

Update concerning subscription undertakings in Karolinska Development's directed share issue to the holders of the Company's convertible loan

STOCKHOLM, SWEDEN - 28 June 2019. Karolinska Development AB (Nasdaq Stockholm: KDEV) ("Karolinska Development" or the "Company") announced on 29 May 2019 that the Board of Directors of the Company has decided on a directed issue of series B shares to the holders of the Company's 2015/2019 convertible loan, subject to approval at the upcoming Annual General Meeting (the "Directed share issue"). The Board of Directors of the Company today announces an update concerning subscription undertakings that have been received to date.

Subscription undertakings conditional on certain milestones in the Directed share issue

Sino Biopharma and certain other owners, who jointly hold 84 percent of the convertible loan, have agreed to submit subscription commitments corresponding to their convertible loan holding including accrued interest. Sino Biopharma's commitment will however not result in an ownership in Karolinska Development exceeding 49.0 percent of the votes and 52.5 percent of the capital. Sino Biopharma's commitment is conditional of approval by Sino Biopharma's Board of Directors and that convertible loan holders representing at least 95 percent of the convertible loan have committed to set-off their holding of convertible loans in the Directed share issue. In connection with the Directed share issue, the Company will initiate a strategic initiative together with Sino Biopharma with the purpose of opening the Asian market for Nordic innovations.

At the time of publication of this press release the Board of Directors of Sino Biopharma has taken a decision to participate in the Directed share Issue. Sino Biopharma's subscription undertaking continue to be conditional on that convertible loan holders representing at least 95 percent of the convertible loan have committed to set-off their holding of convertible loans in the Directed share issue. Negotiations are ongoing with other larger institutional convertible loan holders in order to fulfil the condition of minimum 95 percent participation in the Directed share Issue.

For more information on the Directed share issue, please refer to the Company's press releases issued on 29 May 2019 and 26 June 2019. The Board of Directors resolution to proceed with the Directed Issue is subject to approval during the AGM held today.

Financial and legal advisers

DNB Markets is acting as financial adviser and Cirio Advokatbyrå as legal adviser to Karolinska Development in connection with the Directed share issue.

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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 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 nine 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: www.karolinskadevelopment.com