

BioPancreate Receives First US Patent Notice of Allowance on Novel Diabetes Technology

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Göteborg, Sweden-March 18, 2014. Cortendo AB [ticker: CORT on NOTC-A] today announced that the US Patent Office has granted a Notice of Allowance for the first key patent covering its core technology relating to the use of commensal bacteria that are modified to secrete GLP-1 for the treatment of diabetes. This technology is exclusively licensed to BioPancreate, a wholly-owned subsidiary of Cortendo.

Potential breakthrough oral treatment for type 1 and type 2 diabetes

BioPancreate is developing a novel; orally administered biological therapeutic utilizing modified probiotic human bacteria. These modified human bacteria express an active agent and deliver such agents to the GI tract, triggering the transformation of intestinal enteroendocrine cells into glucose-responsive insulin secreting cells. The lead compound is currently in preclinical development.

Modifying naturally occurring human probiotic bacteria

BioPancreate's biopharmaceutical products under development for diabetes are modifications to the naturally occurring commensal bacteria that exist in the human gastrointestinal tract. Natural probiotics have been shown to be both safe and beneficial when taken orally. The BioPancreate technology advances this approach into a distinct therapeutic application for diabetes by utilizing these bacteria to both produce and deliver an active agent into the small intestine that triggers insulin production and subsequent secretion into the systemic vascular system of the body. These effects have been demonstrated in various preclinical models to date.

The insulin market is large and growing strongly and still has significant unmet need

The global market for insulin products is approximately \$18 billion and has shown an average annual growth of 13% over the last ten years. The incidence and prevalence of diabetes is now at pandemic levels with nearly 300 million diabetics anticipated worldwide by 2030. Approximately 1 in 12 people in the United States now have been reported to have diabetes, and direct medical costs in the US are estimated to be in excess of \$170 billion.

Patients with type 1 diabetes and late stage type 2 diabetes generally become insulin dependent. Even if patients manage their disease with injected insulin, many are unable to achieve even close-to-normal glucose metabolism. Despite all of the new therapeutic advances, diabetes remains the leading cause of blindness, amputations, and kidney failure leading to shortened life expectancy. Diabetes-related heart disease, stroke, amputations and kidney failure have risen over the past decade, despite all of the new medications and new types of insulin available.

Cortendo believes that the diabetes market remains attractive from an investment perspective in particular as to innovative therapies. The large and rapidly growing market is driven by significant longer-term trends that are increasing the number of patients that could be served by new products like those under development at BioPancreate Inc.

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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 is expected to enter Phase 3 development. The company's strategy is to focus its resources to 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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