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PRESS RELEASE

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LEO Pharma & KLOX Technologies strike global dermatology deal

Dermatology leader LEO Pharma expands into acne, further pushing the boundaries of dermatology care

KLOX gains access to global market, cementing its position as a leading Canadian life sciences specialty company

Ballerup, Denmark and Laval, Canada - July 15, 2014 -- LEO Pharma A/S and KLOX Technologies Inc. (KLOX) have entered into a worldwide license and joint venture agreement, excluding Canada, to further develop and commercialize KLOX's BioPhotonic technology platform in dermatology, which includes a CE approved treatment for moderate to severe acne. LEO Pharma will also make an equity investment in KLOX.

The deal paves the way for LEO Pharma's first medical device therapy and first global market entry in acne, the most common skin disease affecting more than 150 million people worldwide. In turn, KLOX has gained global access for its game-changing acne treatment, another significant milestone, as it builds on commercial partnerships to fuel its growth and bring its proprietary and innovative treatments to market in dermatology.

“Today, there is a significant unmet need for alternative acne therapies. With this technology, LEO Pharma aims at soon offering a new treatment solution that is non-invasive and effective. We hope it will enable patients to integrate acne therapy into their everyday lives and successfully manage their condition,” says LEO Pharma CEO and President Gitte Aabo.

“This deal reflects our increased commitment to strategic partnerships, a key driver in strengthening LEO Pharma’s position as a global leader in dermatology. By partnering with innovative companies like KLOX, LEO Pharma aims to push the boundaries of dermatology care and deliver more treatment solutions that make a real difference to the lives of people with skin diseases.”

Dr. Lise Hébert, President and CEO of KLOX states: “Securing LEO Pharma, a first-class pharmaceutical and dermatology leader with commercial activities in over 100 countries, as our partner further validates our technology and its applicability in multiple therapeutic areas. Together with Leo Pharma, a world leader in delivering solutions to achieve healthy skin, the two companies will aim at developing and commercializing innovative and proprietary BioPhotonic therapies in dermatology with the intent of bringing patients efficacious products with a good safety profile.”

“This deal also represents the completion of a significant step in KLOX’s strategic roadmap aimed at achieving sustainable, commercial profitability in the short to medium term. Gaining global market access for our dermatological treatments through strategic partnerships has enabled us to solidify our position as a leading Canadian specialty biopharmaceutical company. It will also allow us to focus human and financial resources on the development of our promising wound care program, which KLOX plans on commercializing as early as H1 of 2015 in Europe,” added Dr. Hébert.

The non-abrasive, non-thermal CE approved acne treatment comprises a multi-LED light used in conjunction with a photoactivable converter gel. It works by targeting the underlying problems that lead to acne vulgaris, as well as stimulating collagen synthesis and healing in traumatized skin, thereby promoting healing in the epidermis and deeper in the dermis. This is accomplished in a non-invasive manner. Completed within a 15-minute treatment cycle including preparation, treatment requires twice-weekly application over six weeks and in clinical trials the acne BioPhotonic system demonstrated highly statistically significant improvements in moderate to severe acne sufferers.

The global agreement, which includes all countries except Canada, also establishes the foundation for future collaboration between LEO Pharma and KLOX in developing new dermatological treatment solutions based on KLOX’s unique and proprietary BioPhotonic platform.

Under the terms of the agreement, LEO Pharma will be responsible for clinical and commercial activities, including manufacturing. In addition, LEO Pharma will provide financial funding support for KLOX research and product development in

dermatology. The financial terms include a significant upfront, as well as a double-digit, escalating, tiered royalty rate based on product sales.

About LEO Pharma

LEO Pharma helps people achieve healthy skin. By offering care solutions to patients in more than 100 countries globally, the company supports people in managing their skin conditions. Founded in 1908 and owned by the LEO Foundation, LEO Pharma has devoted decades of research and development to delivering products and solutions to people suffering from skin diseases. LEO Pharma is headquartered in Denmark and employs around 4,800 people worldwide. For more information, visit www.leo-pharma.com

About KLOX Technologies

KLOX is a leading Canadian life sciences specialty biopharmaceutical company based in Laval, Quebec, Canada. KLOX is focused on the development and commercialization of a unique, non-invasive BioPhotonic platform with the goal to set new standards in healthcare solutions. KLOX's products and programs are destined for the rapidly growing dermatological, wound care, oral care, cosmetic, and other medical markets. **For further information on KLOX, please visit the Company's website www.kloxtechnologies.com or follow us on Twitter [@KLOXTech](https://twitter.com/KLOXTech).**

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To see video, please visit <http://www.kloxtechnologies.com/en/dermatology/acne-vulgaris>

To see pictures, [click here](#).

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