

QuNano AB Announces Closing of Series A Financing Round

STOCKHOLM, OSLO, LUND & LONDON – May 19, 2006 – QuNano AB of Lund, Sweden, today announced the closing of its SEK 45 million (USD 6.1 million) Series A investment round.

The Series A investors, funds advised by venture capital firms Provider Venture Partners of Stockholm and Teknoinvest of Oslo, now join London-based BTG plc and LU Innovation together with LUAB, the investment arm of Lund University (Sweden), as major owners, along with the founders and Teknoinvest, which had also funded the Company's seed round in 2005.

Founded in September 2005, QuNano is a technology spin-out from the Nanometer Structure Consortium ("nmC") at Lund University and is focused on commercialisation in the fields of nanoelectronics and photonics of the heterostructured nanowire technology research of Dr. Lars Samuelson, Professor of Solid State Physics, and his world-class team at Lund University. A significant portfolio of patent applications covering relevant innovations made by the Lund team has been assigned to QuNano either directly or from BTG. The Company will continue to enjoy a close working relationship with nmC and will have access under contract to relevant labs and intellectual property developed there.

Dr. Bo Pedersen has recently been appointed as the Chief Executive Officer of QuNano and will lead the Company's activities along with Dr. Samuelson, who will also serve as Chief Scientific Officer in parallel to his duties at the Lund University and with nmC.

"Heterostructured nanowire technology is receiving growing attention as a novel technology platform with potential to become the base for a broad variety of new, powerful and efficient devices such as field effect transistors, light emitting diodes, nanolasers, solar cells, optical detectors, and various sensors," according to Tony Kylberg, a Partner of Provider Venture Partners. "The Provider funds investment is a unique opportunity to help the QuNano team accelerate the commercialisation of this world-leading nanowire technology platform from Lund. The potential of this Company is impressive."

"QuNano is thrilled to have the opportunity to work with both Provider and Teknoinvest. Recent results in our development activities show very much promise for commercialising

nanowire products in the near term,” said Dr. Pedersen. “This investment will give us the resources we need to increase our development pace. It is a vote of confidence in the QuNano team’s technological leadership in this critical field.”

“We started our nanoscience program more than 15 years ago in Lund, long before nanotechnology’s recent premier on the world’s stage of innovation,” Prof. Samuelson added. “This investment marks the transition from many man-years of basic and applied research at Lund University to the commercial development by QuNano of our nanowire technology – a technology that has the potential to be a next generation semiconductor platform, the importance of which to industry in Europe is highlighted by the fact that it is the foundation for the Nanowire-based One Dimensional Electronics (NODE) Project launched last year within the European Commission’s 6th Framework Programme,” he concluded. Lund University, through Dr. Samuelson’s department, acts as the overall coordinator of NODE.

For more information about QuNano, visit the Company’s website at <http://www.qunano.com>

About Provider (previously IT Provider)

Provider Venture Partners AB is a leading Venture Capital Partnership focusing on accelerating the growth of Nordic early and expansion stage technology companies. Provider advises a range of funds with in total SEK 3 billion under management. The current portfolio includes 25 investments in the areas of communication technologies, software and enabling technology. Since 1992 more than 90 investments have been made, making the team of 17 professionals one of the most active and experienced in the Nordic region. To find out more about Provider, visit its website at <http://www.providerventure.com>

About Teknoinvest

Teknoinvest AS is a premier Scandinavian venture capital company headquartered in Norway, investing in areas of emerging technologies within the IT/Telecom and Life Sciences sectors primarily in Scandinavia and the USA. Teknoinvest was established as the first venture capital investment company in Norway in 1984 and is one of the most successful VC’s in Scandinavia according to its track record of value created for its investors. To find out more about Teknoinvest, visit its website at <http://www.teknoinvest.com>

About Lund University

-- the Nanometer Structure Consortium (nmC)

For over 15 years Lund University has hosted a major interdisciplinary research program in nanoscience, ranging from materials science and quantum physics to applications in the areas of electronics, photonics and the life sciences. This is a centre for the development of nanotechnology and fields of science & applications based on the uniqueness of properties and opportunities offered at this nanometer length scale and utilising nmC's unique combination of scientific and intellectual competence in areas covering physics, electronics, materials science and life sciences on the nanoscale level. For more information, see nmC's website at <http://nano.lth.se>

-- the NODE Project

Coordinated by Lund University and Dr. Lars Samuelson and funded by the European Commission, the Nanowire-based One Dimensional Electronics Project (NODE) is a 4-year, €9.5 million (USD 12 million) research programme including 12 participating academic and industrial organizations. For more information, see NODE's website at <http://www.node-project.com>

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