

Karolinska Development portfolio company Dilafor AB raises SEK 51 million to facilitate Phase IIb clinical study with tafoxiparin

STOCKHOLM – September 27, 2016. Karolinska Development AB (Nasdaq Stockholm: KDEV) today announces that its portfolio company Dilafor AB, a drug development company focusing on the development of tafoxiparin for obstetric indications, has successfully completed a financing round raising SEK 51 million (US\$5.9 million) from new and existing investors. New investors include Lee's Healthcare Industry Fund, Rosetta Capital IV and Pila AB.

Dilafor's largest existing shareholder, KDev Investments (an investment fund jointly owned by Karolinska Development (Nasdaq Stockholm: KDEV) and Rosetta Capital, also participated in this round. As a result of the new financing, Karolinska Development has decreased its indirect holdings via KDev Investments in Dilafor from 53% to 35%. The financing has no impact on Karolinska Development's Fair value.

Dilafor's lead candidate, tafoxiparin, a modified form of heparin, is in clinical development to decrease the incidence of protracted labor both after induction of labor and after spontaneous onset of labor. Protracted labor (i.e. labor that lasts more than 12 hours) is the main cause of emergency surgical deliveries, such as caesarian section. The condition is often associated with complications for both mother and child. Tafoxiparin has shown in a Phase II clinical trial encouraging evidence that it can shorten labor time.

The successful completion of the financing round enables Dilafor to facilitate a Phase IIb dose finding trial with tafoxiparin trial in Northern Europe, which is planned to start before the year end 2016. The study will include women with slow progress of labor after a spontaneous onset.

Lena Degling Wikingsson, CEO of Dilafor, said: "This planned clinical study is an important event in the clinical development program for tafoxiparin. There is no available treatment today to help these women that have high risk of fetal and maternal complications as a consequence of slow progress and protracted labor. With support of long-term investors, Dilafor has now secured the financial resources needed to reach this next crucial milestone in the development of this promising candidate, and to identify a dose to take forward into the final stages of clinical development."

Dr. Viktor Drvota, Chief Investment Officer of Karolinska Development, comments: "We are pleased that Dilafor has been successful in attracting these important new investors to support the company through its next value inflection point. This financing also achieves a key objective for Karolinska Development to ensure its portfolio companies have sufficient funding to reach these crucial development milestones while diversifying the shareholder base through syndication."

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TO THE EDITORS

About Dilafor AB

Dilafor AB is a Swedish drug development company focusing on the development of tafoxiparin for obstetric indications. The company's primary goal is to decrease the incidence of slow progress of labor both after induction of labor and after spontaneous onset of labor. The main owner of Dilafor is KDev Investments AB, which is jointly owned by Karolinska Development AB (publ) and Rosetta Capital IV. The other main owners are The Foundation for Baltic and European Studies (Östersjöstiftelsen) and Praktikerinvest. For more information, please visit: www.dilafor.com

About tafoxiparin

Tafoxiparin is a heparan sulphate mimetic, a propriety polysaccharide based drug developed by Dilafor. Women that experience protracted and complicated labor have deficiency in heparan sulphate which is a naturally occurring polysaccharide and plays an important role in labor. Preclinical and clinical data show that tafoxiparin fulfills the role of heparan sulphate and works in conjunction with naturally occurring molecules important in child birth. Slow progress of labor has an incidence of 45% of all pregnant women. It is associated with a number of both long and short term maternal and fetal complications such as emergency caesarean sections, postpartum hemorrhages, vaginal tears, anal ruptures, meconium-stained amniotic fluid and asphyxia. These complications lead to short and long term consequences for the mother and the newborn in addition to substantial health care costs.

About Karolinska Development AB

Karolinska Development AB (Nasdaq Stockholm: KDEV) is a Nordic life sciences investment company. The company focuses 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 to its shareholders.

Karolinska Development has access to world-class medical innovations at leading universities and research institutes in the Nordic region, including the Karolinska Institutet. The Company aims to build companies around innovative products and technologies, supported by experienced management teams and advisers, and co-funded by specialist international life science investors, to provide the greatest chance of success.

Karolinska Development's portfolio comprises 10 companies focusing on the development of innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by a team of investment professionals with strong investment backgrounds, experienced company builders and entrepreneurs, with access to a strong global network. For more information, please visit www.karolinskadevelopment.com