



Cortendo AB Raises up to \$27.5M in Additional Private Placement with Leading U.S. and EU Healthcare Investors

RA Capital, NEA, Broadfin Capital Make Initial Investments; HealthCap Adds to Its Holdings of Cortendo; Total Raised Since October up to \$38.5M

January 13, 2015 -- Radnor, Penn., U.S. and Göteborg, Sweden -- [Cortendo AB](#) [ticker: CORT on NOTC-A], a global biopharmaceutical company focused on orphan endocrine disorders, today announced it has entered agreements with leading U.S. institutional specialist healthcare investors RA Capital Management, New Enterprise Associates (NEA) and Broadfin Capital. HealthCap, a leading European venture capital healthcare investor, also agreed to increase its existing investment in the company, bringing this private placement to a total of up to \$27.5 million (equivalent to approximately SEK 221 million). The subscription price is SEK 4.22 per share, and the total maximum number of shares outstanding after the completion of the share issue will be 159,080,722. This investment commitment follows the Company's move to a U.S. financing plan laid out in October 2014 when Cortendo announced an \$11 million investment led by HealthCap.

"This agreement with three new leading U.S. institutional investors and HealthCap demonstrates their confidence in Cortendo and significantly strengthens the Company as we move forward with our U.S. financing strategy in 2015," said Matthew Pauls, President and CEO of Cortendo. "We are initially focused on developing and commercializing innovative products for orphan endocrine diseases, led by COR-003 in Phase 3 development for endogenous Cushing's syndrome. We also intend to leverage both our commercial and late-stage development expertise and work with potential partners to expand our orphan disease portfolio."

On December 1, 2014, Cortendo shareholders approved the issue of up to 25.5 million shares by a unanimous decision at an Extraordinary General Meeting in Göteborg, with disapplication of the shareholders' pre-emptive rights. The purpose of the authorization is to raise capital in order to increase the Company's financial flexibility as well as to further strengthen the long-term institutional ownership in the company. Since the demand from U.S. investors was higher than the board mandate of 25.5 million shares approved by shareholders on December 1, 2014, Cortendo will propose that an Extraordinary General Meeting resolve upon the issuance of up to approximately 27 million additional shares required for the private placement. Completion of the private placement is subject to approval by the Extraordinary General Meeting of Shareholders in Cortendo, scheduled to be held in the beginning of February 2015, and is subject to certain conditions, including expected gross proceeds of at least \$20 million and the non-occurrence of any material adverse effects (as defined in the agreement with the investors) prior to completion.

Locust Walk served as a consultant to Cortendo for this transaction.

About Cortendo AB

Cortendo AB is a global biopharmaceutical company incorporated in Sweden and based in the United States. The Company's strategic focus is to be the global leader in commercializing innovative medicines for orphan endocrine disorders. Cortendo is leading the way in the field of cortisol inhibition through the investigational drug, COR-003 (levoketoconazole) currently being studied in the Phase 3 global SONICS trial for the treatment of Cushing's syndrome. COR-003 (levoketoconazole) has received orphan designation from both the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA). The Company's intent is to independently commercialize its Orphan/Endocrine assets in key global markets, and partner non-strategic product opportunities, such as diabetes, at relevant development stages.

About RA Capital

Based in Boston, Massachusetts, RA Capital Management is a crossover fund manager dedicated to evidence-based investing in public and private healthcare and life science companies that are developing drugs, medical devices and diagnostics. Founded by Peter Kolchinsky Ph.D., the firm is extremely dedicated to the scientific fundamentals of the sector. RA Capital's investment strategy allows it to lead private, IPO, and follow-on financings for its portfolio companies, facilitating the crossover process and playing a vital role in commercialization.

About New Enterprise Associates

New Enterprise Associates, Inc. (NEA) is a global venture capital firm focused on helping entrepreneurs build transformational businesses across multiple stages, sectors and geographies. With more than \$13 billion in committed capital, the firm invests in information technology and healthcare companies at all stages in a company's lifecycle, from seed stage through IPO. NEA's long track record of successful investing includes more than 195 portfolio company IPOs and more than 320 acquisitions. For additional information, visit www.nea.com.

About HealthCap

HealthCap is a European venture capital firm investing solely and globally in life sciences. It is one of the larger VCs within life sciences in Europe, having raised more than EUR 900 million in six funds since 1996, invested in more than 100 companies of which more than 30 companies have been taken public. HealthCap has over the years backed and built companies developing new treatments for people with life-altering conditions. HealthCap's investment strategy focuses on diseases with high unmet medical needs and therapies that have the potential to be transformative and change medical practice and the lives of patients suffering these conditions.

About Broadfin Capital

Broadfin Capital, LLC, is a New York-based global healthcare investment firm founded in 2005. Broadfin Capital invests in each of the major subsectors of the healthcare industry and has a fundamental, value-oriented investment strategy coupled with a long-term investment horizon. The firm manages \$1 billion in assets and invests with a focus on small and mid-capitalization companies.

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