

Karolinska Development invests in vaccine project to combat serious viral diseases

STOCKHOLM, SWEDEN – 27 March 2020. Karolinska Development (Nasdaq Stockholm: KDEV) announces today that the company has made an investment in Svenska Vaccinfabriken Produktion AB ("SVF"). SVF develops therapeutic proteins and DNA vaccines against hepatitis B, hepatitis D and other viral diseases, as well as vaccines to prevent infections of Covid-19 and potential future Coronaviruses. SVF's innovative vaccine platform technology has been developed by researchers at the Karolinska Institute in Huddinge, Sweden. The projects are currently in the preclinical phase and the first clinical trials could potentially be initiated in 2021.

As a result of the initial investment, Karolinska Development will own five percent of the shares in SVF. Further, an option agreement gives the opportunity to increase the ownership to a total of 25 percent within a defined period of time and at a predetermined price. Karolinska Development will be represented on the SVF Board of Directors. Karolinska Development will provide active support to the company, among other things in its efforts to establish a cooperation agreement with one or more Asian partners ahead of the continued development and commercialization of the products.

"The investment in Svenska Vaccinfabriken is part of Karolinska Development's ambition to establish collaborations between innovative Nordic life science companies and leading Asian life science actors, to create better opportunities for financing and faster paths to market introductions. The societal burden of viral infections is well known. At the present time, the focus is on the new Coronavirus, where SVF has a promising platform for vaccine development, but the overriding reason for our investment is the company's potential to develop curative treatments against other widespread and life-threatening virus diseases such as hepatitis B," comments Viktor Drvota, CEO, Karolinska Development.

Despite the availability of preventative vaccines and antiviral treatments, over 250 million people live with a chronic hepatitis B infection, China being one of the most severely affected countries. One million chronic carriers die each year due to complications caused by the virus, such as liver cirrhosis and liver cancer. The hepatitis D virus infects 15-25 million hepatitis B carriers and exacerbates the progression of the disease. SVF utilizes a proprietary immunotherapy to produce a specific form of antibodies that block the ability of the virus to penetrate human host cells. The aim is to develop a therapeutic vaccine that, unlike preventative vaccines, has the potential to cure already infected patients. The company has generated promising efficacy data in a preclinical animal model and is now continuing its preclinical development with the goal that a phase 1 study can be initiated in 2021.

Coronaviruses occur in many different forms and usually cause colds, sore throats, coughs and pneumonia. Although Coronavirus infections are usually mild, some virus types can lead to life-threatening conditions. This has been the case in the outbreak of SARS-CoV in 2003, MERS-CoV in 2012 and during the ongoing covid-19 pandemic. SVF has developed a platform that is expected to provide an opportunity to quickly develop vaccines against both current and new forms of Coronaviruses and has recently filed a patent application specifically linked to a potential covid-19 vaccine.

"We are delighted to join forces with Karolinska Development, as its competence and network will give us far greater possibilities to find international partners for our vaccine platform," says Jens Bäck, CEO of Svenska Vaccinfabriken Produktion AB.

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TO THE EDITORS**About Karolinska Development AB**

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

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

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

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

For more information, please visit www.karolinskadevelopment.com

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