

## **The board of directors' of Karolinska Development AB resolution on a directed issue of convertibles**

Subject to the approval by the general meeting, the board resolves that the company raise a convertible loan in a nominal amount not exceeding SEK 172,858,294.11 through a directed issue of convertible bonds. In case of full conversion of the bonds on the last day for conversion, the issue entails an increase of the share capital of not more than SEK 3,928,597.50, excluding conversion of accrued interest. Upon conversion of the capital amount, accrued interest will however also be converted. Provided that conversion occurs on the last day for conversion, the issue entails an increase of the share capital of not more than SEK 5,451,709.50. The resolution shall otherwise be governed by the following terms and conditions.

1. Entitled to subscribe for the convertible bonds in the issue shall be (i) Chia Tai Resources Limited, which shall be entitled to subscribe for an amount of SEK 150,000,000 and (ii) Sino Biopharmaceutical Limited, which shall be entitled to subscribe for an amount of SEK 22,858,294.11. The board believes that it is advantageous for the company and for the company's owners to capitalize on the ability to raise capital on favourable terms from a strong Asian specialist investor with significant experience in the life science field. The board therefore believes that the issue, which is made with deviation from the shareholders' pre-emptive rights, will promote value creation for all shareholders of Karolinska Development.
2. The nominal amount of the convertible bond shall be SEK 0.01 or multiples thereof. The loan carries an annual interest rate of 8 per cent in accordance with the provisions of **Appendix A**.
3. The subscription price shall be equal to the nominal amount of the convertible bonds. The subscription price has been determined based on the shares listed market price and the convertible loan's value after negotiations with the subscriber.
4. Subscription through payment for the convertible bonds shall take place within three weeks of the date of the general meeting approving the resolution to issue convertible bonds.
5. The board of directors shall be entitled to extend the subscription/payment period.
6. The convertible bond may be converted into shares of class B during the period commencing the date of registration at the Swedish Companies Registration Office of the resolution regarding the issue up to and including 30 June 2019 at a conversion price of SEK 22.
7. Shares which have been issued as a consequence of conversion shall entitle to dividends for the first time on the record date for dividends occurring after registration of the new shares.
8. Other terms and conditions according to Appendix A.
9. The company's general counsel, Ulf Richenberg, is authorized to make those minor adjustments of the resolution which may be required in connection with the registration of the issue at the Swedish Companies Registration Office or Euroclear, affiliation of the convertible bonds with Nasdaq Stockholm or another Swedish marketplace or in order to fulfill requirements in other countries than Sweden in which there are subscription entitled persons.