

Year-end Report - January-December 2022

STOCKHOLM – 17 February 2023. Karolinska Development AB (Nasdaq Stockholm: KDEV) today publishes its Year-end Report - January-December 2022. The full report is available on the Company's website.

“Our portfolio expanded during the last quarter of 2022 in the form of the Danish life science company, Henlez. OssDsign, meanwhile, presented a number of achievements that were well-received by the stock market, shortly after the end of the quarter, Umeocrine Cognition reported promising results for golexanolone in a preclinical model of Parkinson’s disease”, and just a few days ago we were able to rejoice the positive results in Dilafor's extension study of tafoxiparin - a message of strength for the drug candidate's continued development.”, says Viktor Drvota, CEO, Karolinska Development.

Significant events during the fourth quarter

- Karolinska Development announced its participation in a seed financing of Henlez, a privately owned Danish company focusing on a development project directed towards the chronic dermatological condition hidradenitis suppurativa. The global market for treatments of hidradenitis suppurativa is projected to reach USD 1.8 billion by 2028 (October 2022).
- The portfolio company OssDsign completed a directed share issue of approximately SEK 65.6 million to a number of reputable institutional investors, including Adrigo Small & Midcap and Lancelot Asset Management. Karolinska Development is one of the major shareholders in OssDsign and subscribed its pro-rata share in the issue for an amount of approximately SEK 7.2 million. The purpose of the issue is to fund OssDsign's continued efforts to build a global bone graft business, accelerate growth in the US, expand the product portfolio and advance the clinical programs (November 2022).
- The portfolio company OssDsign presented updated post-market surveillance from a long-term follow-up of OssDsign Cranial PSI, which is used in the treatment of cranial bone defects. The outcome exceeds previous follow-ups and highlights the exceptional performance of OssDsign Cranial PSI (December 2022).
- The portfolio company Dilafor enrolled the last patient to an extension of the clinical phase 2b trial with its drug candidate tafoxiparin, which generated positive results in June 2021. The purpose of the extension study is to document the effect of tafoxiparin at further doses (December 2022).

Significant post-period events

- The portfolio company Umeocrine Cognition presented promising preclinical data of the company's most advanced drug candidate golexanolone in a widely used model of Parkinson’s disease. The results indicate that golexanolone could improve several symptoms of Parkinson’s disease and further increase the understanding of the drug candidate’s potential role in treating this progressive and debilitating central nervous system disease (January 2023).
- The portfolio company OssDsign published the first case report on a patient that underwent spinal fusion surgery with OssDsign Catalyst in the TOP FUSION study. The article is published in the Biomedical Journal of Scientific & Technical Research and shows a complete spinal fusion six months after the surgery (January 2023).

- The portfolio company Aprea Therapeutics dosed the first patient in a clinical phase 1/2a study of the drug candidate ATRN-119, which is being evaluated as a treatment for advanced solid tumors by affecting a signaling pathway important for tumor DNA repair (January 2023).
- The portfolio company Umecrine Cognition was granted Orphan Drug Designation by the U.S. Food & Drug Administration (FDA) for the company's most advanced drug candidate golexanolone in Primary Biliary Cholangitis (PBC). The designation will play a vital role in the planned clinical development of golexanolone (January 2023).
- The portfolio company Dilafor reported positive results from the extension of the clinical phase 2b study of the drug candidate tafoxiparin. The extension part of the study included 164 women and the results show a positive effect on cervical ripening and a clear dose-response relationship for the evaluated doses (February 2023).

Financial update

Fourth quarter

- The net profit/loss for the fourth quarter was SEK 10.0 million (SEK -19.5 million in the fourth quarter of 2021). Earnings per share totaled SEK 0.04 (SEK -0.11 in the fourth quarter of 2021).
- The result of the Change in fair value of shares in portfolio companies for the fourth quarter amounted to SEK 15.3 million (SEK -16.8 million in the fourth quarter of 2021). The result is largely due to the upturn in share price in the listed holdings OssDsign and Modus.
- The total fair value of the portfolio was SEK 1,312.5 million at the end of December 2022, corresponding to an increase of SEK 29.1 million from SEK 1,283.4 million at the end of the previous quarter. The net portfolio fair value at that time was SEK 984.0 million, corresponding to an increase of SEK 31.0 million from SEK 953.0 million at the end of the previous quarter. The increase is mainly the effect of investments during the quarter and the upturn in share price of listed holdings.
- Net asset value amounted to SEK 1,249.1 million, per share SEK 4.6, at the end of December 2022 (SEK 978.0 million, per share SEK 5.6 at the end of December 2021).
- Net sales totaled SEK 0.6 million during the fourth quarter of 2022 (SEK 0.5 million during the fourth quarter of 2021).
- Karolinska Development invested a total of SEK 15.6 million in portfolio companies during the fourth quarter of 2022. Fourth quarter investments in portfolio companies by Karolinska Development and other specialized life sciences investors totaled SEK 122.5 million.
- Cash and cash equivalents (including short-term investments) decreased by SEK 17.2 million during the fourth quarter, totaling SEK 189.8 million on 31 December 2022 (SEK 92,4 million on December 31, 2021).

Full Year

- The full-year net profit/loss was SEK -88.1 million (SEK 170.8 million in 2021). Earnings per share totalled SEK -0.34 (SEK 0.97 in 2021).
- The full-year result for the change in the fair value of the portfolio amounted to SEK -76.1 million (SEK 223.2 million during 2021).
- The total fair value of the portfolio was SEK 1,312.5 million at the end of December 2022, an increase from SEK 1,293.1 million at the corresponding date in 2021. The net portfolio fair value was SEK 984.0 million, an increase by SEK 33.8 million from SEK 950.2 million at the corresponding date in 2021.

KAROLINSKA DEVELOPMENT

- Net asset value amounted to SEK 1,249.1 million, per share SEK 4.6, at the end of December 2022 (SEK 978.0 million, per share SEK 5.6 at the end of December 2021).
- Revenue totalled SEK 2.3 million for the full year of 2022 (SEK 2.2 million in 2021).
- Karolinska Development invested a total of SEK 110.3 (69.2) million in its portfolio companies during the full year. Full-year investments in the portfolio companies by Karolinska Development and other specialised life sciences investors totalled SEK 464.9 (455.5) million.
- Karolinska Development's cash compensation from earn-out agreements regarding divested portfolio companies amounted to SEK 5.4 (56.4) million during the year.
- Cash and cash equivalents (including short-term investments) increased by SEK 97.4 million during the full year, totalling SEK 189.8 (92.4) million on 31 December 2022.
- The Board does not propose any dividend for the financial year 2022.

The Year-end Report for Karolinska Development AB for the period January-December 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 eleven 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