KAROLINSKA DEVELOPMENT

YEAR-END REPORT
Jan – Dec 2024

Q4

Karolinska Development

Karolinska Development (Nasdaq Stockholm: KDEV) is an investment company which offers a unique opportunity to participate in the growth in value of a number of Nordic life sciences companies with substantial commercial opportunities. All of the portfolio companies are developing potentially ground-breaking treatments for medical conditions with a substantial need for improved therapies, including priming of labor, brittle bone disease, liver diseases, Parkinson's disease, heart failure, sepsis, anemia in chronic kidney disease, nerve pain, serious viral infections, systemic fungal infections and low back pain. To date, two of the companies have launched their first products, and several companies are in late clinical phase with potential business opportunities over the next two years.

For further information, see www.karolinskadevelopment.com

Financial Update

Fourth quarter

- The net profit/loss for the fourth quarter was SEK 18.6 million (SEK -1,9 million in the fourth quarter of 2023). Earnings per share totaled SEK 0.1 (SEK -0.01 in the fourth quarter of 2023).
- The result of the Change in fair value of shares in portfolio companies for the fourth quarter amounted to SEK 18.7 million (SEK 6.6 million in the fourth quarter of 2023). The result is mainly the effect of the upturn in share price in the listed holdings OssDsign and Modus Therapeutics and also by an increase in value in AnaCardio in connection with the investment round. The upturn was partly offset by a downturn in the share price in the listed holdings.
- The total fair value of the portfolio was SEK 1,451.5 million at the end of December 2024, corresponding to a decrease of SEK 11.6 million from SEK 1,463.1 million at the end of the previous quarter. The net portfolio fair value at the end of December 2024 was SEK 1,120.8 million, corresponding to a decrease of SEK 1.0 million from SEK 1,121.8 million at the end of the previous quarter. The main reason for the net decrease in fair value was the partial divestment of OssDsign and the downturn in the share price of the listed holding Promimic. The decrease was partially offset by the increase in the price of the listed holdings OssDsign and Modus Therapeutics together with the increase in value of AnaCardio in connection with the investment round. The quarter's investments in Umecrine Cognition and BOOST Pharma also contributed to the increase in fair value.
- Net asset value amounted to SEK 1,245.0 million, per share SEK 4.6, at the end of December 2024 (SEK 1,253.4 million, per share SEK 4.6 at the end of December 2023).
- Net sales totaled SEK 0.5 million during the fourth quarter of 2024 (SEK 0.5 million during the fourth quarter of 2023).
- Karolinska Development invested a total of SEK 19.4 million in portfolio companies during the fourth quarter of 2024 (SEK 41.6 million in the fourth quarter of 2023). Fourth quarter 2024 investments in portfolio companies by Karolinska Development and other specialized life sciences investors totaled SEK 155.7 million (SEK 125.3 million in the fourth quarter of 2023).

- Cash and cash equivalents increased by SEK 12.7 million during the fourth quarter, totaling SEK 52.0 million on 31 December 2024 (SEK 85.3 million on 31 December 2023).

Full-year

- The full-year net profit/loss was SEK -8.1 million (SEK 5.4 million in 2023). Earnings per share totaled SEK -0.03 (SEK 0.02 in 2023).
- The full-year result for the change in the fair value of the portfolio amounted to SEK 1.6 million (SEK 15.2 million during 2023).
- The total fair value of the portfolio was SEK 1,451.5 million at the end of December 2024, an increase from SEK 1,440.3 million at the corresponding date in 2023. The net portfolio fair value was SEK 1,120.8 million, an increase by SEK 10.5 million from SEK 1 110.3 million at the corresponding date in 2023.
- Net asset value amounted to SEK 1,245.0 million, per share SEK 4.6, at the end of December 2024 (SEK 1,253.4 million, per share SEK 4.6 at the end of December 2023).
- Revenue totalled SEK 1.8 million for the full-year of 2024 (SEK 2.0 million in 2023).
- Karolinska Development invested a total of SEK 62.0 (103.0) million in its portfolio companies during the full-year. Full-year investments in the portfolio companies by Karolinska Development and other specialised life sciences investors totalled SEK 490.3 (394.5) million.
- Karolinska Development's cash compensation from sold shares and earn-out agreements regarding divested portfolio companies amounted to SEK 42.4 (18.3) million during the year.
- Cash and cash equivalents decreased by SEK 43.3 million during the full-year, totalling SEK 42.0 (85.5) million on 31 December 2024.
- The Board does not propose any dividend for the financial year 2024.

Significant events during the fourth quarter

- The portfolio company Umecrine Cognition presented new preclinical data on golexanolone, showing retained dopamine signaling in Parkinson's disease, at the 10th International Conference on Neurology and Brain Disorders 2024 in Baltimore, Maryland, US (October 2024).
- The portfolio company SVF Vaccines, presented positive clinical safety and immunogenicity data from a clinical phase 1 study of the universal Covid-19 vaccine candidate, SVF-002 (October 2024).
- The portfolio company BOOST Pharma successfully completed a pre-IND meeting with the U.S. Food and Drug Administration, FDA, for its cell therapy aiming to treat children with the rare bone disease Osteogenesis Imperfecta (OI). The positive outcome from the meeting triggered the second tranche of previously agreed investment from Karolinska Development (November 2024).
- Karolinska Development's Extra General Shareholders' Meeting on 13 November 2024 decided, among other things, to elect Will Zeng, with the dismissal of the current director Theresa Tse, as a new director of the Board of Directors. The current directors Hans Wigzell, Anna Lefevre Skjöldebrand, Benjamin Toogood and Philip Duong remain as directors of the Board of Directors and Hans Wigzell remains as chairperson (November 2024).

- The portfolio company SVF Vaccines appointed Dr Gaston Picchio as acting CEO. He will assume the position with effect from November 15th, as Dr Richard Bethell decided to step down as CEO to pursue other professional interests while remaining associated with the company in an advisory role (November 2024).
- The portfolio company Umecrine Cognition presented data from a recent interim analysis from an ongoing Phase 1b/2a clinical study of golexanolone in patients with Primary Biliary Cholangitis. The preliminary results show that golexanolone was well-tolerated and achieved drug exposure levels that correlate to clinical treatment doses. The results were presented at the Late Breaking Poster session at the American Association for the Study of Liver Diseases' (AALSD) 75th Liver Meeting, in San Diego, CA, USA, on November 18, 2024 (November 2024).
- The portfolio company Modus Therapeutics secured access to bridge financing of up to SEK 5 million from Karolinska Development, the company's largest shareholder. The funding enabled Modus to initiate the recently approved phase 2a study in chronic kidney disease (November 2024).
- Karolinska Development announced that the company has decided to implement organizational changes in order to reduce the cost base of its operations. The changes involve reducing the management team by one person and giving notice of redundancy to a total of three employees. This is estimated to reduce the company's personnel costs by approximately 20 percent (December 2024).
- The portfolio company, Modus Therapeutics, dosed the first patient in a phase 2 clinical study of the drug candidate sevuparin, evaluated as a treatment for chronic kidney disease with anemia. The study is being conducted at Centro Ricerche Cliniche di Verona in Italy (December 2024).
- Karolinska Development divested 4,6 million shares in the portfolio company OssDsign and thereby strengthened the investment company's liquidity. Karolinska Development holds nearly 5 million shares in OssDisgn after the divestment (December 2024).
- Karolinska Development announced that the company's Chairman of the Board, Professor Hans Wigzell, has decided to resign from his position. The Board of Directors of Karolinska Development appointed Ben Toogood as new Chairman until the next General Shareholders' Meeting (December 2024).
- The portfolio company Umecrine Cognition raised SEK 23.8 million through a convertible loan to be used for the continuation of the company's clinical study of golexanolone in primary biliary cholangitis. The convertible loan with attached share options is directed to a consortium of investors (December 2024).

Significant post-period events

- The portfolio company AnaCardio secured SEK 205 million in a series A extension financing round and reported positive results from the first part of a Phase 1b/2a study of AC01 in patients with heart failure and reduced ejection fraction. The final part of the study (phase 2a) is expected to start during the first quarter of 2025 (January 2025).
- The portfolio company Dilafor announced that it successfully completed regulatory meetings with the U.S. Food and Drug Administration, FDA, and European Health Agencies, regarding the continued development of the company's drug candidate tafoxiparin. The completed meetings marked the end of a comprehensive dialogue with regulatory authorities in the US and EU to reach an alignment between the authorities on designing pivotal clinical Phase 3 studies in

Europe and the US to evaluate tafoxiparin as a new potential treatment for priming of labor (January 2025).

Viktor Drvota, CEO of Karolinska Development, comments:

“Stronger liquidity will ensure our ongoing ability to continue advancing the portfolio companies that are in earlier stages of development and offer the potential for creating substantial value going forward.”

Contact information

For further information, please contact:

Viktor Drvota, Chief Executive Officer
+46 73 982 52 02
viktor.drvota@karolinskadevelopment.com

Hans Christopher “HC” Toll, Chief Financial Officer
+46 70 717 00 41
Hc.toll@karolinskadevelopment.com

Chief Executive's Report

The final quarter of the year saw a number of changes, both in portfolio companies and to Karolinska Development. The clinical development work by several of our portfolio companies is now reaching the very advanced stage, and this is particularly true for our most recent addition, BOOST Pharma, which is engaged in a dialogue with the FDA regarding phase 3 studies forming the basis for registration. AnaCardio and Umecrine Cognition have both successfully completed financing rounds, with the former raising a total of SEK 205 million that will enable it to continue its ongoing clinical studies after promising interim findings. Karolinska Development has taken advantage of the advances by the OssDsign medtech company to divest shares in the company and thereby realise the profit on just under half of its proprietary holding. This strengthened liquidity will enable us to create substantial value going forward.

BOOST Pharma makes progress with FDA

Our portfolio company, BOOST Pharma, has successfully completed a pre-IND advisory meeting with the US Food and Drug Administration (FDA) regarding the development plan for the company's cell therapy which aims to treat children with the rare bone disease, Osteogenesis Imperfecta. The company will now, based on the positive feedback, begin preparations for a phase 3 clinical development program that will be conducted in the USA and in Europe. The positive outcome of the pre-IND meeting will also trigger the second tranche of Karolinska Development's and Industrifonden's investment in BOOST Pharma in line with an earlier agreement, and we are delighted to increase our ownership in this innovative project which is rapidly progressing towards registration trials.

AnaCardio secures SEK 205 million and reports data

After the quarter's end, our portfolio company, AnaCardio, secured SEK 205 million in a financing round and welcomed Novo Holdings, Pureos Bioventures and Sound Bioventures as new investors. AnaCardio simultaneously reported positive results from the first part of the company's clinical phase 1b/2a studies of its candidate drug, AC01, in patients with heart failure and reduced ejection fraction. The financing will be used to complete the trial and to prepare and initiate start-up activities for a subsequent phase 2b study.

Umecrine continues to develop strongly

In November, Umecrine Cognition presented positive interim data from an ongoing clinical phase 1b/2a study of golexanolone in patients with primary biliary cholangitis (PBC). In December, the company raised SEK 23.8 million through a convertible loan which will be used to finance the ongoing clinical trial with the aim of completing the study in the first half of 2025 – a milestone which, in the event of positive results, could result in a substantial increase in the value of the pharmaceutical project.

Umecrine has also presented preclinical data for golexanolone showing retained dopamine signalling in Parkinson's disease, which is a progressive disease caused by the loss of nerve cells in the brain that produce the signalling substance, dopamine, which leads to various symptoms that reduce the patient's well-being and quality of life.

Modus Therapeutics progresses renal project

In November, the Modus Therapeutics portfolio company secured access to bridge financing of up to SEK 5 million from Karolinska Development, which is the company's largest shareholder. The funding enabled Modus Therapeutics to initiate the clinical phase 2a study of its candidate drug, sevuparin, in chronic kidney disease with anaemia in December. The study is being conducted in Italy and is expected to recruit between

50 and 60 patients (parts 1 and 2). The first part of the study has an estimated completion within the first half of 2025.

SVF Vaccines announces positive vaccine data

In October, the SVF Vaccines portfolio company announced positive results from a clinical phase 1 study of a universal COVID-19 vaccine, SVF-002. The study reported positive clinical safety and immunogenicity data at The International Society for Vaccines' annual meeting in Seoul, South Korea. The results of the study constitute an important milestone for the company in that they validate SVF Vaccines' development platform, which comprises a portfolio of therapeutic and prophylactic vaccines that can, potentially, both prevent disease and treat already infected patients.

Liquidity strengthened by divestment of OssDsign shares

Karolinska Development divested 4.6 million shares in its portfolio company, OssDsign, thereby strengthening the investment company's own liquidity by almost SEK 40 million. Karolinska Development is a long-term owner of OssDsign and was involved in the company's listing on the Nasdaq First North Growth Market in Stockholm. We continue to have every confidence in OssDsign's ability to successfully increase market penetration for its unique bone graft and have retained a holding of around 5,000,000 shares in the wake of the divestment.

New Chairman and organisational changes

In December, Professor Hans Wigzell resigned his role as Chairman of the Board of Karolinska Development at his own request, after having been an important and instrumental force in the company in a variety of positions since its foundation. The Board of Directors has appointed as his successor, Board Member Ben Toogood, who will take over the role of Chairman until the next General Meeting.

We have conducted a strategic review during the quarter and identified opportunities for enhancing operational efficiency. The review resulted in organisational changes that entailed a total of three people were laid off – a change that is estimated to reduce the company's personnel costs by approximately 20%. It is, of course, regrettable when competent and popular employees are required to leave, but we are convinced that these changes prompted by our strategic review are in the long-term interests of the company.

The enhanced operational efficiency will secure the sustainability of our portfolio management and ensure that we make optimum use of our financial resources, enabling us to provide the best possible support for our portfolio companies and to generate value for our shareholders

Solna, 14 February 2024

Viktor Drvota
Chief Executive Officer

Portfolio Companies

High potential for continued value inflection in portfolio

Karolinska Development's investments in therapeutic companies are conducted in syndicates with other professional life science investors, normally until proof-of-concept is demonstrated in phase 2 trials, at which point different exit options are evaluated. When engaging in MedTech companies, the business model is to finance the companies until they show a positive operating profit.

The portfolio, per December 31, 2024, consisted of eleven companies focused on developing innovative treatment methods for severe or life-threatening diseases where there is currently a great need and there is a lack of effective treatment alternatives. Nine of the portfolio companies have drug candidates in ongoing or planned clinical trials and two companies have MedTech products in commercial phases. During the period 2025–2026, two portfolio companies are expected to present data from phase 1 studies and three portfolio companies are expected to present data from phase 2 studies. Additionally, Dilafor and BOOST Pharma are preparing to start phase 3 studies. These study results have the potential to significantly increase the opportunities for attractive divestments or license transactions. Comparable drug candidates have in recent years been out licensed or sold at contract values that have amounted to billions (SEK) for the individual projects.

In addition to the portfolio companies, Karolinska Development has interests in one other life science company, Forendo Pharma, in the form of an earn-out agreement with the acquirer Organon. The agreement stipulates significant milestone payments, provided milestones are met, in both the drug development phase and the commercial phase.

KD: Karolinska Development **KDev Invest:** KDev Investments **Hep. B/D:** Hepatitis B/D
DDR: DNA damage repair
** Fully diluted ownership based on current investment plans*
*** Passive investment*
**** Includes indirect holdings through KCIF Co-Investment Fund*

Dilafor

Project (First-in-class)
Tafoxiparin

Primary indication
Priming of Labor

Development phase
Phase 2b complete
Phase 3 ready

Holding in company*
Karolinska Development 3%
KDev Investments 29%

Other investors
Opocrin
The Foundation for Baltic and East European Studies
Lee's Pharmaceutical
Praktikerinvest
Rosetta Capital

Origin
Karolinska Institutet

More information
dilafor.com

** Fully-diluted ownership based on current investment plans.*

Deal values for similar projects

- USD 500 million ObsEva (licensor) & Organon (licensee) 2021
- USD 397 million Velo Bio (seller) & AMAG Pharmaceuticals (buyer) 2018

Dilafor AB

Priming of labor reduces maternal and neonatal complications

Dilafor (Solna, Sweden) is developing tafoxiparin, a heparin analogue, aimed at priming spontaneous onset of labor leading to a normal vaginal delivery and minimizing the risk for maternal and fetal complications associated with labor induction. Over 30 percent of all pregnant women undergo induction in labor, with induction methods such as prostaglandins and oxytocin, requiring fetal and maternal surveillance in hospital due to high risk of complications for both mother and fetus. Clinical guidance for labor induction have recently been revised to encourage delivery as early as gestational week 39 in the US and weeks 40–41 in Europe, to reduce the risk of complications such as stillbirth, neonatal complications and operative deliveries leading to improved maternal and neonatal outcomes The new guidance will increase the number of deliveries requiring initiation of labor, and thus new, safer treatment options are essential in obstetric care. Tafoxiparin is a patented substance that supplements the remodeling process of the cervix and uterus required for a natural spontaneous onset of labor. Tafoxiparin is planned to be safely administered at home, freeing up hospital beds and resources that would otherwise be required for the induction process.

Tafoxiparin has been shown to be safe for both mother and child in a Phase 2a clinical trial with 263 pregnant women. A Phase 2b trial with 170 first-time mothers undergoing priming of labor showed significant results in the highest dose group and in an extension of the Phase 2b trial with 164 women, positive results were also shown in lower doses. Dilafor has successfully completed meetings with the US FDA and the European Health Agencies and is now preparing the Phase 3 development of tafoxiparin.

The market

Over 30 percent of all pregnant women need labor induction. The current standard treatment includes administration of prostaglandins and oxytocin. Frequently the induction fails, leading to slow progress of labor, operative deliveries, or other maternal and fetal complications. Market analyses show that a drug with a good effect on initiation of labor has the potential to reach annual sales over USD 1 billion in the US market alone.

Recent progress

- In February 2023, Dilafor announced that the extended Phase 2b study of tafoxiparin had resulted in additional positive data, showing that the effect of tafoxiparin obtained in the Phase 2b study was maintained when the drug candidate is administered in additional doses.
- In January 2025, Dilafor announced successfully having completed regulatory meetings with the FDA, and European Health Agencies, regarding the continued development of tafoxiparin. The completed meetings marked the end of a comprehensive dialogue with regulatory authorities to reach an alignment on designing pivotal clinical Phase 3 studies in Europe and the US.

Expected milestones

- Start of Phase 3 study with tafoxiparin for priming of labor.

BOOST Pharma ApS

Project (First-in-class)
BOOST Cells

Primary indication
Osteogenesis Imperfecta

Development phase
Phase 2 reported
Preparing Phase 3

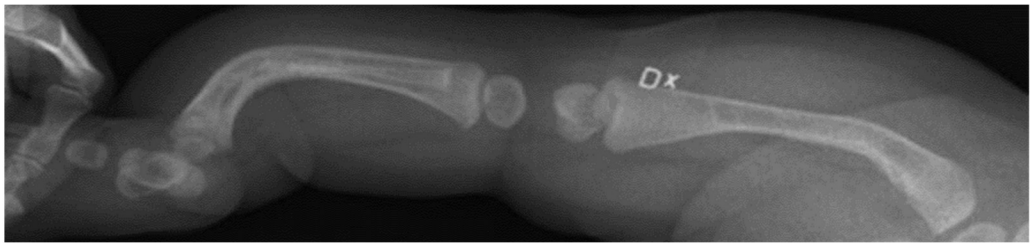
Holding in company*
Karolinska Development 10%

Other investors
Industrifonden

Origin
Karolinska Institutet

More information
boostpharma.com

**Ownership based on current investment plans*



Cell therapy reducing fractures in rare bone disease

BOOST Pharma (Copenhagen, Denmark) is developing a first-in-class and potentially groundbreaking cell-based treatment of the rare bone disease osteogenesis imperfecta (OI), also known as brittle bone disease. OI is a congenital condition that is caused by gene mutations that code for bone formation and lead to fragile bones, constant fractures and bone deformity leading to much pain, stunted growth and limited mobility.

BOOST Pharma's novel cell therapy is based on mesenchymal stem cells (MSCs), which are stem cells with high bone-forming capabilities. In September 2024, BOOST Pharma presented positive top line results from BOOSTB4, which is a phase 1/2 clinical study. The results showed that the treatment was safe and well tolerated both when administered before and after birth. The results also showed that fracture rates were reduced by over 75 percent, up to twelve months after the last dose.

A previous study, a human proof-of-concept study with four children with moderate to severe types of OI, also showed great promise; A significant reduction of fractures was observed; the children followed their own growth curve, and grew in length faster, compared to other OI patients, and the cells showed great safety.

The cell therapy is uniquely positioned in that treatment can start directly at diagnosis, either at the prenatal stage, or after the child is born. By starting treatment early, the benefits for the patient increase in later years. The cell therapy targets the underlying cause of the disease, which is defective collagen production in the bones, while other treatments target symptom relief and management.

BOOST Pharma has received Rare Pediatric Disease designation in the U.S. and Orphan Drug Designation in both the U.S. and EU.

Deal values for similar projects

- USD 535 million IPSEN (licensee) & Blueprint medicines (licensor), 2019
- USD 304 million Ultragenyx (licensee) & Mereo BioPharma (licensor), 2020

The market

There are very few therapies available and those that exist, such as physiotherapy, surgery, and bisphosphates (BPs), are merely palliative and fail to reduce the frequency of fractures. Generally, OI sufferers have an almost normal life span with severe disabilities due to bone defects and hundreds of painful bone fractures, even during fetal life, causing irreversible damage.
Approximately 4,000 children are born each year with severe OI.

Recent progress

- In May 2024, BOOST Pharma received funding from Karolinska Development and Industrifonden in a syndicate, to support continued clinical development. The financing is carried out in two tranches. The second tranche was deployed in November, after a positive pre-IND meeting with the FDA.
- In September 2024, BOOST Pharma announced positive top line results from a phase 1/2 study with over 75 percent reduction in fracture rates in children with OI.

Expected milestones

- A registration-enabling Phase 3 study is expected to start early in 2026.

Umecrine Cognition AB

Project (First-in-class)
Golexanolone (GR3027)

Primary indications
Primary biliary cholangitis (PBC)
Parkinson's Disease

Development phase
Phase 2

Holding in company*
Karolinska Development 62%

Other investors
Fort Knox Förvaring AB
PartnerInvest

Origin
Umeå University

More information
umecrinecognition.com

** Fully-diluted ownership based on current investment plans.*

Developing a new and safe approach to treat cognitive impairment

Umecrine Cognition (Solna, Sweden) is developing golexanolone (GR3207), a candidate drug in a new class of pharmaceuticals that affect the GABA system, the chief inhibitory neurotransmitter in the central nervous system. The GABA system is suspected of being overactivated in liver failure and in other severe inflammatory diseases such as Parkinson's disease, causing very serious clinical symptoms, including cognitive impairments and sleep disturbances. Golexanolone counters the increased activation of the GABA system and has been shown to restore different types of neurological impairments in experimental models.

Umecrine Cognition is developing golexanolone for two indications: Primary Biliary Cholangitis (PBC) and Parkinson's disease. The company has also conducted a phase 2a clinical study of golexanolone in patients with Hepatic encephalopathy (HE), which is a serious neuropsychiatric and neurocognitive condition that occurs in acute and chronic liver damage. The results showed that the drug candidate was well tolerated and exerts a significant effect on brain signaling, with a correlated positive effect on extreme daytime fatigue. Based on these study results, the company has established a plan for the further development of the drug candidate in PBC, where extreme daytime fatigue is one of the disease's most debilitating symptoms that prevents patients from living a normal life. The company is currently conducting a phase 2 study in PBC. Golexanolone has also been tested in preclinical models of Parkinson's disease which showed positive effects on symptoms and neuroinflammation as well as sustained effects on dopamine signaling.

Deal values for similar projects

- USD 794 million Intercept Pharmaceuticals (seller) & Alfasigma (buyer) 2023
- USD 601 million GENFIT (licensor) & IPSEN (licensee) 2015

The market

PBC is a rare autoimmune liver disease that attacks the bile ducts and mainly affects women. Common symptoms include fatigue, cognitive impairment, itching and, in more advanced cases, jaundice. The global market for the treatment of PBC was estimated at USD 584 million in 2021 and is expected to grow to USD 3 billion by 2027.
Parkinson's disease is a neurodegenerative disorder that causes severe cognitive impairment and impairs motor functions. Approximately 10 million people worldwide suffer from the disease. Current medications are mainly focused on improving motor functions and there is a lack of treatments for cognitive impairment. The global market for this type of treatment was USD 3.4 billion in 2019 and is expected to grow by over 6 percent per year until 2029.

Recent progress

- In March 2024, new preclinical results on golexanolone's mechanism of action in Parkinson's disease were presented.
- Also in March 2024, the company announced the successful completion of part A of the clinical phase 1b/2a study in PBC, where interim data show a favorable safety and tolerability profile.
- In May 2024, the first patients in the Phase 1b/2a study's part B in PBC had been dosed.
- In October 2024, the company presented new preclinical data for golexanolone, showing sustained dopamine signaling in Parkinson's disease.
- In November 2024, positive interim data from the ongoing Phase 1b/2a clinical trial of golexanolone in patients with primary biliary cholangitis, PBC, were presented.
- In July and December 2024, SEK 28.3 million and SEK 23.8 million in debt financing were secured, respectively, from Karolinska Development and several other investors.

Expected milestones

Topline data from the Phase 2 study of golexanolone in patients with PBC are expected in H1 2025.

MODUS THERAPEUTICS

Project (First-in-class)
Sevuparin

Primary indication
Anemia chronic inflammation/ kidney disease
Sepsis/Septic shock
Severe malaria

Development phase
Phase 2

Holding in company*
Karolinska Development 66%
KDev Investments 8%

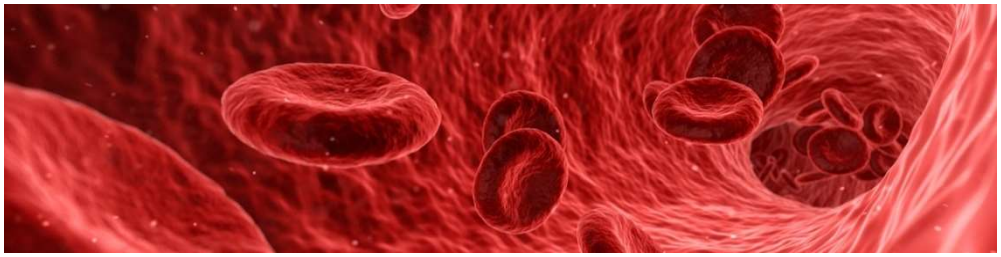
Other investors
John Öhd
Nordnet Pensionsförsäkring
Hans Wigzell

Origin
Karolinska Institutet
Uppsala University

More information
modustx.com

**Fully-diluted ownership based on current investment plans*

Modus Therapeutics AB



Develops sevuparin for life threatening diseases

Modus Therapeutics AB (Stockholm, Sweden) is developing the drug candidate sevuparin for the treatment of both acute and chronic severe conditions. The company's clinical project portfolio includes anemia associated with chronic inflammation and kidney disease, sepsis/septic shock, and severe malaria.

At the end of 2024, Modus Therapeutics initiated a Phase 2 clinical study to evaluate sevuparin as a treatment for chronic kidney disease with anemia. The study consists of two parts: the first assesses safety and determines dosage levels for sevuparin through single-dose administration to patients with varying degrees of renal impairment, as well as a small reference group of healthy volunteers. The second part will focus on the effects of repeated doses and clinical outcomes, including hemoglobin levels, kidney function, hepcidin levels, and other biomarkers in patients with advanced chronic kidney disease and anemia. Research has shown that elevated hepcidin levels contribute to disrupted iron availability in chronic kidney disease and other chronic inflammatory conditions, worsening anemia associated with these diseases.

Sepsis/septic shock is a life-threatening medical condition for which there are currently no effective medical therapies. Patients with sepsis are at risk of developing multiple organ failure, and in severe cases, death. Data from preclinical animal models and in vitro experiments with human cells have shown that sevuparin may protect blood vessels and counteract plasma leakage during systemic inflammation.

In severe malaria, sevuparin is being developed as an adjunct therapy, administered before standard antimalarial treatment takes effect. Sevuparin is currently being evaluated in a clinical study conducted in collaboration with Imperial College London at trial sites in Kenya and Zambia.

The market

Septic shock is a leading cause of death in intensive care units, with mortality rates often exceeding 30 percent. No specific drug treatment is yet available. This makes the condition one of the costliest to treat in hospital care. In 2019, US healthcare costs for patients with sepsis were estimated at USD 23 billion.
Approximately 10 percent of the world's population is believed to have grade 3-5 chronic kidney disease, and approximately 25 percent of these are expected to have anemia, which equates to approximately 4-5 million patients in the United States alone. Lack of treatment response to today's standard treatments often poses a problem in being able to maintain adequate treatment over time.

Recent progress

- In November 2024, the company received approval from Italian authorities to start a Phase 2 clinical trial in chronic kidney disease with anemia.
- In November 2024, Modus Therapeutics also secured access to bridge financing of SEK 5 million from Karolinska Development.
- In December 2024, a scientific article on sevuparin was published in the reputable medical journal HemaSphere.
- In December 2024, Modus Therapeutics initiated a Phase 2 clinical trial with sevuparin for the treatment of chronic kidney disease with anemia to be conducted in Italy.

Expected milestones

- The first part of the Phase 2 clinical trial with sevuparin as a treatment for chronic kidney disease with anemia is expected to be completed in the first half of 2025.

AnaCardio

Project (First-in-class)
AC01

Primary indication
Heart failure

Development phase
Phase 2a

Holding in company*
Karolinska Development 10%

Other investors
Flerie Invest
LLD Nybohov Invest
Industrifonden
3B Health Ventures
Novo Holdings
Pureos Bioventures
Sound Bioventures

Origin
Karolinska Institutet
Karolinska University Hospital

More information
anacardio.com

Deal values for similar projects

- USD 1.1 billion Cardior Pharmaceuticals (seller) & Novo Nordisk (buyer) 2024
- USD ~1.8 billion CinCor Pharma (seller) & AstraZeneca (buyer) 2023

AnaCardio AB

New treatment concept that enhances the heart's pumping ability in conjuction with heart failure

AnaCardio (Stockholm, Sweden) is developing a new treatment that enhances the heart's pumping ability in conjunction with heart failure. Heart failure occurs when the heart's ability to pump sufficient blood to meet the body's needs has deteriorated. The underlying condition often involves a weakening of the heart's musculature, resulting in an inability to pump the blood out of the heart's chambers. The condition arises as a sequela of high blood pressure or vasoconstriction. The chronic phase is characterized by diffuse symptoms, such as tiredness or breathlessness, which leads to the illness often being diagnosed at a late stage. Acute heart failure results in an individual's health status becoming critical, necessitating hospitalization. A major issue with existing pharmaceuticals is that they are not designed for long-term treatment.

AnaCardio is developing AC01, a small molecule that mimics the mechanism of action of the peptide hormone ghrelin. Treatment with ghrelin has been shown in previous studies to have a positive effect on the heart's pumping ability and can lead to a significant increase in the volume of blood pumped out of the heart. The drug candidate is being developed to restore the heart's normal muscular function and blood circulation with a new and safer technique. The Company's goal is to develop an oral drug that, in contrast to existing treatments, can affect the underlying cause of the disease. The drug candidate is based on research by Professor Lars Lund at Karolinska Institutet.

The market

It is estimated that more than six million individuals in the US and nearly 100 million globally suffer from heart failure. The risk of developing a cardiovascular disease increases with age, and 10-20 percent of the elderly population is now estimated to suffer from chronic heart failure, which is now the most common reason for hospitalization amongst the elderly. Heart failure not only causes considerable individual suffering, but it also has significant economic consequences for society in the form of both direct costs from in-patient care and indirect costs such as productivity losses. The increased medical need is reflected in the sales value of heart failure treatments, which is expected to increase from USD 6.8 billion in 2021 to USD 18.7 billion by 2028 in the world's seven largest pharmaceutical markets.

Recent progress

- In January 2024, AnaCardio secured SEK 50 million in the second and final part of the previously announced series A financing round of a total of SEK 150 million. Karolinska Development participated in both parts of the financing.
- In September 2024, the AC01-FE study evaluating the effects of food on the pharmacokinetics of AC01 in healthy volunteers was completed. AC01 was found safe and well-tolerated under both fed and fasted conditions.
- In January 2025, positive results from the first part of the Phase 1b/2a study were presented. AC01 was well tolerated and showed no serious side effects.
- In the same month, the company announced that it had secured SEK 205 million in new financing in a round led by Novo Holdings, Pureos Bioventures and Sound Bioventures.

Expected milestones

- Phase 2a expansion of the ongoing Phase 1b/2a study, is expected to commence in the first quarter of 2025 and has a planned readout by the end of the year

PHARMNOVO

Project (First-in-class)
PN6047

Primary indication
Allodynia/ Hyperalgesia

Development phase
Phase 1 complete
Phase 2 ready

Holding in company*
Karolinska Development 20%

Origin
Start-up

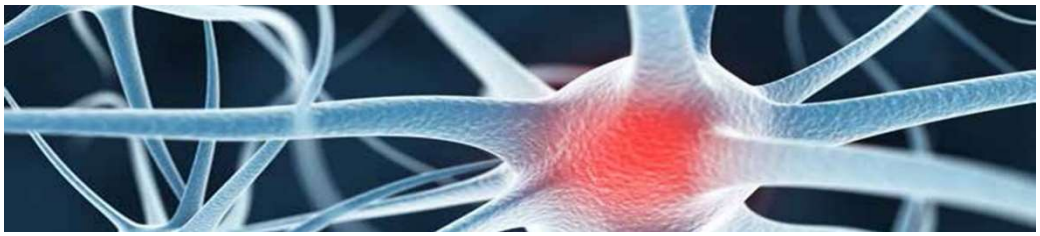
More information
pharmnovo.com

**Fully-diluted ownership based on current investment plans*

Deal values for similar projects

- USD 630 million Eli Lily (licensee) & Confo Therapeutics (licensor) 2023
- USD 940 million ACADIA Pharmaceuticals (acquirer) & CerSci Therapeutics (acquired) 2020

PharmNovo AB



New potential treatment for difficult-to-treat nerve pain

PharmNovo (Lund, Sweden) is developing innovative drugs for the treatment of nerve pain (neuropathic pain), that is difficult to trat and often develops into a chronic condition. Nerve pain is one of the most prevalent types of chronic pain and affects up to 10 percent of the population. Common underlying causes include nerve damage from type 2 diabetes, shingles, trauma (including surgery), cancer, and cancer treatments. PharmNovo's lead candidate, PN6047, focuses on allodynia and hyperalgesia, two common forms of nerve pain, affecting 15-20 percent of neuropathic pain patients. Allodynia is pain due to a stimulus that does not usually provoke pain, while hyperalgesia is an increased pain from a stimulus that usually provokes pain. Current treatment options are deemed ineffective and are also associated with significant side-effects; particularly cardiovascular risks, and, with gabapentinoids or conventional opioids, a higher risk of suicide and drug abuse potential.

PharmNovo's novel drug candidate PN6047 targets a different receptor than conventional opiate drugs do; the delta opioid receptor and thereby decreases the chronical pain without the side-effects associated with the currently marketed opioids (constipation, physical dependence and, potentially, fatal respiratory depression). PN6047 has completed a clinical phase 1 study showing that PN6047 is safe and well-tolerated at doses predicted to have clinically relevant effects. The drug candidate does not induce drug abuse behavior in non-clinical test models and indicates the capacity to reduce conventional opioid withdrawal symptoms, according to results from a collaboration with researchers at the University of Washington and the University of Michigan, with financial support from the US National Institute of Drug Abuse (NIDA). PharmNovo is now preparing a phase 2 clinical study which is expected to start in 2025.

The market

The need for improved treatments for nerve pain is enormous. Around 10 percent of the world's population currently suffers from conditions characterized by this form of pain, leading to a severely reduced quality of life for the individual and substantial costs for society – estimated at nearly EUR 440 billion annually in Europe alone. The estimated global market value for nerve pain drugs is nearly USD 6 billion per year and the market for allodynia alone is around USD 1.25 billion per year and is expected to continue to grow, driven by an aging population and increased cancer survival.

Recent progress

- In September 2023, new preclinical data were presented showing that there are no signs of abuse potential and that PN6047 alleviates symptoms of withdrawal caused by conventional opioids.
- In October 2023, positive phase 1 data were presented showing that PN6047 is safe and well tolerated at doses predicted to have clinically relevant effects.
- In December 2023, a collaborative project based on PN6047 received funding from the US research institute NIDA to evaluate PN6047 as a new treatment for opioid withdrawal in a preclinical model.
- In July 2024, the company was granted funding of EUR 17.5 million from the European Innovation Council (EIC) Accelerator, a part of the Horizon Europe innovation support program. The funding consists of a grant of EUR 2.5 million and conditional investments of up to EUR 15 million. The funding will be used for the continued clinical development of the drug candidate PN6047.

Expected milestones

- The phase 2 study with PN6047 is expected to start in 2025.

Project (First-in-class)
SVF-001
SVF-002

Primary indication
Hepatitis B and D
SARS-CoV-2
and other coronaviruses

Development phase
Phase 1

Holding in company*
Karolinska Development 33%

Origin
Karolinska Institutet

More information
svfvaccines.se

**Fully-diluted ownership based on current investment plans*

Deal values for similar projects

- USD ~1 billion
  Janssen Pharmaceuticals (licensor) & GSK (licensee) 2023
- EUR 1.45 billion
  MYR GmbH (acquired) & Gilead Sciences Inc (buyer) 2020

SVF Vaccines AB

New technology for the treatment of viral diseases

SVF Vaccines (Solna, Sweden) develops therapeutic proteins and DNA vaccines against, among other things, hepatitis D and B, as well as vaccines to prevent infections by covid-19 and potential future coronaviruses. Therapeutic vaccines, unlike preventative vaccines, have the potential to cure already infected patients.

Despite the availability of preventative vaccines and antiviral treatments, over 250 million people live with a chronic hepatitis B infection. One million chronic carriers die each year due to complications caused by the virus, such as liver cirrhosis and liver cancer. The closely related hepatitis D virus, that only infects hepatitis B-carriers, today infects 15-25 million people and exacerbates the progression of the disease.

SVF Vaccines uses a proprietary immunotherapy to produce a specific form of antibodies that blocks the ability of the hepatitis virus to invade human cells while also neutralizing the virus, with the vaccine candidate SVF-001. The company has generated promising efficacy data in preclinical animal models and is now preparing a phase 1 study in hepatitis D, that is expected to be initiated in 2026.

The company is also developing SVF-002 against covid-19. Although coronavirus infections are usually mild, some virus types can lead to life-threatening conditions. To meet and prevent severe infections, SVF Vaccines has developed a platform that is expected to enable the production of vaccines against both current and future forms of coronavirus. In October 2024, the company presented positive clinical safety and immunogenicity data from a phase 1 clinical study with the universal vaccine candidate against covid-19, SVF-002. The study was carried out by the OpenCorona consortium in collaboration with Karolinska University Hospital in Stockholm. The positive results are an important milestone and validate SVF Vaccines development platform.

The market

Despite preventive vaccines and antiviral treatments, over 250 million people live with a chronic hepatitis B infection. Each year, one million chronic carriers of the virus die from complications. The hepatitis D virus, which can only infect hepatitis B carriers, currently infects 15–25 million people and exacerbates the disease. The annual global market for hepatitis D is estimated at approximately USD 1 billion and the market for hepatitis B is estimated at USD 5–6 billion. The medical need for therapies for hepatitis B and D is significant.

Recent progress

- In June 2022, the company presented preclinical study data indicating that the candidate therapeutic vaccine SVF-001 has the potential to elicit an immune response in a preclinical disease model of chronic hepatitis B.
- In January 2023, the company changed its name to SVF Vaccines.
- In October 2024, the company presented positive clinical safety and immunogenicity data from a phase 1 clinical study with the universal vaccine candidate against covid-19, SVF-002.
- In November 2024, SVF Vaccines announced appointing Gaston Picchio as acting CEO.

Expected milestones

- Phase 1 studies of hepatitis B and D vaccines are expected to be initiated in 2026.

Project
BSG005

Primary indication
Systemtic fungal infections

Development phase
Phase 1b

Holding in company*
KDev Investments 1%

Other investors
The Foundation for Baltic and East European Studies
Sintef Venture II AS
Rosetta Capital**

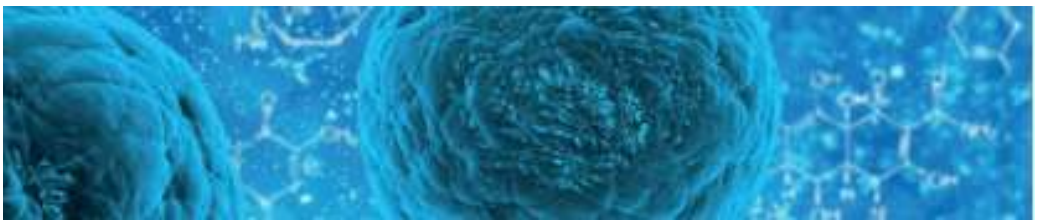
Origin
SINTEF and Norwegian University of Science and Technology

More information
biosergen.se

** Fully-diluted ownership based on current investment plans.*

*** Co-ownership with KDev Investments*

Biosergen AB



Broad treatment of severe fungal Infections

Biosergen (Solna, Sweden) is developing the drug candidate BSG005 as a new potential treatment of systemic fungal infections.

Invasive fungal diseases cause serious and often life-threatening infections that occur when fungi invade tissues and organs. These infections occur primarily in people whose immune systems are compromised due to cancer or treatment with immunosuppressive drugs. While effective pharmaceutical treatments are available, their use is limited due to serious side effects or an increasing incidence of drug resistance. Biosergen's candidate drug, BSG005, has demonstrated a wide spectrum of anti-mycotic effects in preclinical experimental models, and the candidate drug's properties have, to date, been shown to be far superior to those of conventional treatment in terms of effectiveness, toxicity, and pharmacokinetics.

Fungal infections are increasingly becoming a global health concern, associated with high morbidity and mortality as well as devastating socioeconomic consequences. Approximately 90 percent of systemic fungal infection-related deaths are caused by five species: Candida, Aspergillus, Cryptococcus, Pneumocystis, and Mucormycosis.

Biosergen has established a co-development and licensing agreement with one of India's largest pharmaceutical companies, Alkem Laboratories Ltd. In 2024, the first clinical study with BSG005 in patients with invasive fungal infections was initiated in India. Alkem will fund all clinical phase 2 and 3 trials in India except the first clinical trial with 15 patients. The studies are expected to cover up to 70 percent of all patients required for a global regulatory process. Biosergen will retain the rights for the rest of the world outside the Indian market.

Biosergen has been listed on Nasdaq First North Growth Market since 2021.

The market

Fungal infections kill more than 1.5 million globally each year and the numbers continue to increase. In the past 10 years, only one new anti-fungal product has been approved. Despite this, the use of antifungals continues to increase and the WHO has drawn attention to multi-resistance as a serious global health threat. The total sales of antifungals for human use were estimated at approximately USD 16.7 billion in 2020. The Company expects the global annual sales potential for BSG005 to exceed USD 500 million

Recent progress

- In June 2024, Biosergen and its partner, Alkem Laboratories LimitedLtd., announced that they have received approval of the Clinical Trial Application (CTA) and an important import license in India.
- In July 2024, the first patient in the Phase 1b trial of BSG005 was dosed.
- In August 2024, the company announced successful treatment of the first patient in the ongoing clinical trial with BSG005.
- In November 2024, Biosergen initiated the second cohort of the ongoing clinical trial with BSG005 being conducted in India.
- In December 2024, Biosergen raised approximately SEK 45 million through a warrant program.

Expected milestones

- Read-out of the Phase 1b trial is expected during 2025.

APREA THERAPEUTICS

Project (First-in class)
ATRN-119
APR-1051

Primary indication
Solid tumor malignancies

Development phase
Phase 1

Holding in company*
KDev Investments 1%

Other investors
Morgan Stanley
Vanguard Group
BlackRock
Geode Capital Management

Origin
Karolinska Institutet

More information
aprea.com

** Fully-diluted ownership based on current investment plans.*

Aprea Therapeutics Inc

New potential treatment that prevents cancer cells from repairing DNA damage

Aprea Therapeutics (Doylestown, USA and Stockholm, Sweden) is focused on developing and commercializing novel drugs to combat various types of cancer by affecting the proteins involved in the ability of tumors to repair damage in their DNA. The company's primary focus is on the development of ATRN-119, a development project that was acquired by the biotech company Atrin Pharmaceuticals in 2022.

ATRN-119 is an orally bioavailable, highly potent and selective small molecule inhibitor of ATR, a protein with key roles in response to DNA damage. ATRN-119 is being evaluated in a phase 1/2a clinical study in cancer patients with malignant solid tumors and defined gene mutations – both as monotherapy and in combination with today's standard treatment. Patient recruitment is ongoing, and the study aims to determine the recommended dose for a Phase 2 clinical trial. The study design was updated in December to include twice-daily dosing, which resulted in an adjustment to the schedule, with results from the dose-escalation Phase 1 portion of the study now expected to be presented in the second half of 2025.

Aprea is also developing APR-1051, an orally bioavailable, highly potent and selective small molecule inhibitor of WEE1, a key regulator of multiple phases of the cell cycle. In March 2024, Aprea Therapeutics received FDA approval of the company's IND application for APR-1051. Aprea has also secured funding of up to USD 34 million through a financing round led by Sphera Healthcare and initiated the first clinical study with APR-1051. In October 2024, preliminary results from a Phase 1 clinical study with APR-1051 in solid tumors were presented. The preliminary results are based on available data from two-thirds of patients and showed that the drug candidate is safe and well tolerated, and that no hematological toxicity was noted.

Aprea has been listed on the Nasdaq Global Select Market in the US since October 2019.

The market

The ability of cancer cells to repair DNA damage, known as DNA Damage Response (DDR), is an emerging therapeutic target for several major pharmaceutical companies. ATR and WEE1 inhibitors have been shown to play a crucial role in this process but are also associated with severe side effects. For ATR inhibitors, toxicity in healthy tissue—primarily in the form of myelosuppression—has limited the potential therapeutic value of the treatment, while WEE1 inhibitors have been linked to significant hematologic, gastrointestinal, and cardiovascular toxicity. There is therefore a great need for highly effective ATR and WEE1 inhibitors with an improved safety and tolerability profile.

Recent progress

- In March 2024, Aprea Therapeutics received FDA approval of the company's IND application for APR-1051. Aprea has also secured funding up to USD 34 million through a financing round led by Sphera Healthcare.
- In May 2024, the company received approval from the safety committee, following the ongoing clinical trial ABOYA-119, to proceed to dosing patients with ATRN-119 at 800 mg per day.
- In June 2024, the first patient was dosed in the first clinical study with APR-1051.
- In October 2024, preliminary results from the ongoing Phase 1/2 clinical trial with the drug candidate APR-1051 were presented at the EORTC-NCI-AACR international conference in Barcelona, Spain.
- In December 2024, the company updated the study design for the ongoing Phase 1/2a clinical trial ABOYA-119. The study also includes a portion where twice-daily dosing will be evaluated to see if the efficacy is improved.

Project
HA^{nano} Surface

Primary indication
Implant surface coatings

Development phase
Marketed

Holding in company*
Karolinska Development 2%
KDev Investments 12%

Other investors
K-Svets Ventures
Chalmers Ventures
Riepen LCC
Andra AP-fonden

Origin
Chalmers University of Technology

More information
promimic.com

**Fully-diluted ownership based on current investment plans*

Promimic AB

Innovative surface treatment speeds up healing time of implants

Promimic (Gothenburg, Sweden) develops and commercializes HA^{nano} Surface, a surface treatment that is currently used clinically on approximately 1.8 million implants. HA^{nano} Surface is a nanometer-thin coating of hydroxylapatite crystals that stimulates the growth of bone cells. This provides a stronger anchoring in bone tissue and better healing. The surface is unique in that it can be applied to all types of implant materials and geometries, including porous materials and 3D printed structures – including surfaces where traditional thicker HA coating can clog pores.

In the United States, the technology is approved by the FDA, which means that new implants with HA^{nano} Surface can be quickly brought to market via a 510(k) process. This has enabled strong growth – and that the number of approved implants for clinical use continuously increases.

Promimic has a sales office in Austin, Texas and several partnerships for development and commercialization in the US market for orthopedic implants. Currently, the market for spinal implants is the company's strongest segment. The collaboration with the company's customers includes the development and commercialization of products treated with HA^{nano} Surface technology in various application areas.

In the Brazilian market, Promimic collaborates with Sistema de Implante Nacional (S.I.N), a leading supplier of dental implants, which commercializes dental implants coated with HA^{nano} Surface.

Promimic has been listed on Nasdaq First North Growth Market since 2022.

The market

Promimic focuses on two main segments, namely the markets for orthopedic and dental implants. Together, these segments represent a global market opportunity for Promimic worth up to USD 600-800 million in 2025. Within these segments, the company's target group is medium to large sized implant companies and the main market is the United States.

Recent progress

- In May 2024, the company reported sales growth of 40 percent compared to the same period the year before and reported that the company's customers had nine products with HA^{nano} Surface approved during the period.
- In August, the company reported a 13 percent increase in sales compared to the same quarter last year. During the quarter, Promimic signed a new license agreement and the company's customers received four new products with HA^{nano} Surface approved for clinical use.
- In November, the company reported a 6 percent sales increase for the third quarter and announced that ten new implants with HA^{nano} Surface had been approved for clinical use, which is a record number for a single quarter.

Expected milestones

- In 2025, the company is expected to run development projects with both existing and new customers, and further product launches and license agreements will be announced.

OSSDSIGN®

Project
OssDsign® Catalyst

Primary indication
Bone grafts

Development phase
Marketed

Holding in company*
Karolinska Development 5%**

Other investors
TAMT
Linc AB

Origin
Karolinska University Hospital
Uppsala University

More information
ossdsign.com

** Fully-diluted ownership based on current investment plans*

*** Includes indirect holdings through KCIF Co-Investment Fund*

OssDsign AB

Establishing the next generation of bone replacement products on the US market

OssDsign (Uppsala, Sweden) develops and commercializes the next generation of bone replacement products. In September 2023, the Company adopted a new strategy to focus its entire business on the orthobiological market in the US. The background to the strategy shift is the outstanding commercial success of the nanosynthetic bone graft OssDsign Catalyst, an "off the shelf" product with very good scalability and high gross margin.

Over 1.5 million Americans undergo spine surgery each year, about half of whom need a spinal fusion. About 20 percent of all low back pain surgeries, however, fail due to poor fusion between the implant and the spine. When surgeons perform the procedure, they use a combination of screws and metal braces to fix the vertebrae and bone replacement material – a bone graft - to stimulate bone growth. OssDsign Catalyst is an innovative synthetic bone graft consisting of a proprietary nanocrystalline structure of calcium phosphate. OssDsign Catalyst mimics the body's own bone mineral structure and provides a favorable biological environment for rapid and reliable bone formation. OssDsign Catalyst can be produced with high scalability, has an attractive profit margin and great potential in the market for standardized surgical procedures. OssDsign Catalyst received FDA approval in 2020 and launched in the US in August 2021.

The market

The global orthobiologics market was valued at USD 5 billion in 2022. The market segment that OssDsign Catalyst specifically targets is valued at USD 1.8 billion and is expected to have an annual growth rate of 8 percent.

Recent progress

- In January 2024, OssDsign reported exceptional data from its TOP FUSION clinical study. The top-line results, reviewed by independent radiologists, show a fusion rate of 93 percent 12 months after surgery with the OssDsign Catalyst nanosynthetic bone graft.
- In May 2024, it was announced that 5,000 patients have been treated with OssDsign Catalyst in the US, representing impressive growth compared to 2,000 treated patients in September 2023.
- In June 2024, Christer Fåhraeus was newly elected as ordinary board member at the Annual general meeting, joining Simon Cartmell (Chairman), Newton Aguiar, Viktor Drvota (Karolinska Development) and Jill Shiaparelli on the OssDsign Board of Directors.

Financial Development

The following financial reporting is divided into one financial reporting for The Parent Company and one for The Investment Entity. The Parent Company and The Investment Entity are the same legal entity, but the reporting is divided to meet legal reporting requirements.

The Parent Company is reporting in accordance with the guidelines under the Swedish Annual Accounting Act and Swedish Financial Accounting Standards Council, RFR 2. The Investment Entity is required to meet the reporting requirements of listed companies and thus in accordance with IFRS adopted by the EU and the Swedish Annual Accounts Act

Amounts in brackets refer to the corresponding period the previous year unless otherwise stated.

Financial development in summary for the Investment Entity

SEKm	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Condensed income statement				
Change in fair value of shares in portfolio companies	18.7	6.6	1.6	15.2
Net profit/loss	18.6	-1.9	-8.1	5.4
Balance sheet information				
Cash and cash equivalents	42.0	85.3	42.0	85.3
Net asset value (Note 1)	1,245.0	1,253.4	1,245.0	1,253.4
Net debt (Note 1)	-42.0	-85.3	-42.0	-85.3
Share information				
Earnings per share, weighted average before dilution (SEK)	0.1	0.0	0.0	0.0
Earnings per share, weighted average after dilution (SEK)	0.1	0.0	0.0	0.0
Net asset value per share (SEK) (Note 1)	4.6	4.6	4.6	4.6
Equity per share (SEK) (Note 1)	4.6	4.6	4.6	4.6
Share price, last trading day in the reporting period (SEK)	1.0	1.7	1.0	1.7
Portfolio information				
Investments in portfolio companies	19.4	41.6	62.0	103.0
Of which investments not affecting cash flow	1.4	1.5	5.2	4.4
Portfolio companies at fair value through profit or loss	1,120.8	1,100.4	1,120.8	1,100.4

Financial Development for the Investment Entity in 2024

Investments *(comparable numbers 2023)*

Investments in the portfolio in the fourth quarter 2024 by external investors and Karolinska Development amounted to SEK 175.1 (125,3) million, whereof 89% (67%) by external investors.

Karolinska Development invested during the fourth quarter 2024 SEK 19.4 (41.6) million, of which SEK 18.0 (40.1) million was cash investments. Investments were made in Umecrine Cognition with SEK 15.0 million and BOOST Pharma with SEK 3.0 million. Non-cash investments (accrued interest on loans) amounted to SEK 1.4 (1.5) million.

Investments by external investors in the portfolio companies during the fourth quarter 2024 amounted to SEK 155.7 (110.6) million and were made in AnaCardio with SEK 102.6 million, Umecrine Cognition with SEK 8.8 million and in BOOST Pharma with SEK 3.0 million.

During the year, Karolinska Development and external investors have made investments in the portfolio companies as follows:

SEKm	Karolinska Development	External Investors	Total Invested Q1-Q4 2024
Umecrine Cognition	36.2	18.6	54.8
AnaCardio	7.6	145.2	152.8
Dilafor	5.6	8.4	14.0
SVF Vaccines	5.4	1.2	6.6
Boost Pharma	5.0	5.0	10.0
PharmNovo	1.2	12.3	13.5
Henlez	1.1	1.1	2.2
Aprea	-	163.7	163.7
Biosergen	-	72.8	72.8
Total	**62.0**	**428.3**	**490.3**

Portfolio Fair Value

Fair Value of the portfolio companies owned directly by Karolinska Development had a net increase by SEK 18.7 million during the fourth quarter 2024. The main reason for the increase in fair value was the upturn in share price in the listed holdings OssDsign and Modus Therapeutics, together with the increase in value in AnaCardio in connection with the investment round. The quarters' investment in Umecrine Cognition and BOOST Pharma also contributed to the increase in fair value. The partial divestment of OssDsign and the downturn in share price in the listed holding Promimic partly reduced the increase.

Fair Value of the portfolio companies owned indirectly via KDev Investments decreased by SEK 30.3 million during the fourth quarter 2024.The main reasons for the decrease in Fair value of the portfolio companies was the downturn in share price in the listed holding Promimic.

Total Fair Value from portfolio companies owned directly by Karolinska Development and indirectly via KDev Investments decreased by SEK 11.6 million in the fourth quarter 2024.

As a consequence of the decrease in Fair Value of the part of the portfolio owned via KDev Investments, the potential distribution to Rosetta Capital decreased by SEK 10.5 million, resulting in Net Portfolio Fair Value decreasing by SEK 1.0 million in the fourth quarter 2024.

SEKm	31 Dec 2024	30 Sep 2024	Q4 2024 vs Q3 2024
Karolinska Development Portfolio Fair Value (unlisted companies)	807.8	772.3	35.5
Karolinska Development Portfolio Fair Value (listed companies)	94.7	111.5	-16.8
KDev Investments Portfolio Fair Value	549.0	579.3	-30.3
Total Portfolio Fair Value	**1,451.5**	**1,463.1**	**-11.6**
Potential distribution to Rosetta Capital of fair value of KDev Investments	-330.8	-341.3	10.5
Net Portfolio Fair Value (after potential distribution to Rosetta Capital)	**1,120.8**	**1,121.8**	**-1.0**

Profit development 2024 (comparable numbers 2023)

During the fourth quarter 2024, Karolinska Development's revenue amounted to SEK 0.5 (0.5) million and consists primarily of services provided to portfolio companies. For the full-year 2024 the revenue amounted to SEK 1.8 (2.0) million.

Change in fair value of shares in portfolio companies of in total SEK 18.7 (6.6) million includes the difference between the change in Net Portfolio Fair Value during the fourth quarter 2024 with SEK -1.0 million and the investment in portfolio company of SEK 19.4 million and divested portfolio companies of SEK 39.1 million. For the full-year 2024, the change in fair value of shares in portfolio companies amounted to SEK 1.6 (15.2) million.

Interest income on loans to portfolio companies amounted to SEK 1.4 million during the fourth quarter of 2024 (0.0 for the fourth quarter of 2023 as these are reported in net financial items that year). For the full-year 2024 interest income on loans to portfolio companies amounted to SEK 5.2 (0.0) million

Change in fair value of other financial assets and liabilities amounted to SEK 9.0 (3.3) million and were the consequence of changes in valuation of earn-out deals. For the full-year 2024, the change in fair value of other financial assets amounted to SEK 15.4 (8.9) million.

During the fourth quarter of 2024 other expenses amounted to SEK 2.1 (2.3) million and personnel costs amounted to SEK 8.8 (5.5) million. The increased personnel costs during the quarter compared to the previous year mainly relate to costs for personnel made redundant, which are expensed in full during this quarter. For the full-year 2024 other expenses amounted to SEK 7.1 (7.0) million and personnel costs amounted to 25.1 (21.8) million.

The operating profit/loss in the fourth quarter 2024 amounted to SEK 18.6 million compared to SEK -4.3 million in the fourth quarter 2023. The operating profit/loss for the full-year 2024 amounted to SEK -9.2 (-3.5) million.

The financial net during the fourth quarter 2024 amounted to SEK 0.1 million (interest income on loans to portfolio companies is reported on a separate line in operation profit/loss) compared to SEK 2.5 million in the fourth quarter of 2023 (of which interest income on loans to portfolio companies amounted to SEK 1.5 million). For the full-year 2024 the financial net amounted to SEK 1.1 million (for the full-year 2023 SEK 8.9 million, of which interest income on loans to portfolio companies amounted to SEK 4.4 million).

The Investment Entity's Net profit/loss amounted to SEK 18.6 (-1.9) million in the fourth quarter of 2024. Net profit/loss for the full-year 2024 amounted to SEK -8.1 (5.4) million.

Financial position

The Investment Entity's equity to total assets ratio amounted to 99% on 31 December 2024, which it also did on 31 December 2023.

The investment company's equity on 31 December 2024 amounted to SEK 1,238.7 million, compared to SEK 1,220.2 million on 30 September 2024. The increase is a consequence of the profit/loss for the period of SEK 18.6 million.

After the paying of operational costs and investments for the fourth quarter 2024, cash and cash equivalents amounted to SEK 42.0 million on 31 December 2024 compared to SEK 85.3 million on 31 December 2023. Net debt (negative net debt/ net cash) amounted to SEK -42.0 million on 31 December 2024 compared to the net debt of SEK -85.3 million on 31 December 2023.

The company is going concern. We regularly review financing solutions, including in the form of the sale of shares and portfolio companies, the taking up of loans and/or the implementation of new share issues in order to continue to finance the portfolio companies in their development and enable new investments. The company's ability to continue operations (going concern) is stable, given current cash flow expectations and plans. The report is prepared based on the assumption of continued operation.

Financial Development – Parent Company

The Parent Company refers to Karolinska Development AB (comparable numbers 2023).

During the fourth quarter of 2024, the Parent Company's Net profit/loss amounted to SEK 18.6 (-2.0) million.

The positive result for the fourth quarter of 2024 led to an increase in equity of SEK 18.6 million from SEK 1,220.1 million as of 30 September 2024 to SEK 1,238.7 million 31 December 2024.

The Share

The share and share capital

Trade in the Karolinska Development share takes place on Nasdaq Stockholm under the ticker symbol "KDEV". The last price paid for the listed B share on 31 December 2024 was SEK 1.00, and the market capitalization amounted to SEK 257 million.

The share capital of Karolinska Development on 31 December 2024 amounted to SEK 2.7 million divided into 2,555,261 A shares, each with ten votes (25,552,610 votes) and 267,522,333 B shares, each with one vote (267,522,333 votes). The total number of shares and votes in Karolinska Development on 31 December 2024 amounted to 270,077,594 shares and 293,074,943 votes.

Ownership

On 31 December 2024, Karolinska Development had 13,206 shareholders.

Shareholder	A-Shares	B-Shares	Cap %	Vote %
invoX Pharma Ltd	0	128,736,381	47.67%	43.93%
Worldwide International Investments Ltd	0	23,379,244	8.66%	7.98%
Swedbank Robur Microcap fond	0	8,750,000	3.24%	2.99%
Avanza pension	0	5,744,757	2.13%	1.96%
Styviken Invest	0	5,236,206	1.94%	1.79%
Stift För Främjande & Utveckling	2,555,261	1,755,818	1.60%	9.32%
Coastal Investment Management LLC	0	2,470,541	0.91%	0.84%
Steffensen Asset Management	0	1,608,187	0.60%	0.55%
Nordnet Pensionsförsäkring	0	1,697,059	0.63%	0.58%
Handelsbanken Fonder	0	1,348,363	0.50%	0.46%
Sum Top 10 Shareholders	2,555,261	180,726,556	67.86%	70.38%
Sum Other Shareholders	0	86,795,777	32.14%	29.62%
Sum All Shareholders	**2,555,261**	**267,522,333**	**100.00%**	**100.00%**

Information on Risks and Uncertainties

Investment Entity and Parent Company

Financial risks

Russia's invasion of Ukraine, as well as the war in Gaza and the related disturbances of sea transport through the Red Sea affect the economy and society as a whole, including Karolinska Development and its portfolio companies. The general downturn in the stock market since 2022 as well as the increase in interest rates since then have shifted the financial market's focus from growth companies to companies with positive operating cash flows, which has led to lower valuations in many previously highly valued growth companies, although we did note an upturn in the financial markets during 2024. This affects Karolinska Development and its opportunities to not only finance its portfolio companies, but also to divest them at a suitable time for Karolinska Development.

The value of listed companies can decline delays in clinical trial programs may occur and the opportunities for refinancing can be hampered. The Board monitors the evolvement of the crises closely and Karolinska Development is working intensively to minimize the impact on the value of our investments and works continuously with different financing alternatives to secure the long-term capital requirement and thereby increase the degree of strategic and operational headroom for the future.

For a detailed description of other risks and uncertainties, see the Annual Report 2023.

Signing of the report

Solna, 14 February 2025

Viktor Drvota
CEO

Dates for Publication of Financial Information

Annual Report 2024	21 March 2025
Interim Report January – March 2025	30 April 2025
Interim Report January – June 2025	29 August 2025
Interim Report January – September 2025	14 November 2025

Karolinska Development is required by law to publish the information in this Year-end report. The information was published on 14 February 2025.

This Year-end report, together with additional information, is available on Karolinska Development's website: www.karolinskadevelopment.com.

Note: This report is a translation of the Swedish Year-end report. In case of any discrepancies, the official Swedish version shall prevail.

Financial Statements

Condensed income statement for the Investment Entity

SEK 000	Note	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Revenue		493	533	1,838	2,014
Change in fair value of shares in portfolio companies	2,3	18,675	6,597	1,579	15,185
Interest income on loans to portfolio companies	5	1,408	-	5,202	-
Change in fair value of other financial assets and liabilities	3	9,029	-3,345	15,443	8,891
Other expenses		-2,071	-2,317	-7,097	-6,963
Personnel costs		-8,808	-5,534	-25,126	-21,834
Depreciation of right-of-use assets		-249	-262	-997	-798
Operating profit/loss		**18,477**	**-4,328**	**-9,158**	**-3,505**
Financial net	5	77	2,457	1,057	8,891
Profit/loss before tax		**18,554**	**-1,871**	**-8,101**	**5,386**
Taxes		-	-	-	-
NET PROFIT/LOSS FOR THE PERIOD		**18,554**	**-1,871**	**-8,101**	**5,386**

Condensed statement of comprehensive income for the Investment Entity

SEK 000	Note	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Net profit/loss for the period		18,554	-1,871	-8,101	5,386
Total comprehensive income/loss for the period		**18,554**	**-1,871**	**-8,101**	**5,386**

Earnings per share for the Investment Entity

SEK	Note	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Earnings per share, weighted average before dilution		0.07	-0.01	-0.03	0.02
Number of shares, weighted average before dilution		269,833,309	269,833,309	269,833,309	269,833,309
Earnings per share, weighted average after dilution		0.07	-0.01	-0.03	0.02
Number of shares, weighted average after dilution		269,833,309	269,833,309	269,833,309	269,833,309

Condensed balance sheet for the Investment Entity

SEK 000	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Tangible assets			
Right-of-use assets		2,161	3,158
Financial assets			
Shares in portfolio companies at fair value through profit or loss	2,3	1,120,777	1,100,398
Other financial assets	4	71,271	57,443
Total non-current assets		**1,194,209**	**1,160,999**
Current assets			
Receivables from portfolio companies		1,126	268
Other financial assets	4	11,084	10,386
Other current receivables		2,400	673
Prepaid expenses and accrued income		1,151	795
Cash and cash equivalents		42,010	85,272
Total current assets		**57,771**	**97,394**
TOTAL ASSETS		**1,251,980**	**1,258,393**
EQUITY AND LIABILITIES			
Total equity		**1,238,723**	**1,246,824**
Current liabilities			
Other financial liabilities		100	130
Accounts payable		762	1,323
Liability to make lease payment		2,112	3,070
Other current liabilities		684	674
Accrued expenses and prepaid income		9,599	6,372
Total current liabilities		**13,257**	**11,569**
Total liabilities		**13,257**	**11,569**
TOTAL EQUITY AND LIABILITIES		**1,251,980**	**1,258,393**

Condensed statement of changes in the Investment Entity's equity

SEK 000	Not	31 Dec 2024	31 Dec 2023
Opening balance, equity		**1,246,824**	**1,241,438**
Share capital		2,701	2,701
Share premium		2,735,903	2,735,903
Retained earnings		-1,499,881	-1,491,780
Closing balance, equity		**1,238,723**	**1,246,824**

Condensed statement of cash flows for the Investment Entity

SEK 000	Note	2024 Full-year	2023 Full-year
Operating activities			
Operating profit/loss		-9,158	-3,505
Adjustments for items not affecting cash flow			
Depreciation		997	798
Change in fair value		-17,022	-24,076
Other items		-4,040	2,761
Cash flow from operating activities before changes in working capital and operating investments		**-29,223**	**-24,022**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-1,284	-104
Increase (+)/Decrease (-) in operating liabilities		2,677	-895
Cash flow from operating activities		**-27,830**	**-25,021**
Investment activities			
Part payment from earn-out deal		887	18,271
Proceeds from sale of shares in portfolio companies		41,497	-
Acquisitions of shares in portfolio companies		-56,753	-98,589
Proceeds from sale of short-term investments		-	60,336
Cash flow from investment activities		**-14,369**	**-19,982**
Financing activities			
Amortization of lease liabilities		-1,063	-803
Cash flow from financing activities		**-1,063**	**-803**
Cash flow for the period		**-43,262**	**-45,806**
Cash and cash equivalents at the beginning of the year		85,272	131,078
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**42,010**	**85,272**

Condensed income statement for the Parent Company

SEK 000	Note	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Revenue		493	533	1,838	2,014
Change in fair value of shares in portfolio companies	2.3	18,675	6,597	1,579	15,185
Interest income on loans to portfolio companies		1,408	-	5,202	-
Change in fair value of other financial assets and liabilities		9,029	-3,345	15,443	8,891
Other expenses		-2,336	-2,677	-8,160	-7,859
Personnel costs		-8,808	-5,534	-25,126	-21,834
Operating profit/loss		**18,461**	**-4,426**	**-9,224**	**-3,603**
Financial net		100	2,387	1,162	8,837
Profit/loss before tax		**18,561**	**-2,039**	**-8,062**	**5,234**
Tax		-	-	-	-
NET PROFIT/LOSS FOR THE PERIOD		**18,561**	**-2,039**	**-8,062**	**5,234**

Condensed statement of comprehensive income for the Parent Company

SEK 000	Note	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Net profit/loss for the period		18,561	-2,039	-8,062	5,234
Total comprehensive income/loss for the period		**18,561**	**-2,039**	**-8,062**	**5,234**

Condensed balance sheet for the Parent Company

SEK 000	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Financial non-current assets			
Shares in portfolio companies at fair value through profit or loss	2,3	1,120,777	1,100,398
Other financial assets	4	71,271	57,443
Total non-current assets		**1,192,048**	**1,157,841**
Current assets			
Receivables from portfolio companies		1,127	268
Other financial assets	4	11,084	10,386
Other current receivables		2,400	673
Prepaid expenses and accrued income		1,151	795
Cash and cash equivalents		42,010	85,272
Total current assets		**57,772**	**97,394**
TOTAL ASSETS		**1,249,820**	**1,255,235**
EQUITY AND LIABILITIES			
Total equity		**1,238,673**	**1,246,735**
Current liabilities			
Other financial liabilities		100	130
Accounts payable		762	1,323
Other current liabilities		686	674
Accrued expenses and prepaid income		9,599	6,373
Total current liabilities		**11,147**	**8,500**
Total liabilities		**11,147**	**8,500**
TOTAL EQUITY AND LIABILITIES		**1,249,820**	**1,255,235**

Condensed statement of changes in equity for the Parent Company

SEK 000	Not	31 Dec 2024	31 Dec 2023
Opening balance, equity		**1,246,735**	**1,241,501**
Share capital		2,701	2,701
Share premium reserve		2,735,903	2,735,903
Retained earnings		-1,499,931	-1,491,869
Closing balance, equity		**1,238,673**	**1,246,735**

Notes to the Financial Statements

NOTE 1 Accounting policies

This report has been prepared in accordance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and the Annual Accounts Act. The accounting policies applied to the Investment Entity and the Parent Company correspond, unless otherwise stated below, to the accounting policies and valuation methods used in the preparation of the most recent annual report.

Information on the Parent Company

Karolinska Development AB (publ) ("Karolinska Development," "Investment Entity" or the "Company") is a Nordic life sciences investment company. The Company, with Corporate Identity Number 556707-5048, is a limited liability company with its registered office in Solna, Sweden. The Company focuses on identifying medical innovations and investing in the creation and growth of companies developing these assets into differentiated products that will make a difference to patients' lives and provide an attractive return on investment to its shareholders. The sole purpose of investing in such companies is to generate a return through capital appreciation and investment income. These temporary investments, which are not investment entities, are designated "portfolio companies" below.

New and revised accounting principles 2024

No new or revised IFRS standards or recommendations from IFRS Interpretations Committee have had significant impact on the Investment Entity.

Related party transactions

No related party transactions other than compensation for management and the board have taken place during the reporting period.

Definitions

Interim period: The period from the beginning of the financial year through the closing date.

Reporting period: January - December 2024.

Alternative Performance Measures

The Company presents certain financial measures in the interim report that are not defined under IFRS. The Company believes that these measures provide useful supplemental information to investors and the company's management as they allow for the evaluation of the company's performance. Because not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. Therefore, these financial measures should not be considered as substitutes for measures as defined under IFRS.

Portfolio companies: Companies where Karolinska Development has made investments (subsidiaries, joint ventures, associated companies and other long-term securities' holdings) which are active in pharmaceuticals, MedTech, theranostics and formulation technology.

The Portfolio Fair Value is divided into Total Portfolio Fair Value and Net Portfolio Fair Value.

Total Portfolio Fair Value: The aggregated proceeds that would be received by Karolinska Development and KDev Investments if the shares in their portfolio companies were sold in an orderly transaction between market participants at the measurement date.

Net Portfolio Fair Value (after potential distribution to Rosetta Capital) is the net aggregated proceeds that Karolinska Development will receive after KDev Investments' distribution of proceeds to Rosetta Capital.

rNPV: "risk-adjusted net present value" is a method to value risky future cash flows. rNPV is the standard valuation method in the drug development industry, where sufficient data exists to estimate success rates for all R&D phases.

Equity per share: Equity on the closing date in relation to the number of shares outstanding on the closing date.

Net debt: Interest-bearing liabilities (SEK 0.0 million) reduced with cash and cash (SEK 42.0 million).

Equity to total assets ratio: Equity divided by total assets.

Net asset value as of 31 December 2024:

SEK 000	Number of shares	Fair value	Part of Karolinska Developments' net asset value SEK per share[3]	Part of Karolinska Developments' net asset value percentage
Listed assets				
Modus Therapeutics	23,801,390	42,962	0.16	3.5%
OssDsign	4,535,478	44,720	0.17	3.6%
Promimic	312,500	7,031	0.03	0.6%
Total listed assets		**94,713**	**0.35**	**7.6%**
Unlisted assets				
AnaCardio		60,628	0.22	4.9%
Boost Pharma		4,931	0.02	0.4%
Dilafor		45,876	0.17	3.7%
PharmNovo		35,177	0.13	2.8%
SVF Vaccines		26,364	0.10	2.1%
Umecrine Cognition		625,613	2.32	50.2%
KCIF Co-Investment Fund KB[1]		9,209	0.03	0.7%
KDev Investments[1]		218,267	0.81	17.5%
Total unlisted assets		**1,026,064**	**3.80**	**82.4%**
Net of other liabilities and debts[2]		**124,265**	0.46	**10.0%**
Total net asset value		**1,245,042**	**4.61**	**100.0%**

[1]The company has both listed and unlisted assets.
[2] Includes SEK 42.0 million cash and cash equivalents.
[3] In relation to the number of shares outstanding (269,833,309) on the closing date.

NOTE 2 Shares in portfolio companies, at fair value through profit or loss

Change in fair value of portfolio companies

SEK 000	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Result level 1				
Listed companies, realized	8,383	-	8,383	-
Listed companies, unrealized	13,925	10,336	843	15,561
Total level 1	**22,308**	**10,336**	**9,226**	**15,561**
Result level 3				
Unlisted companies, realized	1,240	-160	-1,245	793
Unlisted companies, unrealized	-4,873	-3,579	-6,402	-1,169
Total level 3	**-3,633**	**-3,739**	**-7,647**	**-376**
Total	**18,675**	**6,597**	**1,579**	**15,185**

Shares in portfolio companies, at fair value through profit or loss

SEK 000	31 Dec 2024	31 Dec 2023
Accumulated acquisition cost		
At the beginning of the year	1,100,398	983,995
Investments during the year	61,998	102,980
Sales during the year	-43,197	-1,763
Changes in fair value in net profit/loss for the year	1,579	15,185
Closing balance	**1,120,777**	**1,100,398**

NOTE 3 Fair value

The table below shows financial instruments measured at fair value based on the classification in the fair value hierarchy. The various levels are defined as follows:

Level 1- Fair value determined on the basis of observed (unadjusted) quoted prices in an active market for identical assets and liabilities
Level 2- Fair value determined based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3- Fair value determined based on valuation models where significant inputs are based on non-observable data

Fair value as of 31 December 2024

SEK 000	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in portfolio companies, at fair value through profit or loss	94,713	-	1,026,064	1,120,777
Other financial assets	-	-	82,355	82,355
Cash and cash equivalents and short-term investments	42,010	-	-	42,010
Total	**136,723**	**0**	**1,108,419**	**1,245,142**
Financial liabilities				
Other financial liabilities	-	-	100	100
Total	**-**	**0**	**100**	**100**

Fair value as of 31 December 2023

SEK 000	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in portfolio companies, at fair value through profit or loss	124,598	-	975,800	1,100,398
Other financial assets	-	-	67,829	67,829
Cash, cash equivalents and short-term investments	85,272	-	-	85,272
Total	**209,870**	**0**	**1,043,629**	**1,253,499**
Financial liabilities				
Other financial liabilities	-	-	130	130
Total	**-**	**0**	**130**	**130**

Fair value (level 3) as of 31 December 2024

SEK 000	Shares in portfolio companies	Other financial assets	Other financial liabilities
At beginning of the year	975,800	67,829	130
Acquisitions	61,998	-	-
Compensations	-4,086	-887	0
Gains and losses recognized through profit or loss	-7,647	15,412	-30
Closing balance 31 December 2024	**1,026,064**	**82,354**	**100**
Realized gains and losses for the period included in profit or loss	-1,245	887	0
Unrealized gains and losses in profit or loss for the period included in profit or loss	-6,402	14,525	30

Fair value (level 3) as of 31 December 2023

SEK 000	Shares in portfolio companies	Other financial assets	Other financial liabilities
At beginning of the year	908,461	75,507	191
Acquisitions	69,477	-	-
Compensations	-1,763	-16,508	-
Gains and losses recognized through profit or loss	-376	8,830	-61
Closing balance 31 December 2023	**975,800**	**67,829**	**130**
Realized gains and losses for the period included in profit or loss	793	16,508	-
Unrealized gains and losses in profit or loss for the period included in profit or loss	-1,169	-7,678	-61

The Investment Entity recognizes transfers between levels in the fair value hierarchy on the date when an event or changes occur that give rise to the transfer.

Shares in portfolio companies (Level 3) as of 31 December 2024

SEK 000	Ownership	Market value	Valuation model[1]
AnaCardio	12.6%	60,628	Last post money
Boost Pharma	10.0%	4,931	Last post money
Dilafor	2.7%	45,876	Last post money
PharmNovo	20.0%	35,177	Last post money
SVF Vaccines	32.7%	26,364	Last post money
Umecrine Cognition	72.6%	625,613	External valuation[2]
KCIF Co-Investment Fund KB	26.0%	9,209	A combination of share price listed company and fair value of financial asset[3]
KDev Investments	90.1%	218,267	A combination of last post money and share price listed company[4]
Total level 3		**1,026,064**	

[1]See The Annual Report 2023 Valuation of portfolio companies at fair value, for a description of valuation models.
[2]Risk-adjusted external valuation model from an independent valuation institute December 2024. The rNPV value from the model adjusted further in order to reflect an assumed split in risk and revenues in conjunction with e.g. a license deal and also to incorporate the financial risk that Umecrine Cognition will not manage to finance fully the final parts of the research program.
[3]KCIF Co-Investment Fund KB holds listed shares which are valued in accordance with the closing rate on the final trading day of the period and a financial asset, at fair value through profit or loss, attributable to earn-out in the sale of Forendo Pharma.
[4]KDev Investments AB holds both listed shares which are valued in accordance with the closing rate on the final trading day of the period and unlisted shares which are valued in accordance with the most recent transaction (post-money valuation). Dilafor, which is an unlisted company, accounts for 89% of the total fair value of KDev Investments.

Sensitivity analysis of significant holdings 31 December 2024

	+/-5%		+/-15%		+/- 30%	
	Result/ equity		Result/ equity		Result/ equity	
	KSEK	SEK/ share	KSEK	SEK/ share	KSEK	SEK/ share
Umecrine Cognition[1]	+/-33,572	+/-0.1	+/-100,715	+/-0.4	+/-201,431	+/-0.7
KDev Investments[2]	+/-17,950	+/-0.1	+/-53,550	+/-0.2	+/-107,100	+/-0.4

[1)] Sensitivity to rNPV value in performed valuation based on the assumed sales price of the drug.
[2)] Sensitivity in the value of KDev Investments, after potential distribution to Rosetta Capital.

Sensitivity analysis of significant holdings 31 December 2023

	+/-5%		+/-15%		+/- 30%	
	Result/ equity		Result/ equity		Result/ equity	
	KSEK	SEK/ share	KSEK	SEK/ share	KSEK	SEK/ share
Umecrine Cognition[1]	+/-32,896	+/-0.1	+/-99,748	+/-0.4	+/-198,436	+/-0.7
KDev Investments[2]	+/-19,008	+/-0.1	+/-55,949	+/-0.2	+/-112,000	+/-0.4

[1)] Sensitivity to rNPV value in performed external valuation based on the assumed sales price of the drug.
[2)] Sensitivity in the value of KDev Investments, after potential distribution to Rosetta Capital.

Impact of Portfolio Fair Value

In the table below, "Total Portfolio Fair Value" is as defined in Note 1.

Impact on Portfolio Fair Value of the agreement with Rosetta Capital

"Potential distribution to Rosetta Capital", SEK 330.8 million, is the amount that KDev Investments according to the investment agreement between Karolinska Development and Rosetta Capital is obliged to distribute to Rosetta Capital from the proceeds received by KDev Investments (KDev Investments Fair Value). The distribution to Rosetta Capital will only happen when KDev Investments distributes dividends. KDev Investments will only distribute dividends after all eventual payables and outstanding debt has been repaid. Following dividends from KDev Investments during 2021 - 2023, all additional investments totaling SEK 43.7 million have been repaid to Rosetta Capital. In addition, SEK 6.7 million has been distributed, which reduces the first SEK 220 million in the waterfall structure. See also the annual report for 2023, note 16, for a description of the agreement with Rosetta Capital.

"Net Portfolio Fair Value (after potential distribution to Rosetta Capital)" is as defined in Note 1.

Expanded Portfolio Fair Value calculations taking the portfolio valuation and potential distribution to Rosetta Capital in consideration

SEK 000	31 Dec 2024	31 Dec 2023
Karolinska Development Portfolio Fair Value (unlisted companies)	807,798	741,365
Karolinska Development Portfolio Fair Value (listed companies)	94,713	124,598
KDev Investments Portfolio Fair Value	549,021	574,336
Total Portfolio Fair Value	**1,451,532**	**1,440,299**
Potential distribution to Rosetta Capital of fair value of KDev Investments	-330,754	-340,016
Net Portfolio Fair Value (after potential distribution to Rosetta Capital)	**1,120,777**	**1,100,283**

NOTE 4 Other financial assets

SEK 000	31 Dec 2024	31 Dec 2023
Other financial assets, non-current		
Earn-out agreement Forendo Pharma	71,271	57,443
Earn-out agreement Oncopeptides	-	0
Total	**71,271**	**57,443**
Other financial assets, current		
Earn-out agreement Forendo Pharma	11,084	10,386
Total	**11,084**	**10,386**

Earn-out agreement Forendo Pharma

Karolinska Development is entitled to earn-out payments according to the agreement with Organon regarding the sale of Forendo Pharma. Karolinska Development estimates the risk-adjusted net present value (rNPV) of future cash flows (earn-outs), after the initial payment in December 2021 and payments in 2022 and 2023, to SEK 82.4 million, whereof Karolinska Development expects SEK 11.1 million to be paid during the next 12 months. The earn-outs are expected to be paid during the period 2025–2034, and renewed rNPV valuations will be performed continuously. Forendo Pharma's previous shareholders are entitled to additional future payments totaling USD 870 million upon the achievement of certain development, registration and commercial milestones pertaining to Forendo Pharma's drug candidates.

Earn-out agreement Oncopeptides

Karolinska Development was entitled to earn-out payments according to the agreement with Industrifonden regarding the previous holdings in Oncopeptides. During the third quarter, Karolinska Development received SEK 0.9 million in compensation, which is the final settlement of the agreement.

NOTE 5 Interest income on loans to portfolio companies

SEK 000	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Operating profit/loss				
Interest income on loans to portfolio companies[1]	1,408	-	5,202	-
Total	**1,408**	**-**	**5 202**	**-**
Financial net				
Interest income on loans to portfolio companies and other income interests[1]	77	2,457	1,056	8,891
Total	**77**	**2,457**	**1,056**	**8,891**

[1)] Interest income on loans to portfolio companies is reported as of the fourth quarter of 2024 as a separate item in operating profit/loss (interest on loans to portfolio companies during the fourth quarter of 2023 amounted to SEK 1,521 thousand and for the full-year 2023 SEK 4,394 thousand). Other interest income is reported in net financial items.

NOTE 6 Pledge assets and contingent liabilities

SEK 000	31 Dec 2024	31 Dec 2023
Pledge assets		
Contingent liabilities		
Loan commitment to portfolio company	5 000	-
Investment agreement in portfolio company	-	8,705
Summa	**5 000**	**8,705**