

Umecrine Cognition raises SEK 45 million to advance GR3027, a novel drug candidate for hepatic encephalopathy

STOCKHOLM. Umecrine Cognition AB today announces the closing of a financing round raising SEK 45 million (US\$4.9 million) in accordance with the company's strategy to develop and commercialize its lead compound GR3027 for the treatment of patients with liver cirrhosis and hepatic encephalopathy. Current investors Fort Knox Förvaring AB, Partnerinvest Övre Norrland AB, Norrlandsfonden and Karolinska Development (Nasdaq Stockholm: KDEV) participated in the financing round.

Hepatic encephalopathy (HE) is a serious brain disorder and one of the primary complications in acute and chronic liver disease. The condition is caused by the inability of the damaged liver to remove toxins from the blood, leading to hyperammonemia and neuroinflammation. Main symptoms arise in the brain as impaired brain cell function gives the characteristic clinical manifestations of the disease. The most frequent form is associated with liver cirrhosis and leads to progressive impairments in sleep, personality, cognitive and motor function and subsequently may lead to coma and death. There are currently no treatments available that directly target these neurological symptoms, which have serious detrimental effects on the quality of life of both patients and relatives.

Umecrine Cognition's lead candidate GR3027 is a novel GABAA receptor modulating steroid antagonist (GAMSA) that acts on the neurosteroid enhancement of GABAA receptor activation. GABAA receptor activation is a key driver for the neurological symptoms associated with HE and GR3027 was previously shown to reverse the neurological symptoms associated with HE in two accepted disease models [1]. The company recently announced positive top-line Phase I data demonstrating that GR3027 reverses neurosteroid-induced, GABAA receptor-mediated inhibition of brain function in a human challenge study [2].

Umecrine Cognition CEO, Magnus Doverskog, comments: "This financing round represents a significant confirmation of progress and of our efforts to advance GR3027 to patients with liver cirrhosis and HE. Collectively, our previous findings indicate that GR3027 shows promise as novel treatment for HE, a medical condition with high unmet need. I am very pleased by the continued support from our current investors Karolinska Development, Fort Knox Förvaring AB, Partnerinvest Övre Norrland AB and Norrlandsfonden."

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TO THE EDITORS

About Umecrine Cognition AB

Umecrine Cognition 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 GABAA 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

[2] Umecrine Cognition announces positive top-line Phase 1 data with GR3027 in hepatic encephalopathy demonstrating safety, tolerability and CNS target engagement. Press release, Umecrine Cognition AB, November 3, 2016 (www.umecrinecognition.com).