

Karolinska Development's portfolio company Dilafor secures financing for continued development of tafoxiparin

STOCKHOLM, SWEDEN – 23 April 2019. Karolinska Development AB (Nasdaq Stockholm: KDEV) announces today that its portfolio company Dilafor AB has completed a capital raising and is planning to start a new Phase 2b study of tafoxiparin to soften the cervix prior to labor induction. The transaction will increase the value of Karolinska Development's holding in Dilafor and gives a positive effect on earnings by approximately SEK 16.8 million.

Dilafor develops pharmaceutical products aiming at minimizing the risk of protracted labor, a medical problem where no new treatments have been introduced in over 70 years. The company has previously evaluated an intravenous dosage form of its drug candidate tafoxiparin for emergency treatment of protracted labor. A phase 2b study, reported in October 2018, showed good safety and tolerability, but did not reach the primary efficacy endpoints of reducing the time to delivery. The study subjects were treated with intravenous tafoxiparin in combination with oxytocin for a number of hours in the acute phase following slow progress of labor after spontaneous onset. After analyzing the results of this and previous studies, the company has now decided to prioritize the development of a subcutaneous dosage form of tafoxiparin administered over a longer period of time, to soften the cervix prior to labor induction. A soft and ripe cervix is a prerequisite for successful labor induction.

About a quarter of all pregnant women are subject to labor induction. More than half of these inductions fail, which leads to protracted labor that entail an increased risk of complications for both mother and child. Between 25 and 40 percent ends up requiring emergency caesarean sections. In a previous phase 2a study, subcutaneous administration of Dilafor's drug candidate tafoxiparin has shown a significant positive effect with a shortened time to delivery and an enhanced ripening of the cervix in patients induced into labor. Dilafor is now proceeding with a phase 2b study to investigate in a larger group whether treatment with subcutaneously administered tafoxiparin can soften the cervix and improve the outcome of labor induction, thereby shortening the time to delivery.

To finance the study, Dilafor has completed a capital raise of SEK 23.3 million, with the existing shareholder Opocrin S.p.A as the main investor. Opocrin S.p.A is the manufacturer of tafoxiparin. The investment entails an increase in Karolinska Development's book value for its holding in Dilafor AB, which results in a positive earnings effect of SEK 16.8 million in the second quarter of 2019.

In the planned Phase 2b study, 170 patients with unripe cervixes will be randomized to either subcutaneous injection of tafoxiparin or placebo once daily up to one week prior to scheduled labor induction. The treatment is then followed by induction according to clinical practice, which is usually balloon catheter or hormonal treatment. The primary efficacy endpoint in the study is the degree of ripening of the cervix. The study is scheduled to start in the second quarter of 2019, subject to regulatory approval, and will be conducted at clinics in Sweden and Finland.

"Dilafor develops drugs in an area with a great need for new and complementary treatments. It is gratifying that the company can now fully evaluate the potential of tafoxiparin as a cervical ripening agent to increase the proportion of complications-free deliveries among all the women who, for various reasons, need to undergo labor induction," comments Karolinska Development's CEO Viktor Drvota.

Karolinska Development's holding in Dilafor AB amounts to 30 percent after full dilution.

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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 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 established 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: www.karolinskadevelopment.com.

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