

CORTENDO Business Strategy and Organizational Update

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Göteborg, Sweden-May 19, 2014. **Cortendo AB [ticker: CORT on NOTC-A] further strengthens its focus on orphan drugs and metabolic disease, and will prioritize investments in its lead Phase 3 orphan drug NormoCort, next generation cortisol inhibitors for Cushing's Syndrome, and the innovative diabetes projects acquired through BioPancreate. As a result, Cortendo will discontinue investments in medical devices for osteoarthritis. These changes in the business strategy are the result of a detailed strategic review by the Board.**

Strategic business review

Growth prospects for orphan drugs and diabetes continue to be very attractive and fit well with the experience and knowledge base of the company and its network. The strategy revision will thus improve the allocation of the company's managerial and financial resources to projects with the highest value and risk adjusted return on investment. A sharpened therapeutic focus will also simplify the company's communication with investors and other external stakeholders as Cortendo prepares for a listing on an official public stock exchange.

The license for the commercial rights of Crespine and Crespine Plus will be returned to its licensor as a result of the strategic decision to terminate the osteoarthritis activities.

Organizational update

Chairman of the Board Eigil Stray Spetalen has concluded that Cortendo would benefit from a Chairman with stronger experience in the pharmaceutical area at this stage in its development, and has indicated his preference of becoming a regular board member. Based on these considerations and with the support of the Board and the Nomination Committee, CEO Dr. H Joseph Reiser has been asked to become Chairman of the Board.

Since Swedish law prohibits a person to hold both the Chairman and CEO position, this change cannot be implemented until a new CEO has been hired. Thus, the Board has initiated a search for a new CEO, and Dr. Reiser will continue in his current position for as long as required to assure flexibility in finding the best candidate and allow for optimal management transition.

'I am very satisfied with this outcome', said Mr. Spetalen. 'This plan will provide both stronger functionality and continuity to the benefit of the company's development'.

The changes in the business strategy and organization will position Cortendo well for near-term growth and longer term success. In addition, Cortendo continues to implement corporate processes needed to fulfill the obligations and expectations of a public company in anticipation of a listing on the Oslo Stock Exchange during the second half of 2014.

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Risk and uncertainty

The development of pharmaceuticals carries significant risk. Failure may occur at any stage during development and

commercialization due to safety or clinical efficacy issues. Delays may occur due to requirements from regulatory authorities not anticipated by the company.

About Cortendo

Cortendo AB is a biopharmaceutical company headquartered in Göteborg, Sweden. Its stock is publicly traded on the NOTC-A-list (OTC) in Norway. Cortendo is a pioneer in the field of cortisol inhibition and has completed early clinical trials in patients with Type 2 diabetes. The lead drug candidate NormoCort, the 2S, 4R-enantiomer of ketoconazole, has been re-focused to Cushing's Syndrome, and has entered Phase 3 development. The company's strategy is to primarily focus its resources within orphan drugs and metabolic diseases and to seek opportunities where the path to commercialization or partnership is clear and relatively near-term. Strategically, Cortendo's business model is to commercialize relevant opportunities in the United States while partnering its assets ex-US. Backed by a highly experienced leadership team Cortendo has plans to continue to implement its pipeline expansion efforts, as well as other near term revenue opportunities.

Cortendo Forward-looking Statements

This press release contains forward-looking statements concerning Cortendo that involve a number of risks and uncertainties. All statements other than statements of historical facts included in this press release, including, without limitation, statements regarding the Company's future financial position, strategy, anticipated investments, costs and results, plans, projects to enhance efficiency, outcomes of products development, future capital expenditures, liquidity requirements and objectives of management for future operations, may be deemed to be forward looking statements. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward looking statements. Given these risks and uncertainties, investors should not place any undue reliance on forward looking statements as a prediction of actual results. None of these forward looking statements constitutes a guarantee of the future occurrence of such facts and data or of actual results. These statements are based on data, assumptions and estimates that the Company believes are reasonable. The forward looking statements contained in this document are made only as of the date hereof. The Company expressly disclaims any obligation or undertaking to release publicly any updates of any forward-looking statements contained in this press release to reflect any change in its actual results, assumptions, expectations or any change in events, factors, conditions or circumstances on which any forward looking statement contained in this press release is based.

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