KAROLINSKA DEVELOPMENT

INTERIM REPORT
Jan – Mar 2025

Q1

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 science 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

- The net profit/loss for the first quarter was SEK -14.2 million (SEK 0.2 million in the first quarter of 2024). Earnings per share totaled SEK -0.05 (SEK 0.00 in the first quarter of 2024).
- The result of the Change in fair value of shares in portfolio companies for the first quarter amounted to SEK -3.5 million (SEK 1.9 million in the first quarter of 2024). The result is mainly the effect of the downturn in share price in the listed holding Modus Therapeutics. The downturn was partly offset by an upturn in the share price in the listed holdings OssDsign and Promimic.
- The total fair value of the portfolio was SEK 1,434.2 million at the end of March 2025, corresponding to a decrease of SEK 17.3 million from SEK 1,451.5 million at the end of the previous quarter. The net portfolio fair value at the end of March 2025 was SEK 1,103.1 million, corresponding to a decrease of SEK 17.7 million from SEK 1,120.8 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 divestment of Karolinska Development's shares in Promimic and also the downturn in the share price of the listed holding Modus Therapeutics. The decrease was partially offset by the increase in the price of the listed holdings OssDsign and Promimic. The quarter's investments also contributed to the increase in fair value.
- Net asset value amounted to SEK 1,230.4 million, per share SEK 4.6, at the end of March 2025 (SEK 1,254.3 million, per share SEK 4.6 at the end of March 2024).
- Net sales totaled SEK 0.5 million during the first quarter of 2025 (SEK 0.5 million during the first quarter of 2024).
- Karolinska Development invested a total of SEK 15.5 million in portfolio companies during the first quarter of 2025 (SEK 12.0 million in the first quarter of 2024). First quarter 2025 investments in portfolio companies by Karolinska Development and other specialized life sciences investors totaled SEK 25.6 million (SEK 242.8 million in the first quarter of 2024).
- Cash and cash equivalents increased by SEK 9.0 million during the first quarter, totaling SEK 51.1 million on 31 March 2025 (SEK 67.5 million on 31 March 2024).

Significant events during the first quarter

- 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).
- The portfolio company **Promimic** published positive results showing a reduction of bacterial growth on the company's implant surface HA^{nano} Surface. The results are published in the Journal of Functional Biomaterials (February 2025).
- The portfolio company **AnaCardio** dosed the first patient in the phase 2a part of the GOAL-HF1 clinical study. The study will evaluate AnaCardio's drug candidate AC01 in patients with heart failure and reduced ejection fraction. Study results from GOAL-HF1 are expected by the end of the year (February 2025).
- The portfolio company **PharmNovo** received positive feedback regarding its most advanced drug candidate, PN6047, in a pre-IND meeting with the U.S. Food and Drug Administration (FDA). The meeting aimed to provide guidance on the design of the company's planned phase 2a clinical trial for the treatment of peripheral neuropathy and allodynia (March 2025).
- The portfolio company **AnaCardio** was granted patent for its drug candidate AC01 in patients with heart failure and reduced ejection fraction in the EU (March 2025).
- The portfolio company **Umecrine Cognition** provided an update regarding the ongoing clinical phase 1b/2a trial evaluating the drug candidate golexanolone in patients with Primary biliary cholangitis, PBC. Due to technical issues in the production of capsules used in the study, the clinical trial has been delayed. No patient safety concerns have been noted, and Umecrine Cognition is working intensively together with its supplier to resolve the issue (March 2025).

Significant post-period events

- The portfolio company **Umecrine Cognition** presented recent preclinical data showing that golexanolone reverses dopamine loss and sustains improvements of Parkinsonian symptoms at the 19th International Conference on Alzheimer's and Parkinson's Diseases (AD/PD) 2025, in Vienna, Austria (April 2025).
- **Karolinska Development** announced that Viktor Drvota took over as CEO of the portfolio company **Umecrine Cognition**. Viktor Drvota remains the CEO of Karolinska Development (April 2025).

Viktor Drvota, CEO of Karolinska Development, comments:

"Developmental intensity levels remain high in our portfolio companies, many of which have progressed their positions during the first quarter of the year."

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Chief Executive's Report

Developmental intensity levels remain high in our portfolio companies, many of which have progressed their positions during the first quarter of the year. A number of clinical studies are ongoing this year and are yielding exciting readouts, while preparatory studies that will form the basis for registration are currently being conducted by Dilafor and BOOST Pharma for the most advanced pharmaceutical projects.

AnaCardio initiates phase 2a study and recruits its first patient

Having begun the year strongly with a financing round that yielded SEK 205 million, AnaCardio has initiated the clinical phase 2a study evaluating its AC01 candidate drug in patients with heart failure and reduced ejection fraction. The first patient was recruited to the study – which is being conducted in Sweden, the Netherlands, Italy, and the UK – at the end of February. The company has previously reported promising data in the first part of the study (phase 1b), and the topline results for the phase 2a part are scheduled for presentation at the end of 2025.

AnaCardio has, furthermore, been granted additional patent protection for AC01 in the EU for its specific type of treatment as an inotropic agent. The patent secures exclusivity in all of the major European markets, and hence entails an increase in the project's commercial value.

Promimic publishes positive results for HA^{nano} Surface

Karolinska Development's portfolio company Promimic has published results in the Journal of Functional Biomaterials showing a reduction in bacterial growth on the company's implant surface, HA^{nano} Surface. The company has previously seen a reduction in the adhesion of bacteria to the implant surface, but the new results, which suggest a reduction in bacterial growth, indicate that the effect is not bactericidal – thereby reducing the risk of bacterial resistance. The effect was apparent in bacterial strains that are common in implant-related infections. There is a very real need in the medical sector for implants that promote healing and reduce the risk of bacterial growth, and with these new results, Promimic has demonstrated that an HA^{nano} Surface-modified surface has a positive effect in both respects.

PharmNovo receives positive FDA feedback ahead of IND application

Our portfolio company PharmNovo, which is developing the PN6047 candidate drug as a new treatment for complex pain conditions, has received positive feedback from the US Food & Drug Administration (FDA) in conjunction with a pre-IND meeting. The meeting was held ahead of the submission of an Investigational New Drug (IND) application to enable clinical studies to be conducted in the USA. PharmNovo plans, in the wake of the positive feedback, to submit an IND application to the FDA before the end of 2025. The company also plans, in parallel with this, to apply for permission to initiate a clinical phase 2a study in Europe during the third quarter of the year.

Umecrine Cognition's clinical study delayed

Umecrine Cognition has encountered technical problems in the production of the capsules used in the ongoing clinical study of Primary biliary cholangitis (PBC), resulting in some delays to the study's timetable. The problems have no impact on patient safety and the hope is that the company, together with its supplier, will be able to resolve the production issues shortly.

Umecrine Cognition has presented preclinical data for golexanolone, showing a normalisation of dopamine loss 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, in turn, to various symptoms that reduce the patient's well-being and quality of life. The results, which are based on trials using a well-established

laboratory model of Parkinson's disease, also show that golexanolone can maintain improvements in these symptoms. Umecrine Cognition's study data was presented at the annual Alzheimer's & Parkinson's Diseases Conference (ADPD) held in Vienna, Austria, in early April.

High tempo in several portfolio companies

Development in our other portfolio companies has continued in parallel with the above-mentioned progress. Dilafor is working intensively on preparations for its clinical phase 3 programme, while BOOST Pharma is working on the development plan for the company's cellular therapy for the rare bone disease, Osteogenesis Imperfecta – another phase 3 development project.

During the quarter, we strengthened the company's cash position by SEK 29 million by divesting holdings in two of our portfolio companies, through a sale of two million shares in OssDsign, and by divesting a smaller holding in Promimic. After the sale, we maintain a holding corresponding to 2.6% in OssDsign and 12% in Promimic, the latter via a holding in KDev Investments.

After the period end, Karolinska Development announced that the undersigned had forged closer links with one of our biggest holdings, Umecrine Cognition. Effective as of 1 April, I will be taking over as CEO of Umecrine Cognition and dividing my working time equally between it and Karolinska Development. Both organisations are well-oiled operations, led by experienced and competent teams, and this solution is a cost-effective way of taking the two companies forward.

Solna, 30 April 2025

Viktor Drvota
Chief Executive Officer

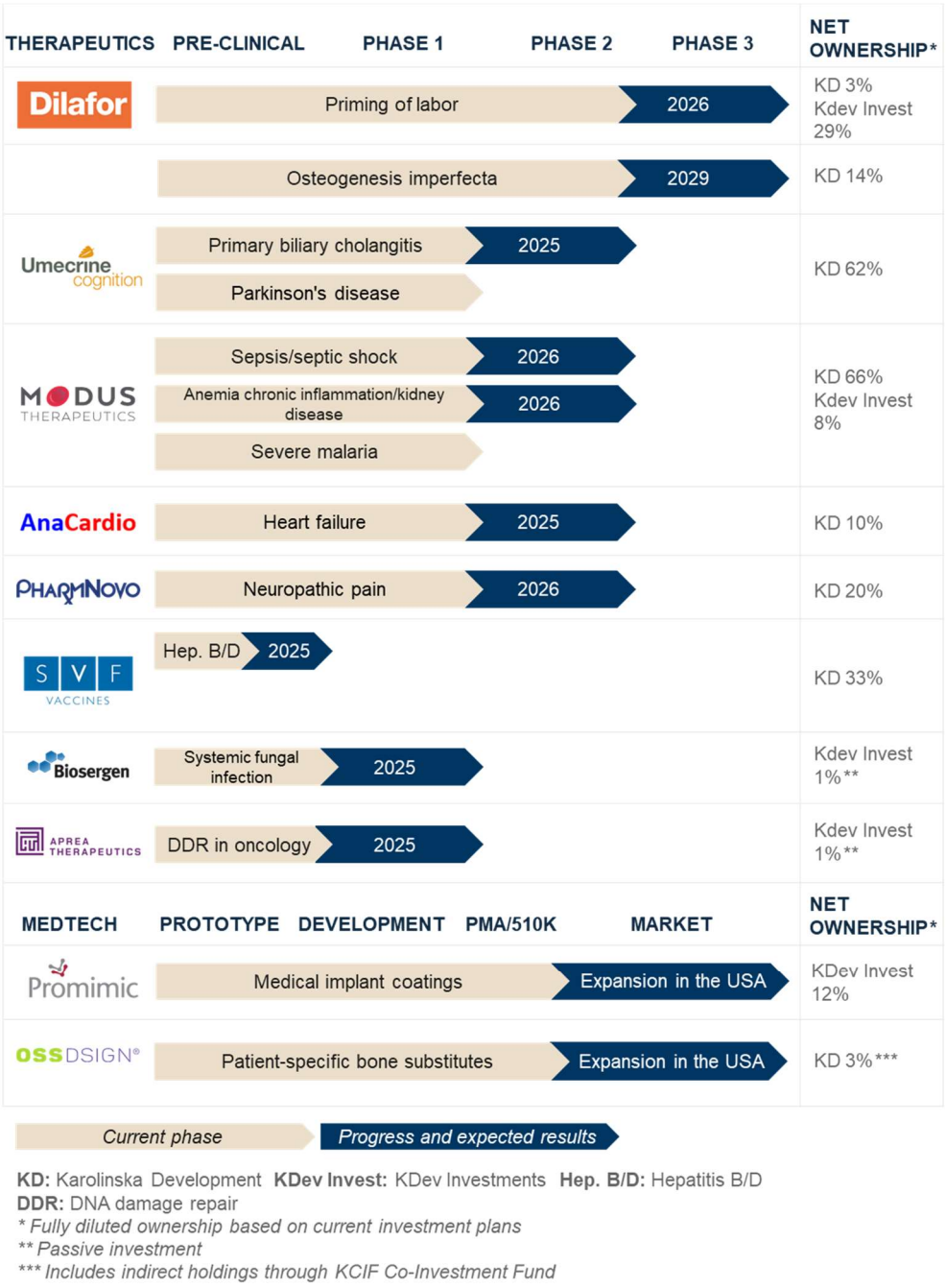
Portfolio Companies

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 March 31, 2025, 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 to improve 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 is 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

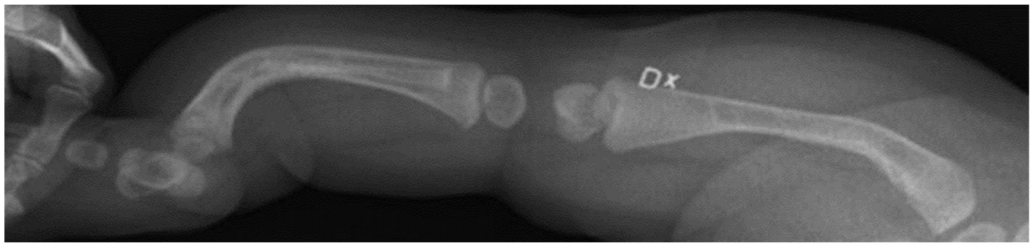
Holding in company*
Karolinska Development 14%

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 worldwide 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

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.*

Deal values for similar projects

- USD 794 million Intercept Pharmaceuticals (seller) & Alfasigma (buyer) 2023
- USD 601 million GENFIT (licensor) & IPSEN (licensee) 2021

Umecrine Cognition AB

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.

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 November 2024, positive interim data from the ongoing phase 1b/2a clinical trial of golexanolone in patients with Primary biliary cholangitis, PBC, were presented.
- During 2024, in total SEK 52.1 million in debt financing were secured, respectively, from Karolinska Development and several other investors.
- In March 2025, the company announced a delay in the ongoing PBC study, due to technical issues in the production of the capsules used in the study. No patient safety issues have been noted and the company is working with its supplier to resolve the production challenges.
- In April 2025, new preclinical data were presented showing that golexanolone normalizes dopamine loss and maintains improvements in Parkinson's symptoms
- In April, Viktor Drvota took office as the new CEO. Viktor Drvota also remains as CEO of Karolinska Development.

Expected milestones

Topline data from the phase 2 study of golexanolone in patients with PBC are expected in early 2026.

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%

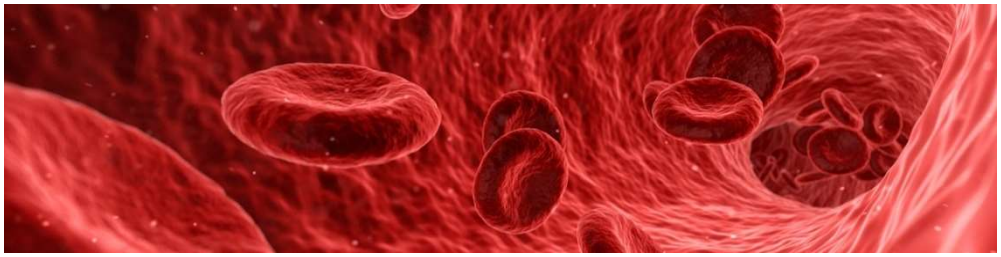
Other investors
John Öhd
Nordnet Pensionsförsäkring
Hans Wigzell

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 2

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 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.
- In February 2025, the company announced that the first patient in the second part of the phase 1b/2a clinical trial GOAL-HF1 had been dosed.
- In March 2025, the company announced that it had been granted an EU patent for the drug candidate AC01 as an inotropic treatment. The patent is jointly owned by AnaCardio and Helsinn Healthcare SA and provides exclusivity in all major European markets until 2042.

Expected milestones

- Phase 2a expansion of the ongoing phase 1b/2a study, 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

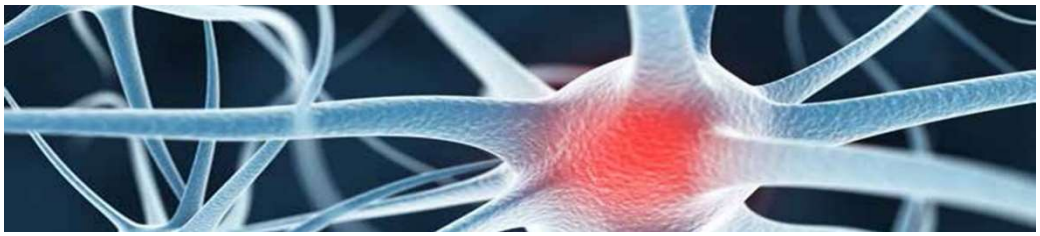
More information
pharmnovo.com

**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 treat 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 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.
- In March 2025, the company announced that it had received positive feedback regarding the company's drug candidate, PN6047, in connection with a pre-IND meeting with the US Food and Drug Administration (FDA). Based on the feedback, PharmNovo plans to apply for an IND with the FDA before the end of 2025.

Expected milestones

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

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. Today, 15-25 million people worldwide live with an infection of the closely related hepatitis D virus, that only infects hepatitis B-carriers 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.

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

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. Today, 15-25 million people worldwide live with an infection of the closely related hepatitis D virus, that only infects hepatitis B-carriers and exacerbates the progression of 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 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.

Expected milestones

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

Project
HA^{nano} Surface

Primary indication
Implant surface coatings

Development phase
Marketed

Holding in company*
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 2 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 February 2025, the company reported sales growth of 24% compared to the same period last year. Positive results were also published showing a reduction in bacterial growth on the company's implant surface HA^{nano} Surface. The results are published in the scientific journal Journal of Functional Biomaterials.

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 3%**

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	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Condensed income statement			
Change in fair value of shares in portfolio companies	-3.5	1.9	1.6
Net profit/loss	-14.2	0.2	-8.1
Balance sheet information			
Cash and cash equivalents	51.1	67.5	42.0
Net asset value (Note 1)	1,230.4	1,254.3	1,245.0
Net debt (Note 1)	-51.1	-67.5	-42.0
Share information			
Earnings per share, weighted average before dilution (SEK)	-0.1	0.0	0.0
Earnings per share, weighted average after dilution (SEK)	-0.1	0.0	0.0
Net asset value per share (SEK) (Note 1)	4.6	4.6	4.6
Equity per share (SEK) (Note 1)	4.5	4.6	4.6
Share price, last trading day in the reporting period (SEK)	1.0	1.5	1.0
Portfolio information			
Investments in portfolio companies	15.5	12.0	62.0
Of which investments not affecting cash flow	1.6	1.3	5.2
Portfolio companies at fair value through profit or loss	1,103.1	1,114.2	1,120.8

Financial Development for the Investment Entity in 2025

Investments *(comparable numbers 2024)*

Investments in the portfolio in the first quarter 2025 by external investors and Karolinska Development amounted to SEK 25.6 (242,8) million, whereof 39% (95%) by external investors.

Karolinska Development invested during the first quarter 2025 SEK 15.5 (12.0) million, of which SEK 13.9 (10.7) million was cash investments. Investments were made in Modus Therapeutics with SEK 5.0 million, Dilafor with SEK 4.4 million, BOOST Pharma with SEK 3.4 million and SVF Vaccines with SEK 1.1 million. Non-cash investments (accrued interest on loans) amounted to SEK 1.6 (1.3) million.

Investments by external investors in the portfolio companies during the first quarter 2025 amounted to SEK 10.1 (230.8) million and were made in Dilafor with SEK 6.7 million and in BOOST Pharma with SEK 3.4 million.

Portfolio Fair Value

Fair Value of the portfolio companies owned directly by Karolinska Development had a net decrease by SEK 18.4 million during the first quarter 2025. The main reason for the decrease in fair value was the partial divestment of OssDsign and the sale of Promimic shares, as well as the downturn in share price in the listed holding Modus Therapeutics. The decrease was partly offset by the upturn in the listed holding OssDsign.

Fair Value of the portfolio companies owned indirectly via KDev Investments increased by SEK 1.0 million during the first quarter 2025. The main reason for the increase in Fair value of the portfolio companies was the upturn 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 17.4 million in the first quarter 2025.

As a consequence of the increase in Fair Value of the part of the portfolio owned via KDev Investments, the potential distribution to Rosetta Capital increased by SEK 0.4 million, resulting in Net Portfolio Fair Value decreasing by SEK 17.7 million in the first quarter 2025.

SEKm	31 Mar 2025	31 Dec 2024	Q1 2025 vs Q4 2024
Karolinska Development Portfolio Fair Value (unlisted companies)	819.0	807.8	11.2
Karolinska Development Portfolio Fair Value (listed companies)	65.1	94.7	-29.6
KDev Investments Portfolio Fair Value	550.1	549.0	1.0
Total Portfolio Fair Value	**1,434.2**	**1,451.5**	**-17.4**
Potential distribution to Rosetta Capital of fair value of KDev Investments	-331.1	-330.8	-0.4
Net Portfolio Fair Value (after potential distribution to Rosetta Capital)	**1,103.1**	**1,120.8**	**-17.7**

Profit development 2025 (comparable numbers 2024)

During the first quarter of 2025, Karolinska Development's revenue amounted to SEK 0.5 (0.5) million and consists primarily of services provided to portfolio companies.

Change in fair value of shares in portfolio companies of in total SEK -3.5 (1.9) million includes the difference between the change in Net Portfolio Fair Value during the first quarter of 2025 with SEK -17.7 million and the investment in portfolio companies of SEK 15.5 million and divested portfolio companies of SEK 29.7 million.

Interest income on loans to portfolio companies amounted to SEK 1.6 million during the first quarter of 2025 (0.0 for the first quarter of 2024 as these are reported in net financial items).

Change in fair value of other financial assets and liabilities amounted to SEK -6.1 (4.9) million and were the consequence of changes in valuation of earn-out deals.

During the first quarter of 2025 other expenses amounted to SEK 1.5 (1.4) million and personnel costs amounted to SEK 5.2 (7.2) million. The reduced personnel costs during the quarter compared to the previous year are partly the outcome of bonus programs but also the effect of personnel made redundant.

The operating profit/loss in the first quarter of 2025 amounted to SEK -14.3 million compared to SEK -1.5 million in the first quarter 2024.

The financial net during the first quarter of 2025 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 1.7 million in the first quarter of 2024 (of which interest income on loans to portfolio companies amounted to SEK 1.3 million).

The Investment Entity's Net profit/loss amounted to SEK -14.2 (0.2) million in the first quarter of 2025.

Financial position

The Investment Entity's equity to total assets ratio amounted to 99% on 31 March 2025, which it also did on 31 March 2024.

The investment company's equity on 31 March 2025 amounted to SEK 1,224.5 million, compared to SEK 1,238.7 million on 31 December 2024. The decrease is a consequence of the profit/loss for the period of SEK -14.2 million.

After the paying of operational costs and investments for the first quarter 2025, cash and cash equivalents amounted to SEK 51.1 million on 31 March 2025 compared to SEK 67.5 million on 31 March 2024. Net debt (negative net debt/ net cash) amounted to SEK -51.1 million on 31 March 2025 compared to the net debt of SEK -67.5 million on 31 March 2024.

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 2024).

During the first quarter of 2025, the Parent Company's Net profit/loss amounted to SEK -14.2 (0.2) million.

The negative result for the first quarter of 2025 led to an decrease in equity of SEK 14.2 million from SEK 1,238.7 million as of 31 December 2024 to SEK 1,224.5 million 31 March 2025.

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 March 2025 was SEK 1.0, and the market capitalization amounted to SEK 262 million.

The share capital of Karolinska Development on 31 March 2025 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 March 2025 amounted to 270,077,594 shares and 293,074,943 votes.

Ownership

On 31 March 2025, Karolinska Development had 12,763 shareholders.

Shareholder	A-Shares	B-Shares	Cap %	Vote %
invoX Pharma Ltd	0	128,736,381	47.67%	43.93%
Worldwide International Investments Ltd	0	20,210,737	7.48%	6.90%
Swedbank Robur Microcap fond	0	8,750,000	3.24%	2.99%
Styviken Invest	0	5,236,206	1.94%	1.79%
Avanza Pension	0	5,176,708	1.92%	1.77%
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	2,013,187	0.75%	0.69%
Nordnet Pensionsförsäkring	0	1,666,597	0.62%	0.57%
Handelsbanken Fonder	0	1,314,466	0.49%	0.45%
Sum Top 10 Shareholders	2,555,261	177,330,641	66.61%	69.23%
Sum Other Shareholders	0	90,191,692	33.39%	30.77%
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. A new risk is posed by the US administration's policies and their effects, both domestically in the US, which is often the largest and most important market for new drugs, and the impact on world trade, primarily through the tariffs that are now being introduced. 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 2024.

Signing of the report

Solna, 30 April 2025

Viktor Drvota
CEO

Dates for Publication of Financial Information

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 interim report. The information was published on 30 April 2025.

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

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

Financial Statements

Condensed income statement for the Investment Entity

SEK 000	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Revenue		537	471	1,838
Change in fair value of shares in portfolio companies	2,3	-3,472	1,865	1,579
Interest income on loans to portfolio companies	5	1,628	-	5,202
Change in fair value of other financial assets and liabilities	3	-6,066	4,938	15,443
Other expenses		-1,455	-1,358	-7,097
Personnel costs		-5,215	-7,187	-25,126
Depreciation of right-of-use assets		-249	-249	-997
Operating profit/loss		**-14,292**	**-1,520**	**-9,158**
Financial net	5	98	1,728	1,057
Profit/loss before tax		**-14,194**	**208**	**-8,101**
Taxes		-	-	-
NET PROFIT/LOSS FOR THE PERIOD		**-14,194**	**208**	**-8,101**

Condensed statement of comprehensive income for the Investment Entity

SEK 000	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Net profit/loss for the period		-14,194	208	-8,101
Total comprehensive income/loss for the period		**-14,194**	**208**	**-8,101**

Earnings per share for the Investment Entity

SEK	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Earnings per share, weighted average before dilution		-0.05	0.00	-0.03
Number of shares, weighted average before dilution		269,833,309	269,833,309	269,833,309
Earnings per share, weighted average after dilution		-0.05	0.00	-0.03
Number of shares, weighted average after dilution		269,833,309	269,833,309	269,833,309

Condensed balance sheet for the Investment Entity

SEK 000	Note	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS				
Tangible assets				
Right-of-use assets		1,912	2,909	2,161
Financial assets				
Shares in portfolio companies at fair value through profit or loss	2,3	1,103,104	1,114,227	1,120,777
Other financial assets	4	66,403	62,091	71,271
Total non-current assets		**1,171,419**	**1,179,227**	**1,194,209**
Current assets				
Receivables from portfolio companies		1,588	314	1,126
Other financial assets	4	9,843	10,743	11,084
Other current receivables		891	893	2,400
Prepaid expenses and accrued income		1,375	1,505	1,151
Cash and cash equivalents		51,059	67,485	42,010
Total current assets		**64,756**	**80,940**	**57,771**
TOTAL ASSETS		**1,236,175**	**1,260,167**	**1,251,980**
EQUITY AND LIABILITIES				
Total equity		**1,224,529**	**1,247,032**	**1,238,723**
Current liabilities				
Other financial liabilities		57	197	100
Accounts payable		640	1,451	762
Liability to make lease payment		1,866	2,834	2,112
Other current liabilities		2,797	2,701	684
Accrued expenses and prepaid income		6,286	5,952	9,599
Total current liabilities		**11,646**	**13,135**	**13,257**
Total liabilities		**11,646**	**13,135**	**13,257**
TOTAL EQUITY AND LIABILITIES		**1,236,175**	**1,260,167**	**1,251,980**

Condensed statement of changes in the Investment Entity's equity

SEK 000	Not	31 Mar 2025	31 Mar 2024	31 Dec 2024
Opening balance, equity		**1,238,723**	**1,246,824**	**1,246,824**
Share capital		2,701	2,701	2,701
Share premium		2,735,903	2,735,903	2,735,903
Retained earnings		-1,514,075	-1,491,572	-1,499,881
Closing balance, equity		**1,224,529**	**1,247,032**	**1,238,723**

Condensed statement of cash flows for the Investment Entity

SEK 000	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Operating activities				
Operating profit/loss		-14,292	-1,520	-9,158
Adjustments for items not affecting cash flow				
Depreciation		249	249	997
Change in fair value		9,538	-6,803	-17,022
Other items		-1,592	270	-4,040
Cash flow from operating activities before changes in working capital and operating investments		**-6,097**	**-7,804**	**-29,223**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables		906	-746	-1,284
Increase (+)/Decrease (-) in operating liabilities		-1,324	1,734	2,677
Cash flow from operating activities		**-6,515**	**-6,816**	**-27,830**
Investment activities				
Part payment from earn-out deal		-	-	887
Proceeds from sale of shares in portfolio companies		29,705	-	41,497
Acquisitions of shares in portfolio companies		-13,875	-10,705	-56,753
Cash flow from investment activities		**15,830**	**-10,705**	**-14,369**
Financing activities				
Amortization of lease liabilities		-266	-266	-1,063
Cash flow from financing activities		**-266**	**-266**	**-1,063**
Cash flow for the period		**9,049**	**-17,787**	**-43,262**
Cash and cash equivalents at the beginning of the year		42,010	85,272	85,272
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**51,059**	**67,485**	**42,010**

Condensed income statement for the Parent Company

SEK 000	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Revenue		536	471	1,838
Change in fair value of shares in portfolio companies	2.3	-3,472	1,865	1,579
Interest income on loans to portfolio companies		1,628	-	5,202
Change in fair value of other financial assets and liabilities		-6,066	4,938	15,443
Other expenses		-1,719	-1,624	-8,160
Personnel costs		-5,215	-7,187	-25,126
Operating profit/loss		**-14,308**	**-1,537**	**-9,224**
Financial net		118	1,758	1,162
Profit/loss before tax		**-14,190**	**221**	**-8,062**
Tax		-	-	-
NET PROFIT/LOSS FOR THE PERIOD		**-14,190**	**221**	**-8,062**

Condensed statement of comprehensive income for the Parent Company

SEK 000	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Net profit/loss for the period		-14,190	221	-8,062
Total comprehensive income/loss for the period		**-14,190**	**221**	**-8,062**

Condensed balance sheet for the Parent Company

SEK 000	Note	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS				
Financial non-current assets				
Shares in portfolio companies at fair value through profit or loss	2,3	1,103,104	1,114,227	1,120,777
Other financial assets	4	66,403	62,091	71,271
Total non-current assets		**1,169,507**	**1,176,318**	**1,192,048**
Current assets				
Receivables from portfolio companies		1,588	314	1,127
Other financial assets	4	9,843	10,743	11,084
Other current receivables		891	893	2,400
Prepaid expenses and accrued income		1,375	1,505	1,151
Cash and cash equivalents		51,059	67,485	42,010
Total current assets		**64,756**	**80,940**	**57,772**
TOTAL ASSETS		**1,234,263**	**1,257,258**	**1,249,820**
EQUITY AND LIABILITIES				
Total equity		**1,224,483**	**1,246,957**	**1,238,673**
Current liabilities				
Other financial liabilities		57	197	100
Accounts payable		640	1,451	762
Other current liabilities		2,797	2,701	686
Accrued expenses and prepaid income		6,286	5,952	9,599
Total current liabilities		**9,780**	**10,301**	**11,147**
Total liabilities		**9,780**	**10,301**	**11,147**
TOTAL EQUITY AND LIABILITIES		**1,234,263**	**1,257,258**	**1,249,820**

Condensed statement of changes in equity for the Parent Company

SEK 000	Not	31 Mar 2025	31 Mar 2024	31 Dec 2024
Opening balance, equity		**1,238,673**	**1,246,736**	**1,246,735**
Share capital		2,701	2,701	2,701
Share premium reserve		2,735,903	2,735,903	2,735,903
Retained earnings		-1,514,121	-1,491,647	-1,499,931
Closing balance, equity		**1,224,483**	**1,246,957**	**1,238,673**

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 - March 2025.

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 51.1 million).

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

Net asset value as of 31 March 2025:

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	36,635	0.14	3.0%
OssDsign	2,535,478	28,499	0.11	2.3%
Total listed assets		**65,134**	**0.24**	**5.3%**
Unlisted assets				
AnaCardio		60,628	0.22	4.9%
Boost Pharma		9,853	0.04	0.8%
Dilafor		50,309	0.19	4.1%
PharmNovo		35,177	0.13	2.9%
SVF Vaccines		27,707	0.10	2.3%
Umecrine Cognition		626,577	2.32	50.9%
KCIF Co-Investment Fund KB[1]		8,776	0.03	0.7%
KDev Investments[1]		218,943	0.81	17.8%
Total unlisted assets		**1,037,970**	**3.85**	**84.4%**
Net of other liabilities and debts[2]		**127,248**	0.47	**10.3%**
Total net asset value		**1,230,352**	**4.56**	**100.0%**

[1]The company has both listed and unlisted assets.
[2] Includes SEK 51.1 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	2025 Jan-Mar	2024 Jan-Mar	2024 Jan-Mar
Result level 1			
Listed companies, realized	2,954	-	8,383
Listed companies, unrealized	-7,926	4,429	843
Total level 1	**-4,972**	**4,429**	**9,226**
Result level 3			
Unlisted companies, realized	-430	723	-1,245
Unlisted companies, unrealized	1,930	-3,287	-6,402
Total level 3	**1,500**	**-2,564**	**-7,647**
Total	**-3,472**	**1,865**	**1,579**

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

SEK 000	31 Mar 2025	31 Mar 2024	31 Dec 2024
Accumulated acquisition cost			
At the beginning of the year	1,120,777	1,100,398	1,100,398
Investments during the year	15,503	11,964	61,998
Sales during the year	-29,705	-	-43,197
Changes in fair value in net profit/loss for the year	-3,472	1,865	1,579
Closing balance	**1,103,104**	**1,114,227**	**1,120,777**

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 March 2025

SEK 000	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in portfolio companies, at fair value through profit or loss	65,134	-	1,037,970	1,103,104
Other financial assets	-	-	76,246	76,246
Cash and cash equivalents and short-term investments	51,059	-	-	51,059
Total	**116,193**	**0**	**1,114,216**	**1,230,409**
Financial liabilities				
Other financial liabilities	-	-	57	57
Total	**-**	**0**	**57**	**57**

Fair value as of 31 March 2024

SEK 000	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in portfolio companies, at fair value through profit or loss	129,027	-	985,200	1,114,227
Other financial assets	-	-	72,834	72,834
Cash, cash equivalents and short-term investments	67,485	-	-	67,485
Total	**196,512**	**0**	**1,058,034**	**1,254,546**
Financial liabilities				
Other financial liabilities	-	-	197	197
Total	**-**	**0**	**197**	**197**

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 (level 3) as of 31 March 2025

SEK 000	Shares in portfolio companies	Other financial assets	Other financial liabilities
At beginning of the year	1,026,064	82,355	100
Acquisitions	10,407	-	-
Gains and losses recognized through profit or loss	1,500	-6,109	-43
Closing balance 31 March 2025	**1,037,970**	**76,246**	**57**
Realized gains and losses for the period included in profit or loss	-430	0	0
Unrealized gains and losses in profit or loss for the period included in profit or loss	1,930	-6,109	43

Fair value (level 3) as of 31 March 2024

SEK 000	Shares in portfolio companies	Other financial assets	Other financial liabilities
At the beginning of the year	975,800	67,829	130
Acquisitions	11,964	-	-
Gains and losses recognized through profit or loss	-2,564	5,005	67
Closing balance 31 March 2024	**985,200**	**72,834**	**197**
Realized gains and losses for the period included in profit or loss	723	-	-
Unrealized gains and losses in profit or loss for the period included in profit or loss	-3,287	5,005	-67

Fair value (level 3) as of 31 December 2024

SEK 000	Shares in portfolio companies	Other financial assets	Other financial liabilities
At the beginning of the year	975,800	67,829	130
Acquisitions	61,998	-	-
Compensations	-4,086	-887	-
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	-
Unrealized gains and losses in profit or loss for the period included in profit or loss	-6,402	14,525	30

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 March 2025

SEK 000	Ownership	Market value	Valuation model[1]
AnaCardio	12.5%	60,628	Last post money
Boost Pharma	13.6%	9,853	Last post money
Dilafor	2.7%	50,309	Last post money
PharmNovo	20.0%	35,177	Last post money
SVF Vaccines	32.7%	27,707	Last post money
Umecrine Cognition	72.6%	626,577	External valuation[2]
KCIF Co-Investment Fund KB	26.0%	8,776	A combination of share price listed company and fair value of financial asset[3]
KDev Investments	90.1%	218,943	A combination of last post money and share price listed company[4]
Total level 3		**1,037,970**	

[1]See The Annual Report 2024 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 March 2025

	+/-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]	+/-17,905	+/-0.1	+/-53,615	+/-0.2	+/-107,330	+/-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 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.

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 331.1 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 2024, 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 Mar 2025	31 Mar 2024	31 Dec 2024
Karolinska Development Portfolio Fair Value (unlisted companies)	819,027	754,282	807,798
Karolinska Development Portfolio Fair Value (listed companies)	65,134	129,027	94,713
KDev Investments Portfolio Fair Value	550,061	568,926	549,021
Total Portfolio Fair Value	**1,434,222**	**1,452,235**	**1,451,532**
Potential distribution to Rosetta Capital of fair value of KDev Investments	-331,118	-338,008	-330,754
Net Portfolio Fair Value (after potential distribution to Rosetta Capital)	**1,103,104**	**1,114,227**	**1,120,777**

NOTE 4 Other financial assets

SEK 000	31 Mar 2025	31 Mar 2024	31 Dec 2024
Other financial assets, non-current			
Earn-out agreement Forendo Pharma	66,403	62,091	71,271
Earn-out agreement Oncopeptides	-	0	-
Total	**66,403**	**62,091**	**71,271**
Other financial assets, current			
Earn-out agreement Forendo Pharma	9,843	10,743	11,084
Total	**9,843**	**10,743**	**11,084**

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 76.2 million, whereof Karolinska Development expects SEK 9.8 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. The agreement was finalized in the third quarter of 2024.

NOTE 5 Interest income on loans to portfolio companies

SEK 000	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year
Net operations			
Interest on loans to portfolio companies	1,628	0	5,202
Total	**1,628**	**0**	**5,202**
Financial net			
Interest on loans to portfolio companies and other interest	98	1,728	1,057
Total	**98**	**1,728**	**1,057**

[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 first quarter of 2024 amounted to KSEK 1,259). Other interest income is reported in net financial items.

NOTE 6 Pledge assets and contingent liabilities

SEK 000	31 Mar 2025	31 Mar 2024	31 Dec 2024
Pledge assets			
Contingent liabilities			
Loan to portfolio company	5,000	-	-
Loan commitment to portfolio company	-	-	5,000
Investment agreement in portfolio company	-	7,580	-
Summa	**5,000**	**7,580**	**5,000**