

## **Notice of Annual General Meeting in Karolinska Development AB (publ)**

May 7, 2020. The shareholders of Karolinska Development AB (publ), reg. no. 556707-5048, (“**Karolinska Development**” or the “**Company**”) are invited to the Annual General Meeting, on Monday June 15, 2020 at 5 p.m. (CET), at Elite Hotel Carolina Tower, Eugeniavägen 6, 171 64 Solna.

### **Participation and notification of attendance**

A shareholder, who wishes to participate in the meeting, must

(i) be recorded as shareholder (not nominee registered) in the share register held by Euroclear Sweden AB on Tuesday June 9, 2020, and

(ii) notify Karolinska Development of his/her intention to attend the meeting, no later than on Tuesday June 9, 2020, by telephone +46 8 524 860 70, by e-mail to [eva.montgomerie@karolinskadevelopment.com](mailto:eva.montgomerie@karolinskadevelopment.com) or by regular mail to Karolinska Development, “AGM”, Tomtebodavägen 23 A, SE-17165 Solna, Sweden.

The notification should include name, identification-/registration number, address and telephone number and, if applicable, number of advisors.

### **Nominee registered shares**

Shareholders whose shares are registered in the name of a nominee shareholder must temporarily register their shares in their own name in the share register kept by Euroclear Sweden AB to be allowed to participate in the meeting. The registration must be completed on Tuesday June 9, 2020, at the latest. Request for registration must be made well in advance.

### **Information regarding COVID-19**

Due to the spread of the coronavirus, the Company has taken a number of precautionary measures ahead of the Annual General Meeting to protect the health of the shareholders and the employees and to limit potential spread of the virus. The precautionary measure implies that planned speeches will be kept to a minimum and that no refreshments will be served. Participation by management, members of the Board of Directors, as well as non-shareholder will be limited. The Company encourages the shareholders to use the below option to exercise their voting rights by proxy without participating physically at the Annual General Meeting. The Company follows the development closely any will publish updated information if necessary.

### **Proxy etc.**

A shareholder attending the meeting by proxy, must issue a written proxy. The proxy is valid during the period set forth in the proxy, however, at most five years from the issuance. If a proxy is issued by a legal entity, a copy of the legal entity's registration certificate or similar document evidencing signatory powers must be enclosed. Proxy forms in Swedish and English are available for download on the Company's website, [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com).

### **Proposal for agenda**

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination of whether the meeting was duly convened
7. Presentation of the annual report and the auditor's report and the group annual report and the auditor's group report
8. Information from the CEO
9. Report on the work of the Board of Directors

10. Resolutions regarding
  - a) adoption of the profit and loss statement and the balance sheet, and consolidated profit and loss statement and consolidated balance sheet
  - b) appropriation of the Company's result according to the adopted balance sheet
  - c) discharge from liability for the directors and the CEO
11. Resolution regarding the number of directors and auditors and deputy auditors to be appointed
12. Resolution in respect of the fees for the Board of Directors and for the auditors
13. Election of chairman of the Board of Directors, directors and auditors and deputy auditors
14. Principles for appointing members and instruction for the Nomination Committee
15. The Board of Directors' proposal regarding principles for remuneration to executive management
16. The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on transfer of own shares
17. The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on new issues of shares
18. The Board of Directors' proposal regarding
  - a) implementation of the Employee Stock Option Program 2020/2023
  - b) directed issue of warrants to subsidiary and
  - c) approval of transfer of warrants or shares to senior executives, key employees and other employees in the Company or its subsidiaries
19. The Board of Directors' proposal regarding amendment of the articles of association
20. Closing of the meeting

**Items 2 and 11–14: The Nomination Committee's proposal regarding chairman at the meeting; number of directors, auditors and deputy auditors to be appointed; fees for the Board of Directors and auditors; election of chairman of the Board of Directors, directors, auditors and deputy auditors and principles for appointing members and instruction for the Nomination Committee**

The Nomination Committee has consisted of Peter Lundkvist (chairman), appointed by Tredje AP-fonden (Third Swedish National Pension Fund), Jack Li appointed by Sino Biopharmaceutical; Yan Cheng appointed by Worldwide International Investments Ltd; Hans Möller, appointed by Karolinska Institutet Holding AB and; Torgny Wännström, appointed by Insamlingsstiftelsen för främjande och utveckling av medicinsk forskning vid KI.

The Nomination Committee intends to return with proposals on the number of directors, fees to the directors and election of the chairman and directors of the Board of Directors as soon as possible and at the latest in conjunction with the Annual General Meeting.

The Nomination Committee proposes that the Annual General Meeting resolves as follows:

Johan Hessius (Cirio Law Firm) is appointed to chair the Annual General Meeting.

The number of auditors will be one and no deputy auditor will be appointed.

The auditors will be paid as per invoice.

Re-election of E&Y as auditor in accordance with the audit committee's recommendation, currently with Björn Ohlsson as auditor in charge, for the time until the end of the 2021 Annual General Meeting.

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 2020) 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 2021. 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 proposal by the Nomination Committee corresponds to previous years principles for how the members should be appointed.

The Nomination Committee is to make proposals to the Annual General Meeting regarding the election of Chair of the Annual General Meeting, number of board members, Chair of the Board and other board members and remuneration to the board members. The Nomination Committee is also to make proposals regarding the company's auditor, remuneration to the company's auditor and election of members of the Nomination Committee or principles for the selection of a Nomination Committee. The Nomination Committee shall conduct an annual evaluation of this instruction and when necessary propose to amend it to the Annual General Meeting. The Nomination Committee shall otherwise carry out the tasks that, according to the Swedish Corporate Governance Code, are the responsibility of the Nomination Committee.

#### **Item 10 b: Appropriation of the Company's result according to the adopted balance sheet**

The Board of Directors and the CEO proposes that the amount at disposal of the Annual General Meeting, in total SEK 1,005,996,980 shall be carried forward.

#### **Item 15: The Board of Directors' proposal regarding principles for remuneration to executive management**

The Board of Directors proposes that the Annual General Meeting resolves to approve the proposal for Guidelines for Remuneration to Executive Management. The Guidelines applies on salary and other forms of remuneration to the CEO and other management personnel (executive management) decided after the 2020 AGM. They apply to all categories of remunerations and benefits, whether paid in cash, or paid now or in the future, or if certain or uncertain. The Guidelines do not apply to remuneration decided by the General Meeting.

The Guidelines are handled by the Remuneration Committee, which provide a proposal to the Board of Directors. The decision to submit the Guidelines for approval by the AGM is made by the Board of Directors.

##### *General*

Remuneration to executive management comprises fixed salary, variable remuneration, pension fees and other customary benefits.

Karolinska Development shall maintain compensation levels and terms required to recruit and keep executive management with the competence and experience necessary to fulfil the company's business strategy, long-term interests and sustainability. The total remuneration to executive management shall be on market terms, competitive, reasonable and appropriate.

For more information about the company's business strategy, see the company's website (<https://www.karolinskadevelopment.com/en/our-strategy>).

Market term consultancy fees may be paid to board directors that perform services to the company outside the scope of the directorship.

##### *Fixed salary*

Fixed salaries shall be based on each individual's experience, competence and field of responsibility. Fixed salary shall be revised annually for each calendar year.

##### *Variable remuneration*

Variable remunerations shall be formed to promote Karolinska Development's long term value creation; be based upon criteria that are predetermined, clear, measurable and that can be influenced; if in form of variable salary, have a fixed cap; not be included when calculating pension insurance premiums.

The CEO and other executive management are entitled to bonus based on exits in the portfolio. The remuneration totals of 4% of the net proceeds paid to the company upon the exit, limited to a maximum exit related bonus of MSEK 50 per exit and financial year. The bonus create incentive to contribute to the realization of the company's business strategy, long-term interests and sustainability.

Annual short-term incentive programs (STI) based on corporate objectives, set yearly by the Board of Directors, are proposed by the Remuneration Committee and resolved by the Board of Directors for each calendar year. The remuneration is conditional upon criteria based on the development of the portfolio and development of the business model, which are set up to realize Karolinska Development's long-term value creation and creates incentive to contribute to the realization of the company's business strategy, long-term interests and sustainability. The set objectives are divided into sub-objectives, each being clear, measurable and influenceable, which are weighed relatively depending on priority. The program is evaluated after the end of the year by the Remuneration Committee and the outcome is decided by the Board of Directors. The payment to an employee under a STI program shall be limited to an amount corresponding to six months' salaries. The cost for the company at maximum outcome of STI 2020 amounts to 4.1 MSEK.

Information about the exit bonus and the STI and LTI programs will be found in the Annual report for 2019, note 5. Information is also available on the Company's website in the Corporate Governance section.

As described above, the STI part of the total annual fixed cash salary cannot exceed 50%, which also means that the fixed salary will always be at least 66% per cent of the total remuneration. Potential exit bonus is not included in this calculation.

Karolinska Development has two long-term incentive programs (LTI), one earlier for the year 2008-2010 and one for 2017-2020, each resolved by the respective AGM and therefore not covered by the Guidelines. The new LTI option program that the Board of Directors are proposing to the AGM 2020 is also not covered by the Guidelines. Both the 2017-2020 and the intended new program are three-year programs with an outcome related to the share price development.

#### *Pension*

The company's costs for pension for an employee shall be paid during the period when the employee is active in the company. Pension insurance premiums shall not be paid when an employee has retired. In addition to what is required under Swedish law, premiums shall be paid in accordance with an adopted pension premium plan, with pension fees paid within intervals depending on age and salary. The pension premiums for defined-contribution may amount to maximum 35 % of the annual fixed cash salary.

#### *Customary other benefits*

Executive management are entitled to such other customary benefits that are applied for all employees at Karolinska Development, such as sick pay, health care and wellness program etc. The number of paid holidays amounts to thirty.

Executive management are not allowed to receive fees for serving on the Board of Directors, when related to the employment at Karolinska Development. The company does not provide company cars.

The termination period at termination by the company shall not exceed twelve months for the CEO and six months for other executive management. If notice of termination is given by the CEO, the notice period shall be at least six months and by other executive management, at least six months. Severance pay may be paid only to the CEO. Fixed salary during a period of notice and severance pay aggregated are not to exceed an amount equivalent to the individual's fixed salary for two years.

#### *Salaries and terms of employment for employees*

When preparing the Board's proposal for these remuneration guidelines, salaries and terms of employment for the company's employees were considered in that information about employees' total remuneration, the remuneration components, the increase in the remuneration and the rate of the increase over time formed a part of the Board's decision basis for the evaluation of the reasonableness of the Guidelines and the limitations resulting from them.

#### *Preparations and decisions*

The company's Remuneration Committee is to prepare decisions related to salaries and other employment terms to executive management. The Board of Directors is to decide regarding salary to the CEO and principles for remuneration to other executive management. The Board must prepare a proposal for new guidelines at least every four years and present the proposal to the AGM for resolution. The Guidelines should apply until new guidelines are adopted by the General Meeting. The Board of Directors should also monitor and evaluate the program for variable remuneration to the executive management,

the application of guidelines for remuneration to executive management and the applicable remuneration structures and levels in the company. The members of the Remuneration Committee are independent in relation to the Company and executive management. When the Board of Directors prepare and decides on remuneration-related matters, the CEO and other members of executive management do not attend the meetings to the extent they are affected by the matters.

#### *Exceptions*

The Board of Directors may temporarily deviate from the Guidelines in full or in part if there on a case by case basis and in accordance with The Swedish Companies Act (sw. *aktiebolagslagen*) are grounds for such a decision and a deviation is necessary to ensure the Company's long-term interests, including its sustainability, or to ensure the Company's economic viability. Circumstances known to the Board of Directors when the Guidelines were decided are normally not reason enough for an exception. Exceptions (if any) shall be commented on at the following AGM.

#### *Deviations*

Due to the financial stress that the company was exposed to during 2019, the Board of Directors resolved on a deviation from the Guidelines, and introduced, at the start of the year, a temporary salary increase in order to secure the personnel (including key executives), until a solution of the financial situation was in place. 1,5 extra month salary was paid for each full calendar quarter the employment remained. The increase in salary expired December 31, 2019 when the convertible loan was solved and the financing secured. The deviation was made in line with the guidelines adopted by the 2018 AGM. Compensation to executive management complies with the guidelines for compensation, established by the 2019 AGM.

#### *Previously decided remunerations not yet due for payment*

At the time of the 2020 AGM, there are no decided remunerations due for payment to executive management.

#### **Item 16: The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on transfer of own shares**

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period until the next Annual General Meeting, on one or more 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. The Company holds 244 285 shares of series B at the time of the publication of this notice. 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 purpose of the authorization for transferring own shares and the reasons for potential deviation from the shareholders' preferential rights, is to give the Board of Directors the possibility to adjust the Company's capital structure, to use repurchased shares as payment for, or financing of, acquisitions or investments in order to create increased value for the shareholders.

A resolution in accordance with the Board of Directors' proposal requires support from shareholders with not less than 2/3 of votes cast as well as shares represented at the meeting.

#### **Item 17: The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on new issues of shares**

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period until the next Annual General Meeting to resolve, on one or more 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 ten (10) 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.

A resolution in accordance with the Board of Directors' proposal requires support from shareholders with not less than 2/3 of votes cast as well as shares represented at the meeting.

**Item 18: The Board of Directors' proposal regarding a) implementation of the Employee Stock Option Program 2020/2023, b) directed issue of warrants to subsidiary and c) approval of transfer of warrants or shares to senior executives, key employees and other employees in the Company or its subsidiaries**

The Board of Directors proposes that the general meeting resolve a) to implement the Employee Stock Option Program 2020/2023, b) on a directed issue of warrants to the wholly owned subsidiary KD Incentive AB, Reg. No. 556745-7675 (the "**Subsidiary**") in order to fulfil the obligations under the Employee Stock Option Program 2020/2023, and c) to approve the transfer of warrants or shares in the Company on the terms set forth below ("**Employee Stock Option Program 2020/2023**").

The Board of Directors considers it important and in the best interest of all the shareholders that senior executives, key employees and other employees, which are considered important for the Company's development, have a long-term interest in a positive value development of the Company's shares. A personal long-term shareholder engagement is expected to contribute to an increased interest in the Company's business and result, as well as to increase the participants motivation and affinity with the Company and its shareholders.

Information on previous incentive programs, preparation of the proposal, costs of the program and effects on key figures are found in "The Boards' proposal for resolution on Employee Stock Option Program (Appendix A)".

**a) Employee Stock Option Program 2020/2023**

The Board of Directors proposes that the general meeting resolves to implement the Employee Stock Option Program 2020/2023 in accordance with the following main terms:

1. The Employee Stock Option Program shall consist of not more than 8,783,270 stock options.
2. The stock options shall be offered without consideration to certain employees within the Company or its subsidiaries.
3. Each stock option confers the holder a right to acquire one new share of series B in the Company against an exercise price of SEK 0.01 per share, corresponding to the share's quota value. The exercise price and number of shares of series B that each stock option confers right to acquire may be recalculated in the event of a bonus issue, consolidation or split-up of shares, rights issue, etc. pursuant to customary recalculation provisions.
4. Senior executives, key employees and other employees will, within the Employee Stock Option Program 2020/2023, be offered to subscribe for stock options in accordance with below. The offer shall cover not more than approximately nine persons.

**Category A** (CEO) is offered not more than 3,513,308 stock options;

**Category B** (CFO) is offered not more than 1,317,490 stock options;

**Category C** (Other senior executives (3 persons)) are offered not more than 1,024,715 stock options each, however, with a total of not more than 3,074,145 stock options within category C; and

**Category D** (other employees (4 persons)) are offered not more than 219,582 stock options each, however, with a total of not more than 878,327 stock options within category D.

The Board of Directors will resolve on which persons that shall be included in category D based on position, qualification and individual performance.

5. The allotted stock options will be vested based on the Company's share price development within a period of three years starting three trading days after the annual general meeting 2020 ("**Vesting Period**"). The share price development is calculated by comparing the volume weighted average price (VWAP) for the Company's share as quoted on Nasdaq Stockholm during the period of ten trading days starting three trading days after the annual general meeting 2020 with the VWAP for the Company's share as quoted on Nasdaq Stockholm during the period of

ten trading days starting 16 June 2023. To vest the maximum amount of stock options the share price development shall amount to 100 percent (maximum level). If the share price development amount to 20 percent, 20 percent of the stock options are vested (minimum level). If the share price development is lower than 20 percent no stock options are vested. If the share price development amounts to a level between the maximum and minimum level, the number of stock options vested by the participant shall be measured linear in comparison to the share price development between the maximum and minimum level.

6. If a participant ceases to be an employee with the Company or a subsidiary, before the end of the Vesting Period, by other reasons than below, the allotted stock options, pro rata in relation to the employment period during the Vesting Period, may be exercised at the ordinary time for exercise as described under section 5 above. If the employee's employment ceases due to dismissal from the employer due to personal reasons or the employee is fired or if the employee resigns at own request before the end of the Vesting Period, all allotted stock options will lapse.
7. The holder can exercise allotted and vested stock options to subscribe for shares of series B or warrants during the period from 30 June 2023 to 31 July 2023 in accordance with the terms for the stock options. The Board of Directors has the right to limit the number of dates for delivery of shares during the exercise period.
8. The stock options do not constitute securities and are not able to be transferred or pledged or otherwise disposed of by the holder. However, in the event of death, the rights constituted by the stock options shall accrue to the beneficiaries of the holder of the stock options.
9. Participation in the Employee Stock Option Program 2020/2023 requires that such participation is in accordance with applicable laws, as well as that such participation can be executed with reasonable administrative costs and financial efforts according to the Company's assessment.
10. The stock options shall be governed by separate agreements with each participant. The Board of Directors shall be responsible for the preparation and management of the Employee Stock Option Program 2020/2023 within the above mentioned main terms. The Board of Directors has the right to, within the framework of the agreement with each participant, make the reasonable changes and adjustments of the terms and conditions of the stock options that are deemed suitable or appropriate as a result of local employment law or tax law or administrative conditions.

In view of the above mentioned terms, the size of the allotment and other circumstances, the Board of Directors considers the proposed stock option program to be balanced and favourable for the Company and its shareholders.

#### **b) Directed issue of warrants to the Subsidiary**

In order to enable the Company's delivery of shares under the Employee Stock Option Program 2020/2023 as well as to hedge ancillary costs, primarily social security contributions, the Board of Directors proposes that the general meeting resolves on a directed issue of not more than 11,543,000 warrants of series 2020/2023. Each warrant confers a right to acquire one new share of series B in the Company. The issue shall be made with deviation from the shareholders' preferential rights and on the following terms.

1. The warrants shall, with deviation from the shareholders' preferential rights, only be able to be subscribed for by the Company's wholly owned Subsidiary.
2. The warrants shall be issued without consideration.
3. The reason for the deviation from the shareholders' preferential rights is that the warrants are a part of the implementation of the Employee Stock Option Program 2020/2023.

4. The warrants shall be subscribed for by 30 June 2020 at the latest on a separate subscription list. The Board of Directors shall have the right to extend the subscription period.
5. The Company's share capital can increase with SEK 115,430, provided that the warrants are fully exercised (provided that the quota value is not changed and that no recalculations have been made pursuant to "The Boards' proposal for resolution on Employee Stock Option Program (Appendix B)").
6. Each warrant confers the holder a right to subscribe for one (1) new share of series B in the Company against an exercise price of SEK 0.01 per share, corresponding to the share's quota value. The subscription price shall never be less than the quota value of the share.
7. The warrants may be exercised by application for subscription for new shares in accordance with the terms and conditions for the warrants, from and including 30 June 2023 up to and including 31 July 2023.
8. The subscription price and the number of shares of series B that each warrant entitles to may be adjusted pursuant to customary recalculation provisions.
9. The newly subscribed shares shall confer entitlement to dividends for the first time on the next record day for dividends which occurs after the subscription has been registered with the Swedish Companies Registration Office (Sw. Bolagsverket) and the shares has been entered into the Euroclear Sweden AB's share register.

---

Provided that all warrants are utilized for subscription, the share capital will increase with SEK 115,430 by the issuing of 11,543,000 shares of series B, each with a quota value of SEK 0.01, however, subject to the recalculation of the terms of the warrants following new issues etc. The new shares of series B represents, if fully exercised, about 6.2 percent of the total number of shares and 6.0 percent of the total number of votes in the Company.

**c) Approval of transfer of warrants**

The Board of Directors proposes that the annual general meeting resolves to approve that the Subsidiary may transfer warrants without consideration or shares against a price of SEK 0.01 per share, corresponding to the share's quota value, to the participants of the Employee Stock Option Program 2020/2023 when the stock options are exercised in accordance with the terms of the Employee Stock Option Program 2020/2023 or in any another way dispose of the warrants or shares in order to secure the Company's commitments in relation to the Employee Stock Option Program 2020/2023.

The CEO, or anyone appointed by the Board of Directors, shall be authorized to make such minor adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket) or Euroclear Sweden AB.

The annual general meeting's resolutions under sections a–c above shall be made as one decision. A valid resolution requires that the proposal is supported by shareholders with at least nine-tenth of both the votes cast and the shares represented at the meeting.

**Item 19: The Board of Directors' proposal regarding amendment of the articles of association**

The Board of Directors proposes that the annual general meeting resolves to amend the Company's articles of association in order to comply with future regulatory changes.

The resolution means that the articles of association § 11 is amended from its previous wording:

*"§ 11 Shareholders' right to participate in shareholders' meetings*

*Shareholders who want to participate in shareholders' meetings, shall be listed in print-outs or other representation of the entire shareholders' register concerning the circumstances five (5) business days prior to the meeting, as well as notify the company the day which is specified in the notice to the*



*meeting. The last-mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth business days prior to the meeting.*

*Shareholders or representatives may bring up to two counsels at shareholders' meetings only if the shareholder is giving notice of the number of counsels to the company in accordance with the previous paragraph."*

The articles of association § 11 will have the following wording:

*"§ 11 Shareholders' right to participate in shareholders' meetings*

*Shareholders who want to participate in shareholders' meetings, shall be listed in print-outs or other representation of the entire shareholders' register in accordance with aktiebolagslagen (the Swedish Companies Act), as well as notify the company the day which is specified in the notice to the meeting. The last-mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth business days prior to the meeting.*

*Shareholders or representatives may bring up to two counsels at shareholders' meetings only if the shareholder is giving notice of the number of counsels to the company in accordance with the previous paragraph."*

A valid resolution on item 19 requires that the proposal is supported by shareholders with at 2/3 of both the votes cast and the shares represented at the meeting.

#### **Miscellaneous**

The annual report and the audit report are available at the Company's office at Tomtebodavägen 23 A in Solna, Sweden and on the Company's website, [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com) and the proposal by the Nomination Committee and its reasoned statement, the auditor's statement regarding compliance with the Guidelines for Remuneration to Executive Management and complete proposals for decisions in all matters on the agenda will be available from May 25, 2020. Copies of the above-mentioned documents will, upon request, be sent to shareholders who have provided their postal address. A request for such documents may be made in the way set forth above for notification of attendance.

A shareholder is entitled to require that the Board of Directors and the CEO (when possible without causing material damage to the Company) provides information regarding (i) circumstances that may have an effect on the assessment of an item on the agenda or on the economic situation of the Company or a subsidiary within the Group; (ii) the Company's relation to another Company within the Group; (iii) the consolidated Group report.

As per the date of this notice, there are 175,665,409 shares, representing a total of 189,193,291 votes outstanding in the Company, distributed among 1,503,098 shares of series A (with 15,030,980 votes) and 174,162,311 shares of series B (with 174,162,311 votes). As per the date of this notice, the Company holds 244,285 treasury shares of series B.

#### **Processing of personal data**

For information on how your personal data is processed in connection to the Annual General Meeting see the privacy policy available on Euroclear Sweden AB's website:

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

**Solna in May 2020  
Karolinska Development AB (publ)  
The Board of Directors**

**For further information, please contact:**

Viktor Drvota, CEO, Karolinska Development AB

Phone: +46 73 982 52 02, e-mail: viktor.drivota@karolinskadevelopment.com

Johan Dighed, General Counsel, Karolinska Development AB

Phone: +46 70 207 48 26, e-mail: johan.dighed@karolinskadevelopment.com

**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 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, please visit [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com)

*This information is information that Karolinska Development AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This notice has been published in a Swedish and an English version. The information was submitted for publication, through the agency of the contact person set out above, at 7 May 2020, 3.30 PM CET.*

For more information, please visit [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com)