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**FOR IMMEDIATE RELEASE**

## **Dilafor raises SEK 51 million to facilitate Phase IIb clinical study with Tafoxiparin**

**STOCKHOLM, SWEDEN – September 27, 2016.** Dilafor AB, a drug development company focusing on the development of tafoxiparin for obstetric indications, today announced it has successfully completed a financing round raising SEK 51 million (US\$5.9 million) from new and existing investors. The new financing round was led by Lee's Healthcare Industry Fund and Rosetta Capital, and the syndicate included Östersjöstiftelsen, Praktikerinvest PE AB, Pila AB and Dilafor's largest existing shareholder, KDev Investments, an investment fund jointly owned by Karolinska Development (Nasdaq Stockholm: KDEV) and Rosetta Capital.

Dilafor's lead candidate, tafoxiparin, a modified form of heparin, is in clinical development to decrease the incidence of protracted labor both after induction of labor and after spontaneous onset of labor. Protracted labor (i.e labor that lasts more than 12 hours) is the main cause of emergency surgical deliveries, such as caesarian section. The condition is often associated with complications for both mother and child. Tafoxiparin has shown in a Phase II clinical trial encouraging evidence that it can shorten labor time.

The successful completion of the financing round enables Dilafor to facilitate a Phase IIb dose finding trial with tafoxiparin trial in Northern Europe, which is planned to start before the year end 2016. The study will include women with slow progress of labor after a spontaneous onset.

Lena Degling Wikingsson, CEO of Dilafor, said: "This planned clinical study is an important event in the clinical development program for tafoxiparin. There is no available treatment today to help these women that have high risk of fetal and maternal complications as a consequence of slow progress and protracted labor. With support of long-term investors, Dilafor has now secured the financial resources needed to reach this next crucial milestone in the development of this promising candidate, and to identify a dose to take forward into the final stages of clinical development."

Benjamin Li, CEO of Lee's Healthcare Industry Fund, said: "We are delighted to strengthen our partnership with Dilafor by becoming a shareholder as well. Woman Health is one of our focused areas and we look forward to the advancement of Dilafor's lead program Tafoxiparin into the final stages of clinical development."

Dr. Torsten Goesch, Director of Rosetta Capital, said: "There is a strong medical need within the women health area targeted by Tafoxiparin and we are excited to support the company to reach this important milestone in the clinical development of the product."

### **About tafoxiparin**

Tafoxiparin is a heparansulphate mimetic, a propriety polysaccharide based drug developed by Dilafor. Women that experience protracted and complicated labor have deficiency in heparansulphate which is a naturally occurring polysaccharide and plays an important role in labor. Preclinical and clinical data show that tafoxiparin fulfills the role of heparansulphate and works in conjunction with naturally occurring molecules important in child birth. Slow progress of labor has an incidence of 45% of all pregnant women. It is associated with a number of both long and short term maternal and fetal complications such as emergency caesarean sections, postpartum hemorrhages, vaginal tears, anal ruptures, meconium-stained amniotic fluid and asphyxia. These complications lead to short and long term consequences for the mother and the newborn in addition to substantial health care costs.

### **About Dilafor AB**

Dilafor AB is a Swedish drug development company focusing on the development of tafoxiparin for obstetric indications. The company's primary goal is to decrease the incidence of slow progress of labor both after induction of labor and after spontaneous onset of labor. The main owner of Dilafor is KDev Investments AB, which is jointly owned by Karolinska Development AB (publ) and Rosetta Capital IV. The other main owners are The Foundation for Baltic and European Studies (Östersjöstiftelsen) and Praktikerinvest. For more information, please visit: [www.dilafor.com](http://www.dilafor.com).

### **About Lee's Healthcare Fund**

Lee's Healthcare Industry Fund L.P. ("Lee's Fund"), is an investment fund established in the Cayman Islands in August 2015 with the principal objective to invest in privately held companies in the biomedical sectors in the United States of America, Europe and Asia, including but not limited to the areas of pharmaceuticals, biologics, diagnostics and medical devices. Lee's Pharmaceutical Holdings Limited (SEHK Stock Code: 950), a research-based, biopharmaceutical company listed in Hong Kong with over 20 years of operation in China's pharmaceutical industry, is one of the Limited Partners of Lee's Fund. For more information, please visit: [www.leespharm.com](http://www.leespharm.com).

### **About Rosetta Capital**

Rosetta is a UK based global venture capital company focused on direct secondary transactions in the life science space. Rosetta has five funds under management. A multinational team with the venture capital, pharmaceutical and biotechnology background is working with inventors, entrepreneurs and international investors in often game-changing companies. Rosetta has developed successfully many of its portfolio companies to IPOs and trade sales.

### **About Pila AB**

Pila AB is a consultancy and investing company within management consulting and drug development consulting. We offer services in Clinical Operations, Project Management, Regulatory Affairs, Data Management, Biostatistics, Pharmacovigilance and Medical Writing for the whole range of companies from virtual Biotech and Medtech companies to Big Pharma Companies. Our dynamic approach to the changing clinical trial environment in combination with our unique knowledge of the European market make it possible for us to invest in Life Science Projects like Dilafor's phase II Tafoxiparin study.

### **About Praktikerinvest PE AB**

Praktikerinvest PE AB is an investment company owned by Praktikertjänst AB, the largest private health and dental care provider in Sweden. Praktikerinvest PE AB invests in private equity and real estate.

## **About The Foundation for Baltic and East European Studies (Östersjöstiftelsen)**

Östersjöstiftelsen (the Foundation for Baltic and East European Studies) was founded by the Swedish government in 1994 to support research, doctoral studies and academic infrastructure at Södertörn University. Östersjöstiftelsen has funded approximately 200 research projects and the education of 140 doctoral students at Södertörn University. From 2000 to 2016, Södertörn University has been granted funds totalling SEK 3,2 billion. In September 2016, the Foundation managed assets totaling over SEK 5 billion.

## **About Karolinska Development AB**

Karolinska Development AB (Nasdaq Stockholm: KDEV) is a Nordic life sciences investment company. The company focuses 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 to its shareholders.

Karolinska Development has access to world-class medical innovations at leading universities and research institutes in the Nordic region, including the KarolinskaInstitutet. The Company aims to build companies around innovative products and technologies, supported by experienced management teams and advisers, and co-funded by specialist international life science investors, to provide the greatest chance of success.

Karolinska Development's portfolio comprises 10 companies focusing on the development of innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by a team of investment professionals with strong investment backgrounds, experienced company builders and entrepreneurs, with access to a strong global network. For more information, please visit [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com)

### Safe Harbour Statement

*The performance and the results of operation of Lee's Pharm during the past years are historical in nature and past performance can be no guarantee of future results of the Lee's Pharm. This news release may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. Neither Lee's Pharm nor the Directors, employees or agents of Lee's Pharm assume (a) any obligation to correct or update the forward-looking statements or opinions contained in this news release; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialize or turns out to be incorrect.*

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