

Umecrine Cognition raises new funds to support clinical development of novel drug candidate GR3027 for hepatic encephalopathy – Phase I clinical trial initiated

STOCKHOLM/UMEÅ – March 10, 2016. Umecrine Cognition AB, a Karolinska Development (Nasdaq Stockholm: KDEV) portfolio company developing a novel treatment for hepatic encephalopathy (HE) in patients with liver disease, today announces it has completed a private financing round that will support the clinical development of its lead drug candidate for HE in liver disease patients. New investors, Fort Knox Förvaring AB, Partnerinvest Övre Norrland AB and Norrlandsfonden join founder investor Karolinska Development in this new financing round.

The new funds will be used by Umecrine Cognition to conduct a Phase I (first in human) clinical trial with the company's oral drug candidate GR3027 in 58 healthy volunteers to assess safety, tolerability, and pharmacokinetics, and to establish clinical proof-of-principle with regard to the mechanism of action of GR3027. First patients have been enrolled at a clinical centre in Sweden, and results from the study are expected in H2 2016.

HE is a frequent neurological complication and one of the most debilitating manifestations of liver disease affecting millions around the world. Caused by liver insufficiency, HE leads to a general depression of the central nervous system with clinical manifestations ranging from mild cognitive impairment to deep coma. This severely affects the lives of patients and their caregivers. The cognitive impairment associated with cirrhosis can also result in the utilization of more health care resources for adults than other manifestations of liver disease. There are no known treatments on the market that directly target the neurological cause of HE.

Umecrine Cognition's lead candidate GR3027 is a GABA_A receptor modulating steroid antagonist (GAMSA) designed to antagonize GABA_A receptor activation by endogenous neuroactive steroids. The enhanced signaling from GABA_A receptors is a key driver for the neurological symptoms associated with HE. In preclinical animal models, GR3027 normalizes key neurological symptoms associated with HE [1]. Preclinical safety and toxicity studies suggest that GR3027 is a safe and well-tolerated drug.

Magnus Doverskog, CEO of Umecrine Cognition, comments: "This announcement represents a significant milestone for Umecrine Cognition. Our short-term financial aims are to finalize the investor consortium with qualified investors that will take the company through to clinical proof-of-concept, which is primary efficacy data of GR3027 in patients with HE. We now have the first part of a strong investor consortium in place. I am very pleased to welcome Fort Knox Förvaring AB, Partnerinvest Övre Norrland AB and Norrlandsfonden on-board, and also by the continued support from Karolinska Development.

"We now enter clinical development with GR3027, a drug candidate that has shown unprecedented preclinical data in a therapeutic area where the treatment options today are very limited. The clinical development approach is to first confirm the treatment principle of GR3027 in this Phase I trial with healthy volunteers before advancing to HE patients in subsequent clinical studies."

For further information, please contact:

Magnus Doverskog, CEO, Umecrine Cognition AB

Phone: +46 (0)73 039 20 52, e-mail: magnus.doverskog@umecrine.se



TO THE EDITORS

About Umecrine Cognition AB

Umecrine Cognition, a Karolinska Development (Nasdaq Stockholm: KDEV) portfolio company, is developing a potential therapy that represents a new target class relevant for several major CNS-related disorders. The primary focus is to develop a treatment for life-threatening overt Hepatic Encephalopathy and long-term treatment in minimal Hepatic Encephalopathy in patients with liver disease, a growing area with high unmet medical need. The current lack of therapeutics that directly addresses the neurocognitive signs and symptoms of Hepatic Encephalopathy makes a novel treatment likely to become a major contribution for the treatment of this disorder. For more information, please visit www.umecrinecognition.com.

References

[1] Johansson M et al., GR3027 antagonizes GABA_A receptor potentiating neurosteroids and restores spatial learning and motor coordination in rats with hepatic encephalopathy, *Am J Physiol Gastrointest Liver Physiol.* 2015 Sep 1;309(5):G400-9