

Organon to Acquire Forendo Pharma

Acquisition adds pipeline of candidates targeting novel treatments in women's health

JERSEY CITY, N.J. & TURKU, FINLAND – Organon (NYSE: OGN), and Forendo Pharma today announced that the companies have entered into a definitive agreement, under which Organon will acquire Forendo, a clinical-stage drug development company focused on novel treatments in women's health. Forendo is pioneering the science of intracrinology, addressing disease through a novel, tissue-specific approach. Its lead clinical compound is an investigational, potentially first-in-class oral 17 β -hydroxysteroid dehydrogenase type 1 (HSD17B1) inhibitor in early clinical development for endometriosis, being evaluated for its potential effect on endometriotic lesions. Endometriosis is a common and chronic condition that affects up to 1 in 10 women of reproductive age, causes abdominal pain and is associated with infertility.

“Organon is dedicated to delivering medically significant women's healthcare interventions, prioritizing disease areas based on her unmet needs. Endometriosis is among our highest priority areas of focus,” said Kevin Ali, Organon's Chief Executive Officer. “Our acquisition of Forendo further demonstrates our commitment to building a pipeline of impactful treatment options for women with unmet medical needs.”

Preclinical research suggests that Forendo's lead investigational clinical compound, FOR-6219, inhibits the conversion of low potency estrone into highly potent estradiol in endometriotic lesions ex vivo. This investigational compound is different than currently available treatments because of its potential ability to act locally in the target tissues without impacting systemic hormone levels. This potentially selective activity allows for its evaluation as a long-term treatment option for endometriosis. There are currently no long-term treatment options for endometriosis approved. FOR-6219 is entering Phase 2 clinical development.

Forendo's pipeline also includes a preclinical program targeting polycystic ovarian syndrome (PCOS), one of the most common women's health conditions often associated with metabolic disorders, hyperandrogenism and infertility. As there are currently no approved therapies for PCOS, this represents another priority disease area for Organon.

Risto Lammintausta, CEO of Forendo, emphasized the importance of the transaction: “This is a great opportunity for Forendo to join forces with a larger organization capable of accelerating the development of our innovative product candidates through mid and late-stage trials and, once approved, make the resulting drugs available to patients suffering from endometriosis and PCOS worldwide. Based on the preclinical data, we believe our novel therapeutic mechanisms hold promise in therapeutic areas where patients currently have limited options.”

Consideration for the transaction includes a \$75 million upfront payment, assumption of approximately \$9 million of Forendo debt, payments upon the achievement of certain development and regulatory milestones of up to \$270 million and commercial milestones payments of up to \$600 million, which together could amount to total consideration of \$954 million. Completion of the transaction is subject to review under the Hart-Scott-Rodino Antitrust Improvements Act and other customary conditions. The transaction is expected to close in December 2021.

About Organon

Organon is a global healthcare company formed through a spin-off from Merck, (NYSE: MRK) known as MSD outside of the United States and Canada, to focus on improving the health of women throughout their lives. Here for her health, Organon has a portfolio of more than 60 medicines and products across a range of therapeutic areas. Led by the reproductive health portfolio coupled with an expanding biosimilars business and stable franchise of established medicines, Organon's products produce strong cash flows that will support investments in future growth opportunities in women's health. In addition, Organon is pursuing opportunities to collaborate with biopharmaceutical innovators looking to commercialize their products by leveraging its scale and presence in fast growing international markets.

Organon has a global footprint that serves people in over 140 markets, world-class commercial capabilities and approximately 9,000 employees with headquarters located in Jersey City, New Jersey.

For more information, visit <http://www.organon.com> and connect with us on [LinkedIn](#) and [Instagram](#).

Forward-Looking Statement of Organon

Except for historical information herein, this news release includes "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about management's expectations about Organon's acquisition of Forendo and the potential of FOR-6219 to become a long-term treatment option for endometriosis. Forward-looking statements may be identified by words such as "expects," "potential," "intends," "anticipates," "plans," "believes," "seeks," "estimates," "will" or words of similar meaning. These statements are based upon the current beliefs and expectations of Organon's management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include, but are not limited to, the possibility that any of the anticipated benefits of Organon's acquisition of Forendo will not be realized or will not be realized within the expected time period; the risk that integration of Forendo will be materially delayed or will be more costly or difficult than expected; the failure to satisfy any conditions to completion of the proposed acquisition or the failure to close for any other reason; the possibility that FOR-6219 may not become a long-term treatment option for endometriosis; general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of the ongoing COVID-19 pandemic and emergence of variant strains; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances; new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; Organon's ability to accurately predict its future financial results and performance; Organon's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; difficulties developing and sustaining relationships with commercial counterparties; dependence on the effectiveness of Organon's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

Organon undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in Organon's filings with the Securities and Exchange Commission (SEC), including its registration statement on Form 10, available at the SEC's Internet site (www.sec.gov).

About Forendo

Forendo is pioneering the translation of intracrinology science into first-in-class therapeutic solutions. Intracrinology enables physicians to address diseases on an unprecedented tissue-specific level. Forendo's lead clinical compound in endometriosis is being evaluated for its potential effect on endometriotic lesions, a significant unmet need. The company's second program is targeting polycystic ovarian syndrome (PCOS) which currently has no approved therapies. In addition to women's health programs, Forendo has a strategic collaboration with Novartis leveraging its unique HSD17B platform in chronic liver diseases. Forendo is based in Finland and backed by Novo Seeds, Karolinska Development, Innovestor, Novartis Venture Fund, M Ventures, Vesalius Biocapital III Partners and Sunstone Life Science Ventures. For more information, please visit: www.forendo.com.

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Media Contacts

Karissa Peer
(614) 314-8094
Kate Vossen
(732) 675-8448

Investor Contacts

Jennifer Halchak
(201) 275-2711
Edward Barger
(267) 614-4669