

Karolinska Development divests its holding in Pharmanest to an investment consortium comprising Östersjöstiftelsen, Recipharm Venture Fund and Praktikerinvest

STOCKHOLM – July 9, 2015. Karolinska Development AB (STO: KDEV) today announces that it has divested its entire shareholding in Pharmanest AB, a company developing products for local pain relief in obstetrics and gynecology, to a consortium consisting of The Foundation for Baltic and East European Studies (Östersjöstiftelsen), Recipharm Venture Fund AB and Praktikerinvest AB.

Jim Van heusden, CEO of Karolinska Development, says:

“We are continuously evaluating creative options for all our portfolio companies to retain and realise as much value as possible. The divestment of our holding in Pharmanest to a new investor consortium is a clear example of this strategy. The consortium will provide the necessary funding to bring Pharmanest to the next value inflection point. Following the deal, Karolinska Development will provide no further financing to the company, but retains an economic interest in Pharmanest through an earn-out agreement, which has the potential to capture significant future value.”

As part of the agreement, Karolinska Development and KCIF Co-Investment Fund KB, a jointly owned holding company between the European Investment Fund and Karolinska Development, will transfer their entire shareholdings in Pharmanest to the consortium in an earn-out agreement. No further financial details on this transaction will be disclosed.

Concurrently with the agreement, the consortium is investing SEK 28m into Pharmanest to fund the further development of its SHACT topical pain relief product for use in conjunction with insertion of intra-uterine devices. These funds are expected to be sufficient to advance SHACT to the point of the first submission of an application for regulatory approval in Europe.

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TO THE EDITORS

About Karolinska Development AB

Karolinska Development aims to create value for patients, researchers, investors and society by developing innovations from world class science into differentiated products that can be partnered. The business model is to: SELECT the most commercially attractive medical innovations that can potentially satisfy unmet medical needs; 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 universities, delivers a continuous flow of innovations. For more information, please visit www.karolinskadevelopment.com.

Karolinska Development is listed on Nasdaq Stockholm (STO: KDEV). Karolinska Development may be required to disclose the information provided herein pursuant to the Securities Markets Act.