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Dilaforette changes name to Modus Therapeutics and announces intention to conduct an Initial Public Offering

STOCKHOLM – October 20, 2016. Dilaforette Holding AB, a clinical-stage drug development company, today announced its name change to Modus Therapeutics Holding AB and its intention to undertake an Initial Public Offering ("IPO"). A rights issue is planned in connection with the IPO in order to finance the further clinical development of the Company's lead candidate sevuparin for the treatment of sickle cell disease ("SCD").

Commenting on today's announcement, Christina Herder, CEO of Modus Therapeutics, said: "Modus Therapeutics is entering an exciting phase with the opportunity to develop sevuparin in sickle cell disease in two separate uses based on promising data, recently published in the British Journal of Haematology (Telen *et al*, August, 2016). Sevuparin is now in Phase II clinical trials and we have a clear objective to advance this promising candidate through these trials to establish clinical proof of concept in both a hospital and a home setting over the next years."

Viktor Drvota, Chief Investment Officer at Karolinska Development and recently elected as new member of Modus Therapeutics Board of Directors, said: "Modus Therapeutics has established a strong basis with sevuparin in SCD from which to advance to the next value inflection milestones. The proposed IPO would provide further support to the Company to build on its encouraging clinical findings with sevuparin and develop a potentially best- and first-in-class treatment for SCD patients with few effective therapeutic options. Modus Therapeutics is one of several companies in our portfolio that are expected to deliver important milestones in the coming years and we are delighted with how this portfolio is maturing."

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About Modus Therapeutics

Modus Therapeutics is a clinical-stage drug development company developing new pharmaceutical therapies designed to restore impaired blood flow and oxygen transport in rare diseases with large unmet medical need. The Company's most advanced candidate, sevuparin, is currently being evaluated in a Phase II clinical trial in sickle cell disease (SCD). Repeated painful crises in SCD, so called vaso-occlusive crises ("VOC"), leads to loss of vital organ function and often significantly reduced life span.

Modus Therapeutics is based in Stockholm. The Company's major shareholders are KDev Investments AB (an investment fund jointly owned by Karolinska Development AB and Rosetta Capital), Östersjöstiftelsen (The Foundation for Baltic and East European Studies), and Praktikerinvest PE AB.

For more information, please visit www.modustx.com.

About sevuparin

Sevuparin is an innovative, disease-modifying proprietary polysaccharide drug, which has the potential to restore blood flow and prevent further microvascular obstructions in SCD patients via a multimodal, anti-adhesive mechanism. The microvascular obstructions cause the severe pain during VOCs and the high morbidity through organ damage as well the risk of premature death.

Modus Therapeutics has received Orphan Drug Designation for sevuparin for use in SCD in the US and EU.

About Sickle Cell Disease

Sickle cell disease (SCD) is a painful, inherited blood disorder affecting millions of people around the globe and the most common inherited blood disorder in the US affecting between 90,000-100,000 subjects, with medical care costs amounting to more than $1 billion. In Europe it is estimated that there are 35,000-40,000 SCD patients, and this number is higher in the Middle East and North Africa regions, with over 850,000 SCD patients.

There is currently no pharmaceutical product available that targets the underlying cause of VOCs that affect SCD patients. Current therapies are predominantly strong intravenous pain medications and SCD patients often have to be hospitalized in order to be treated.

IMPORTANT INFORMATION

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In any EEA Member State other than Sweden, which have implemented the Directive 2003/71/EU (together with any applicable implementing measures in that Member State, the "Prospectus Directive"), this announcement is directed only to "qualified investors" in that Member State in accordance with the Prospectus Directive definition.

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Any offering of securities will be made by means of a prospectus made available by Modus Therapeutics which will contain detailed information about Modus Therapeutics and its

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