

## **Karolinska Development invests in breakthrough drug project for the treatment of nerve pain**

STOCKHOLM, SWEDEN, June 3, 2022. Karolinska Development AB (Nasdaq Stockholm: KDEV) announces that the company has agreed to invest SEK 20 million in PharmNovo AB, which is developing a novel drug for nerve pain, a difficult-to-treat form of pain that often develops into a chronic condition. The drug candidate PN6047 from PharmNovo has shown compelling efficacy in well-established preclinical disease models, and a first clinical trial is planned to start in late 2022. The estimated market value for nerve pain drugs is nearly \$6 billion and is expected to continue growing.

The need for improved treatments for nerve pain, also known as neuropathic pain, is enormous. Around 10% 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 €440 billion annually in Europe alone. Neuropathic pain occurs due to nerve damage caused by, for example, type 2 diabetes, shingles, trauma, and cancer. Current pain treatments are often insufficiently effective and are associated with a risk of developing addiction and other serious side effects.

The drug candidate PN6047 from PharmNovo is a spin-out from cutting-edge research at AstraZeneca and has been evaluated in an extensive preclinical program showing promising efficacy data in disease models of neuropathic pain. Based on the high selectivity of the drug candidate, it is expected, unlike current therapies, to deliver superior efficacy and an improved safety and tolerability profile, including addiction. The first clinical trial of PN6047 is planned to start as early as the end of 2022.

Karolinska Development's investment in PharmNovo has been made within the framework of a new share issue led by Sciety and brings the company a total of approximately SEK 67 million. The proceeds of the issue will be used to finance the production of the drug substance, the conduct of a Phase 1 clinical trial, and the further development of the company's infrastructure.

"The market for neuropathic pain drugs is expected to exceed \$7 billion by 2025 and continue to grow. At the same time, the care of this severe pain condition is characterized by malpractice, risking subsequent addiction issues. PN6047 has the potential to become a treatment delivering high efficacy without severe side effects, which would help a large patient population worldwide. We are impressed by the activity level in our new portfolio company's research and the skilled team that will now take the project to clinical phase," comments Viktor Drvota, CEO Karolinska Development.

"The solid and successful work of taking the drug candidate PN6047 through the entire preclinical development phase and the significant commercial potential of this novel pain treatment has made it possible to attract Karolinska Development and other reputable owners to the company. We are now well-positioned to take our project to the next important milestone, the start of the first clinical study, already this year", comments Per von Mentzer, CEO PharmNovo.

Karolinska Development's ownership in PharmNovo will amount to 13.7 % after the investment. Once the investment is completed, Karolinska Development's portfolio will consist of ten companies.

### **For further information, please contact:**

Viktor Drvota, CEO, Karolinska Development AB  
Phone: +46 73 982 52 02, e-mail: viktor.drvota@karolinskadevelopment.com



Johan Dighed, General Counsel and Deputy CEO, Karolinska Development AB  
Phone: +46 70 207 48 26, e-mail: [johan.dighed@karolinskadevelopment.com](mailto:johan.dighed@karolinskadevelopment.com)

*This information is information that Karolinska Development AB (publ) (Nasdaq Stockholm: KDEV) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Viktor Drvota, at 08.00 CET on 3 June, 2022.*

## **TO THE EDITORS**

### **About Karolinska Development AB**

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

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

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

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

For more information, please visit [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com).