

Karolinska Development announces the result of the first partial registration in the directed share issue to the Company's convertible loan holders

STOCKHOLM, SWEDEN – November 20, 2019. Karolinska Development AB (publ) ("Karolinska Development" or the "Company") today announces that the result of the first partial registration in the ongoing directed issue shows that holders of the convertible have subscribed for shares corresponding to an amount of SEK 208 million of the convertible loan in nominal terms. Considering the remaining subscription commitments and a repurchase of 6.5% of the convertible, only 4.3% of the convertible loan is outstanding. As convertible loan holders have the opportunity to subscribe in the directed issue until December 12, 2019, this percentage may decrease further.

On May 29, 2019 Karolinska Development's Board of Directors decided, with the following approval from the Annual General Meeting, to complete a directed issue of series B shares to the holders of the Company's 2015/2019 convertible loan ("Directed Issue"). The Directed Issue was approved by the Annual General Meeting on June 28, 2019. The subscription period for the first partial registration in the Directed Issue was completed on November 15, 2019. Holders of the convertible have subscribed for 78,770,586 class B shares through the Directed Issue, amounting to SEK 208 million of the convertible loan in nominal terms or 63.3% of the remaining convertible loan at the time of the announcement of the Directed Issue.

As a result of the Directed Issue, the share capital in Karolinska Development will increase by SEK 787,705.86 to SEK 1,431,893.23 and the total number of shares will increase by 78,770,586 shares to 143,189,323 shares after the issuance is partially registered with the Swedish Company Registration Office.

Convertible loan holders that have subscribed for shares in the first partial registration will receive their shares around November 25, 2019.

Remaining convertible loan holders

Sino Biopharmaceutical and Chia Tai Resources Limited (together "**Sino Biopharma**") have furthermore committed to divest no more than SEK 61.6 million of its convertible loan of which they are not eligible for conversion in the Directed Issue, as a consequence of the restriction that their voting share must not exceed 49 per cent, to a third party (the "**Remaining convertible loan**"). Sino Biopharma also commits to ensure that this third party subscribes for series B shares through conversion of the Remaining convertible loan during the subscription period of the Directed Issue. Sino Biopharma has also, within its subscription undertaking, committed to set-off at least SEK 59.2 million of the convertible loan in connection with the third party subscribing for shares, thus allowing Sino Biopharma to subscribe for additional shares without its holding of votes exceeding 49 per cent of the votes in the Company. The entire convertible loan of Sino Biopharma will thus be a set-off within the Directed Issue.

Karolinska Development has furthermore repurchased ("**Repurchase**") convertibles from Paradigm Capital SICAV, Paradigm Capital LP and Europäische Marketing und Finanzmanagement to a total amount corresponding to 6.5% of the remaining convertible loan at the time of the announcement of the Directed Issue.

Considering the remaining commitments from Sino Biopharma and the Repurchase, 4.3% of the convertible loan remains.

Convertible loan holders have the opportunity to subscribe in the Directed Issue until the December 12, 2019.

Advisers

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



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