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# Karolinska Development – Interim Report January – June 2015

**STOCKHOLM – August 26, 2015. Karolinska Development AB (Nasdaq Stockholm: KDEV) today publishes its interim report January – June 2015. The Company will host a conference call and webcast today at 14.00 CEST – details below. The full report is available on the Company's website.**

**Jim Van heusden, CEO, comments:** *"Over the last several months we have been working hard to create a strong foundation, based around a more focused streamlined portfolio of companies, to ensure the future success of Karolinska Development. We have evolved our strategy so that we can achieve our medium-term goal of becoming a leading Nordic Venture Capital company.*

*"We have also adopted a more prudent and representative approach to valuing our investment portfolio as we believe that this will make it easier for shareholders to track the value that could be generated by our investee companies."*

***Karolinska Development - Q2 Highlights***

- Evolved strategy focused on transforming Karolinska Development into a leading Nordic Venture Capital Company
- Further streamlining of the Karolinska Development portfolio to allow resources to be focused on the portfolio companies with the best chances of delivering returns
- The Company's current level of funding provides sufficient runway to execute its strategy and to unlock the potential value of its portfolio.
- New Board Directors elected at the Company's Annual General Meeting

***Portfolio Developments – Q2 Highlights***

- Clanotech had a EU patent approved for its lead drug candidate CLT-28643, an α5β1 integrin inhibitor for ophthalmic use
- Inhalation Sciences broadened its investor basis by raising venture money from Stockholms Affärsänglar (Stockholm Business Angels) and Almi Invest
- Aprea had a US patent approved for a new formulation of APR-246, a first-in-class lead candidate drug that reactivates dysfunctional p53 tumor suppressor protein
- SEK 14.9m was invested in the portfolio companies during Q2
- Karolinska Development announced in July that it has adopted a more prudent and representative approach to reporting the fair value of its portfolio

***Post period events***

- Divestment of Pharmanest in July to an investment consortium comprising Östersjöstiftelsen, Recipharm Venture Fund and Praktikerinvest in an earn earn-out agreement. Consortium will finance Pharmanest to its next value inflection point
- Aprea strengthened its Board by electing Bernd R. Seizinger as Executive Chairman

***Financial Update***

- Cash, cash equivalents and short term liquidity investments decreased with
- SEK 57.0m during the second quarter and amounted to SEK 383.4m
- Net profit/loss amounted to SEK -654.6m during the second quarter (SEK -191.1m)
- Total Fair Value of the portfolio decreased from SEK 1,399m to SEK 679m during the second quarter. When adjusted for potential distribution to Rosetta Capital IV LP Net Fair Value amounted to SEK 319.9m (SEK 1,113.5m)
- Adjustment of Total Fair Value was due to
    - SEK -368.2m from new assessment of valuation principles
    - SEK -351.8m from divestments/write-offs

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***Conference Call and Webcast***

The Company will host a conference call and webcast today at 14.00 CEST. Please dial in at one of the following numbers a few minutes before the start of the conference call:

- From Sweden: +46 (0) 8 505 564 74
- From the US: +1 855 753 22 30
- From the UK: +44 (0) 20 336 453 74

The presentation will also be webcast and can be accessed from the following web address: http://edge.media-server.com/m/p/o6tkpard

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**TO THE EDITORS**

**About Karolinska Development AB**

Karolinska Development AB is an investment company focused on identifying medical innovation and investing in the creation and growth of companies developing these assets into differentiated products that will make a difference to patients' lives and provide an attractive return on investment.

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 established a portfolio of 12 companies targeting opportunities in innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by a team including investment professionals with strong venture capital backgrounds, experienced company builders and entrepreneurs, with access to a strong global network.

For more information, please visit www.karolinskadevelopment.com

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