

## Karolinska Development AB (publ) – Year-End Report 2011

**STOCKHOLM - February 22, 2012.** Karolinska Development AB (publ) announces publication of its Year-End Report 2011. A conference call will be held today at 14.00 CET, participant access numbers: +46 (0) 8 50 55 97 72, UK: +44 (0) 20 77 50 99 50. The full report and the conference call presentation are available on the company's website.

**Torbjörn Bjerke, CEO Karolinska Development, comments:** "In connection with Karolinska Development's successful initial public offering on NASDAQ OMX Stockholm in April we completed a new share issue that significantly strengthened our financial position. As of the year-end the Group had liquid assets of SEK 620m. This will enable Karolinska Development to continue to invest in innovations which we believe can meet future medical needs and generate a good return. We recently invested in two totally new companies. One is GliGene, a research company whose goal is to develop targeted cancer therapies based on a discovery by Professor Rune Toftgård at Karolinska Institutet. The other is Oss-Q, which was founded by researchers at Uppsala University and Karolinska University Hospital and which is developing pioneering implants for bone healing with a focus on skull surgery.

During the year, Axelar concluded a Phase I/II clinical study with the drug candidate AXL1717 where all the primary end points were met. As planned, before the year-end it also recruited the first patient for a Phase II study that will include a total of 140 lung cancer patients. In addition, Dilaforette initiated a Phase I/II study with Sevuparin for treatment of severe malaria. Several important clinical milestones have been reached after the end of the reporting period. Akinion initiated a Phase I/II clinical study with AKN-028 in patients with Acute Myeloid Leukemia, while Pergamum recruited the final patient in a Phase II trial of PXL01 for prevention of post-surgical adhesions and initiated a Phase II study with DPK-060 in outer ear infections.

In order to reach our investment goals, we must evaluate our portfolio continuously and reset priorities. This sometimes means discontinuing investments in projects that do not meet established targets. Accordingly, in 2011 we needed to wind up the three preclinical companies Avaris, IMED and Eribis, and the associated write-downs negatively contributed to the year's result. During the year we have worked intensely with business development in our companies, and our portfolio is much stronger today than it was at the beginning of the year. Our goal is that this work will bear fruit this year."

### Summary of significant events during and since the fourth quarter

- Axelar initiated a Phase II study with AXL1717 for the treatment of non-small cell lung cancer
- Aprea announced the continuation of a clinical Phase I/II study of APR-246 in patients with leukemia
- Pergamum initiated a Phase II study with DPK-060 in outer ear infections
- Akinion Pharmaceuticals initiated a Phase I/II clinical study with AKN-028
- KDev Oncology was formed as a focused oncology group and made its first investment in GliGene
- Karolinska Development made a new investment in Oss-Q, a company developing implants for bone healing

### Group

	2011	2010	2011	2010
	Oct-Dec	Oct-Dec	Full-year	Full-year
<i>Amounts in SEKm</i>				
Revenue	3.4	2.4	10.5	13.9
Profit/loss after tax	-114.4	-219.7	-385.7	-334.6
Earnings per share before and after dilution (SEK)	-2.16	-6.50	-8.07	-9.79
Cash flow			56.0	-286.7
Cash and cash equivalents			163.3	107.3
Short-term investments			457.2	136.6
Net asset value per share (SEK) (Note 8)			44.7	53.51
Share price at closing 30 Dec 2011 (SEK)			24.0	-
Proposed dividend per share (SEK)			0.0	0.0
<i>Portfolio information</i>				
Investments in portfolio companies* (Note 11)	59.7	49.1	297.6	193.1
Of which investments not affecting cash flow (Note 11)	8.4	-	94.9	-
Valuation of total portfolio holdings (Note 2)			1,546.9	1,454.7

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

# 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)

Gunnar Casserstedt, CFO, Karolinska Development AB

Phone: +46 (0)73 068 37 00, e-mail: [gunnar.casserstedt@karolinskadevelopment.com](mailto:gunnar.casserstedt@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 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 14 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.*