

Dilafor enters into a license and partnership agreement with Lee's Pharmaceutical

STOCKHOLM and HONG KONG - February 20, 2014. Dilafor AB, part of Karolinska Development's portfolio of companies, based in Stockholm, Sweden and Lee's Pharmaceutical Holdings Ltd, based in Hong Kong announced today that they have entered into a license agreement. According to the agreement, Dilafor grants to Lee's Pharmaceutical the right to manufacture, develop and commercialize tafoxiparin for obstetrics and gynecological indications in China, Hong Kong, Macau and Taiwan.

Pursuant to the terms of the agreement, Dilafor and Lee's Pharmaceutical will jointly develop tafoxiparin for obstetrical and gynecological indications. The joint clinical development program of tafoxiparin will initially be focused on reducing labor times for patients who do not start labor spontaneously and are induced into labor, an indication where both Dilafor and Lee's Pharmaceutical see a major medical need for the product in terms of improving outcomes for both mother and baby.

Dilafor will receive an upfront payment as well as future development and sales milestones plus royalties on sales of the product which will be manufactured and sold by Lee's Pharmaceutical in China, Hong Kong, Macau and Taiwan. Lee's Pharmaceutical will conduct and finance Phase II and Phase III trials in China, so that the results can be used as the basis for additional development outside the countries where Lee's Pharmaceutical has its license. Further details on the terms of the agreement are not being disclosed.

"We are looking forward to working together with Lee's Pharmaceutical and to take tafoxiparin into further clinical development", says Lena Degling Wikingsson, CEO at Dilafor AB

In addition to the labor induction indication, tafoxiparin is intended to be used for the treatment of labor arrest. Tafoxiparin has previously been tested in a randomized, double-blind and placebo-controlled Phase II trial conducted in Sweden which included 263 pregnant women. The study showed promising results forming the basis for the continuous clinical development.

"We are excited to work with Dilafor to expand the clinical development of tafoxiparin into China. With nearly 20 million babies born each year, China has significant unmet medical needs in maternal health. It is our intention to leverage our available resources to accelerate the development of tafoxiparin in China", says Dr. Benjamin Li, founder and CEO of Lee's Pharmaceutical.

"We are very pleased with this license agreement with Lee's Pharmaceutical. We believe Lee's Pharmaceutical will be an excellent partner for Dilafor in the further development and commercialization of tafoxiparin. Through KDev Investments AB, we own 49% of Dilafor and this agreement will add value to potential future deals covering all other markets outside China, Hong Kong, Macau and Taiwan", says Torbjörn Bjerke, CEO of Karolinska Development.

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TO THE EDITORS

About Dilafor AB

Dilafor AB is a Swedish drug development company focusing on the development of tafoxiparin for obstetric indications. Women that experience protracted and complicated labor have deficiency in heparan sulphate which is a naturally occurring polysaccharide and plays an important role in labor. Tafoxiparin is a heparan sulphate mimetic, a propriety polysaccharide based drug developed by Dilafor. Preclinical and clinical data show that tafoxiparin fulfills the role of heparan sulphate and works in conjunction with naturally occurring molecules important in child birth. Labor dystocia/protracted 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 sequelae for the mother and the newborn in addition to substantial health care costs. The company's primary goal is to decrease the incidence of dystocia after an induction of labor or after arrest of labor. For more information, please visit: www.dilafor.com.

Dilafor was advised locally by ABD Life Sciences Ltd in Hong Kong.

About Lee's Pharmaceutical Holdings Ltd (Lee's Pharm)

Lee's Pharm is a research-based Hong Kong biopharmaceutical company listed in Hong Kong with over 19 years operation in China's pharmaceutical industry. It is fully integrated with strong infrastructures in drug development, manufacturing, sales and marketing. It has established extensive partnership with over 20 international companies and currently has 14 products in the market place. Lee's Pharm focuses on several key disease areas such as cardiovascular, oncology, gynecology, dermatology and ophthalmology. Lee's Pharm development program is lauded with 30 products stemming from both internal R&D efforts and collaborations with US, European and Japanese companies and aspiring to combat diseases such as liver cancer and pulmonary hypertension. The mission of Lee's Pharm is to become a successful biopharmaceutical group in Asia providing innovative products to fight diseases and improve health and quality of life. Additional information about Lee's Pharm is available at www.leespharm.com

Safe Harbor Statement

The statements in this news release, other than the historical financial information, may contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ from anticipated results. Further information on risk factor that could affect, among other things, Lee's financial condition and results of operations is detailed in Lee's IPO prospectus, as filed with the Main Board of the Stock Exchange of Hong Kong Limited.

About Karolinska Development AB

Karolinska Development aims to create value for patients, researchers, investors and society by developing innovations from world class science into products that can be sold or out-licensed with high returns. The business model is to: SELECT the most commercially attractive medical innovations; DEVELOP innovations to the stage where the greatest return on investment can be achieved; and COMMERCIALIZE the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading universities, delivers a continuous flow of innovations. Today, the portfolio consists of 33 projects, of which 16 are in clinical development. For more information, please visit www.karolinskadevelopment.com.

Karolinska Development is listed on NASDAQ OMX. Karolinska Development may be required to disclose the information provided herein pursuant to the Securities Markets Act.