

## **Karolinska Development's portfolio company Umecrine Cognition secures funding ahead of Phase 2 study of golexanolone in primary biliary cholangitis**

STOCKHOLM, SWEDEN – September 14, 2022. Karolinska Development AB (Nasdaq Stockholm: KDEV) today announces that the portfolio company Umecrine Cognition has secured funding of SEK 41 million for the start of a Phase 2 study of the drug candidate golexanolone in primary biliary cholangitis, a condition that occurs when the bile ducts in the liver are slowly destroyed. The financing is being implemented as a convertible loan with attached share options. Karolinska Development is investing SEK 15 million as part of an investor consortium that includes, among others, AB Ility. The dilutive effect of the transaction will result in a negative earnings effect of SEK 49 million (7.7%) for Karolinska Development in the third quarter of 2022.

Umecrine Cognition is developing a new class of drugs to alleviate cognitive symptoms caused by liver disease. The company's most advanced drug candidate, golexanolone, is currently being evaluated in patients with primary biliary cholangitis (PBC) and hepatic encephalopathy (HE; liver coma). These severe conditions lead to an inappropriate suppression of brain activity, causing extreme fatigue, difficulty concentrating and impaired motor function. Results from previous clinical and pre-clinical studies strongly indicate that golexanolone is able to counteract such inappropriate suppression of brain activity.

"Umecrine Cognition's drug candidate golexanolone addresses a substantial medical need among patients with liver disease who suffer from severe chronic cognitive symptoms. We are delighted by the strong interest from external investors to finance the initiation of the upcoming Phase 2b study together with Karolinska Development. The study results have the potential to greatly enhance the value of this unique drug project," says Viktor Drvota, CEO of Karolinska Development.

Karolinska Development's ownership in Umecrine Cognition amounts to 73%. Upon full exercise of the share options attached to the convertible loan, Karolinska Development's shareholding will decrease to 65%.

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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](http://www.karolinskadevelopment.com).