

## **Karolinska Development and Karolinska Institutet Holding AB sign a new non-exclusive deal flow agreement to improve the translation of medical innovations into successful commercial enterprises**

**STOCKHOLM – December 22, 2015. Karolinska Development AB (Nasdaq Stockholm: KDEV, KD) and Karolinska Institutet Holding AB (KIHAB), a company wholly owned by Karolinska Institutet (KI) today announce that they have signed a new non-exclusive deal flow agreement. This agreement is a key element of a new strategy designed to improve the translation of medical innovations originating from KI into successful commercial enterprises that can generate value for all stakeholders. The agreement also reflects KD's plans to become a leading Nordic venture capital company.**

As a result of the new agreement, KD will be able to further increase its focus on building a more balanced investment portfolio by sourcing opportunities from other academic institutions across the Nordic region. This is in line with KD's evolved strategy to become a leading Nordic venture capital company. The deal will also benefit KI by allowing it to fill the innovation gap with access to a broader range of funding sources (government, private and corporate) and build stronger links with industry partners, to further enhance the commercial opportunities for its world-class medical research. The new agreement is in line with KI's enhanced efforts to position innovation and entrepreneurship as an essential pillar of the Medical School's future, alongside with top-class research, education and healthcare.

As part of the new agreement, KI, via its holding company KIHAB, plans to establish a new incubator fund initiative focused on identifying potentially valuable new medical innovations at KI at an early pre-seed stage and providing the project management and funding to establish a strong commercial proposition prior to company formation. KD will be a cornerstone investor in the new incubator fund alongside a select group of other specialist life sciences investors. Given its strong relationship with KI, and its investment in the fund, KD expects to continue investing in the most promising investment opportunities generated as a result of this new fund.

Jim Van heusden, CEO of KD, says: "Today's announcement is a further step towards our vision of becoming a leading Nordic venture capital company. We are convinced this new agreement will be of benefit to both KD and KI as we work to build successful, valuable businesses based on KI's world-class science. By investing in the new pre-seed fund that KI plans to set up in collaboration with KD, we will continue having access to new high-quality opportunities based on the world-class innovation originating at KI that will have undergone rigorous evaluation to determine their feasibility and commercial potential. In addition, this new incubator fund will provide these opportunities with exposure to a broader group of experienced life science investors for later syndication, spreading risk, benefiting from networks and experience, and improving their chances of success."

Alexander Von Gabain, Deputy Vice-Chancellor for Innovation and Commercial Outreach at KI and Chairman of the Board of KIHAB, added: "This new agreement is designed to benefit both KD and KI. KD will have more freedom and capacity to invest in opportunities from across the Nordic region, while we will be able to fill the innovation gap with access to more funding from a broader range of sources, which will drive the formation and development of a new wave of high-quality projects and companies out of KI. We fully expect KD to continue being an important investor in some of these new businesses as part of its strategy to deliver attractive returns to its shareholders. The new agreement strongly supports the agenda to create a stimulating hub at KI, unlocking the untapped innovation potentials of its local and global partners."

**For further information, please contact:**

Jim Van heusden, CEO, Karolinska Development AB

Phone: +46 72 858 32 09, e-mail: [jim.van.heusden@karolinskadevelopment.com](mailto:jim.van.heusden@karolinskadevelopment.com)

David Dible/Mark Swallow/Pip Batty, Citigate Dewe Rogerson

Phone: +44 20 7638 9571; e-mail: [KDev@citigatedr.co.uk](mailto:KDev@citigatedr.co.uk)

**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](http://www.karolinskadevelopment.com)

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