

Interim Report - January-March 2022

STOCKHOLM – 29 April 2022. Karolinska Development AB (Nasdaq Stockholm: KDEV) today publishes its Interim Report - January-March 2022. The full report is available on the Company's website.

“With its strong financial position, long-term investment strategy and professional team, Karolinska Development is excellently positioned to continue with its value creation, even in a more challenging market climate”, says Viktor Drvota, CEO, Karolinska Development.

Significant events during the first quarter

- The portfolio company Svenska Vaccinfabriken has appointed Richard Bethell as new CEO. He will assume the position immediately. Richard Bethell holds a D.Phil in Biological Chemistry from the University of Oxford, has thirty years of experience in the biopharmaceutical industry and has worked primarily in the development of new products for the treatment and prophylaxis of infectious diseases (January 2022).
- The Portfolio company Umechrine Cognition has presented results from a preclinical study showing that the drug candidate golexanolone has a suppressive effect on neuroinflammation in the cerebellum, leading to the cessation of disease-related motor disturbances. The study further enhances understanding of golexanolone's mechanism of action and highlights its potential to treat symptoms related to movement and coordination. The study was carried out in collaboration with Dr Vincente Felipo at the Laboratory of Neurobiology, Centro de Investigación Príncipe Felipe, Valencia (January 2022).
- At the Extraordinary General Meeting of Karolinska Development held on January 12, 2022, the following resolutions were passed: Election of a new member of the Board of Directors, approval of the Board of Directors' resolution to issue shares with preferential rights for existing shareholders and amendment of the articles of association (January 2022).
- Karolinska Development publishes a prospectus which has been approved and registered by the Swedish Financial Supervisory Authority due to the upcoming rights issue (January 2022).
- The portfolio company AnaCardio has completed a fundraising of SEK 33 million comprised of a convertible loan. Karolinska Development participated in this important funding, which enables AnaCardio to proceed with the clinical development plans for the company's lead asset AC01 (February 2022).
- Karolinska Development AB announces definitive outcome in rights issue. Karolinska Development's rights issue with preferential rights for shareholders is completed. The rights issue was subscribed to 76.9 percent and Karolinska Development has received SEK 378 million before transaction costs and set-off of loans. The issue proceeds will finance the continued development of existing investments, new investments, and general corporate purposes. In total, the rights issue was subscribed to 76.9 percent, of which 74.5 percent was subscribed with subscription rights and 2.4 percent without the support of subscription rights. No guarantee undertakings were claimed. Karolinska Development directs gratefulness to existing shareholders for their participation in the rights issue and at the same time welcomes a number of new shareholders, including Swedbank Robur Microcap and Nyenburgh Holding B.V.

The subscription price in the rights issue was SEK 4.00 per share. Through the rights issue, the share capital in Karolinska Development increases by SEK 944,121.85, through the issue of 1,052,163 shares of class A and 93,360,022 shares of class B, to a total of SEK 2,700,775.94

allocated to 270,077,594 shares, of which 2,555,261 shares are of class A and 267,522,333 shares are of class B (February 2022).

- The portfolio company OssDsign has signed a long-term contract to deliver OssDsign Cranial PSI to the largest hospital network in France, Assistance Publique – Hôpitaux de Paris (AP-HP) (March 2022).

Significant post-period events

- The portfolio company OssDsign has enrolled the first patient to the company's multi-center, prospective spinal fusion registry in the U.S, PROPEL. The objective is to evaluate the use and outcome of OssDsign Catalyst in real-world clinical practice (April 2022).
- The portfolio company OssDsign has enrolled all patients in the clinical study TOP FUSION, which will primarily evaluate the safety and efficacy of OssDsign Catalyst in patients undergoing spinal fusion surgery (April 2022).
- The portfolio company Promimic's IPO offering was fully subscribed. Promimic is now provided with SEK 80 million before deductions for issue costs, profoundly strengthening the company's position ahead of its continued growth journey. Trading in the company's shares is estimated to begin on Friday, April 29 on Nasdaq First North Growth Market (April 2022).

Financial update

First quarter

- The net profit/loss for the first quarter was SEK -29.2 million (SEK 24.9 million in the first quarter of 2021). Earnings per share totalled SEK -0.13. (SEK -0.14 in the first quarter of 2021).
- The result of the Change in fair value of shares in portfolio companies for the first quarter amounted to SEK -17.2 million (SEK -15.5 in the first quarter of 2021). The result is largely due to a downturn in share price of in the listed holdings which is owned directly and indirectly via KDevI Investments.
- The total fair value of the portfolio was SEK 1,279.4 million at the end of March 2022, corresponding to a decrease of SEK 13.7 million from SEK 1,293.1 million at the end of the previous quarter. The net portfolio fair value at that time was SEK 944.1 million, corresponding to a decrease of SEK 6.1 million from SEK 950.2 million at the end of the previous quarter. The decrease is mainly an effect of the downturn in share price of the listed holdings.
- Net asset value amounted to SEK 1,305.6 million, per share SEK 4.8, at the end of March 2022 (SEK 778.7 million, per share SEK 4.4 at the end of March 2021).
- Net sales totalled SEK 0.6 million during the first quarter of 2022 (SEK 0.6 million during the first quarter of 2021).
- Karolinska Development invested a total of SEK 11.2 million in portfolio companies during the first quarter of 2022. First quarter investments in portfolio companies by Karolinska Development and other specialised life sciences investors totalled SEK 33.2 million.
- Cash and cash equivalents (including short-term investments) increased by SEK 208.9 million during the first quarter, totalling SEK 301.3 million on 31 March 2022. During the first quarter, Karolinska Development carried out a rights issue, which provided the company with SEK 235 million in cash and further SEK 125 million in reduced loans which were converted into shares.

The Interim Report for Karolinska Development AB for the period January-March 2022 is available as a PDF at www.karolinskadevelopment.com.

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TO THE EDITORS

About Karolinska Development AB

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

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

Karolinska Development has established a portfolio of 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