

## **Interim Report - January-June 2021**

**STOCKHOLM – 19 August 2021. Karolinska Development AB (Nasdaq Stockholm: KDEV) today publishes its Interim Report - January-June 2021. The full report is available on the Company's website.**

“The second quarter saw two of our portfolio companies – Umecrine Cognition and Promimic – announce their intention to list their shares. A third portfolio company, Biosergen, was listed on the NASDAQ First North Growth Market in June, and then in July, yet another portfolio company, Modus Therapeutics, was listed on the NASDAQ First North Growth Market. The announcements reflect the companies’ increased maturity levels and future listings may facilitate the financing of their ongoing efforts to develop and commercialise ground-breaking products with the potential to improve patients’ health and extend their lives.”, says Viktor Drvota, CEO, Karolinska Development.

### **Significant events during the second quarter**

- The portfolio company Dilafor announced that it has completed the inclusion of patients to its study of tafoxiparin – a drug candidate with the potential to shorten the delivery time in women receiving treatment to initiate labor (April 2021).
- The portfolio company Aprea Therapeutics announced that the U.S. Food and Drug Administration (FDA) has granted orphan drug designation to their drug candidate eprenetapopt for the treatment of acute myeloid leukemia (AML) (April 2021).
- The portfolio company Umecrine Cognition announced that they have published results from the recently conducted phase 2a study of the drug candidate golexanolone in the highly regarded scientific journal Journal of Hepatology (April 2021).
- At its Annual General Meeting, Karolinska Development voted to, among other things, re-elect Björn Cochlovius, Tse Ping, Anna Lefevre Sköldebrand, Ben Toogood and Theresa Tse to its Board of Directors, and to elect Björn Cochlovius Chairman of the Board (May 2021).
- The portfolio company OssDsign raises SEK 270 million through an oversubscribed rights issue (May 2021).
- The portfolio company Umecrine Cognition is preparing a listing on Nasdaq First North Growth Market in Stockholm during the fourth quarter 2021. The purpose of the planned IPO is to finance the development plan that the company has prepared based on the positive phase 2 results for golexanolone as a treatment of liver encephalopathy (May 2021).
- The portfolio company Dilafor announced that they have concluded a phase 2b study with its drug candidate tafoxiparin which showed a significant positive impact on cervical ripening in first-time mothers receiving treatment to induce labor. Based on an external valuation, Karolinska Development increased the book value of its holding in the portfolio company Dilafor. The external valuation, which has been risk-adjusted by Karolinska Development, has a positive effect of approximately SEK 450 million on the booked fair value of the holding in Dilafor that is indirectly owned via KDev Investments AB. This has a positive impact on the net result in Karolinska Development AB in the second quarter of 2021 amounting to approximately SEK 250 million, corresponding to ca SEK 1.42 per share (June 2021).
- The portfolio company Biosergen has completed a successful and fully subscribed unit offering bringing the company SEK 50 million and that Biosergen’s share will be listed on Nasdaq First North Growth Market in Stockholm on June 24, 2021. The proceeds from the offering allow Biosergen to launch clinical trials of its antifungal drug candidate BSG005 with

the ambition of filing for market approval in the United States and Europe by the end of 2025 (June 2021).

- The portfolio company Promimic announced its evaluation of the possibility of a listing of the company's share on Nasdaq First North Growth Market in 2022. Promimic's unique nanotechnology improves the properties of dental and orthopedic implants and the company has initiated commercialization through its own sales force in the US and in collaboration with solid partners (June 2021).
- The portfolio company Modus Therapeutics announces that they have entered into a collaboration agreement with Imperial College London to evaluate the effect of its drug candidate sevuparin in patients with severe malaria (June 2021).
- The portfolio company Aprea Therapeutics has reported positive outcomes in an ongoing Phase 1/2 study evaluating the efficacy of the company's candidate drug eprenetapopt in combination with venteoclax and azacitidine in patients treated for TP53 mutated acute myeloid leukemia, AML. The results show that the primary efficacy endpoint of complete remission was reached in 37% of patients (June 2021).
- Karolinska Development announced that the company has acquired approximately 21 percent of the shares in AnaCardio AB. The new portfolio company develops drugs for the treatment of heart failure, based on ground-breaking research from the Karolinska Institute. The company's most advanced project is deemed to be ready for evaluation in clinical studies. Karolinska Development's initial investment in AnaCardio is intended to cover costs for necessary activities prior to a planned major capital raising to finance the first part of the project's clinical development (June 2021).

## Significant post-period events

- Karolinska Development announced that the company has sold its entire holding in the listed portfolio company Lipidor AB. In total, the transaction covers 0.95 percent of all outstanding shares in Lipidor and brings in net approximately SEK 4 million in cash to Karolinska Development (July 2021).
- The portfolio company Promimic has received a shared 501(k) clearance from the U.S. Food and Drug Administration (FDA) with the orthopedic company Onkos Surgical. The market clearance concerns the implant product BioGrip® Modular Porous Collars, developed by Onkos Surgical, which has been coated with HAnano Surface in order to treat implant loosening in orthopedic oncology and complex revision surgery (July 2021).
- The portfolio company Umecrine Cognition has carried out a directed new share issue of SEK 35.1 million to broaden the ownership base ahead of a planned IPO and to finance the continued clinical development of the company's drug candidate golexanolone. At the same time, Karolinska Development has chosen to convert loans totalling SEK 66.9 million into shares in Umecrine Cognition at the same subscription price as in the new share issue (July 2021).
- The portfolio company Modus Therapeutics has completed an oversubscribed issue (113% subscription rate), providing the company SEK 30 million after transaction costs. The newly raised capital will primarily be used to finance the continued clinical development of the company's drug candidate sevuparin for sepsis and septic shock. As the next step in the company's development, a successful listing of the company's share on Nasdaq First North in Stockholm has been completed with the 22nd of July as the first day of trading (July 2021).
- The portfolio company Aprea Therapeutics has reported positive results from a Phase 2 trial evaluating its drug candidate eprenetapopt with azacitidine for post-transplant maintenance therapy in patients with TP53 mutant myelodysplastic syndromes (MDS) and acute myeloid

leukemia (AML). The relapse free survival at 1-year post-transplant was 58% and overall survival was 79% (July 2021).

- The US Food and Drug Administration (FDA) has issued a clinical hold for Aprea Therapeutics clinical program evaluating eprenetapopt with acalabrutinib or venetoclax and rituximab in lymphoid malignancies. The issue means there will be a pause in the patient enrollment until the agency reverses the decision. Aprea Therapeutics intends to work in close dialogue with the FDA to clarify and address the agency's concerns in order to resume activity in the clinical trial program as soon as possible (August 2021).
- The portfolio company OssDsign AB has launched OssDsign Catalyst in the U.S. The product is a synthetic bone graft that stimulates the formation of healthy bone tissue in spinal fusion surgeries. The launch constitutes an important step in the company's strategy to establish itself on the bone graft market in the largest geographic market for medical device innovations (August 2021).

## Financial update

- The net profit for the second quarter was SEK 216.4 million (SEK 2.1 million in the second quarter of 2020). Earnings per share totalled SEK 1.23 (SEK 0.01 in the second quarter of 2020). Net profit for the period January – June 2021 amounted to SEK 191.5 (-124.0) million.
- The result of the Change in fair value of shares in portfolio companies for the second quarter amounted to SEK 227.9 million (SEK 7.4 in the second quarter of 2020). The result is largely due to the positive change in the fair value of the holding in Dilafor, attributable to an external valuation in connection with the positive phase 2b study with Tafoxiparin. The result of the Change in fair value of shares in portfolio companies for the period January – June 2021 amounted to SEK 212.4 (-115.3) million.
- The total fair value of the portfolio was SEK 1,397.5 million at the end of June 2021, corresponding to an increase of SEK 465.7 million from SEK 931.8 million at the end of the previous quarter. The net portfolio fair value at that time was SEK 1 030.8 million, corresponding to an increase of SEK 272.7 million from SEK 758.1 million at the end of the previous quarter.
- Net sales totalled SEK 0.6 million during the second quarter of 2021 (SEK 0.6 million during the second quarter of 2020). Net sales for the period January – June 2021 totalled SEK 1.2 (1.7) million
- Karolinska Development invested a total of SEK 44.8 million in portfolio companies during the second quarter. Second quarter investments in portfolio companies by Karolinska Development and other specialised life sciences investors totalled SEK 339.9 million.
- Cash and cash equivalents decreased by SEK 40.8 million during the second quarter, totalling SEK 20.8 million on 30 June 2021. Karolinska Development has the opportunity to utilize a credit facility of up to approximately SEK 43.6 million to cover a possible short-term liquidity need.
- The Parent Company equity totalled SEK 991.8 (883.7) million on 30 June 2021.

*The Interim Report for Karolinska Development AB for the period January-June 2021 is available as a PDF at [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com).*

# KAROLINSKA DEVELOPMENT

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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 established a portfolio of ten 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](http://www.karolinskadevelopment.com)