

Interim Report - January-September 2023

STOCKHOLM – 17 November 2023. Karolinska Development AB (Nasdaq Stockholm: KDEV) today publishes its Interim Report - January-September 2023. The full report is available on the Company's website.

“It’s clear that our portfolio companies have unique competence in their respective therapeutic areas. Karolinska Development will, economic turbulence notwithstanding, continue to support the development of new treatments that can extend people’s lifespans and enhance their quality of life. Patients’ and society’s need for medical progress does not depend on the economic climate”, says Viktor Drvota, CEO, Karolinska Development.

Significant events during the third quarter

- The portfolio company Umeocrine Cognition presented results from a study on a preclinical model of Parkinson’s disease at the 6th World Parkinson Congress in Barcelona, Spain, July 4-7. The results shows how the company’s clinical drug candidate golexanolone has an effect on fatigue, anxiety, depression, and some cognitive and motor changes in the disease model (July 2023).
- The portfolio company OssDsign received clearance from FDA for the use of OssDsign Catalyst in interbody cages in spinal surgery (September 2023).
- The portfolio company OssDsign successfully completed a directed share issue to a value of approximately SEK 150 million. The net proceeds will be used to finance a strategic shift to fully focus its operations on the orthobiologic business in the U.S., in light of the extraordinary commercial performance of its high-margin nanosynthetic bone graft OssDsign Catalyst (September 2023).
- The portfolio company PharmNovo reported promising results in a preclinical study of the company’s drug candidate PN6047. The results reaffirm existing safety profile data of PN6047 (September 2023).

Significant post-period events

- The portfolio company PharmNovo successfully completed its clinical phase 1 study with PN6047, a drug candidate developed as a potential treatment for neuropathic pain. The results from the study show that PN6047 is safe and well-tolerated at doses predicted to have clinically relevant effects. Furthermore, PN6047 seems to offer a significantly better safety profile compared to conventional opioids (October 2023).
- The portfolio company Modus Therapeutics decided to carry out a rights issue that can raise up to approximately SEK 40.3 million before issue costs. The capital injection will primarily be used to finance the company's continued operations and an expansion of the clinical development program for the drug candidate sevuparin to the area of anemia (November 2023).

Financial update

- The net profit/loss for the third quarter was SEK 12.0 million (SEK -46.6 million in the third quarter of 2022). Earnings per share totaled SEK 0.04 (SEK -0.17 in the third quarter of 2022). Net profit/loss for the period January – September 2023 amounted to SEK 7.3 (-98.1) million.

- The result of the Change in fair value of shares in portfolio companies for the third quarter amounted to SEK 11.7 million (SEK -50.3 million in the third quarter of 2022). The result is largely due to the upturn in share price in the listed holdings OssDsign and Promimic. The result of the Change in fair value of shares in portfolio companies for the period January – September 2023 amounted to SEK 8.6 (-91.4) million.
- The total fair value of the portfolio was SEK 1,392.2 million at the end of September 2023, corresponding to an increase of SEK 28.1 million from SEK 1,364.1 million at the end of the previous quarter. The net portfolio fair value at the end of September 2023 was SEK 1,052.2 million, corresponding to an increase of SEK 26.0 million from SEK 1,026.2 million at the end of the previous quarter. The increase is mainly the effect of the upturn in share price of listed holdings and investments during the quarter.
- Net asset value amounted to SEK 1,253.2 million, per share SEK 4.6, at the end of September 2023 (SEK 1,237.7 million, per share SEK 4.6 at the end of September 2022).
- Net sales totaled SEK 0.4 million during the third quarter of 2023 (SEK 0.5 million during the third quarter of 2022). Net sales for the period January – September 2023 totalled SEK 1.5 (1.7) million.
- Karolinska Development invested a total of SEK 15.8 million in portfolio companies during the third quarter of 2023 (SEK 61.8 million in the third quarter of 2022). Third quarter 2023 investments in portfolio companies by Karolinska Development and other specialized life sciences investors totaled SEK 126.3 million (SEK 180.6 million in the third quarter of 2022).
- Cash and cash equivalents (including short-term investments) decreased by SEK 17.7 million during the third quarter, totaling SEK 130.0 million on 30 September 2023 (SEK 207.0 million on 30 September 2022).

The Interim Report for Karolinska Development AB for the period January-September 2023 is available as a PDF at www.karolinskadevelopment.com.

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TO THE EDITORS

About Karolinska Development AB

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

Karolinska Development has access to world-class medical innovations at the Karolinska Institutet and other leading universities and research institutes in the Nordic region. The Company aims to build companies around

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scientists who are leaders in their fields, supported by experienced management teams and advisers, and co-funded by specialist international investors, to provide the greatest chance of success.

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

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

For more information, please visit www.karolinskadevelopment.com