

Karolinska Development's portfolio company Modus Therapeutics initiates preparations for listing on Nasdaq First North Growth Market

STOCKHOLM, SWEDEN – March 15, 2021. Karolinska Development AB (Nasdaq Stockholm: KDEV) announces today that its portfolio company Modus Therapeutics is preparing a listing on Nasdaq First North Growth Market in Stockholm during 2021. The company recently decided to initiate a clinical development program of its drug candidate sevuparin in patients suffering from sepsis / septic shock, and possibly also other severe inflammatory conditions arising in conjunction with major trauma, surgery, autoimmunity and viral infections.

The purpose of the planned IPO is to facilitate the financing of the company's clinical development program for sevuparin in sepsis / septic shock, which is expected to begin around the turn of the year 2021/22.

“An IPO would constitute a natural next step in Modus Therapeutics' development as a company ahead of initiating the planned clinical trial program in sepsis / septic shock, a potentially fatal condition where the need for effective pharmaceutical treatment is enormous,” says Viktor Drvota, CEO of Karolinska Development.

Patients suffering from sepsis are at risk of developing septic shock and multi-organ failure. Septic shock is a leading cause of death in intensive care units, with mortality rates typically exceeding 30 percent. There is currently no specific pharmaceutical therapy available for the treatment of sepsis. As a result, it is one of the costliest conditions to treat in the hospital care setting. In 2019, US in-patient care costs for patients with sepsis was estimated to USD 23 billion.

Modus Therapeutics' lead drug candidate, sevuparin, has been extensively documented in preclinical and clinical studies and is covered by patent protection until at least 2032. Recent preclinical research, conducted in collaboration with a research group at Karolinska Institutet, has revealed that sevuparin is able to significantly reduce effects of the form of severe systemic inflammation that occurs in conjunction with sepsis and a number of other medical conditions.

As part of the preparations for a potential IPO, Modus Therapeutics has appointed Sedermera Fondkommission as its financial advisor. The company has also recently strengthened its management team through the recruitment of Claes Lindblad as new Chief Financial Officer. He joins Modus Therapeutics from a corresponding position at the listed life science company OssDsign.

Karolinska Development holds 39.5% of the outstanding shares in Modus Therapeutics. Karolinska Development has further interest in the company through KDev Investments holdings of 32% of the outstanding shares in Modus Therapeutics.

For further information, please contact:

Viktor Drvota, CEO, Karolinska Development AB
Phone: +46 73 982 52 02, e-mail: viktor.dravota@karolinskadevelopment.com

Johan Dighed, General Counsel and Deputy CEO, Karolinska Development AB
Phone: +46 70 207 48 26, e-mail: johan.dighed@karolinskadevelopment.com

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

This information is information that Karolinska Development AB (publ) (Nasdaq Stockholm: KDEV) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Viktor Drvota, at 08:00 CET on 15 March, 2021.