

## **Organon acquires Karolinska Development's portfolio company Forendo Pharma at a total purchase price of USD 945 million provided fulfilment of all milestones**

STOCKHOLM SWEDEN – November 11, 2021. Karolinska Development AB (Nasdaq Stockholm: KDEV) announces today that the global pharmaceutical company Organon is acquiring its portfolio company Forendo Pharma. Forendo Pharma's shareholders will receive an initial payment of USD 75 million and are entitled to additional future payments totaling USD 870 million upon the achievement of certain development, registration and commercial milestones pertaining to Forendo Pharma's drug candidates. The total purchase price, if all milestones are met, amounts to USD 945 million.

Forendo Pharma's most advanced drug candidate, FOR-6219, is a clinical stage asset being developed for the treatment of endometriosis – a chronic disease associated with severe abdominal pain and infertility, affecting up to 1 in 10 women of childbearing age.

Under the acquisition agreement, the shareholders of Forendo Pharma will receive an initial payment of USD 75 million. In addition, there are conditional payments totaling USD 270 million linked to milestones in the development and registration processes for the company's drug candidates, and additional payments totaling USD 600 million linked to commercial milestones. The completion of the transaction is subject to review by competition authorities and other customary conditions. The transaction is expected to close in December 2021.

“Organon's acquisition of Forendo Pharma is one of the largest biotech transactions in the Nordic region, hence emphasizing the strength of Karolinska Development's long-term strategy for value creation. We are pleased and very proud to have contributed to Forendo Pharma's successful development of drug candidates with potential to improve the lives of millions of women worldwide. The fact that Organon, one of the leading global women's health companies, has chosen to invest large resources in taking these drug candidates further towards the market underlines the scientific height and quality of the company's projects,” comments Karolinska Development's CEO Viktor Drvota.

Karolinska Development estimates the risk-adjusted net present value (rNPV) of future cash flows, including the initial payment, from the transaction at SEK 114 million, with a positive effect on net profit of SEK 70 million and a consequential increase in the portfolio company's fair value of SEK 70 million in the third quarter 2021. The additional purchase consideration is expected to be paid during the period 2024–2034, and renewed rNPV valuations will be performed continuously in connection with Karolinska Development's future quarterly reporting.

Organon & Co. (NYSE: OGN) is a global pharmaceutical company focusing on improving the health of women throughout their lives and was formed through a spin-off in May 2021 from Merck, (NYSE: MRK) known as MSD outside of the United States and Canada. Organon is headquartered in the United States with approximately 9,000 employees and the company's sales revenue in 2020 amounted to approximately USD 6.5 billion.

Karolinska Development's total ownership in Forendo Pharma, including indirect holdings via KCIF Co-Investment Fund, amounts to 9.7%.

### **For further information, please contact:**

Viktor Drvota, CEO, Karolinska Development AB  
Phone: +46 73 982 52 02, e-mail: [viktor.dravota@karolinskadevelopment.com](mailto:viktor.dravota@karolinskadevelopment.com)

Johan Dighed, General Counsel and Deputy CEO, Karolinska Development AB  
Phone: +46 70 207 48 26, e-mail: [johan.dighed@karolinskadevelopment.com](mailto:johan.dighed@karolinskadevelopment.com)

### **About Karolinska Development AB**

Karolinska Development AB (Nasdaq Stockholm: KDEV) is a Nordic life sciences investment company. The company focuses on identifying breakthrough medical innovations in the Nordic region that are developed by entrepreneurs and leadership teams. The Company invests in the creation and growth of companies that advance these assets into commercial products that are designed to make a difference to patients' lives while providing an attractive return on investment to shareholders.

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 a portfolio of ten companies targeting opportunities in innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by an entrepreneurial team of investment professionals with a proven track record as company builders and with access to a strong global network.

For more information, please visit [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com).

*This information is information that Karolinska Development AB (publ) (Nasdaq Stockholm: KDEV) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Viktor Drvota, at 12:30 CET, November 11, 2021.*