

## Karolinska Development AB (publ) - Interim report January - March 2012

**STOCKHOLM - May 15, 2012.** Karolinska Development AB (publ) announces publication of its interim report January-March, 2012. A conference call will be held today at 16.30 CET, participant access numbers: SE: +46 (0) 8 505 597 72, UK: +44 (0) 20 775 099 50 or US: +1 8 666 765 870. The full report and the conference call presentation are available on the company's website.

**Torbjörn Bjerke, CEO, comments:** "During the first quarter, we continued to invest in projects and innovations which we feel have significant medical and commercial potential. Among other things, we have established KDev Oncology, a new, focused oncology group wholly owned by Karolinska Development. We are confident that a collective approach in oncology will help us to recruit top talent, generate new pharmaceutical projects, attract co-investors and simplify negotiations with potential buyers and partners when projects are successful. We intend to apply this model to all new projects where we see opportunities to improve efficiencies.

Since it was established, KDev Oncology, which includes the existing portfolio company Akinion Pharmaceuticals, has also invested in GliGene, a company focused on the Hedgehog signaling pathway, which plays a fundamental role in the control of cell differentiation, growth and proliferation and is reactivated in cancer. The thesis is that this is not needed in normal adult tissue and that inhibition of this pathway could provide a selective way to treat cancer.

In addition, several of our portfolio companies have made clinical progress, including Pergamum and Akinion Pharmaceuticals. Pergamum dosed the last patient in a Phase II trial for prevention of post-surgical adhesions and initiated a Phase II trial with DPK-060 in outer ear infections, while Akinion Pharmaceuticals initiated a clinical Phase I/II trial with AKN-028 for treatment of acute myeloid leukemia (AML). After the reporting period, Pharmanest launched a Phase I trial with SHACT to develop a product for pain relief in connection with intrauterine device (IUD) insertion, an area where women today rarely have effective options despite a clear medical need. Pharmanest's ambition is to develop a method for immediate pain relief without the use of advanced equipment.

Lastly, the continuous evaluation and prioritization of our companies and projects has strengthened the portfolio. Our expectation that intense business development work will bear fruit in 2012 remains unchanged."

### Summary of significant events during and after the first quarter

- Akinion Pharmaceuticals initiated Phase I/II clinical study with AKN-028
- Pergamum initiated Phase II trial with DPK-060 in outer ear infections
- Pergamum completed patient recruitment to Phase II clinical trial for prevention of post-surgical adhesions
- Karolinska Development formed KDev Oncology AB - Carl Harald Janson appointed CEO
- KDev Oncology invested in GliGene AB, a new company in the portfolio
- Karolinska Development invested in Oss-Q AB, a new company in the portfolio
- Pharmanest initiated Phase I trial with SHACT

### Group

|   | 2012           | 2011           | 2011             |
|---|----------------|----------------|------------------|
| <i>Amounts in SEKm</i>                                      | <i>Jan-Mar</i> | <i>Jan-Mar</i> | <i>Full year</i> |
| <i>Income statement</i>                                     |                |                |                  |
| Revenue   | 2.5            | 2.9            | 10.5             |
| Profit/loss after tax                                       | -89.1          | -37.5          | -385.7           |
| Earnings per share before and after dilution (SEK)          | -1.69          | -1.04          | -8.07            |
| <i>Balance sheet</i>  |                |                |                  |
| Cash and cash equivalents                                   | 171.5          | 141.8          | 163.3            |
| Short-term investments                                      | 362.2          | 78.6           | 457.2            |
| <i>Share information</i>                                    |                |                |                  |
| Net asset value per share (SEK)                             | 44.1           | 53.0           | 44.7             |
| Share price, last trading day in the reporting period (SEK) | 24.4           | -              | 24.0             |
| <i>Portfolio information</i>                                |                |                |                  |
| Investments in portfolio companies*                         | 78.0           | 35.7           | 297.6            |
| Of which investments not affecting cash flow                | 0.0            | 5.9            | 94.9             |
| Valuation of total portfolio holdings                       | 1,581.1        | 1,461.9        | 1,546.9          |

\* Portfolio companies comprise subsidiaries, joint ventures, associated companies and other long-term securities holdings

# KAROLINSKA DEVELOPMENT

*Profit from Innovation*

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## **TO THE EDITORS**

### **About Karolinska Development AB**

Karolinska Development aims to create value for investors, patients, and researchers by developing innovations from world class science into products that can be sold or out-licensed with high returns. The business model is to: **SELECT** the most commercially attractive medical innovations; **DEVELOP** innovations to the stage where the greatest return on investment can be achieved; and **COMMERCIALIZE** the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading Nordic universities, delivers a continuous flow of innovations. Today, the portfolio consists of 36 projects, of which 15 are in clinical development. For more information, please visit [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com).

*Karolinska Development is listed on NASDAQ OMX. Karolinska Development may be required to disclose the information provided herein pursuant to the Securities Markets Act.*