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HealthCap invests in Modus Therapeutics

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HealthCap is a European venture capital firm with a focus on investments in breakthrough therapies of diseases with highly unmet medical needs. Modus Therapeutics' most advanced drug candidate sevuparin, a potential new treatment for sickle cell disease (SCD), is currently being evaluated in a Phase II clinical study.



Karolinska Development announces that HealthCap with an investment of SEK 60 million becomes a new shareholder of Modus Therapeutics. At the same time, convertible notes held by current shareholders will also be converted into shares. The new investment together with the conversion, amount to a total of just above SEK 140 million in Series A preference shares. The transaction will increase the book value of Karolinska Development's holding in Modus Therapeutics. As a consequence, a positive effect on earnings by approximately SEK 35 million will be reported in the income statement for the second quarter of 2018, to be published on the 16th of August.

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"HealthCap is one of Europe's leading and most reputable investors within life science. We view their investment in Modus Therapeutics as a clear acknowledgment of the quality and innovative depth of our portfolio company's pipeline project," says Karolinska Developments CEO, Viktor Drvota.

SCD is caused by a mutation that causes red blood cells to sickle. The sickled red blood cells clump together, thereby restricting blood supply to organs, which can lead to episodes of severe pain and a need for immediate medical care. SCD may result in life-threatening conditions and life expectancies for men and women with the disease are just 42 and 48 years respectively. Aside from analgesics, there is currently no treatment available for the acute pain experienced with SCD.

"HealthCap sees ample opportunities for Modus Therapeutics' orphan drug candidate sevuparin to be an important treatment for SCD. We look forward to the next important step in the company's development, which is the completion of the ongoing Phase II study that aims to deliver proof of concept," says HealthCap's Partner Mårten Steen.