

Karolinska Development's portfolio company Modus Therapeutics raises capital to expand the development program for sevuparin

STOCKHOLM, SWEDEN November 8, 2023. Karolinska Development AB (Nasdaq Stockholm: KDEV) today announces that its portfolio company Modus Therapeutics has decided to carry out a rights issue that can raise up to approximately SEK 40.3 million before issue costs. The rights issue is secured to 43.8 percent through subscription commitments. The capital injection will primarily be used to finance the company's continued operations and an expansion of the clinical development program for the drug candidate sevuparin to the area of anemia. Karolinska Development intends to subscribe for shares in the rights issue for a total amount of SEK 15.0 million. In addition, a directed issue to Karolinska Development is carried out, whereby loans of approximately SEK 20.3 million will be offset against newly issued shares.

Modus Therapeutics, listed on Nasdaq First North Growth Market, is developing the drug candidate sevuparin with the aim of revolutionizing the treatment of sepsis/septic shock and other medical conditions characterized by severe systemic inflammation. After a determined scientific effort, the company has been able to apply for new intellectual property protection, which in turn enables a broadening of the clinical development program to the indication of anemia in chronic disease/kidney disease. Most of the proceeds from the rights issue will be used to finance a clinical phase IIa study of sevuparin in anemia.

"We welcome our portfolio company Modus Therapeutics' initiative to fund the expansion of the clinical development program for sevuparin into the area of anemia, where the need for better treatments is immense. This provides opportunities to spread the indication-specific risks in the project portfolio and increases the flexibility ahead of future business development and financing activities," says Viktor Drvota, CEO, Karolinska Development.

The subscription price in the offset issue to Karolinska Development is SEK 2.00 per share, which is the same subscription price as in the rights issue and corresponds to 30 days VWAP (Volume-Weighted Average Price) with a discount of 5.25 percent. The payment shall be made through offset of claims arising from previously granted bridge loans to Modus Therapeutics.

Karolinska Development's direct ownership interest, and indirect ownership interest via KDev Investment, in Modus Therapeutics amounts to 38% and 17%, respectively (before the issues).

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TO THE EDITORS

About Karolinska Development AB

Karolinska Development AB (Nasdaq Stockholm: KDEV) is a Nordic life sciences investment company. The company focuses on identifying breakthrough medical innovations in the Nordic region that are developed by entrepreneurs and leadership teams. The Company invests in the creation and growth of companies that advance these assets into commercial products that are designed to make a difference to patients' lives while providing an attractive return on investment to shareholders.

Karolinska Development has access to world-class medical innovations at the Karolinska Institutet and other leading universities and research institutes in the Nordic region. The Company aims to build companies around scientists who are leaders in their fields, supported by experienced management teams and advisers, and co-funded by specialist international investors, to provide the greatest chance of success.

Karolinska Development has a portfolio of eleven companies targeting opportunities in innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by an entrepreneurial team of investment professionals with a proven track record as company builders and with access to a strong global network.

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