

Karolinska Development invests in Forendo Pharma

STOCKHOLM – June 25, 2013. Karolinska Development AB announced today that it has invested in Forendo Pharma Oy, a new drug development company based in Finland, together with Novo Seeds and Finnvera. The stepwise funding commitments, together with previous funding from Tekes, are expected to reach EUR 10m over a period of three years, of which Karolinska Development will invest up to EUR 3.0m.

Karolinska Development today announced that it will invest in Forendo Pharma Oy, a company based on research from the University of Turku that is developing novel treatments for endometriosis and for low testosterone levels. In the first round of investment, Karolinska Development has invested EUR 1.2m in the company resulting in an ownership of 21%*.

Forendo Pharma is developing a potential new treatment of endometriosis based on inhibition of the 17 β -HSD1 enzyme, a novel drug target with potential for tissue/organ specific regulation of hormone activity. Endometriosis is a common disease, affecting up to 10% of young and middle-aged women worldwide and causing painful symptoms and infertility. This project is currently in pre-clinical development.

The company is also developing fispemifene, a potential new treatment for patients with low testosterone levels. This oral treatment offers several possible benefits over current therapies, including the potential to maintain male fertility. In contrast to testosterone replacement therapy, fispemifene stimulates the testicular function in men. Fispemifene has demonstrated efficacy in Phase II clinical studies. Forendo Pharma will seek partners for this program to go forward.

“We see this as an excellent opportunity to invest in a drug development program which has the potential to provide endometriosis patients with an entirely new effective and well tolerated treatment expected to have many benefits compared to current treatment options. In parallel we will support the process of finding a partner for the further development of fispemifene”, says Torbjörn Bjerke, CEO of Karolinska Development.

“We are delighted over Karolinska Development’s engagement as one of our significant owners, as it provides Forendo Pharma with access to further drug development expertise and a broadened international network. The investment will provide sufficient funding to take the endometriosis project through to proof-of-concept as well as increased business development activities around fispemifene”, says Risto Lammintausta, CEO of Forendo Pharma.

*Direct and indirect ownership through KCIF Co-Investment Fund KB.

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TO THE EDITORS

About Forendo Pharma Oy

Forendo Pharma is a newly established drug development company based in Turku, Finland. Its core competence resides in organ specific hormone mechanisms, giving new opportunities to unmet needs in women's and men's health. The company's key assets are fispemifene, a program with positive Phase II data aimed at treatment of low testosterone levels, and 17 β -HSD1 enzyme inhibitors, aimed at treatment of endometriosis and based on research at the University of Turku. Both programs have been acquired from Hormos Medical Oy, where the fispemifene program was developed. The founding team includes leading academic professionals in endocrinology and pioneers within Finnish drug development. For more information, please visit www.karolinskadevelopment.com

About Karolinska Development AB

Karolinska Development aims to create value for investors, patients, and researchers by developing innovations from world class science into products that can be sold or out-licensed with high returns. The business model is to: SELECT the most commercially attractive medical innovations; DEVELOP innovations to the stage where the greatest return on investment can be achieved; and COMMERCIALIZE the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading Nordic universities, delivers a continuous flow of innovations. Today, the portfolio consists of 38 projects, of which 16 are in clinical development. For more information, please visit www.karolinskadevelopment.com.

Karolinska Development is listed on NASDAQ OMX. Karolinska Development may be required to disclose the information provided herein pursuant to the Securities Markets Act.

Co investments by KCIF Co-Investment Fund KB benefit from the European Union's Technology Transfer Pilot Project.