

# Interim report for the fourth quarter and full year 2013

## **FOURTH QUARTER HIGHLIGHTS**

- Continued progress on the start-up of NormoCort™ Phase 3 development – the first patient expected to be enrolled within the next few months
- Acquired remaining shares in BioPancreate Inc. – holding the rights to a potential break-through treatment concept for Diabetes type 1 and 2
- Net loss for the Group was SEK 10.3 million for the fourth quarter and SEK 32.9 million for the full year, compared with a net loss of SEK 8.1 million in the fourth quarter 2012 and SEK 23.7 million for the full year 2012
- The cost level in the fourth quarter reflects higher G&A and other operating costs related to the preparations for a public exchange listing, as well as unrealized currency losses due to a generally weaker NOK
- Liquid assets amounted to SEK 97.1 million at the end of 2013, up from SEK 24.3 million at the end of 2012

## **OPERATIONAL REVIEW**

### *Pipeline developments*

Cortendo's main operational focus has been to advance its pipeline, in particular NormoCort for Cushing's Syndrome. Continued progress has been made on the start-up of the NormoCort Phase 3 trial, although the enrolment of the first patient into the trial has been delayed due to protocol refinements and logistics related to the activation of clinical sites. Cortendo is in the process of opening 38 expert sites worldwide for this study.

The process of clinical site activation and patient screening was initiated in the first quarter 2014, and a significant majority of the sites are expected to be activated during the second and third quarter this year. We expect enrolment of the first patient within the next few months.

Efforts have also been ongoing to define the development path for Crespine and BioPancreate that should yield development guidance and regulatory clarifications. BioPancreate Inc.'s goal is to complete the pre-clinical development phase with a target to file a US IND by the end of 2014. If accepted, this would allow the company to start Phase 1 clinical development for its novel diabetes project.

*Preparing for potential public listing*

Cortendo has invested significant resources into improving its internal operations in preparation for a potential official public exchange listing, including adoption of IFRS accounting standards for its financial reporting. This fourth quarter and full-year report is prepared in accordance with Swedish GAAP, as were the prior quarterly reports in 2013. The company expects the statutory Annual Report 2013 to be the first report prepared in accordance with IFRS. Also, Cortendo added new additional management capacity.

**Acquired remaining shares in BioPancreate Inc. – Strengthening the position in diabetes research**

During the fourth quarter 2013, Cortendo executed its option to acquire the remaining Founders' shares in BioPancreate in a cashless share exchange for 3,697,500 Cortendo shares, in accordance with authorization given by the Cortendo shareholders at the annual general meeting on May 13, 2013.

BioPancreate is developing a novel, orally delivered biological therapeutic approach utilizing modified probiotic human bacteria. These modified human bacteria express an active agent, which triggers the transformation of intestinal endocrine cells into glucose-responsive insulin secreting cells. The lead compound is currently in pre-clinical development and BioPancreate's goal is to file an IND by the end of 2014.

With this transaction, Cortendo has assumed control of BioPancreate Inc., which is now a US subsidiary of Cortendo AB. However, BioPancreate Inc. will retain its US offices and all operations in the US.

Cortendo has additionally assumed responsibility for the BioPancreate incentive program, containing a combination of outstanding BioPancreate shares and options. The assumption of this program will result in the issuance of 58,000 new shares and 261,000 options in Cortendo. Shareholder authorizations for the required capital increases were obtained at a shareholder meeting on January 17, 2014, and the related transactions are expected to be completed during the first quarter 2014.

**Additions to the Board of Directors**

Cortendo announced in the fourth quarter that Dr. Hilde H. Steineger and Espen Tidemann Jorgensen had accepted to stand for election as new members of the Cortendo Board of Directors, and both were elected to the Board of Directors on the shareholder meeting on January 17, 2014. The changes to the Board of Directors are part of the process to prepare the company for a listing on a public stock exchange.

Dr. Steineger holds a Ph.D. in medical biochemistry and is currently Head of Global Omega-3 Innovation Management at Pronova BioPharma, a BASF company. She is also a board member and Head of the Audit Committee of Algeta ASA. Additional Board memberships include Weifa AS and Invent2 AS. Dr. Steineger was Head of IR for Pronova BioPharma during the introduction of that company on the Oslo Stock Exchange in 2007, until her promotion to Vice President of Business Development in 2009.

Mr. Jorgensen is currently a portfolio manager with Holta Invest, a privately held Norwegian investment company that is also a shareholder in Cortendo AB. Prior to joining Holta Invest, Mr. Jorgensen has had a long and distinguished career as a leading financial analyst of the pharmaceutical and biotechnology sector, including five years with the top-rated Norwegian investment bank DNB Markets. Mr. Jorgensen has extensive experience with the biotechnology sector throughout Scandinavia.

**FINANCIAL REVIEW**

*Cortendo's products are in the research and development phase, and Cortendo does not currently have any product-based revenues.*

*The consolidated financial statements of Cortendo AB and its subsidiaries are prepared for the first time in the fourth quarter 2013. In November 2013, Cortendo acquired 51 % of the shares in BioPancreate Inc. and assumed control of 100 % of the shares in the company. BioPancreate is consolidated with effect from November 1, 2013.*

*For comparison, the income statements and the balance sheets for 2012 have been adjusted to reflect the principles affecting the 2013 report. The financial statements for 2012 thus deviate somewhat from those published historically. The following text references the Profit & Loss and Balance Sheet tables in the reporting currency SEK on page 6-9. In addition, a convenience translation of the Profit & Loss and Balance Sheet tables into US dollars has been provided on page 10-12.*

**Results for the fourth quarter and full-year 2013**

Revenue for the fourth quarter 2013 consisted of Other Operating Income of SEK 2.0 million and SEK 2.3 million for the full year 2013, compared with SEK 0.2 million in the fourth quarter 2012 and SEK 0.4 million for the full year 2012. Other Operating Income represents currency gains.

Operating expenses for the fourth quarter 2013 amounted to SEK 12.9 million and SEK 36.0 million for the full year 2013, compared with SEK 8.3 million in the fourth quarter 2012 and SEK 24.1 million for the full year 2012.

Reported operating expenses in the fourth quarter 2013 were influenced by legal costs of SEK 2.8 million for internal preparation for an official public listing, as well as net unrealized currency losses of SEK 0.6 million. These cost items are essentially of a non-recurring nature, although legal and financial reporting related costs are expected to be at a higher level going forward than they have been historically. The underlying cost development was broadly in line with planning assumptions.

R&D project costs (including patent costs) and payroll & related costs constitute the key underlying cost drivers. R&D project costs (including patent costs) amounted to SEK 4.5 million in the fourth quarter 2013, or approximately 35 percent of operating expenses. Payroll & related costs (including G&A) amounted to SEK 5.7 million, or approximately 44 percent of operating expenses. These figures compare with R&D project costs (including patent costs) of SEK 3.9 million and Payroll & related costs (including G&A) of SEK 4.3 million in the fourth quarter 2012.

The higher R&D costs mainly reflect higher activity for the NormoCort development, whereas the increase in payroll & related costs (including G&A) mainly reflect higher legal costs.

For the full year 2013 R&D project costs (including patent costs) amounted to SEK 12.8 million, or approximately 36 percent of operating expenses, whereas payroll & related costs (including G&A) amounted to SEK 17.0 million or approximately 47 percent of operating expenses. This compares with SEK 13.3 million and SEK 9.7 million, respectively, for the full-year 2012.

The decline in R&D costs (including patent costs) for the full year reflects significantly lower patent costs while development costs increased, whereas the increase in payroll & related costs (including G&A) mainly reflect financing and legal costs.

Net financial income was SEK 0.5 million and SEK 0.8 million for the fourth quarter and full year 2013, respectively, and consisted essentially of interest earned on liquid assets. The current company policy

for cash management is primarily to hold its cash with major Nordic banks but to hedge a significant portion of its future predicted USD based expenses as the majority of expected outflows will be USD-denominated. By the end of the year Cortendo had outstanding USD based hedging contracts covering NOK 61 million. The change in value of these contracts is not recognized as income according to Swedish GAAP. The effect on income according to IFRS would have been SEK 0.7 million.

Net loss was SEK 10.3 million in the fourth quarter 2013, and SEK 32.9 million for the full year 2013, compared with net losses of SEK 8.1 million in the fourth quarter 2012 and SEK 23.7 million for the full year 2012.

### **Cash Position and Balance sheet**

As at 31 December 2013, liquid assets amounted to SEK 97.1 million compared to SEK 24.3 million at the end of December 2012. Equity stood at SEK 131.3 million at the end of 2013, up from SEK 43.1 million at the end of 2012. The increased equity and improved liquidity position mainly reflects share capital increases during 2013.

Total liabilities amounted to SEK 6.6 million at the end of 2013, compared to SEK 3.0 million at the end of 2012. Trade Creditors stood at SEK 4.2 million at the end of 2013, representing invoices expensed in 2013 but not yet paid by the end of the year. The corresponding figure at the end of 2012 was SEK 1.0 million.

### **Shareholder information**

Cortendo AB is currently listed on the NOTC-A-list (OTC) in Norway, and has approximately 450 shareholders mainly from Norway, Sweden and the U.S.

The total number of outstanding shares per 31 December 2013 was 87,335,863, with a total number of outstanding share options of 5,651,000. Strike prices vary from SEK 1.00-6.00 per share, with an average of SEK 2.96 per share.

### **Annual Report 2013**

The Annual Report 2013 will be the first report in accordance with IFRS. The effects of the transition on the Income Statement and Balance sheet are relatively small and limited to share based incentive programs and revaluation of financial instruments. The figures affecting the Income Statements 2013 amount to SEK -0.7 million (2012: SEK -0.6 million) for share based incentive programs, and SEK 0.7 million (2012: SEK 0) relating to revaluation of financial instruments. For more detailed information please see the Annual Report that will be published in May 2014.

### **Financial calendar 2014**

Cortendo plans to present its financial results according the following schedule:

Q1 2014: 14 May 2014

Q2 2014: 19 August 2014

Q3 2014: 17 November 2014

Q4 2014: 16 February 2015

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## **ABOUT CORTENDO**

Cortendo AB is a biopharmaceutical company headquartered in Göteborg, Sweden, trading 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 in 2014. 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.*

## Profit & Loss Q4 and Full Year 2013 Group

(Amounts in SEK)	4th Quarter (October-December)		Q1-Q4 (January-December)	
	Q4 2013	Q4 2012	Full Year 2013	Full Year 2012
<b>Net Sales</b>				
Other Operating Income	2 039 236	221 210	2 304 069	384 032
<b>Operating Expenses</b>				
R&D Project Costs	-3 938 535	-3 446 920	-11 789 000	-10 715 911
Patent Costs	-546 934	-460 711	-1 011 757	-2 573 493
G&A Costs	-4 232 596	-2 995 109	-10 749 700	-5 302 662
Payroll & Related Costs	-1 487 482	-1 277 215	-6 236 329	-4 360 638
Other Operating Expenses	-2 608 877	-40 781	-5 954 648	-861 672
Share of loss in associates	-66 631	-107 290	-275 772	-256 165
Depreciation	-3 915	-2 826	-15 665	-11 305
<b>Operating Profit / Loss</b>	<b>-10 845 734</b>	<b>-8 109 642</b>	<b>-33 728 802</b>	<b>-23 697 814</b>
Other Financial Income	528 493	3 040	803 236	14 476
Other Financial Expenses	-1 634	-100	-1 634	-15 669
<b>Total Financial Operations</b>	<b>526 859</b>	<b>2 940</b>	<b>801 602</b>	<b>-1 193</b>
<b>Net Profit / Loss for the Year</b>	<b>-10 318 875</b>	<b>-8 106 702</b>	<b>-32 927 200</b>	<b>-23 699 007</b>

*Note: Other Operating Income and Other Operating Expenses for periods in 2013 and 2012 represent foreign currency gains and losses respectively.*

*The figures for 2013 are unaudited.*

## Balance Sheet Year End 2013

### Group

(Amounts in SEK)	Year End 2013	Year End 2012
<b>ASSETS</b>		
<b>Fixed Assets</b>		
Intangible Assets	40 272 747	0
<i>Tangible Assets</i>		
Equipment	41 146	32 620
<b>Financial Assets</b>		
Investment BioPancreate Inc.	0	21 455 356
Deposition	78 379	78 379
<b>Total Fixed Assets</b>	<b>40 392 272</b>	<b>21 566 355</b>
<b>Current Assets</b>		
Other Receivables	332 872	233 577
Prepaid Expenses & Accrued Income	12 313	12 903
<b>Total Current Assets</b>	<b>345 185</b>	<b>246 480</b>
<b>Liquid Assets</b>	<b>97 123 121</b>	<b>24 273 146</b>
<b>Total Assets</b>	<b>137 860 578</b>	<b>46 085 981</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Restricted Equity</b>		
Share Capital	87 335 863	49 022 043
Non-registered share capital	0	6 822 777
Premium Fund	130 364 172	130 364 172
<b>Non-Restricted Equity</b>		
Accumulated Loss	-184 516 478	-161 735 547
Share Premium Reserve	131 022 092	42 312 098
Loss For The Period	-32 927 200	-23 699 007
<b>Total Equity</b>	<b>131 278 449</b>	<b>43 086 536</b>
<b>Current Liabilities</b>		
Trade Creditors	4 238 211	1 003 162
Other Liabilities	94 148	24 107
Deferred Costs and Prepaid Income	2 249 770	1 972 176
<b>Total Current Liabilities</b>	<b>6 582 129</b>	<b>2 999 445</b>
<b>Total Equity and Liabilities</b>	<b>137 860 578</b>	<b>46 085 981</b>

Note: The figures for 2013 are unaudited.

## Profit & Loss Q4 and Full Year 2013

### Parent Company

(Amounts in SEK)	4th Quarter (October-December)		Q1-Q4 (January-December)	
	Q4 2013	Q4 2012	Full Year 2013	Full Year 2012
<b>Net Sales</b>				
Other Operating Income	2 039 236	221 210	2 304 069	384 032
<b>Operating Expenses</b>				
R&D Project Costs	-3 982 885	-3 446 920	-11 833 350	-10 715 911
Patent Costs	-417 273	-460 711	-882 096	-2 573 493
G&A Costs	-4 232 596	-2 995 109	-10 749 700	-5 302 662
Payroll & Related Costs	-1 487 482	-1 277 215	-6 236 329	-4 360 638
Other Operating Expenses	-2 538 604	-40 781	-5 884 375	-861 672
Depreciation	-3 915	-2 826	-15 665	-11 305
<b>Operating Profit / Loss</b>	<b>-10 623 519</b>	<b>-8 002 352</b>	<b>-33 297 446</b>	<b>-23 441 649</b>
Other Financial Income	528 480	3 040	803 224	14 476
Other Financial Expenses	-1 634	-100	-1 634	-15 669
<b>Total Financial Operations</b>	<b>526 846</b>	<b>2 940</b>	<b>801 590</b>	<b>-1 193</b>
<b>Net Profit / Loss for the Year</b>	<b>-10 096 673</b>	<b>-7 999 412</b>	<b>-32 495 856</b>	<b>-23 442 842</b>

*Note: Other Operating Income and Other Operating Expenses for periods in 2013 and 2012 represent foreign currency gains and losses respectively.*

*The figures for 2013 are unaudited.*



## Balance Sheet Year End 2013

### Parent Company

(Amounts in SEK)	Year End 2013	Year End 2012
<b>ASSETS</b>		
<b>Fixed Assets</b>		
<i>Tangible Assets</i>		
Equipment	38 758	32 620
<b>Financial Assets</b>		
Shares In Subsidiary (Cortendo Invest AB)	67 466	69 100
Investment BioPancreate Inc.	40 309 945	21 711 520
Deposition	78 379	78 379
<b>Total Fixed Assets</b>	<b>40 494 548</b>	<b>21 891 619</b>
<b>Current Assets</b>		
Other Receivables	332 872	232 863
Receivables Group company	78 120	0
Prepaid Expenses & Accrued Income	12 313	12 903
<b>Total Current Assets</b>	<b>423 305</b>	<b>245 766</b>
<b>Liquid Assets</b>	<b>96 446 214</b>	<b>24 270 574</b>
<b>Total Assets</b>	<b>137 364 067</b>	<b>46 407 959</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Restricted Equity</b>		
Share Capital	87 335 863	49 022 043
Non-registered share capital	0	6 822 777
Premium Fund	130 362 403	130 362 403
<b>Non-Restricted Equity</b>		
Accumulated Loss	-185 180 109	-161 737 267
Share Premium Reserve	131 022 092	42 312 097
Loss For The Period	-32 495 856	-23 442 842
<b>Total Equity</b>	<b>131 044 393</b>	<b>43 339 211</b>
<b>Current Liabilities</b>		
Trade Creditors	4 238 211	1 003 162
Liabilities Group company	70 955	69 303
Other Liabilities	39 139	24 107
Deferred Costs and Prepaid Income	1 971 369	1 972 176
<b>Total Current Liabilities</b>	<b>6 319 674</b>	<b>3 068 748</b>
<b>Total Equity and Liabilities</b>	<b>137 364 067</b>	<b>46 407 959</b>

Note: The figures for 2013 are unaudited.

### Profit & Loss Q4 and Full Year 2013 (Convenience Translation\*) Group

(Amounts in USD)	4th Quarter (October-December)		Q1-Q4 (January-December)	
	Q4 2013	Q4 2012	Full Year 2013	Full Year 2012
<b>Net Sales</b>				
Other Operating Income	313 729	33 517	353 928	58 901
<b>Operating Expenses</b>				
R&D Project Costs	-605 928	-522 261	-1 810 906	-1 643 545
Patent Costs	-84 144	-69 805	-155 416	-394 708
G&A Costs	-651 169	-453 804	-1 651 260	-813 292
Payroll & Related Costs	-228 843	-193 517	-957 961	-668 810
Other Operating Expenses	-401 366	-6 179	-914 692	-132 158
Depreciation	-602	-428	-2 406	-1 734
<b>Operating Profit / Loss</b>	<b>-1 658 324</b>	<b>-1 212 478</b>	<b>-5 138 714</b>	<b>-3 595 345</b>
Other Financial Income	81 307	461	123 385	2 220
Other Financial Expenses	-251	-15	-251	-2 403
<b>Total Financial Operations</b>	<b>81 055</b>	<b>445</b>	<b>123 134</b>	<b>-183</b>
<b>Net Profit / Loss for the Year</b>	<b>-1 577 268</b>	<b>-1 212 032</b>	<b>-5 015 580</b>	<b>-3 595 528</b>

\* The P&L in SEK has been translated into USD via the FX rates for the corresponding period

Average Rate SEK/USD Q4 2012: 6,60

Average Rate SEK/USD Q4 2013: 6,50

Average Rate SEK/USD FY 2012: 6,52

Average Rate SEK/USD FY 2013: 6,51

Note: Other Operating Income and Other Operating Expenses for periods in 2013 and 2012 represent foreign currency gains and losses respectively.

The figures for 2013 are unaudited.

### Profit & Loss Q4 and Full Year 2013 (Convenience Translation\*) Parent Company

(Amounts in USD)	4th Quarter (October-December)		Q1-Q4 (January-December)	
	Q4 2013	Q4 2012	Full Year 2013	Full Year 2012
<b>Net Sales</b>				
Other Operating Income	313 729	33 517	353 928	58 901
<b>Operating Expenses</b>				
R&D Project Costs	-612 752	-522 261	-1 817 719	-1 643 545
Patent Costs	-64 196	-69 805	-135 499	-394 708
G&A Costs	-651 169	-453 804	-1 651 260	-813 292
Payroll & Related Costs	-228 843	-193 517	-957 961	-668 810
Other Operating Expenses	-390 554	-6 179	-903 898	-132 158
Depreciation	-602	-428	-2 406	-1 734
<b>Operating Profit / Loss</b>	<b>-1 634 388</b>	<b>-1 212 478</b>	<b>-5 114 815</b>	<b>-3 595 345</b>
Other Financial Income	81 305	461	123 383	2 220
Other Financial Expenses	-251	-15	-251	-2 403
<b>Total Financial Operations</b>	<b>81 053</b>	<b>445</b>	<b>123 132</b>	<b>-183</b>
<b>Net Profit / Loss for the Year</b>	<b>-1 553 334</b>	<b>-1 212 032</b>	<b>-4 991 683</b>	<b>-3 595 528</b>

\* The P&L in SEK has been translated into USD via the FX rates for the corresponding period

Average Rate SEK/USD Q4 2012: 6,60

Average Rate SEK/USD Q4 2013: 6,50

Average Rate SEK/USD FY 2012: 6,52

Average Rate SEK/USD FY 2013: 6,51

Note: Other Operating Income and Other Operating Expenses for periods in 2013 and 2012 represent foreign currency gains and losses respectively.

The figures for 2013 are unaudited.

### Balance Sheet Year End 2013 (Convenience Translation\*) Group

(Amounts in USD)	Year End 2013	Year End 2012
<b>ASSETS</b>		
<b>Fixed Assets</b>		
Intangible Assets	6 186 290	0
<i>Tangible Assets</i>		
Equipment	6 320	5 003
<b>Financial Assets</b>		
Investment BioPancreate Inc.	0	3 290 699
Deposition	12 040	12 021
<b>Total Fixed Assets</b>	<b>6 204 650</b>	<b>3 307 723</b>
<b>Current Assets</b>		
Other Receivables	51 132	35 825
Prepaid Expenses & Accrued Income	1 891	1 979
<b>Total Current Assets</b>	<b>53 024</b>	<b>37 804</b>
<b>Liquid Assets</b>	<b>14 919 066</b>	<b>3 722 875</b>
<b>Total Assets</b>	<b>21 176 740</b>	<b>7 068 402</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Restricted Equity</b>		
Share Capital	13 415 647	7 518 718
Non-registered share capital	0	1 046 438
Premium Fund	20 025 218	19 994 505
<b>Non-Restricted Equity</b>		
Accumulated Loss	-28 343 545	-24 806 065
Share Premium Reserve	20 126 281	6 489 586
Loss For The Period	-5 057 942	-3 634 817
<b>Total Equity</b>	<b>20 165 660</b>	<b>6 608 364</b>
<b>Current Liabilities</b>		
Trade Creditors	651 031	153 859
Other Liabilities	14 462	3 697
Deferred Costs and Prepaid Income	345 587	302 481
<b>Total Current Liabilities</b>	<b>1 011 080</b>	<b>460 038</b>
<b>Total Equity and Liabilities</b>	<b>21 176 740</b>	<b>7 068 402</b>

\* The Balance Sheet in SEK has been translated into USD via the FX rates for the corresponding period

Year End Exchange Rate SEK/USD 2012: 6,52

Year End Exchange Rate SEK/USD 2013: 6,51

Note: The figures for 2013 are unaudited.

## Balance Sheet Year End 2013 (Convenience Translation\*)

### Parent Company

(Amounts in USD)	Year End 2013	Year End 2012
<b>ASSETS</b>		
<b>Fixed Assets</b>		
<i>Tangible Assets</i>		
Equipment	5 954	5 003
<b>Financial Assets</b>		
Shares In Subsidiary (Cortendo Invest AB)	10 363	10 598
Investment BioPancreate Inc.	6 192 004	3 329 988
Deposition	12 040	12 021
<b>Total Fixed Assets</b>	<b>6 220 361</b>	<b>3 357 610</b>
<b>Current Assets</b>		
Other Receivables	51 132	35 715
Receivables Group company	12 000	0
Prepaid Expenses & Accrued Income	1 891	1 979
<b>Total Current Assets</b>	<b>65 024</b>	<b>37 694</b>
<b>Liquid Assets</b>	<b>14 815 087</b>	<b>3 722 481</b>
<b>Total Assets</b>	<b>21 100 471</b>	<b>7 117 785</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Restricted Equity</b>		
Share Capital	13 415 647	7 518 718
Non-registered share capital	0	1 046 438
Premium Fund	20 024 947	19 994 234
<b>Non-Restricted Equity</b>		
Accumulated Loss	-28 445 485	-24 806 329
Share Premium Reserve	20 126 281	6 489 585
Loss For The Period	-4 991 683	-3 595 528
<b>Total Equity</b>	<b>20 129 707</b>	<b>6 647 118</b>
<b>Current Liabilities</b>		
Trade Creditors	651 031	153 859
Liabilities Group company	10 899	10 629
Other Liabilities	6 012	3 697
Deferred Costs and Prepaid Income	302 822	302 481
<b>Total Current Liabilities</b>	<b>970 764</b>	<b>470 667</b>
<b>Total Equity and Liabilities</b>	<b>21 100 471</b>	<b>7 117 785</b>

\* The Balance Sheet in SEK has been translated into USD via the FX rates for the corresponding period  
Year End Exchange Rate SEK/USD 2012: 6,52  
Year End Exchange Rate SEK/USD 2013: 6,51

Note: The figures for 2013 are unaudited.

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