

## **Karolinska Development's portfolio company Umecrine Cognition initiates preparations for listing on Nasdaq First North Growth Market**

STOCKHOLM, SWEDEN 21 May 2021. Karolinska Development AB (Nasdaq Stockholm: KDEV) announces today that its 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.

Umecrine Cognition pioneers the development of a new class of drugs that affects a well-documented area in the central nervous system. This new class of drugs has the potential to become an efficient treatment of several different cognitive and psychiatric diseases that originate from the brain or other organs. Positive results from a phase 2 study of golexanolone in patients with liver encephalopathy motivate further studies in late phase together with an expansion of the development program to other disease areas. The company's management team and board of directors have solid experience from both the CNS area and drug development and is well supported by an extensive network of key opinion leaders.

During 2020 Umecrine Cognition presented positive results from a phase 2 study evaluating golexanolone in patients with liver encephalopathy (HE) – a neuropsychiatric and neurocognitive condition that emerges following acute and chronic liver injury with an underlying liver failure. The disease is serious and affects up to 1 percent of the population in the US and EU. Approximately a fourth of the patients that develop HE die within five years. Besides the individual suffering, HE is associated with extensive costs for the society. For example, every year 180 000 – 290 000 patients are submitted to hospital in the US due to complications following HE.

The results from the phase 2 study showed that the drug candidate is well tolerated, has a good safety profile and favorable pharmacokinetics. The study results also indicate that golexanolone has a positive effect on cognition through improved responsiveness (CRT), normalized brain signaling (EEG) and improved sleep status (ESS).

“Based on the convincing results that has been generated, and the clinical development plan that has been prepared together with leading experts and key opinion leaders, Umecrine Cognition's drug candidate has reached an advanced clinical phase with a lot of development opportunities. An IPO is a natural step forward with the purpose of financing the future clinical development of golexanolone as a treatment of liver encephalopathy, and expanding its potential to other disease areas, in order to further strengthen its attractiveness for further licensing deals,” comments Karolinska Development's CEO, Viktor Drvota.

Karolinska Development intends to subscribe for 15 percent the shares in an upcoming rights issue that is planned in conjunction with a potential IPO. Today, Karolinska Development's ownership in Umecrine Cognition amounts to 74 %.

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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 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 <http://www.karolinskadevelopment.com>.