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Karolinska Development AB publishes prospectus including previously unpublished financial information due to upcoming rights issue, and invites to investor presentations

STOCKHOLM SWEDEN – January 14, 2022. Karolinska Development AB (“Karolinska Development” or “the Company”) publishes a prospectus which has been approved and registered by the Swedish Financial Supervisory Authority due to the upcoming rights issue. The prospectus contains previously unpublished financial information regarding capital structure and net indebtedness as of November 30, 2021. The information can be found on page 51 in the prospectus. The prospectus is available at Karolinska Development's website (www.karolinskadevelopment.com) and Erik Penser Bank's website (www.penser.se). Karolinska Development also invites to digital investor presentations on January 19 and 26, 2022.

Prospectus and previously unpublished financial information

The prospectus that Karolinska Development has prepared in connection with the upcoming rights issue has today been approved and registered by the Swedish Financial Supervisory Authority. The prospectus, containing complete terms and instructions, and application forms can be obtained from Karolinska Development and Erik Penser Bank and is available at Karolinska Development's website (www.karolinskadevelopment.com) and Erik Penser Bank's website (www.penser.se). The prospectus will also be available at Swedish Financial Supervisory Authority website (www.fi.se).

The prospectus contains previously unpublished financial information regarding capital structure and net indebtedness as of November 30, 2021. The information can be found on page 51 in the prospectus.

Investor presentations

On account of the upcoming rights issue, Viktor Drvota, CEO of Karolinska Development, will give a company presentation on January 19, 2022 at 10:00 CET and on January 26, 2022 at 16:00 CET. Instructions for participation can be found below:

- Please use the following link to attend the company presentation on January 19 at 10:00 CET: tinyurl.com/2p8nd34r
- Please use the following link to attend the company presentation on January 26 at 16:00 CET: tinyurl.com/mr3pdexu

Summary of the rights issue

- Each owner of share class of Series A and Series B has a preferential right to subscribe for new shares of the same share class. One (1) existing share (regardless of share class) in Karolinska Development held on the record date of January 14, 2022, entitles to one (1) subscription right. Ten (10) subscription rights entitle to subscribe for seven (7) newly issued shares of the same share class. Only shares of class B will be offered to the public.
- The subscription price amounts to SEK 4.00 per share.
- In the case of a fully subscribed rights issue, Karolinska Development will receive approximately SEK 491 million before transaction costs.
- The rights issue is secured to 75 percent through subscription commitments and guarantee commitments.
- The record date for participating in the rights issue is January 14, 2022.
- The subscription period starts on January 18, 2022 and ends on February 2, 2022.
- Trading in subscription rights is planned to take place on Nasdaq Stockholm during the period January 18-28, 2022.

- Trading in BTA takes place from January 18, 2022, until the Swedish Companies Registration Office has registered the rights issue.
- Through the rights issue, the Company's share capital increases by a maximum of SEK 1,227,947.77, corresponding to a maximum of 122,794,777 shares, of which 1,052,163 constitutes of shares of class A and 121,742,614 shares of class B, implying a maximum dilution of approximately 41.1 percent.

Advisors

In connection with the rights issue, Karolinska Development has appointed Erik Penser Bank as financial advisor, and Cirio Advokatbyrå AB as legal advisor.

For additional information, please contact:

Viktor Drvota, VD Karolinska Development

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Karolinska Development AB in brief

Karolinska Development is an investment company that offers investors an opportunity to take part in the value development of several Nordic life science companies. The Company focuses on identifying medical innovations and invests to create, and develop, companies that further develop such innovations into differentiated commercial products, which can make a difference to patients' lives and generate an attractive return for shareholders.

IMPORTANT INFORMATION

The information in this press release does not constitute an offer to acquire, subscribe for or otherwise trade with shares, paid subscribed share, subscription rights or other securities in Karolinska Development. No action has been taken, nor will any actions be taken, to permit an offer to the public in any other jurisdiction than Sweden. An invitation to eligible persons to subscribe for shares in Karolinska Development will only be made through the prospectus.

The information in this press release may not be published or distributed, directly or indirectly, within or into the United States of America (including its territories and possessions, any state of the United States and the District of Columbia, the "USA"), Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or South Korea or any jurisdiction where doing so might be unlawful, subject to legal restrictions or require other actions than the ones prescribed under Swedish law. Actions in violation of these instructions may constitute a breach of applicable securities law. This press release does not constitute an offer of invitation to acquire or subscribe for shares or other securities in the USA. No shares, paid subscribed share, subscription rights or other securities issued by the Company (the "Securities") have been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws in any other state or jurisdiction in the USA and no Securities may be offered, subscribed, used, pledged, sold, retailed, delivered or transferred, directly or indirectly, in or into the USA other than pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the USA. The Securities have not been and will not be approved or registered by the Securities and Exchange Commission, any state securities authority or other authority in the USA. No such authority has assessed or made any statements about the Rights Issue or the accuracy or reliability of the prospectus. To assert the contrary is a criminal act in the USA.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. In any EEA Member State, other than Sweden, this communication is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" within the meaning

of the Prospectus Regulation who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) “high net worth entities” falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “Relevant Persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, Relevant Persons. Persons who are not Relevant Persons should not take any action on the basis of this announcement and should not act or rely on it.