

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

**STOCKHOLM – November 22, 2012. Karolinska Development AB (publ) announces publication of its Interim Report January-September, 2012. A conference call will be held today at 14.00 CET. Participant access numbers: SE: +46 (0) 8 566 36 332, UK: +44 (0) 207 750 99 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:** "In connection with Karolinska Development's IPO last year, I made it clear that the commercialization of the company's portfolio is our highest priority. With every passing day, our shareholders naturally grow more impatient for evidence of the value we have created in the company. I therefore wish to emphasize that we are committed to our goal to announce our first commercial agreement by year-end.

The foundation for a successful business is making progress in the portfolio. During the third quarter, Pergamum took its drug candidate LL-37 to clinical development. With LL-37 the company hopes to help patients with hard-to-heal wounds, a condition that places a great burden on both the patient and the healthcare system. Pergamum also reported top-line Phase II data with PXL-01, which unfortunately did not meet the primary end point and has negatively affected the reported valuation of Karolinska Development's total portfolio holding. The company is now awaiting a complete analysis of the data before making a decision on further development.

In addition, Aprea reported promising data from a Phase I/II study of the drug candidate APR-246. The study was primarily designed to evaluate the drug's safety profile, but also gave an indication that APR-246 can reduce the tumor burden in patients with advanced cancer. The next step for Aprea is now to initiate a proof-of-concept study in patients with ovarian cancer. This positive news is especially gratifying since we increased our ownership interest in the company to 69 percent during the third quarter after completing the share swap announced in June. We previously expected to announce data from the Phase I/II study with Akinion's AKN-028 before year end. However, patient recruitment has been somewhat slower than expected and we now believe this study to be completed during the first of quarter 2013.

In 2012, several portfolio companies have taken important steps forward. Three projects have entered clinical development and two Phase II studies have been launched; Pharmanest's SHACT for pain relief in connection with intrauterine device (IUD) insertion and Pergamum's DPK-060 to treat outer ear infections. In total, eleven projects in our active portfolio are now in clinical development for diseases with unmet medical needs."

### Summary of significant events during the third quarter

- Pergamum reported top-line Phase II data from the clinical trial on the prevention of post-surgical adhesions
- The first patient was dosed with Pergamum's drug candidate LL-37 for treatment of hard-to-heal wounds
- Aprea announced positive data from a Phase I/II clinical study with APR-246 in patients with advanced cancers

Group	2012	2011	2012	2011
Amounts in SEKm	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
<i>Income statement</i>				
Revenue	1.8	1.9	7.4	7.1
Profit/loss after tax	-126.7	-140.5	-315.9	-271.3
Earnings per share before and after dilution (SEK)	-2.47	-2.64	-5.99	-5.88
<i>Balance sheet</i>				
Cash and cash equivalents			202.7	165.4
Short-term investments			213.2	526.5
<b>Total cash, cash equivalents and short-term investments</b>			<b>415.9</b>	<b>691.9</b>
<i>Share information</i>				
Net asset value per share (SEK)			40.4	46.7
Share price, last trading day in the reporting period (SEK)			16.3	25.8
<i>Portfolio information</i>				
Investments in portfolio companies	91.3	11.6	207.0	237.9
Of which investments not affecting cash flow	72.8	2.4	72.8	86.5
Valuation of total portfolio holdings			1,535.6	1,563.9

# KAROLINSKA DEVELOPMENT

*Profit from Innovation*

**For further information, please contact:**

Torbjörn Bjerke, CEO, Karolinska Development AB

Phone: +46 (0)72 744 41 23, e-mail: [torbjorn.bjerke@karolinskadevelopment.com](mailto:torbjorn.bjerke@karolinskadevelopment.com)

Robin Wright, CFO, Karolinska Development AB

Phone: +44 7720 300025, e-mail: [robin.wright@karolinskadevelopment.com](mailto:robin.wright@karolinskadevelopment.com)

Benjamin Nordin, IRO, Karolinska Development AB

Phone: +46 (0)73 093 60 80, e-mail: [benjamin.nordin@karolinskadevelopment.com](mailto:benjamin.nordin@karolinskadevelopment.com)

## **TO THE EDITORS**

### **About Karolinska Development AB**

Karolinska Development aims to create value for patients, researchers, and investors 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 34 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.*