

Karolinska Development company Dilaforette to change name to Modus Therapeutics and announces intention to conduct an Initial Public Offering

STOCKHOLM – October 20, 2016. Karolinska Development AB (Nasdaq Stockholm: KDEV) today notes that its portfolio company Dilaforette AB is to change its name to Modus Therapeutics Holding AB and has announced its intention to undertake an Initial Public Offering (“IPO”).

Modus Therapeutics (www.modustx.com) is a clinical-stage drug development company developing new pharmaceutical therapies designed to restore impaired blood flow and oxygen transport in rare diseases with large unmet medical need. The Company’s most advanced candidate, sevuparin, is currently being evaluated in a Phase II clinical trial in sickle cell disease (SCD), which is a painful, inherited blood disorder affecting millions of people around the globe. Repeated painful crises in SCD, so called vaso-occlusive crises (“VOC”), leads to loss of vital organ function and often significantly reduced life span. Modus has received Orphan Drug Designation for sevuparin for use in SCD in the US and EU.

Sickle cell disease is the most common inherited blood disorder in the US affecting between 90,000-100,000 subjects, with annual medical care costs amounting to more than \$1 billion. In Europe, it is estimated there are 35,000-40,000 SCD patients, and this number is higher in the Middle East and North Africa regions with over SCD 850,000 patients.

Viktor Drvota, Chief Investment Officer at Karolinska Development and recently elected as new member of Modus Therapeutics Board of Directors, said: “Modus Therapeutics has established a strong basis with sevuparin in SCD from which to advance to the next value inflection milestones. The proposed IPO would provide further support to the Company to build on its encouraging clinical findings with sevuparin and develop a potentially best- and first-in-class treatment for SCD patients with few effective therapeutic options. Modus Therapeutics is one of several companies in our portfolio that are expected to deliver important milestones in the coming years and we are delighted with how this portfolio is maturing.”

Karolinska Development was founded in 2011 based on research at the Karolinska Institutet and Uppsala University. Modus Therapeutics is predominantly owned by KDev Investments AB (an investment fund owned jointly by Karolinska Development and Rosetta Capital), which holds 64% of the equity. Other major shareholders include Östersjöstiftelsen (The Foundation for Baltic and East European Studies), and Praktikerinvest.

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TO THE EDITORS

About Karolinska Development AB

Karolinska Development AB is an investment company focused on identifying medical innovation and investing in the creation and growth of companies developing these assets into differentiated products that will make a difference to patients' lives and provide an attractive return on investment.

Karolinska Development has access to world-class medical innovations at the Karolinska Institutet and other leading universities and research institutes in the Nordic region. The Company aims to build companies around scientists who are leaders in their fields, supported by experienced management teams and advisers, and co-funded by specialist international investors, to provide the greatest chance of success.

Karolinska Development has established a portfolio of 10 companies targeting opportunities in innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by a team including investment professionals with strong venture capital backgrounds, experienced company builders and entrepreneurs, with access to a strong global network.

For more information, please visit www.karolinskadevelopment.com

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