



KARO BIO GRANTED 3.8 MSEK FROM VINNOVA

STOCKHOLM, July 1, 2014 - Karo Bio AB (publ) has been awarded another SEK 3.8 million from Vinnova for the preclinical development of an ERbeta agonist for the treatment of different forms of cancer. In total, Karo Bio has thus been granted SEK 4.8 million for the project from Vinnova.

The financing is granted through the Forska & Vax program and will be paid out in stages during 2014 and early 2015, to finance studies within Karo Bio's project ERbeta cancer, including initiated toxicity and safety pharmacology studies. Previously in 2014, Vinnova granted Karo Bio about SEK 1 million for these studies.

The compound has in previous studies shown to reduce tumor size significantly in preclinical models of mesothelioma and other cancer forms with poor prognosis. Karo Bio's cancer program targets several difficult to treat cancers, including mesothelioma.

"The grant will form an important part of Karo Bio's financing of the preclinical development program for ERbeta cancer. It allows us to keep a high pace in our development work and also reflects the project's attractiveness", says Per Bengtsson, CEO of Karo Bio.

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About Karo Bio

Karo Bio is a research and development company focused on innovative drugs for important medical needs. The world-leading knowledge of nuclear receptors as target proteins for the development of pharmaceuticals and their related mechanisms of action, are utilized for developing novel, more effective and safer pharmaceuticals. Karo Bio is active in preclinical development focused on the areas of neuropsychiatry, inflammation, autoimmune diseases and cancer. Karo Bio is based in Huddinge, Sweden. The company has around 39 employees and is listed on NASDAQ OMX Stockholm.

About Vinnova

Vinnova is the Swedish innovation agency, whose mission is to promote sustainable growth by improving the conditions for innovation and finance needs driven research. Each year, Vinnova invests about 2.5 billion in various efforts. Programs are offered to bodies in society that are important for Sweden's innovativeness, such as knowledge-intensive companies, universities, research institutes and organizations in the public sector. Vinnova is a government agency under the Ministry of Industry.

About Forska & Vax

Research & Grow is a program that caters to Swedish companies with the ability to create growth and community benefit based on innovations.

This press release is also available online at www.karobio.com and www.newsroom.cision.com

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