NEWS FLASH

Investment Companies

Fair value: SEK1.70–2.50

Share price: SEK1.01

Karolinska Development

Partner study setback

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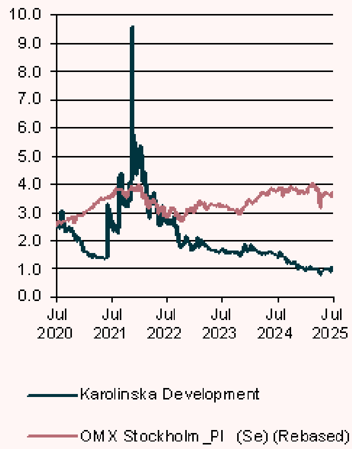
Organon has announced a negative outcome from the Phase II study with OG-6219. The failure of this promising asset increases the risk of an impairment charge of up to SEK76m for Karolinska Development (KDEV), about 6% of last reported total NAV and 2–3% of our fair value range.

Partner study falls short. Organon, which acquired Forendo Pharma in 2021, announced on 2 July that the Phase II study of its asset OG-6219 failed to meet its primary endpoint. The trial, which targeted patients with endometriosis-related pain, aimed to demonstrate improvement in moderate-to-severe overall pelvic pain compared to placebo.

Set to discontinue further development. As a result of the negative outcome, Organon is expected to discontinue further clinical development of OG-6219. At the time of the Forendo acquisition, OG-6219 was the more advanced of the two drug development candidates included in the transaction.

Potential NAV and valuation impact. According to the 2021 deal, KDEV has been entitled to receive earn-out payments tied to development milestones and future sales. In its most recent report, KDEV estimated the risk-adjusted net present value of these future cash flows at SEK76m, representing about 6% of its last reported total NAV and 2–3% of our fair value range. However, the size of a potential impairment remains unknown and is expected to be announced in the upcoming Q2 2025 report.

Share price – 5-year



Karolinska Development last reported NAV (SEKm)

	Q1(25)	per share (SEK)	% of portfolio	Q4(24)	per share (SEK)	% of portfolio
Modus Therapeutics (listed)	37	0.1	3%	43	0.2	4%
OssDsign (listed)	28	0.1	3%	45	0.2	4%
AnaCardio	61	0.2	5%	61	0.2	5%
KDev Investments	219	0.8	20%	218	0.8	20%
Boost Pharma	10	0.0	1%	5	0.0	0%
Dilafor	50	0.2	5%	46	0.2	4%
PharmNovo	35	0.1	3%	35	0.1	3%
SVF Vaccines	28	0.1	3%	26	0.1	2%
Umecrine	627	2.3	57%	626	2.3	56%
KCIF Co-Investment Fund	9	0.0	1%	9	0.0	1%
Total listed	65			88		
Total unlisted	1 038			1 026		
Investment portfolio	1 103			1 114		
Other receivables/liabilities	127			124		
Total NAV	**1 230**			**1 238**		
NAVPS (SEK)	**4.56**			**4.58**		
Current share price discount to last reporte	**-76%**					

Source: DNB Carnegie (estimates), FactSet, Infront & company data

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