

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

The shareholders of Karolinska Development AB (publ), reg. no. 556707-5048, (“**Karolinska Development**” or the “**Company**”) are invited to the Annual General Meeting, on Thursday May 16, 2024, at 3:00 p.m. (CEST), at Nanna Svartz väg 2, 171 65 Solna, Sweden.

The Board of Directors has resolved that shareholders shall have the right to exercise their voting rights in advance through postal voting pursuant to item 13 in the articles of association. Therefore, shareholders may choose to exercise their voting rights at the AGM by attending in person, by postal voting or through a proxy.

Participation in person

A shareholder who would like to participate at the AGM in person must:

both be entered in the register of the shareholders maintained by Euroclear Sweden AB by Tuesday May 7, 2024,

and give notice of his or her intention to participate to the Company no later than Friday May 10, 2024, at the address Karolinska Development, “AGM”, Nanna Svartz väg 6A, 171 65, Solna, Sweden, or through email eva.montgomerie@karolinskadevelopment.com. When giving notice to participate, please provide name, personal identity number or company registration number, telephone number and number of represented shares.

Participation by postal voting

Shareholders who wish to participate in the AGM by postal voting must:

both be registered in the register of shareholders maintained by Euroclear Sweden AB as per Tuesday May 7, 2024,

and notify their intention to participate by submitting their postal vote in accordance with the instructions below, so that the postal vote is received by Karolinska Development no later than Friday May 10, 2024.

Shareholders may exercise their voting rights at the AGM by voting in advance through postal voting pursuant to item 13 in the articles of association, referring to Chapter 7, Section 4 a of the Swedish Companies Act.

For advance voting, a special form must be used. Forms in Swedish and English are available for download on the Company’s website, www.karolinskadevelopment.com. The advance voting form is valid as notification of participation at the AGM.

The completed advance voting form must be received by the Company no later than Friday May 10, 2024. The completed form shall be sent to Karolinska Development by e-mail to eva.montgomerie@karolinskadevelopment.com or by regular mail to Karolinska Development, “AGM”, Nanna Svartz väg 6A, 171 65, Solna, Sweden. The shareholder may not provide special instructions or conditions in the advance voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are provided in the form for advance voting.

Those who wish to withdraw a submitted postal vote and instead exercise their voting rights by participating in the AGM in person or through a proxy must give notice thereof to the AGM’s secretariat prior to the opening of the AGM.

Participation by proxy

If the shareholders are represented by proxy, a written proxy must be issued and submitted to the Company at the above address well in advance of the AGM. 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.

Nominee registered shares

For shareholders who have their shares nominee-registered through a bank or other nominee, the following applies in order to be entitled to participate in the meeting. In addition to giving notice of participation, such shareholder must re-register its shares in its own name so that the shareholder is registered in the share register kept by Euroclear Sweden AB as of the record date Tuesday May 7, 2024. Such re-registration may be temporary (so-called voting rights registration). Shareholders who wish to register their shares in their own names must, in accordance with the respective nominee's routines, request that the nominee make such registration. Voting rights registration that have been requested by the shareholder at such time that the registration has been completed by the nominee no later than Friday May 10, 2024, will be taken into account in the preparation of the share register.

Proposal for agenda

1. Election of chairman of the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination of whether the meeting was duly convened
6. Presentation of the annual report and the auditor's report and the group annual report and the auditor's group report
7. 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
8. Resolution regarding the number of directors and auditors and deputy auditors to be appointed
9. Resolution in respect of the fees for the Board of Directors and for the auditors
10. Election of chairman of the Board of Directors, directors and auditors and deputy auditors
11. Principles for appointing members and instruction for the Nomination Committee
12. The Board of Directors' proposal regarding principles for remuneration to executive management
13. Resolution on approval of the Board of Directors' Remuneration Report 2023
14. The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on transfer of own shares
15. The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on new issues of shares
16. Closing of the meeting

Items 1 and 8–11: 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 Yan Cheng (chairman), appointed by Worldwide International Investments Ltd; Jack Li, appointed by invoX Pharma Ltd; Jan Dworsky, appointed by Swedbank Robur Microcap fond; Hans Wigzell, appointed by Insamlingsstiftelsen för främjande och utveckling av medicinsk forskning vid KI; Peter Markborn, appointed by Styviken Invest AS.

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

Lawyer Annika Andersson (Cirio Law Firm) is appointed to chair the Annual General Meeting.

The number of directors will be five and no deputies will be appointed.

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

The chairman will be paid a fixed amount of SEK 400,000 to be paid out in proportion to board meetings attended. All other directors will be paid a fixed amount of SEK 200,000 to be paid out in proportion to board meetings attended. The fees to the directors remain unchanged compared to previous year.

The auditors will be paid as per invoice.

Re-election of the directors Theresa Tse, Anna Lefevre Skjöldebrand, Ben Toogood and Philip Duong and election of Hans Wigzell as new director of the Board of Directors. Björn Cochlovius has declined re-election.

Election of Hans Wigzell as new Chairman of the Board of Directors.

Hans Wigzell was born 1938. He is professor emeritus of immunology and MD. Hans' previous assignments include, among others, the president of Karolinska Institutet's Nobel Committee, and president of Karolinska Institutet, director general of Smittskyddsinstitutet and board member/chairman of Karolinska Development. Hans' other current appointments include chairman of Rhenman & Partner Asset Management AB and RaySearch Laboratories AB, board member of Sarepta Therapeutics Inc., and also member of The Royal Swedish Academy of Engineering Sciences and of the Royal Swedish Academy of Sciences. Hans holds 1,228,613 shares in the Company. Hans Wigzell is independent of the Company and its executive management, and independent in relation to the Company's major shareholders.

The composition of the Board of Directors meets the independence requirement of the Swedish Corporate Governance Code. The Nomination Committee proposes that voting shall take place individually.

Re-election of Ernst & Young Aktiebolag as auditor in accordance with the audit committee's recommendation, currently with Oskar Wall as auditor in charge, for the time until the end of the 2025 Annual General Meeting.

The Nomination Committee shall have five members. Every year, the five largest owners (voting power, as set forth in the share register kept by Euroclear Sweden AB as of the last banking day in August) 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 the Annual General Meeting. 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 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 7 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 1,244,034,986 shall be carried forward.

Item 12: 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**"). The Guidelines applies on salary and other forms of remuneration to the CEO and other management personnel (executive management) decided after the 2024 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 General Meeting 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, including its sustainability; 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 2024 amounts to 4.6 MSEK.

Information about the exit bonus and the STI and LTI programs is found in the Annual report for 2023, 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 one long-term incentive program (LTI) for the year 2010, resolved by the AGM and therefore not covered by the Guidelines.

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 etc.

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. The Company does not provide company cars.

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

Executive management who holds employment or have entered into remuneration agreements in non-wholly owned subsidiaries shall be exempted from these Guidelines.

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 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.

Derogation from the Guidelines

The Board of Directors may temporarily deviate from the Guidelines in full or in part if there on a case by case basis 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. Exceptions (if any) shall be commented on at the following AGM.

Description of significant changes to the Guidelines

The Board of Directors has not received any input from shareholders concerning the existing Guidelines for remuneration to executive management. The Board of Directors' proposal for Guidelines for remuneration to executive management essentially corresponds to existing Guidelines. A clarification has been made stating that executive management who holds employment or have entered into remuneration agreements in non-wholly owned subsidiaries shall be exempted from these Guidelines. In addition, certain editorial changes have been made regarding derogation from the Guidelines.

Item 13: Resolution on approval of the Board of Directors' Remuneration Report 2023

The Board of Directors proposes that the AGM approve the Board of Directors' remuneration report for 2023 in accordance with Chapter 8, Section 53 a of the Swedish Companies Act.

Item 14: 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 15: 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 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.

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.

Miscellaneous

The annual report, auditor's report, remuneration report and other documents that are to be made available in accordance with the Swedish Companies Act, are available at the Company on Nanna Svartz väg 2, 171 65, Solna, Sweden and at the Company's website, www.karolinskadevelopment.com, no later than three weeks before the AGM, and will be sent to shareholders who so request and provide their postal address.

The Board of Directors and the CEO shall, if requested by any shareholder and if the Board of Directors is of the opinion that it can be done without causing material harm to the Company, provide disclosures about conditions that may impact assessment of an item of business on the agenda, about conditions that may impact assessment of the Company's or a subsidiary's financial situation, and about the Company's relationship with another group company.

As per the date of this notice, there are 270,077,594 shares, representing a total of 293,074,943 votes outstanding in the Company, distributed among 2,555,261 shares of series A (with 25,552,610 votes) and 267,522,333 shares of series B (with 267,522,333 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 April 2024
Karolinska Development AB (publ)
The Board of Directors