sweden.

Safeguarding Value

Formalized collaborations enable Tripep to secure ownership of the value created in collaboration with the company's external collaboration partners and subcontractors. Tripep has contracts with university researchers regarding the transfer of ownership rights on their discoveries to Tripep.



Tripep's Share



The Tripep share has been quoted on the First North marketplace since 18 October 2006. The company conducted a rights issue, pursuant to EGM authorisation, which raised approximately SEK 30.1 m for the company before issue costs of approximately SEK 2.5 m.

The Share

There are 48,134,988 shares, of which 24,067,494 are scrip certificates, i.e. paid up but not recorded at the Swedish Companies Registration Office (registration occurred on 3 January 2007). Upon full dilution, there would be 72,202,482 shares (more information on the company's outstanding option plans is in Note 13). Tripep's share capital is SEK 2,406,749.40 of which SEK 1,203,374.70 is paid up but not recorded at the Swedish Companies Registration Office (registration occurred on 3 January 2007). Each share confers equal rights to participate in Tripep's assets and profits, and confers the holder one vote.

The Tripep share has been quoted on the Stockholm Stock Exchange First North marketplace since 18 October 2006, its code is TPEP. A trading lot is 2,000 shares. At year-end 2006, Tripep's market capitalization was SEK 28.2 m. The year high of SEK 1.84 was noted on 25 October 2006 and the low was SEK 1.10 on 21 and 22 December 2006. Total turnover of Tripep shares was a value of SEK 15,148,189 in 18 October 2006 – 31 December 2006. The rate of turnover in the period 18 October 2006 – 31 December 2006 was 224%.

Rights Issue

Pursuant to EGM authorisation on 30 June 2006, Tripep AB (publ) conducted a rights issue. 52.5% of the

issue was subscribed with subscription rights and 0.3% without subscription rights. The remaining 47.2% was subscribed pro rata by Erik Selin and Johan Thorell, the main shareholders and Board members of Din Bostad Sverige AB, pursuant to a guarantee agreement. The rights issue of 24,067,494 units (one unit = one new share and one new warrant) raised the company approximately SEK 30.1 m before issue costs of approximately SEK 2.5 m. The new share issue increased the number of Tripep shares by 24,067,494. After this issue, the share capital was SEK 2,406,749.40 divided between 48,134,988 shares. The new issue was recorded at the Swedish Companies Registration Office on 3 January 2007.

Each apportioned and paid-up share in the aforementioned rights issue confers the rights to one 2006/2007 Series 1 warrant (TO1). There are 24,067,494 warrants. Each TO1 warrant confers the right to subscribe for one (1) new share at a subscription price of SEK 2.00 cash per share. Subscription is permitted in the period from 14 May to 31 May 2007 inclusive. TO1 warrants have been listed and traded on First North from 15 January 2007 inclusive. If warrants are fully utilized, another 24,067,494 shares would be issued, with the company raising an additional SEK 48.1 m.

Authorisation

The Board has authorisation to decide on the new issue of shares and/or warrants against cash payment and/or with a decision on issue in kind or set-off or otherwise subject to terms and conditions, and that could waive shareholders' preferential rights on one or more occasions in the period until the next AGM (2007). The reason for waiving shareholders' preferential rights would be to enable the company to secure working capital and conduct corporate acquisitions.

Shareholders

As of 29 December 2006, Tripep had 4,441 shareholders, of which 153 were foreign. At the end of December 2006, the ten largest shareholders controlled 39.16% of the vote and capital. As of 29 December 2006, the share of corporate ownership was 39.96% (13.05% of which was foreign legal entities) and Swedish private ownership was 59.57%.

Dividends

The company's dividend policy stipulates that no dividends to shareholders will be considered until the company becomes profitable. No dividends were paid in 2006, and the Board proposes no dividends are paid for the financial year 2006.

Liquidity Provider

To ensure liquidity in Tripep shares, Remium AB is Tripep's liquidity provider. Briefly, this means a guarantee that Remium will publish buy and sell prices of Tripep shares. The spread may not be more than 4% of the sell price.

First North

First North is an alternative marketplace operated by the Stockholm Stock Exchange, part of the pan-Nordic OMX exchange. All companies listed on First North have a contract with a certified adviser ensuring that the company satisfies the ongoing commitments associated with its stock being approved for trading on First North. Remium, which has agreements with, and is a member of, the Stockholm Stock Exchange, is Tripep's certified adviser.

Ownership as of 29 December 2006

Name	No. of Shares	Holding (%)
Dormant Properties AB ¹⁾	4,591,191	19.08
Vahlne, Anders	1,172,700	4.87
E*Trade DK A/S, Förvaltarkonto	844,916	3.51
Horal, Peter	632,700	2.63
Svennerholm, Bo	512,000	2.13
Akselson, Daniel	398,000	1.65
Merrill Lynch, Pierce, Fenner, & Smith, W9	354,166	1.47
Damavand Wound AB	350,000	1.45
Bang, Linh	328,000	1.36
Danske Bank International S.A.	242,375	1.01
Other shareholders	14,641,446	60.84
TOTAL	24,067,494	100.00

Source: VPC AB

New issue, paid up and recorded on 3 January 2007 24,067,494

¹⁾ This holding was sold to Verazzano Ltd. on 29 December 2006. The transaction was recorded at VPC in January 2007.

Ownership as of 31 January 2007 with New Share Issue Registered

Name	No. of Shares	Holding (%)
Lynch, Thomas/Verrazano Ltd.	9,536,548	19.81
Erik Selin Fastighets AB	8,312,886	17.27
Locellus Invest AB	3,022,868	6.28
Vahlne, Anders	2,345,400	4.87
Horal, Peter	1,032,700	2.15
Svennerholm, Bo	720,000	1.50
Damavand Wound AB	350,000	0.73
Danske Bank International S.A.	344,750	0.72
Bang, Linh	328,000	0.68
Sällberg, Matti	320,000	0.66
Other shareholders	21,821,836	45.33
TOTAL	48,134,988	100.00

Source: VPC AB

Shareholder Statistics as of 29 December 2006

Size of Holding	No. of Shareholders	No. of Shares
1 – 500	1,928	376,626
501 – 1,000	827	727,376
1,001 – 5,000	1,142	2,950,019
5,001 – 10,000	291	2,367,730
10,001 – 15,000	66	866,235
15,001 – 20,000	68	1,258,624
20,001 –	119	15,520,884
TOTAL	4,441	24,067,494

Source: VPC AB

New issue, paid up and recorded on 3 January 2007 24,067,494

Per-share Data	7 Jun. '06
	31 Dec. '06
Earnings before dilution, SEK	-0.78
Earnings after dilution, SEK	-0.78
Dividend, SEK	-
Shareholders' equity, SEK	0.65
Closing price, SEK	1.17
Average no. of shares outstanding	27,180,748
Shares outstanding at the end of the period *	48,134,988

For calculation principles, see Note 4, Earnings per Share. Amounts have been re-calculated due to the bonus issue element of the consummated rights issue.

* Including 24,067,494 new shares in the rights issue, paid-up and recorded at the Swedish Companies Registration Office on 3 January 2007.

Since its incorporation on 7 June 2006, the company's share capital and number of shares has progressed as follows:

Share Capital History

Year	Transaction	Increase in No. of Ordinary Shares	Increase in Share Capital	Total No. of Shares	Quotient Value, SEK	Share Capital, SEK
2006	Registration			100,000	1.00	100,000.00
2006	Share split 20:1 ¹⁾	1,900,000		2,000,000	0.05	100,000.00
2006	New issue ²⁾	21,566,068	1,078,303.40	23,566,068	0.05	1,178,303.40
2006	New issue ³⁾	1,426	71.30	23,567,494	0.05	1,178,374.70
2006	Set-off issue ⁴⁾	500,000	25,000.00	24,067,494	0.05	1,203,374.70
2006	Rights issue ⁵⁾	24,067,494	1,203,374.70	48,134,988	0.05	2,406,749.40

¹⁾ An EGM of Tripep AB on 30 June 2006 resolved on new Articles of Association, with implications including the number of shares increasing by a split from 100,000 to 2,000,000. Each share's proportion of the share capital (quotient value) subsequently amounted to SEK 0.05.

²⁾ An internal new issue of 21,566,068 shares was conducted in August 2006. The issue price was SEK 0.05 and the company raised SEK 1,078,303.40.

³⁾ An internal new issue of 1,426 shares was conducted in September 2006. The issue price was SEK 0.05 and the company raised SEK 71.30.

⁴⁾ A set-off issue of 500,000 new shares to Damavand Wound AB was conducted in November 2006. The issue price was SEK 1.65.

⁵⁾ A rights issue of 24,067,494 shares was conducted in December 2006. The issue price was SEK 1.25 and the company raised approximately SEK 30.1 m before issue costs of approximately SEK 2.5 m. This new issue was recorded at the Swedish Companies Registration Office on 3 January 2007.



Significant Events¹⁾

2002

- ChronVac-C[®], a therapeutic vaccine against hepatitis C, is refined into a potential candidate drug.

2004

- The company secures a US patent for a new application of antiviral compound ribavirin.

2005

- Commercial rights secured on a new transgenic mouse model based on ChronVac-C[®].

2006

- The company starts clinical development of ChronVac-C[®] for treating chronic hepatitis C infections alongside US corporation Inovio.
- To release the value of loss carry-forwards, a property holding was acquired and corporate name changed to Din Bostad Sverige AB. Research operations were transferred to a New Tripep and spun off to shareholders.
- Wound-healing project ChronSeal was acquired in October and the company was listed on the First North marketplace.

¹⁾ Until 30 June 2006 inclusive, operations were conducted by Old Tripep (currently Din Bostad Sverige AB), with corporate identity number 556541-1898, and since 1 July 2006, operations have been conducted by Tripep AB, with corporate identity number 556705-1965.

Corporate Governance

Annual General Meeting

Pursuant to Swedish company law and Tripep's Articles of Association, shareholders exercise their voting rights at the AGM to reach decisions regarding the composition of the Board and other central questions.

Board Procedures

The company's EGM on 30 June 2006 elected Board members Rolf L. Nordström (also Chairman), Anders Vahlne and Matti Sällberg. After Rolf L. Nordström resigned from the Board in December 2006, Thomas Lynch was elected a Board member and Chairman at the EGM on 25 January 2007. All members have been elected until the next AGM. The Board's tasks are formalised by the Swedish Companies Act's stipulations regarding corporate governance and the Articles of Association. The company also observes the rules of the First North marketplace.

Pursuant to the procedural rules adopted each year at the Board meeting following election, Board meetings must be held at least quarterly. The Board meeting in the first quarter considers the financial statement, approves the business plan in the form of the Annual Report and annual budget. Additionally, with or without the CEO, the Board meets the company's auditors. Also, the Board determines remuneration to the CEO. The Board meeting in the second quarter considers strategic issues. The Board meeting in the fourth quarter considers the company's organization and management, and submits a proposal for remuneration to the CEO.

In 2006, Tripep's Board of Directors met on six occasions.

Management

Tripep's management group comprises the CEO, Head of Research and Chief Financial Officer. The CEO is responsible for implementing Board decisions and delegating the various issues to the members of the management group.

Organisational Resources

Tripep has a compact in-house organisational structure with a broad array of collaboration partners and subcon-

tractors. By maintaining a selection of collaboration partners, Tripep has been able to bring in vital know-how and experience. Research is conducted by teams at some of Sweden's pre-eminent research institutions, and by Tripep's professionals in its own laboratories. Ensuring functional control of the external know-how associated with the company is the key to Tripep's success.

Audit Committee

The Board of Directors has assessed that matters related to the audit of the company are of such importance that they should be prepared and resolved by the entire Board of Directors. Thus the Board of Directors has not established an audit committee.

Remuneration Committee

Considering Tripep's current size, the Board of Directors has decided not to establish a remuneration committee. Accordingly, remuneration issues will be decided by the Board as a whole.

Investor Relations

Tripep's objective is to stimulate the interest of current and potential investors. Tripep will always provide relevant, up-to-date and speedy communication. All its contacts with external markets are through the CEO and the Head of Research. Tripep's website, www.tripep.se, publishes all information on the company's progress and its stock.

Nomination Committee

Tripep AB was hived off from what is now Din Bostad Sverige AB in autumn 2006. Before the hive-off, a nomination committee had been appointed by Tripep's AGM, whose task was to consider proposals for electing the Board and resolutions on Board fees. At present, there is no formally appointed nomination committee for the new Tripep. However, the company's major shareholders will consult on the question of the election of the Board and Board fees at the AGM 2007, and at the AGM 2007, intends to propose the appointment of a nomination committee before the AGM 2008.

Risk Factors



Tripep's operations are associated with high risk. When evaluating Tripep's future progress, in addition to the opportunity of profit growth, the investor should also consider risk factors. Obviously, it is not possible to review all risk factors here, but rather, any overall evaluation should consider other information in the Annual Report and a general evaluation of external events. A number of risk factors, which are not ranked in any order, and make no claims as to completeness, are reviewed below. Apart from the information appearing in this Annual Report, investors should conduct their own evaluation of each risk factor and its significance to the company's future progress.

The Function and Safety of ChronVac-C® and ChronSeal

Before any product can be launched, Tripep must be able to demonstrate its safety and efficacy when treating people for the intended complaint. This is achieved by extensive preclinical and clinical trials. However, the results of preclinical studies are not always indicative of the results that may be achieved after clinical trials.

The biggest threat to all drug development is that for some reason, a CD does not work. The most common problem is safety, for example, in the form of unacceptable side-effects. Against the background of the known characteristics and preclinical trials conducted, Tripep regards ChronVac-C® as having low toxicity and being well tolerated by the human body. Tripep considers the biggest risk to be that at the dosages that can be administered, ChronVac-C® will not activate a human immune response of sufficient force.

Because ChronSeal is based on a substance occurring naturally in the body and well-known antibiotics, and is expected to be administered for a relatively short period, limited preclinical safety studies on animals are necessary. Despite this, and despite the fact that ChronSeal

has been previously trialled on humans, the possibility of serious side-effects emerging in larger-scale clinical trials cannot be ruled out. Against the background of its known characteristics and clinical trials conducted, Tripep considers that ChronSeal has low toxicity and will be well tolerated by the human body.

No guarantee can be provided that the positive clinical effects of ChronSeal can be repeated in the future clinical trials that Tripep conducts.

Tripep's products are all in early developmental phases and there can be no guarantee that the clinical trials Tripep conducts will be able to demonstrate that its potential products are safe and effective enough with sufficient clarity. If so, the products may not be approved, which would adversely affect Tripep's operations, financial position and profits.

Development Delays to ChronVac-C® or ChronSeal

Invariably, the schedule for launching new preparations is associated with a measure of uncertainty. Regulatory evaluation and approval is required coincident with forthcoming clinical trials. Tripep has no control over

the outcome, or time taken to conduct, this process, and can only make an approximate forecast. Nor can the developmental phase of a CD when it is possible to reach agreements that generate revenues for the company be specified. Accordingly, Tripep's strategy is to work consistently to increase the value of research, and thus use this time to create more shareholder value.

Other Operations

Tripep's other products require continued research and development before they can reach the commercial stage.

Patents and Rights

To a not insignificant degree, Tripep's possibilities of achieving success are dependent on its ability to secure and retain patent protection on its potential products (which may apply to specific compounds and applications for them) and to protect its own and its partners' research secrets. There can be no guarantee that patents Tripep already has secured will provide sufficient protection for its products, or that current and future applications result in patents being granted, or that granted patents can be enforced, because objections and other invalidity claims can be made even after a patent is granted. Nor can there be any guarantee that patents will confer Tripep's products with a competitive edge, or that competitors do not circumvent Tripep's patents. If Tripep is forced to defend its rights against a competitor, this may generate significant costs, which in turn, may adversely affect Tripep's financial position.

If Tripep's research utilizes compounds or methods that are patented, or will be subject to patent protection, the holder of such patents could assert that Tripep had infringed its patents. A third-party patent could prevent one of Tripep's future licensees from using a licensed compound freely. The uncertainty associated with patents means that predicting the outcome of such disputes is problematic. Moreover, the costs of such a dispute, even if found in Tripep's favour, could be significant, and thereby exert an adverse effect on Tripep's financial position.

Tripep's research is dependent on confidentiality and expert knowledge. Tripep cannot guarantee that its employees, consultants, advisers or other parties do not contravene their non-disclosure agreements regarding confidential information, or that confidential information is not revealed in some other manner, and thus utilized by competitors.

Product Liability and Insurance

Inevitably, all research and development, preclinical and clinical trials, production, marketing and sales of drugs

imply a risk of product liability. Even if at present, Tripep considers that the company has adequate insurance cover, the extent of cover and amount of indemnity are limited. Accordingly, there can be no guarantee that Tripep's insurance cover is sufficient in the event of legal claims.

Organizational Resources and Know-how

In its current development phase, Tripep has a small organization, which in several respects, is a strength. However, having a small organization can cause delays if workloads become excessive. This can be alleviated by appointing consultants, but before such consultants can be trained, delays may still occur. Tripep is dependent on individuals with key knowledge. If such key individuals leave the company, then at least in the short-term, this could exert an adverse impact on the company. Tripep's strategy is to benefit from a range of skills through networks in the academic and business communities.

Suppliers and Partners

Tripep has a number of collaborations with suppliers and partners. The possibility that one or more of these parties elects to discontinue a collaboration with the company, which could exert an adverse impact on operations, cannot be ruled out. Nor can there be any guarantee that in the future, to expand its operations, Tripep is able to enter partnerships with desirable interested parties. Nor can the value of potential future partnership agreements be guaranteed.

Future Revenue and Profits

The company's capacity to produce safe and effective products cost-efficiently that can be sold at prices the market is prepared to pay is decisive to Tripep's future profit growth. There can be no guarantee that Tripep's product development will be successful, nor that it will be possible for Tripep to create profitable collaboration agreements, or that the market will receive any potential end-products it produces positively. Tripep is active in a highly competitive market where extensive research and development is conducted. Competitors may offer new and better drugs, which may adversely affect Tripep's future revenue and profits. Accordingly, there can be no guarantee that the company will be able to post positive profits in the future. Nor can there be any guarantee that Tripep will not need further injections of shareholders' equity, or if necessary, could raise shareholders' equity on terms that are acceptable to Tripep.

TRIPEP AB (PUBL)
CORPORATE IDENTITY NUMBER 556705-1965

Operations

Tripep is a Swedish biotechnology research company that develops and commercialises candidate drugs based on patented and proprietary technologies. Its main focuses are:

- clinical development of ChronSeal, a wound-healing project based on HGF,
- clinical development of ChronVac-C[®], a therapeutic vaccine against hepatitis C,
- preclinical research focusing on the development of therapeutic and prophylactic vaccines against HIV and hepatitis C,
- the RAS[®] technology platform

The company was reformed as of 7 June 2006 and has been conducting operations since 1 July 2006. Consequently, there are no comparisons with previous financial years. The operations of Old Tripep were transferred to New Tripep as of 1 July 2006. For further information, please refer to the 'Corporate Structure' heading.

Associated Company

Tripep owns 30% (1,250,000 shares) of VLP Biotech Inc. of San Diego, US with a book value of SEK 0.

Collaboration Agreement

Tripep has chosen to organise its research operations through an external network of know-how. For example, Tripep is party to a collaboration agreement with a team of researchers at the Karolinska Institute. Tripep also regularly utilises external expertise in areas such as production, toxicity testing, analysis methods and CRO.

Profit and Financial Position

Profit/Loss

The company generated no net sales. SEK 0.1 m posted to other operating income comprises EU subsidies received. Operating costs amounted to SEK 21.4 m for July-December 2006. Research and development costs in July-December 2006 were SEK 13.3 m, with external researchers and subcontractors representing SEK 12.6 m of this total. The loss after financial items for July-December 2006 was SEK -21.1 m.

Business Risks

See Note 17.

Financial Risks

For more information see Note 1.

Interest Risk

The company's exposure to interest risk is minimal.

Currency Risk

The company has modest currency risk inherent in its procurement from foreign countries.

Price Risk-Raw Materials

The company has minimal price risk exposure.

Investments

Net investments in equipment in July-December 2006 were SEK 0.2 m. A business transfer as of July 1 2006, between Old Tripep and New Tripep has implied Tripep taking over fixed assets of SEK 0.3 m, expendable equipment of SEK 0.1 m, other current receivables of SEK 1.8 m and current liabilities of SEK 3.6 m.

Financial Position

The company's liquid assets amounted to SEK 40.2 m as of 31 December 2006.

Shareholders' Equity

Shareholders' equity was SEK 31.1 m as of 31 December 2006. The company has SEK 2,406,749.40 of share capital divided between 48,134,988 shares, of which SEK 1,203,374.70 is paid-up but not yet recorded with the Swedish Companies Registration Office, divided between 24,067,494 shares.

Long-term Liabilities

As of 31 December 2006, long-term liabilities were SEK 4.3 m, comprising a five-year commitment Tripep undertook coincident with the acquisition of the ChronSeal wound-healing project.

Significant Events in the Financial Year

Corporate Structure

In order to create value for the shareholders of Old Tripep (corporate identity number 556541-1898) while simultaneously focusing on existing research projects, the operations of Old Tripep (current corporate name Din Bostad Sverige AB) were transferred to the New Tripep (corporate identity number 556705-1965) on 1 July 2006. The transfer comprised all assets, commitments, liabilities, patents, licenses and agreements attributable to the operations. This occurred as preparation for the acquisition of residential property and other assets approved by the Extraordinary General Meeting of Old Tripep on 25 September 2006. The shares of Tripep were spun off to the shareholders of Old Tripep as of the record day 28 September 2006. For information about the fiscal distribution of the cost, please go to www.tripep.se.

In connection with the above actions, Tripep's Board decided to apply for a listing on the Stockholm Stock Exchange First North marketplace, with the intention of providing shareholders access to a marketplace well-suited to Tripep's needs and circumstances. On 18 October 2006, the company was listed on First North with the name Tripep AB (code: TPEP).

The operations conducted by Tripep AB are unchanged from those previously conducted by Old Tripep. For more information on the transaction and history, the reader is referred to the information published in September 2006 for the EGM of 25 September, and the prospectus published in November 2006, uploaded at www.tripep.se.

Research and Development

On 17 October, Tripep acquired a new patent-pending therapy for chronic wound care, ChronSeal, developed by researchers at the University of Linköping. Preparations for clinical phase II trials have begun.

The combination of ChronVac-C[®] and Inovio's Medpulsar[®] DDS was found to also generate a very favourable immune response in larger animals such as rabbits, in the period July-December 2006. This is promising ahead of planned trials in humans. Animal studies that demonstrated proof-of-concept in mice for the combination of ChronVac-C[®] and Inovio's Medpulsar[®] DDS (i.e. the activation of an immune response that can enter the liver and eliminate liver cells that produce hepatitis C virus proteins, were also brought to a conclusion.

In December, Tripep filed an application with the Swedish Medical Products Agency seeking approval to conduct phase I trials on ChronVac-C[®].

Rights Issue

Pursuant to authorisation from an EGM on 30 June 2006, Tripep AB conducted a rights issue in the fourth quarter of 2006. 52.5% of the issue was subscribed with subscription rights and 0.3% without subscription rights. The remaining 47.2% was subscribed pro rata by Erik Selin and Johan Thorell, main shareholders and Board members of Din Bostad Sverige AB, in accordance with guarantee terms.

The rights issue of 24,067,494 units (one unit=one new share and one new warrant) raised approximately SEK 30.1 m before issue costs of approximately SEK 2.5 m. The new issue increased the number of shares by 24,067,494. After the new issue the share capital totalled SEK 2,406,749.40 and the number of shares was 48,134,988. The new issue was recorded at the Swedish Companies Registration Office on 3 January 2007. In the event that the warrants are fully utilised, a further 24,067,494 shares will be issued and the company will raise a further SEK 48.1 m.

Warrants

One allocated and paid-up share in the above rights issue conferred the right to one 2006/2007 Series 1 warrant (TO1). The number of warrants is 24,067,494. Each TO1 confers the holder with the right to subscribe for one (1) new share of the company at a subscription price of SEK 2.00 cash per share. Subscription may occur in the period from 14 May until 31 May 2007 inclusive. TO1 has been listed and trading on First North since 15 January 2007 inclusive.

For more information on stock options, see note 13.

Publications

Söderholm J, Ahlén G, Kaul A, Frelin L, Alheim M, Barnfield C, Liljeström P, Weiland O, Milich DR, Bartenschlager R, and Sällberg M. 2006. Relation between viral fitness and immune escape within the hepatitis C virus protease Gut 55: 266-274.

Frelin L, Brenndörfer ED, Ahlén G, Weiland M, Hultgren C, Alheim M, Glaumann H, Rozell B, Milich DR, Bode JG, and Sällberg M. 2006. The hepatitis C virus and immune evasion: Non-structural 3/4A transgenic mice are resistant to tumour-necrosis factor- α -mediated liver disease. Gut 55:1475-83

Söderholm J, and Sällberg M. 2006. A complete mutational fitness map of the hepatitis C virus non-structural 3 protease: Relation to recognition by cytotoxic T lymphocytes. J Inf Dis 194(12):1724-8.

Billaud JN, Peterson D, Lee BO, Maruyama T, Chen A, Sallberg M, Garduno F, Goldstein P, Hughes J, Jones J, Milich D. 2006. Advantages to the use of rodent hepadnavirus core proteins as vaccine platforms. Vaccine. 2006 Nov 17; [Epub ahead of print].

Significant Events after the End of the Financial Year New Major Shareholder

As reported in a press release on 4 January 2007, Verrazano Ltd, a company represented by Thomas Lynch, announced that it had acquired the shareholding in Tripep AB previously owned by Dormant Properties (4,591,191 shares and 4,591,191 scrip certificates). After consultation with Tripep's largest shareholders, representing more than 50% of the shares, Anders Vahlne, acting Chairman of Tripep, announced that Thomas Lynch has accepted candidature as Tripep's new Chairman.

Extraordinary General Meeting

The EGM on 25 January 2007 appointed Thomas Lynch Board member and Chairman. A decision was also made that no Board fees would be payable.

ChronSeal

As reported in a press release on 20 February 2007, Tripep has reached an agreement on the joint development of Tripep's ChronSeal with Japanese company Kringle Pharma, Inc., a world leader in the development of HGF (Hepatocyte Growth Factor). This growth factor is the pivotal component of Tripep's ChronSeal project. The agreement grants Tripep access to Kringle's GMP-produced recombinant HGF, i.e. HGF with the necessary product quality for conducting trials on humans. Thus the development time for the ChronSeal project has been cut by between 18 and 24 months. Tripep will start the development of an optimal preparation immediately, and then conduct complementary toxicity studies. Thus Tripep has good prospects for starting a phase II study on ChronSeal with recombinant HGF before the end of the year.

Outlook

Tripep's objective for the coming year for ChronVac-C[®] is to begin phase I trials on healthy volunteers in early 2007. The trials will be conducted at Karolinska University Hospital in Solna, Sweden and the outcome of the trials are expected by the end of 2007. If the outcome of the trials is favourable, phase II trials on hepatitis C-infected patients will follow.

Tripep's objective for the coming year for the recently acquired wound-healing project ChronSeal is to prepare a development plan and initiate development work. The agreement with Kringle Pharma ensures Tripep access to HGF. Tripep will prioritize work on ensuring the production of ChronSeal and identifying a suitable type of preparation. Toxicological studies will be completed as soon as this is achieved. In parallel, a trial protocol will be prepared and the requisite documentation compiled to obtain permission to begin a phase II trial.

Research and Development

ChronVac-C[®]—Therapeutic Hepatitis C Vaccine

The work associated with the toxicological evaluation of the combination of ChronVac-C[®] and Inovio's Medpulsar[®] DDS technology was completed during the autumn. It was concluded that the combination of ChronVac-C[®] and Inovio's Medpulsar[®] DDS also generates a very favourable immune response in larger animals such as rabbits during the period. This is promising ahead of planned trials on humans. Animal studies that demonstrated proof of concept for the combination of ChronVac-C[®] and Inovio's

Medpulsar[®] DDS, i.e. the activation of an immune response that can enter the liver and eliminate the liver cells that produce hepatitis C virus proteins, also concluded. This is the objective of a therapeutic hepatitis C vaccine. In December 2006, Tripep reported that it had applied for Ethical Committee and Swedish Medical Products Agency approval to start a phase I trial on ChronVac-C[®] administered on healthy volunteers with Inovio's Medpulsar[®] DDS.

ChronSeal—Treating Chronic Wound Care

In the autumn, Tripep acquired a new patent-pending therapy for chronic wounds developed at the University Hospital of Linköping. The treatment is based on the endogenous compound hepatopoietin, also termed hepatocyte growth factor (HGF), which is required for wound healing, administered in combination with antibiotics. The treatment method has already been successfully tested in humans. It is based on the discovery that in many slow-healing wounds, the usually present growth factor HGF is defective and thereby inactive in the patient. Combination treatment with antibiotics is required, as bacteria in the wound can metabolise HGF. The acquisition also includes a proprietary diagnostic method for determining whether patients produce the active form of HGF. Preparations for clinical phase II trials are underway.

Other Research Projects

On the RAS[®], Redirecting Antibody Specificity, project, activities continue, centred on HIV. RAS[®] molecules operate as adapters that redirect existing antibodies in the blood to neutralise HIV. HIV-binding peptides coupled to a sugar structure, Gal-alpha1,3-Gal, which everybody has antibodies against, have been produced and are now being tested for inhibiting HIV and for antibody-transmitted elimination of HIV infected cells in test tubes.

Patents

Tripep's strategy is to create effective patent protection in its key regions North America, Europe and Asia. In connection with the annual review of Tripep's patent portfolio, the company has chosen to not renew/maintain some older patents that are not considered to have any value. The patent portfolio encompasses 28 approved patents and 60 patents pending. Tripep's patent attorney is Knobbe Martens Olson & Bear of San Diego, US.

Insurance Policies

Tripep has insurance against Clinical Trials Liability Insurance, property damage, consequential losses, professional indemnity cover, insurance against legal expenses, business travel insurance and insurance to cover CEO and Board liability. Otherwise, the company has occupational life assurance, accident insurance and group life insurance, group accident insurance, medical insurance and pension insurance.

Environmental Impact

Tripep pursues good conservation of natural resources and raw materials. Tripep possesses the necessary operational permits.

Working Environment

Tripep's working environment is regularly inspected, with the aim of maintaining a good working environment and avoiding accidents. No work-related illness occurred in the period 7 June– 31 December 2006.

Corporate Governance

Board Activities

The Chief Executive Officer and Head of Research make presentations at Board meetings. The Board has adopted procedural rules and instructions for the division of responsibility between the Board and Chief Executive Officer. These procedural rules are based on the Swedish Companies Act's designation of overall responsibilities of the Board and Chief Executive Officer, and otherwise, on the Board's approved agenda with clearly delineated responsibility within the company, and on the policies approved by the Board. The Board holds regular Board meetings pursuant to the agenda of its procedural rules, which include fixed points for consideration.

In the period 7 June–31 December 2006, the Board met on six occasions when minutes were taken, one being the Board meeting following election.

Quality Initiatives

Tripep's operations are regularly inspected pursuant to the regulatory structures that control operations, both internally and externally. The results of these inspections form the basis of measures designed to enhance quality.

Audit Committee

The Board of Directors considers that matters related to the audit of the company are of such importance that they should be prepared and resolved by the Board of Directors as a whole. Accordingly, the Board of Directors has not established an audit committee.

Board and CEO

At the EGM on 30 June 2006, Rolf L. Nordström, Anders Vahlne and Matti Sällberg were elected as regular Board members. A resolution was made that a fee of SEK 150,000 was to be payable to the Board, to be distributed in accordance with a Board resolution. Rolf L. Nordström resigned on 29 December 2006 as Chairman of the Board, Board member and Chairman of the Nomination Committee as a result of Dormant Properties divesting its entire holding in Tripep to Verrazano Ltd., a company represented by Thomas Lynch. The Board appointed Anders Vahlne as Chairman in the period until the next EGM. The EGM on 25 January 2007 elected Thomas Lynch as a Board member and Chairman. The Board also decided that no Board fees would be payable.

Management

Tripep's management comprises the company's Chief Executive Officer, Head of Research and Chief Financial Officer. The CEO is responsible for executing Board decisions and delegating various issues to members of the management group.

Human Resources

At the end of the period, the company had 9 employees.

Age	Men	Women
-30	-	-
31-40	1	3
41-50	2	1
51-	2	-
Total	5	4

Proposed Appropriation of Profits

The following funds are at the disposal of the Annual General Meeting:

Profit brought forward	23,423,750
Net loss for the year	-21,106,895
SEK	2,316,855

The Board of Directors proposes that no dividends are paid for the financial year 2006 and that profits of SEK 2,316,855 are carried forward.

Income Statement

	Notes	7 Jun 06 31 Dec 06 SEK m
Net sales		-
Other operating income		0.1
Total operating income		0.1
Operating costs		
Other external costs	5	-17.1
Payroll costs	6	-4.3
Depreciation of tangible fixed assets	9	-0.0
Total operating costs		-21.4
Operating profit/loss		-21.3
Profit/loss from financial investments		
Interest income and other profit/loss items	7	0.2
Interest costs and other profit/loss items		-
Total profit/loss from financial investments*		0.2
Profit/loss after financial items		-21.1
Tax on net profit/loss for the period	8	-
NET PROFIT/LOSS FOR THE PERIOD		-21.1
* Includes un-realised exchange rate differences of SEK 0.0.		
Earnings per share, SEK	4	-0.78
Earnings per share after dilution, SEK	4	-0.78
Dividend		-

Balance Sheet

	Notes	31 Dec 2006 SEK m
ASSETS		
Fixed assets		
<i>Tangible fixed assets</i>		
Equipment	9	0.4
Total tangible fixed assets		0.4
Financial fixed assets		
Shares in associated companies	10	0.0
Total financial fixed assets		0.0
Total fixed assets		0.4
Current assets		
<i>Current receivables</i>		
Other receivables		1.2
Pre-paid costs and accrued income	11	0.5
Total current receivables		1.7
Cash and bank balances	12,17	40.2
Total current assets		41.9
TOTAL ASSETS		42.3
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
<i>Restricted equity</i>		
Share capital	13	1.2
Current new issue, future share capital	13	1.2
Current new issue, share premium reserve*		26.4
Total restricted equity		28.8
<i>Non-restricted equity</i>		
Profit brought forward		23.4
Net profit/loss for the period		-21.1
Total non-restricted equity		2.3
Total shareholders' equity		31.1
Liabilities		
Long-term liabilities	14	4.3
Total long-term liabilities		4.3
<i>Current liabilities</i>		
Accounts payable		1.5
Other liabilities		1.8
Accrued costs and deferred income	15	3.6
Total current liabilities		6.9
Total liabilities		11.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		42.3
* The share premium reserve was non-restricted equity when recorded on 3 January 2007.		
MEMORANDUM ITEMS		
<i>Pledged assets</i>		
Provision, blocked funds		0.4
Contingent liabilities	16	None

Cash Flow Statement

	Notes	7 Jun 06 31 Dec 06 SEK m
Cash flow from operating activities		
Net profit/loss for the period		-21.1
Depreciation	9	0.0
Change in long-term liabilities*	14	4.3
Set-off issue	13	0.8
Cash flow from operating activities before change in working capital		-16.0
Cash flow from change in working capital		
Decrease in receivables		0.1
Increase in current liabilities		3.3
Net cash flow used in operating activities		-12.6
Cash flow from investment activities		
Acquisition of assets and liabilities		1.4
Net cash flow used in investment activities		1.4
Cash flow from financing activities		
Incorporation		0.1
New issue/capital injection		51.3
Cash flow from financing activities		51.4
Cash flow for the year		40.2
Liquid assets, opening balance		0.0
Liquid assets, closing balance	12	40.2
* This is a commitment of five years that Tripep has entered coincident with the acquisition of the ChronSeal wound-healing project.		
Supplementary disclosure		
Interest paid in the year		0.0
Interest received in the year		0.2

Statement of Changes in Shareholders' Equity

	Share Capital SEK m	Share Premium Reserve SEK m	Profit/loss Brought/Carried Forward, SEK m	Net Profit/Loss SEK m	Total SEK m
7 June 2006					
Incorporation	0.1				0.1
Unconditional shareholders' contribution			22.6		22.6
New issue of 21,566,068 shares	1.1				1.1
New issue of 1,426 shares	0.0				0.0
Set-off issue 500,000 shares	0.0		0.8		0.8
New issue of 24,067,494 shares**	1.2	26.4			27.6*
Net profit/loss for the period				-21.1	-21.1
31 December 2006	2.4	26.4	23.4	-21.1	31.1

* Of which issue costs amount to SEK 2.5 m.

** New Issue, paid up and recorded on 3 January 2007.

All amounts in SEK m unless otherwise stated.

Note 1 Corporate Information

The Annual Report of Tripep AB (Corp. Id. No. 556705-1965) for 7 June – 31 December 2006 has been approved for publication pursuant to a Board decision of 21 February 2007. The Annual Report will be submitted at the AGM on 22 March 2007, for the adoption of the Balance Sheet and Income Statement for 7 June – 31 December 2006.

Tripep is a Swedish biotechnology research company that develops and commercialises candidate drugs based on patented and proprietary technologies. Its main focuses are:

- clinical development of ChronSeal, a wound healing project based on HGF,
- clinical development of ChronVac-C[®], a therapeutic vaccine against hepatitis C,
- preclinical research focusing on the development of therapeutic and prophylactic vaccines against HIV and hepatitis C,
- the RAS[®] technology platform

The company was incorporated on 7 June 2006 and has conducted operations from 1 July 2006. The operations of Old Tripep were transferred to New Tripep on 1 July 2006. For further information, please refer to "Corporate Structure" on page 24.

Tripep AB, of Hålsövägen 7, 141 57 Huddinge, Sweden, has its registered office in the Municipality of Huddinge, Stockholm, Sweden. The company is registered in Sweden.

Note 2 Summary of Main Accounting Principles

The Annual Report has been prepared pursuant to the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines for large companies. This has been carried out in a manner that satisfies the requirements in the Swedish Financial Accounting Standards Council's recommendation RR 32:05—Accounting for Legal Entities. The notes below specify which accounting principles have been applied in different areas.

Adoption of New Accounting Principles

According to the new Companies Act, provisions made to the share premium reserve comprises non-restricted equity from 1 January 2006 inclusive.

Transfer of Operations

The transfer of operations to New Tripep were made at book value in Old Tripep.

Investments in Associated Companies

An associated company is an entity in which the company exerts a significant influence, but which is neither a subsidiary nor a joint venture. In the Balance Sheet, investments in associated companies are accounted at cost with deductions for potential write-downs.

Conversion of Foreign Currencies

Foreign currency transactions are converted at the price applicable on the transaction date. In the balance sheet, monetary assets and liabilities denominated in foreign currency are converted at the exchange rate prevailing on the balance sheet date; all exchange rate differences are accounted in the Income Statement.

Intangible Assets

Expenditure relating to research is accounted as costs as it arises, while expenditure for development is capitalised when the criteria indicated in IAS 38, Intangible Assets, are satisfied. For Tripep, this means that development expenses will not be capitalised before an application for approval of a new candidate drug has been submitted to the regulatory authorities. Depreciation begins when product development is complete.

Tangible Assets

Tangible assets are accounted at cost less depreciation. Depreciation is according to a systematic plan over the expected useful life of assets as follows:

Computers and computer equipment	3 yr.
Other office equipment	5 yr.

Impairment Tests on Tangible and Intangible Assets

The carrying amounts of tangible and intangible assets are subject to impairment tests when events or altered conditions indicate that potentially, their value will not be recovered. Moreover, intangible assets whose authorisation has not yet begun are subject to annual impairment tests, even if there is no indication of any need for write-downs. Any potential write-downs are accounted in the Income Statement.

Other Receivables

Receivables are accounted at cost less deductions for the assessed loss risk. An evaluation of doubtful debt is effected when it is no longer likely that the full amount will be recovered. Doubtful debt is written off in its entirety once a loss has been ascertained.

Liquid Assets

Liquid assets encompass cash and bank balances.

Interest-bearing Liabilities

Interest-bearing Liabilities include all liabilities where an interest cost is accounted. Interest costs are accounted as a financial cost in the period they are attributable to. Long-term liability in the balance sheet, SEK 4.3 m, refers in its entirety to an undertaking for the next five years which Tripep has in relation to the purchase of ChronSeal, the wound-healing project.

Pensions and other Commitments on Benefits after Concluded Employment

Tripep's pension plans are defined contribution, which means that Tripep's pension commitments are satisfied through the payment of pension premiums. This burdens profit in the period to which the premium relates.

Leasing

Pursuant to RR 32:05, all leasing contracts, where essentially, all risks and benefits associated with ownership are transferred to the lessor, are classified as operating lease contracts. Leasing charges for operating lease contracts are accounted as a cost in the Income Statement and divided linearly over the term of the related agreement. There are no finance lease contracts.

Interest

Interest income is accounted as it is earned (calculations are made on the basis of the returns on underlying assets subject to effective interest).

Income Tax

Income tax comprises partly current tax, i.e. the tax to be paid for the year pursuant to prevailing legislation, and deferred tax. Deferred tax is calculated on the basis of temporary differences, i.e. between the carrying amounts and taxable values of assets and liabilities, i.e. the value that influences future taxation. Deferred tax receivables are only accounted when it is likely that they can be utilised in the future. Deferred tax liabilities are always disclosed.

Note 3 Segment Information

The company's business is the development and commercialization of CDs (candidate drugs) based on patented and proprietary technologies. Business is conducted in a single business segment and geographical region, Sweden, and accordingly, there is no separate segment information to account.

Note 4 Earnings per Share

Pursuant to IAS 33—Earnings per Share, consistent with RR 32:05. Earnings per share are calculated by net profit/loss for the period divided by the average number of shares. Earnings per share after dilution are calculated by net profit/loss for the period being divided by the average number of shares in the year after dilution. No outstanding options generate a dilution effect when calculating earnings per share. Amounts have been re-calculated due to the bonus issue element of the consummated rights issue.

The following tables illustrate the profit/loss and number of shares utilized for the calculation of earnings per share before and after dilution.

	7 Jun 06 31 Dec 06 SEK m
Net profit/loss for the period	-21.1
Net profit/loss for the period	-21.1

	7 Jun 06 31 Dec 06 No.
Weighted average number of shares with rights to earnings per share before dilution	27,180,748
Dilution effects:	
Warrants	0
Adjusted weighted average number of shares with rights to earnings per share after dilution	27,180,748

Note 5 Other External Costs

	7 Jun 06 31 Dec 06
Accounted Auditors' Fees	
<i>Ernst & Young AB</i>	
Auditing	0.2
Other assignments	0.3
	0.5

	7 Jun 06 31 Dec 06
Accounted research and development costs	
Internal research and development costs	0.7
External research and development costs	12.6
	13.3

Note 6 Human Resources

	7 Jun 06 31 Dec 06
<i>Average number of employees</i>	
No. of employees	10
of which men	52%
<i>Salaries and other remuneration</i>	
Board and CEO	1.6
Other employees	1.2
Total salaries and other remuneration	2.8
Social security costs	1.5
of which pension costs	0.6

Remuneration and other benefits to the Board and senior executives (SEK m)

	Salary	Board fees	Pension Costs
Chairman of the Board	-	0.1	-
Other Board members, employees	0.2	-	0.0
CEO	0.9	-	0.2
Other senior executives *	0.8	-	0.1
	1.9	0.1	0.3

* Two people, one of whom is a Board member.

There is no performance-related pay.

Fees to Board members are paid pursuant to AGM decisions.

Chief Executive Officer Jan Nilsson receives a fixed monthly salary of SEK 140,000. In addition, the company pays an annual pension premium of 10 basic amounts, i.e. SEK 247,000 for the period July-December 2006, including special employer's contribution. The employment contract is sub-

ject to a twelve (12) month mutual notice period. No severance pay is due.

Head of Research, Anders Vahlne, who is part of the management group, is also a Board member. The company has chosen to account remuneration to him above under the heading 'Other Senior Executives'.

Professor Vahlne has chosen to deposit a portion of salary as pension premium via the company. Unchanged salary would be payable for nine months coincident with termination initiated by the company.

Åsa Ekstrand, who is part of the management group, is accounted under the heading 'Other Senior Executives' above. Pension premiums of SEK 0.1 m have been deposited. Remuneration would be payable for 3 months coincident with termination initiated by the company.

The company's policy stipulates that the Board will resolve on remuneration to the CEO, and the CEO resolves on remuneration to the company's senior executives.

Pensions

The pensionable age of the Chief Executive Officer and other senior executives conforms to the stipulations of the national pension system. There are no individually contracted pensionable ages for the above senior executives. Tripep's pension schemes are defined contribution, and imply an annual charge of 10 basic amounts, i.e. SEK 247,000 for the period July-December 2006, for the CEO, and for Åsa Ekstrand, another senior executive, 16% of salary as contribution. The company does not pay any pension charges for Anders Vahlne, who has the option to deposit a portion of salary as a pension premium via the company. Commitments are satisfied through the payment of pension premiums. This burdens profits in the periods to which the premiums apply.

Sickness Absence

Because the average number of employees of Tripep AB was less than ten, no information on sickness absence is provided.

Board and Senior Executives:

Division between the Sexes	31 Dec. 2006
Board members	2
of which men	100%
CEO and other senior executives	3
of which men	67%

Note 7 Interest Income and Similar Profit/Loss Items

	7 Jun 06 31 Dec 06
Interest income	0.2
Dividend	0.0
Total interest income and similar profit/loss items	0.2

Note 8 Tax

	7 Jun 06 31 Dec 06
Accounted profit/loss before tax	-21.1
Tax at applicable tax rate (28%)	-5.9
Fiscal effect of non-deductible items*	1.5
Fiscal effect of non-taxable income	0.0
Fiscal effect of loss carry-forwards not accounted in the Balance Sheet	4.4
Tax on net profit/loss for the period, according to Income Statement	0.0

* Primarily includes the costs attributable to the acquisition of the ChronSeal wound healing project, which are considered as intangible assets for fiscal purposes, and the residual value depreciation attributable to these costs.

	7 Jun 06 31 Dec 06
Undisclosed deferred tax receivable divided as follows:	
Loss carry-forward	4.4
Costs which will be deductible following years	1.5
Total undisclosed deferred tax assets	5.9

Note 9 Equipment

	7 Jun 06 31 Dec 06
Acquisition Value	
Take-over resulting from agreement on transfer of operations	0.3
Purchasing in the year	0.2
Cost, closing balance	0.5
Accumulated depreciation	
Depreciation in the year	0.0
Accumulated depreciation, closing balance	0.0
Book value, closing balance	0.4

Note 10 Shares in Associated Companies

The company has a 30% holding in VLP Biotech Inc. with a book value of 0.

Name	VLP Biotech Inc
Tax ID	20-0425548
Office	San Diego, USA
No. of Shares	1,250,000
Book Value 2006	0
Percentage of Capital 2006	30%
Percentage of Vote 2006	30%

VLP's loss for 2006 was SEK -1.0 m, and its shareholders' equity was SEK 1.1 m as of 31 December 2006.

Note 11 Pre-paid Costs and Accrued Income

	31 Dec 06
Rents	0.2
Other	0.3
Total pre-paid costs and accrued income	0.5

Note 12 Liquid Assets

Cash and bank balances	31 Dec 06
Bank balances	40.2
	40.2

The company accrues variable-rate interest on its bank balances based on banks' daily deposit rates.

The fair value of liquid assets is SEK 40.2 m.

The company's Cash Flow Statement accounts the closing balance of liquid assets at year-end 2006 as:

	31 Dec 06 SEK m
Bank balances	40.2
Liquid assets	40.2

Note 13 Share Capital

Registered share capital	31 Dec 06 000
Shares, each with a quotient value of SEK 0.05	24,067
	24,067

Non-registered share capital	31 Dec 06 000
Shares, each with a quotient value of SEK 0.05	24,067
	24,067

Pursuant to Chap. 1 §6 of the new Swedish Companies Act 2005, the term 'nominal amount' has been replaced with the quotient value of shares, which represents the quotient between share capital and number of shares of the company.

Shares issued and paid up	000	SEK m
Recently formed company	100	0.1
Split 20:1	1,900	-
New issue 21,566,068 shares	21,566	1.1
New issue 1,426 shares	1	0.0
Set-off issue 500,000 shares	500	0.0
31 December 2006	24,067	1.2

Shares. Fully paid-up, registered with the Swedish Companies Registration Office 3 January 2007

	000	SEK m
New issue 24,067,494 shares	24,067	1.2
31 December 2006	24,067	1.2

An EGM of Tripep AB on 30 June 2006 resolved to adopt new Articles of Association, implying that the number of shares increased from 100,000 to 2,000,000 as a result of a split. The proportion of capital of each share (the share's quotient value) subsequently amounts to SEK 0.05.

A new issue of 21,566,068 shares was completed in August 2006. The issue price was SEK 0.05 and the company raised SEK 1,078,303.40.

A new issue of 1,426 shares was completed in September 2006. The issue price was SEK 0.05 and the company raised SEK 71.30.

A set-off issue of 500,000 new shares targeted at Damavand Wound AB was completed in November 2006, in relation to the purchase of ChronSeal, the wound-healing project. The issue price was SEK 1.65.

A rights issue of 24,067,494 Units (one unit = one new share and one new warrant) was completed in December 2006. The issue price was SEK 1.25 and the company raised SEK 30.1 m before issue costs of approximately SEK 2.5 m. The new issue was recorded at the Swedish Companies Registration Office on 3 January 2007.

Dividends Paid and Proposed

Tripep's dividend policy stipulates that no dividends will be considered until the company becomes profitable.

No dividends were paid in 2006; the Board proposes that no dividends are paid for 2006.

Total no. of warrants

The company has one stock option plan:

	Total No.	Exercise Price SEK	Exercise Period
Series 1 (TO1)	24,067,494	2.00	14 May - 31 May 2007

Series 1 (TO1)

Each option confers the holder with the right to subscribe for 1 share.

In connection with the new issue that was completed in December 2006, a series 1 (TO1) warrant was received free of charge for each fully paid-up share subscribed for. Each warrant confers the holder with the right to subscribe for one new share in the period 14 May 2007 - 31 May 2007 at a subscription price of SEK 2.00 per share. The warrants have been listed and trading on the First North marketplace list since 15 January 2007.

Upon full exercise of all warrants the company would raise SEK 48,134,988 of shareholders' equity, of which 1,203,374.70 posted to share capital. The total number of shares would subsequently be 72,202,482. If all warrants were exercised, they correspond to an ownership holding of 33.3%.

Note 14 Long-term liabilities

31 Dec 06	Liability	Matures for Payment		
		Within One Year	Between One and Five Years	Later than Five Years
Other liabilities	5.5	1.2	4.3	0.0
Total	5.5	1.2	4.3	0.0

Relates to a commitment that spans five years and which Tripep has undertaken in connection with the acquisition of the wound care project ChronSeal.

Note 15 Accrued Costs and Deferred Income

	31 Dec 06
Holiday pay liability	0.4
Social security costs	0.2
Accrued salary	0.2
Special employer's contribution	0.1
Accrued R&D	0.4
Accrued costs new issue	1.8
Other items	0.5
Total accrued costs and deferred income	3.6

Note 16 Commitments and Contingent Liabilities

Operating Lease Contracts

Future minimum leasing fees payable pursuant to irrevocable operating lease contracts amounted to:

Premises rental contracts	31 Dec 06
Within 1 year	0.7
Between one and five years	1.4
After 5 years	-
	2.1

This agreement runs until 30 April 2010 inclusive.

SEK 0.4 m rent was paid in the period July - December 2006.

Other leasing contracts	31 Dec 06
Within 1 year	0.0
Between one and five years	-
After 5 years	-
	0.0

Note 17 Financial Instruments

Business Risks

The financial risks are primarily associated with Tripep's business risk and possibilities to finance development. The biggest business risks to which Tripep is exposed lie in its competitive market with the risk of new and better pharmaceuticals from competing companies. For ChronVac-C®,

the biggest risk is assessed to be that the main product ChronVac-C®, at the dosages administered, will not activate a human immune response of sufficient force. ChronSeal is subject to the risk that the positive clinical effects of ChronSeal cannot be repeated in future clinical trials conducted by Tripep. In addition, there can be no guarantee that the clinical trials conducted by Tripep are able to demonstrate with sufficient clarity that the potential products are sufficiently safe and effective. In that case, approval may not be forthcoming for these products, which would adversely affect Tripep's operations, financial position and earnings.

Objectives and Principles for Managing Financial Risks

The company's financial instruments comprise cash and bank balances. The company's policy neither has been in the past, nor is now, to conduct trading in financial instruments. The biggest risk relating to the company's financial instruments is interest risk; the Board of Directors considers risks and evaluates how they are to be managed. A summary of the company's principles appears below. The company also monitors the risks inherent in those market prices quoted on all financial instruments.

Currency Risk

The company has modest currency risk relating to procurement from foreign countries.

Price Risk—Raw Materials

The company's exposure to price risk is minimal.

Fair Values

The following table compares the carrying amounts and fair values of all the company's financial instruments accounted in the Balance Sheet at values other than fair values.

	Balance Sheet Value 31 Dec 06	Fair Value 31 Dec 06
Financial assets		
Current receivables	1.7	1.7
Cash and bank balances	40.2	40.2
	41.9	41.9
Financial liabilities		
Accounts payable	1.5	1.5
Other current financial liabilities	1.2	1.2
Other long-term financial liabilities	4.3	4.3
	7.0	7.0

Credit Risk

The company's maximum credit risk if all counterparties of financial instruments are unable to fulfil their commitments to the company amount to the book value of all financial assets of SEK 41.9 m. The company minimizes its credit risks by investing liquidity with major Swedish banks.

Interest Risk

The following table indicates the balance sheet value, at maturity, of the company's financial instruments that are exposed to interest risk.

2006	<1 year SEK m	1-5 years SEK m	>5 years SEK m	Total SEK m
Variable interest				
Financial Assets				
Cash and bank balances	40.2			40.2
	40.2			40.2
Financial liabilities				
Trade creditors	1.5			1.5
Other financial liabilities	1.2	4.3		5.5
	2.7	4.3	0.0	7.0

Note 18 Events after the Balance Sheet Date**New Major Shareholder**

As reported in a press release on 4 January 2007, Verrazano Ltd., a company represented by Thomas Lynch, announced that it had acquired the shareholding in Tripep AB previously owned by Dormant Properties (4,591,191 shares and 4,591,191 scrip certificates). After consultation with Tripep's largest shareholders, representing more than 50% of the shares, Anders Vahlne, acting Chairman of Tripep, announced that Thomas Lynch had accepted candidature as Tripep's new Chairman.

Extraordinary General Meeting

The EGM on 25 January 2007 appointed Thomas Lynch as Board member and Chairman. A decision was also made that no Board fees would be payable.

ChronSeal

As reported in a press release on 20 February 2007, Tripep has reached an agreement on the joint development of Tripep's ChronSeal with Japanese company Kringle Pharma, Inc., a world leader in the development of HGF (Hepatocyte Growth Factor). This growth factor is the pivotal component of Tripep's ChronSeal project. The agreement grants Tripep access to Kringle's GMP-produced recombinant HGF, i.e. HGF with the necessary product quality for conducting trials on humans. Thus the development time for the ChronSeal project has been cut by between 18 and 24 months. Tripep will start the development of an optimal preparation immediately, and then conduct complementary toxicity studies. Thus Tripep has good prospects for starting a phase II study on ChronSeal with recombinant HGF before the end of the year.

Note 19 Definitions of Key Figures**Return on capital employed**

Pre-tax profit/loss plus financial costs in relation to average capital employed. Capital employed consists of the balance sheet total minus non-interest bearing liabilities.

Return on equity

Profit/loss for the year in relation to average shareholders' equity.

Equity ratio

Shareholders' equity at the end of the year in relation to the balance sheet total at the end of the year.

Debt/equity ratio

Interest bearing liabilities at the end of the year in relation to shareholders' equity.

Proportion of risk-bearing capital

The total of shareholders' equity and deferred tax in relation to the balance sheet total.

Cash flow

Cash flow means cash flow after financing activities. The Cash Flow Statement has been prepared pursuant to IAS 7 Cash Flow Statements.

Shareholders' equity per share

Shareholders' equity divided by the number of outstanding shares at the end of the year.

Earnings per share

Earnings per share are calculated by dividing net profit/loss by the average number of shares.

Earnings per share after dilution

Earnings per share after dilution are calculated by dividing net profit/loss by the average number of shares after dilution.

Number of employees

The average number of employees in the year.

Huddinge, Sweden, 21 February 2007

Thomas Lynch
Chairman

Anders Vahlne

Matti Sällberg

Jan Nilsson
CEO

Our Audit Report was submitted on 2 March 2007

Ernst & Young AB

Anders Wiger
Authorized Public Accountant

To the annual meeting of the shareholders of
Tripep AB (publ)
Corporate identity number 556705-1965

We have audited the annual accounts, pages 24 through 34, the accounting records and the administration of the board of directors and the managing director of Tripep AB (publ) for the year 2006-06-07--2006-12-31. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts as well as evaluating the overall presentation of information in the annual accounts. As a basis for our opinion

concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

We recommend to the annual meeting of the shareholders that the income statement and balance sheet be adopted, that the profit be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, Sweden, 2 March 2007
Ernst & Young AB

Anders Wiger
Authorized Public Accountant



Administration (of drugs)

How a drug is introduced into the body, for example by injection or per orally, in tablet form.

alphaHGA

alpha-hydroxy-glycine-amide; alphaHGA is an entirely new type of compound for treating HIV/AIDS.

Arterial

Supply of blood via the arteries.

B-cells

Antibody-producing blood cells.

Biodistribution

How a drug is distributed in the body.

Candidate drug

A compound that the company develops further and conducts toxicological surveys on ahead of clinical trials in humans.

ChronVac-C®

The project name of a therapeutic vaccine against chronic hepatitis C infection, commonly called jaundice.

ChronSeal

Combination pharmaceutical consisting of HGF and an antibacterial compound to accelerate the healing of chronic skin wounds.

CRO

Contract research organisation; consulting company that assists in drug development.

Gal-alpha1,3-Gal

Sugar structure in animal cells that humans have antibodies against.

HCV

Hepatitis C virus; virus that causes what is commonly called jaundice.

HGF

Hepatocyte growth factor or hepatopoietin. This is the most important growth factor for wound healing.

HIV

Human immunodeficiency virus, which causes AIDS.

Hepatocyte Growth Factor (HGF)

Growth factor that is produced by liver cells (=hepatocytes) *inter alia*.

Influenza A virus

Virus that causes annually recurring influenza outbreaks each winter.

Insufficiency

Does not function adequately.

Interferon

Endogenous molecule with antiviral effect and that is used in different types of treatment, e.g. in chronic hepatitis B and C viral infections.

In vivo

In the living body.

Medpulsar® DNA Delivery System (DDS)

Machine designed to supply short electrical pulses for treatments where *in vivo* electroporation can improve absorption of drugs in cells locally, e.g. in DNA immunisation or cancer treatment.

Metabolite

Product of a drug resulting from metabolism, which inhibits viral propagation in the body.

Neutralise

In this context means to inhibit, or extinguish, viral propagation in infected cultivated cells.

NS3

Enzyme in the hepatitis C virus that is active in replicating viral DNA and the production of new viruses.

Pegylated interferons

Improved version of endogenous interferon that survives for longer in the body and is thereby more effective.

Pharmacokinetics

How a drug is absorbed and secreted.

Placebo

Effect not due to the active component of a drug.

Platform technology

Technology that can be used to develop several pharmaceuticals.

Protein

Long chain of amino acids occurring in nature.

RAS®

Re-directing Antibody Specificity. Molecules that act as adaptors between contagious substances and naturally occurring antibodies in the blood. A technology platform invented and patented by Tripep.

Ribavirin

A substance that resembles a building block in DNA and that can improve the efficacy of vaccinations (application patented by Tripep). Also active compound in drugs that are used in combination with peginterferon for the treatment of chronic hepatitis C viral infection.

T cells

Killer cells in the blood. Kill virus-infected/producing cells.

Toxicity

Poisonousness, side-effects.

Transgene

A new gene permanently added to human/animal genetic material by genetic technology.

Tripeptide

Peptide comprising three amino acids.

Venous

Drainage of blood via the veins.

Virology

The science of viruses.

Board of Directors, Management and Auditors

Board of Directors

The Board currently comprises three members including the Chairman. There are two members of the Board who are active in the company.

Thomas Lynch

Chairman since January 2007, Board member of Old Tripep in the period 2005 to 2006.

Born in 1956.

Other assignments: Thomas Lynch is a Board member of Icon Plc (a clinical research company); IDA Ireland (an Irish government agency responsible for domestic investments); Profectus Inc. (a privately-owned US biotechnology company); the Royal Opera House in London and is Chairman of the Queen's University Belfast Foundation and HRH the Prince of Wales' Foundation for Integrated Health.

In the period 1993 to 2004, Thomas Lynch worked in different capacities in Europe's biggest biotechnology company, Elan Corporation Plc. In his role as Chief Financial Officer and Executive Vice President, he engineered Elan's transformation from a drug delivery corporation into a biotechnology company through a series of corporate and product acquisitions and joint ventures.

Shareholdings as of 31 January 2007 (directly and indirectly through a foundation): 9,536,548.

Stock options (indirectly through a foundation): 4,591,191 TO1.

Anders Vahlne

Board member since 2006, Board member of Old Tripep in the period 1997 to June 2002 and September 2002 to 2006.

Born in 1946.

Head of Research, Tripep.

Professor of Clinical Virology at the Karolinska Institute since 1994. Member of the International Scientific Advisory Board at the Conway Institute, University College, Dublin.

Other assignments: Board member of VLP Biotech Inc.

Education: M.D., Ph.D. in Clinical Virology.

Shareholdings as of 31 January 2007: 2,345,400.

Stock options: 1,172,700 TO1.

Matti Sällberg

Board member since 2002, Board member of Old Tripep in the period 2002 to 2006.

Born in 1961.

Researcher, Tripep.

Professor of Biomedical Analysis at the Karolinska Institute since 2000. Holds a number of international and domestic positions as a scientific reviewer for various support bodies and scientific journals. Active on several committees and boards at the Karolinska Institute since 1992.

Education: Dental Surgeon, PhD, Virology.

Shareholdings as of 31 January 2007: 320,000.

Stock options: 160,000 TO1.

Secretary of the Board

Erik Nerpin

Secretary of the Board since 2006. Secretary of Old Tripep in the period 2004 to 2006. Board member of Old Tripep in the period 2002 to 2004.

Born in 1961.

Other assignments: Attorney-at-law. Active with legal practice Linklaters Advokatbyrå since 1992, partner since 1999, focusing on stock exchange and company law issues.

Shareholding as of 31 January 2007: 0.

Stock options: 0.

Management

Jan Nilsson

Chief Executive Officer, employed in 2006, employed by Old Tripep in the period 2004 to 2006.

Born in 1949.

Experience: 30 years' drug industry experience, with several executive positions in marketing and corporate management. Nordic and Baltic CEO of Schering Plough. Most recently, CEO of Schering Plough AB.

Education: M.Sc., the University of Gothenburg, Sweden. MBA, University of Uppsala, Sweden.

Shareholding as of 31 January 2007: 65,000.

Stock options: 50,834 TO1

Anders Vahlne

See 'Board of Directors'.

Åsa Ekstrand

Chief Financial Officer, employed since 2006, employed by Old Tripep in the period 2002 to 2006.

Born in 1957.

Other assignments: General partner of Economissima KB.

Experience: Professional experience in accounting and financial management across several sectors. Self-employed consultant specialising in consolidated accounting in 1994 to 2002.

Education: B.Sc. (Econ.) University of Stockholm, Sweden.

Shareholding as of 31 January 2007 (including relatives): 56,664.

Stock options: 28,332 TO1.

Auditors

Ernst & Young AB with Anders Wiger, senior auditor

Tripep's Auditor since 2006. Anders Wiger was auditor of Din Bostad Sverige AB (Old Tripep) in the period 1997 to 2006. Anders Wiger became an Authorised Public Accountant in 1981 and is a member of FAR (the Institute for the Accounting Profession in Sweden)/SRS (the Swedish Association of Auditors).



Board of Directors

Thomas Lynch, Anders Vahlne, Matti Sällberg

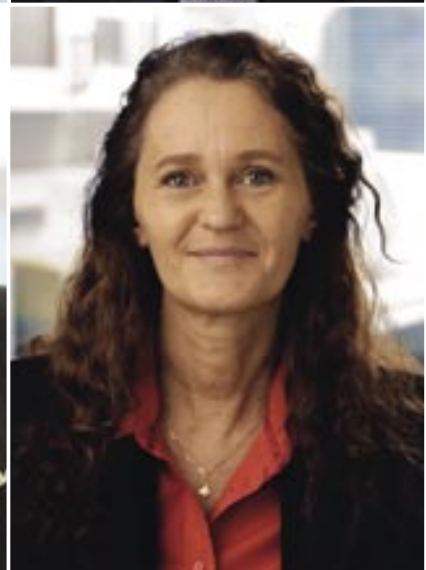
Secretary of the Board

Erik Nerpin



Management

Jan Nilsson, Anders Vahlne, Åsa Ekstrand





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