

Karolinska Development's Annual General Meeting 2019

STOCKHOLM, SVERIGE – June 28, 2019. At the Annual General Meeting of Karolinska Development AB (publ) ("Karolinska Development" or the "Company") held June 28, 2019, the following resolutions were passed:

Profit and loss statement and the balance sheet: It was resolved to adopt the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet.

Appropriation of the Company's result: It was resolved to approve the allocation of the result, proposed by the board and the CEO, in total SEK 296,986,457, to be carried forward.

Discharge from liability of the directors and the CEO: It was resolved to grant the directors and the CEO discharge from liability for the financial year 2018.

Resolution regarding the number of directors and auditors and deputy auditors to be appointed: It was resolved that the number of directors shall be six without deputies and that the number of auditors shall be one. No deputy auditor shall be appointed.

Resolution in respect of the fees for the Board of Directors and for the auditor: It was resolved that the chairman will be paid a fixed amount of SEK 400,000 to be paid out in proportion to board meetings attended; that all other directors not employed by the Company will be paid a fixed amount of SEK 200,000 to be paid out in proportion to board meetings attended; that the auditor will be paid as per invoice.

Election of Chairman of the Board of Directors, directors and auditors and deputy auditors: It was resolved to re-elect the directors of the board Hans Wigzell, Tse Ping, Vlad Artamonov, Magnus Persson and Theresa Tse; to elect Viktor Drvota as a director of the board; to elect Hans Wigzell as Chairman of the Board of Directors. It was resolved to, in accordance with the audit committee's recommendation, elect Ernst & Young AB as auditor, currently with Björn Ohlsson as auditor in charge, for the time until the end of the 2020 Annual General Meeting.

Principles for appointing members of the nomination committee: It was resolved, that the Nomination Committee shall have five members of which the five largest owners (voting power, as set forth in the share register kept by Euroclear Sweden AB as of 31 August 2019) shall appoint one member each. The chairman of the Board of Directors shall convene the first meeting. If a shareholder does not exercise its right to appoint a member, the shareholder next in order of voting power, who has not already appointed a member or has a right to appoint a member, shall have the right to appoint a member to the Nominating Committee. The members of the Nomination Committee shall be made public as soon as the members have been appointed, and in no case later than six months prior to Annual General Meeting 2020. The members shall among themselves appoint the chairman of the committee. If a member resigns or is prevented from pursuing his/her assignment, the shareholder that has appointed such member shall appoint a new member. In the event that the shareholding in the Company is materially changed, before the Nomination Committee has completed its assignment, the Nomination Committee may decide to change the composition of the Nomination Committee, as determined by the Nomination Committee (considering the principles applicable for the appointment of the Nomination Committee). Any change in the composition of the Nomination Committee shall be announced as soon as possible. No fees shall be paid to the members of the Nomination Committee. Out of pocket expenses shall be reimbursed by the Company. The mandate of the committee shall be until the members of the succeeding committee have been announced. The Nomination Committee shall carry out the tasks that, according to the Swedish Corporate Governance Code, are the responsibility of the Nomination Committee.

The Board of Directors' proposal regarding principles for remuneration to executive management: it was resolved to approve the proposal by the Board of Directors regarding principles for remuneration to executive management.

The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on transfer of own shares: It was resolved to authorize the Board of Directors for the period up to the next Annual General Meeting, whether on one or several occasions, with or without deviation from the shareholders' preferential rights, to resolve on transfer of all shares of Series B held by the Company at any given time. Transfer may take place on Nasdaq Stockholm or otherwise. Transfer on Nasdaq Stockholm shall be made at a price per share within the registered price interval at any given time, being the interval between the highest bid and lowest ask price. Otherwise, transfer shall be made on market terms. Payment for shares shall be made in cash, in kind or by set-off.

The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on new issues of shares: It was resolved to authorize the board of directors for the period up to the next Annual General Meeting to resolve, whether on one or several occasions, with or without deviation from the shareholders' preferential rights, and for payment in cash, by set-off or in kind, to issue new shares of series B up to a number that, at the time of the first resolution under this authorization, corresponds to twenty (20) per cent of the total share capital; provided however that any such issue must not result in the Company's share capital exceeding the Company's maximum allowed share capital as set out in the articles of association.

The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on repurchase of convertibles: It was resolved to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve, whether on one or several occasions, to repurchase the Company's outstanding convertibles (Karolinska Development KV1) which were issued through a resolution at an extraordinary general meeting in 2014. Acquisition of the convertibles shall be made at a price corresponding to the highest market value at the decision date.

The Board of Directors' proposal regarding approval of issue of warrants to board member in subsidiary: It was resolved to approve, in accordance with Chapter 16 of the Swedish Companies Act, a new issue of warrants by Umecrine Cognition AB directed to Thomas O Blackburn, a board member of Umecrine Cognition AB.

Approval of the Board of Directors' decision on a directed issue to convertible holders and amendment of the Articles of Association: It was resolved to approve the decision by the Company's Board of Directors on May 29, 2019, to carry out a directed issue of series B shares to holders of the Company's 2015/2019 convertible loan ("Directed issue") and the Board of Directors, the CEO, or anyone appointed by the Board of Directors, shall, after the Directed issue is completed and the outcome is known, be authorized to submit the Articles of Association to the Swedish Companies Registration Office required for the Directed issue to be registered with the Swedish Companies Registration Office, see below for the alternatives.

The subscription price amounts to SEK 3.74 for each new share of series B. The subscription price in the Directed share issue is based on the VWAP fifteen trading days ended two days prior to the AGM, with a market discount of three percent applied to the VWAP.

Through the Directed issue, a maximum of 124,471,935 new shares of series B will be issued, meaning that the total number of shares may increase from 64,418,737 to 188,890,672, whereof 1,503,098 are shares of series A, and the Company's share capital may increase with SEK 1,244,719.35, from SEK 644,187.37 to SEK 1,888,906.72. If all convertible holders accept the offer, a total of SEK 466 million of outstanding convertible debt is offset.

The subscription period for the Offer commences on 8 July 2019. The Offer with payment by set-off can be accepted up and until 19 July 2019.

Sino Biopharmaceutical Limited ("Sino Biopharma") has, under certain conditions, provided subscription commitments in the directed issue corresponding to their convertible loan holding including accrued interest. The attendees of the meeting were informed that Sino Biopharma's

commitment will however not result in an ownership in Karolinska Development exceeding 49 percent of the votes and 52.5 percent of the capital. That this information was provided was a condition for the exemption from the mandatory bid obligation The Swedish Securities Council granted Sino Biopharma in the event that Sino Biopharmas ownership in the Company by subscription in the directed issue would amount to 30 percent or more of the voting rights in Karolinska Development. The exemption was also conditional on the directed issue being supported by at least two-thirds of the votes cast as well as the shares represented at the Annual General Meeting, in which the shares held by Sino Biopharmaceutical are disregarded when the counting of votes. This condition was also fulfilled at the Annual General Meeting.

Alternative proposals for amendment of the Articles of Association:

"The company's share capital shall be not less than SEK 625,000 and not more than SEK 2,500,000. The company shall have not less than 62,500,000 shares and not more than 250,000,000 shares".

"The company's share capital shall be not less than SEK 2,500,000 and not more than SEK 3,000,000. The company shall have not less than 250,000,000 shares and not more than 300,000,000 shares".

Complete information regarding each resolution of the Annual General Meeting can be found on www.karolinskadevelopment.com.

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TO THE EDITORS

About Karolinska Development AB

Karolinska Development AB (Nasdaq Stockholm: KDEV) is a Nordic life sciences investment company. The company focuses on identifying breakthrough medical innovations in the Nordic region that are developed by entrepreneurs and leadership teams. The Company invests in the



creation and growth of companies that advance these assets into commercial products that are designed to make a difference to patients' lives while providing an attractive return on investment to shareholders.

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 ten companies targeting opportunities in innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by an entrepreneurial team of investment professionals with a proven track record as company builders and with access to a strong global network.

For more information, please visit www.karolinskadevelopment.com.