

## Interim Report - January-June 2022

**STOCKHOLM – 19 August 2022. Karolinska Development AB (Nasdaq Stockholm: KDEV) today publishes its Interim Report - January-June 2022. The full report is available on the Company's website.**

“Our portfolio companies’ dedicated work, clear progress, and ability to identify strategically advantageous partnerships and acquisition opportunities are impressive, and bode well for ongoing value creation”, says Viktor Drvota, CEO, Karolinska Development.

### Significant events during the second quarter

- The portfolio company OssDsign has enrolled the first patient to the company’s multi-centre, 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 began on Friday, April 29 on Nasdaq First North Growth Market (April 2022).
- The portfolio company Biosergen is preparing a Phase 2 clinical trial of the company’s lead compound BSG005, targeting systemic fungal infection from mucormycosis. The Phase 2 clinical trial will be conducted in India, where an epidemic of opportunistic mucormycosis has erupted (May 2022).
- At its Annual General Meeting, Karolinska Development voted to, among other things, to adopt the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet, to approve the allocation of the result, proposed by the Board of Directors and the CEO and to re-elect Björn Cochlovius, Philip Duong, Anna Lefevre Sköldebrand, Ben Toogood and Theresa Tse to its Board of Directors, and to elect Björn Cochlovius Chairman of the Board (May 2022).
- The portfolio company Aprea Therapeutics has completed the acquisition of the privately-held US-based biotechnology company Atrin Pharmaceuticals Inc. Aprea Therapeutics will now prioritize the development of Atrin Pharmaceuticals’ drug candidates, which are being developed to fight cancer by affecting the proteins involved in the ability of tumors to repair damage to their DNA (May 2022).
- The portfolio company Umecrine Cognition has submitted a clinical trial application (CTA) to the Hungarian regulatory body OGYÉI for approval to initiate a Phase 2 clinical trial of its drug candidate golexanolone in patients suffering from primary biliary cholangitis. The study is planned to be conducted at several European clinical trial centers (May 2022).
- Karolinska Development announced that the company has agreed to invest SEK 20 million in PharmNovo AB, which is developing a novel drug for nerve pain, a difficult-to-treat form of pain that often develops into a chronic condition. The drug candidate PN6047 from PharmNovo has shown compelling efficacy in well-established preclinical disease models, and a first clinical trial is planned to start in late 2022. The estimated market value for nerve pain drugs is nearly \$6 billion and is expected to continue growing (June 2022).

- The portfolio company Promimic has presented preclinical results showing that the company's HAnano Surface coating technology reduces the risk of adhesion by common pathogenic bacteria by up to 60% (June 2022).
- The portfolio company Svenska Vaccinfabriken has presented results from a preclinical study indicating that the company's candidate therapeutic vaccine SVF-001 has potential to elicit an immune response in a disease model of chronic hepatitis B. The results were presented on June 25 at the EASL International Liver Congress™ 2022 (June 2022).

## Significant post-period events

- Karolinska Development has completed the previously announced investment in PharmNovo, thereby including it among its portfolio companies. As of July 4, Karolinska Development's investment portfolio consists of ten companies (July 2022).
- The portfolio company Promimic announced that they and the US-based company Danco Medical formed a joint venture for the Processing of Medical Implants in the US market. The strategic initiative is expected to have a major impact on Promimic's growth and profitability as early as next year (July 2022).
- The Board of Directors of the portfolio company Umeocrine Cognition has recruited Anders Karlsson as the new CEO. He succeeds Magnus Doverskog, who moves on to a position as Chief Scientific Officer in the company. The recruitment aims to strengthen and broaden the management team with additional competence in business development and commercialization for the next phase in the company's development. Anders Karlsson will take over as CEO on 1<sup>st</sup> of September 2022 (August 2022).

## Financial update

- The net profit/loss for the second quarter was SEK -22.3 million (SEK 216.4 million in the second quarter of 2021). Earnings per share totalled SEK -0.08. (SEK 1.23 in the second quarter of 2021). Net profit/loss for the period January – June 2022 amounted to SEK -51.5 (191.5) million.
- The result of the Change in fair value of shares in portfolio companies for the second quarter amounted to SEK -23.9 million (SEK 227,9 in the second quarter of 2021). The result is largely due to a downturn in share price in the listed holdings which is owned directly and indirectly via KDevl Investments. The result of the Change in fair value of shares in portfolio companies for the period January – June 2022 amounted to SEK -41.1 (212.4) million.
- The total fair value of the portfolio was SEK 1,274.2 million at the end of June 2022, corresponding to a decrease of SEK 5.3 million from SEK 1,279.4 million at the end of the previous quarter. The net portfolio fair value at that time was SEK 941.7 million, corresponding to a decrease of SEK 2.5 million from SEK 944.1 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 1,284.8 million, per share SEK 4.8, at the end of June 2022 (SEK 995.5 million, per share SEK 5.7 at the end of June 2021).
- Net sales totalled SEK 0.6 million during the second quarter of 2022 (SEK 0.6 million during the second quarter of 2021). Net sales for the period January – June 2022 totalled SEK 1.2 (1.2) million.
- Karolinska Development invested a total of SEK 21.7 million in portfolio companies during the second quarter of 2022. Second quarter investments in portfolio companies by Karolinska Development and other specialised life sciences investors totalled SEK 116.2 million.

- Cash and cash equivalents (including short-term investments) decreased by SEK 27.4 million during the second quarter, totalling SEK 273.9 million on 30 June 2022.

*The Interim Report for Karolinska Development AB for the period January-June 2022 is available as a PDF at [www.karolinskadevelopment.com](http://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 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](http://www.karolinskadevelopment.com)