

## **The board of directors' of Karolinska Development AB resolution to issue convertibles with pre-emptive rights for the shareholders**

Subject to the approval by the general meeting, the board resolves that the company raise a convertible loan with a nominal amount not exceeding SEK 227,455,941.72 through a rights issue of convertible bonds. In case of full conversion of the capital amount of the convertible bonds, the issue entails an increase of the share capital of not more than SEK 5,169,453, 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 7,173,643.50. The resolution shall otherwise be governed by the following terms and conditions.

1. 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**.
2. 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 an external investor.
3. Shareholders registered as holders of shares in the company on the record date for the issue shall receive subscription rights. One (1) share shall entitle to one (1) subscription right and one (1) subscription right shall entitle to subscription of convertible bonds for a nominal amount of SEK 4.71. Allotment in the issue will firstly be made to subscriptions based on subscription rights.
4. In the event that the entire nominal amount of the convertible loan is not subscribed for in accordance with item 3 above, allotment shall be made to subscribers that have subscribed for convertible bonds without subscription rights in accordance with the following allotment principles:
  - (i) firstly to subscribers that have subscribed for convertible bonds without subscription rights, in proportion to the amount that such subscribers have subscribed for with subscription rights, and to the extent this is not possible, through a drawing of lots;
  - (ii) thereafter to subscribers that have underwritten the issue in addition to the amount such subscribers have subscribed for based on subscription rights (such excess amount will hereinafter be referred to as "guarantee amount"), to the extent that these subscribers have requested to be allotted convertible bonds, in proportion to the size of the guarantee amount and, where this is not possible, through a drawing of lots;
  - (iii) thereafter to other subscribers in proportion to the amount subscribed for by each such other subscriber and, where this is not possible, through a drawing of lots; and
  - (iv) lastly to subscribers that have underwritten the issue with a guarantee amount, to the extent that these subscribers have not requested to be allotted convertible bonds, in relation to the guarantee amount after reduction of any subscription in

accordance with item (ii) above, and to the extent this is not possible, through a drawing of lots.

5. Record date for establishment of which shareholders shall have pre-emptive rights to subscribe for convertibles shall be on 5 December 2014.
6. Subscription for convertible bonds based on pre-emptive right shall be made through cash payment in the period 10 December 2014 to 29 December 2014.
7. Application to subscribe for convertible bonds without pre-emptive right shall be made in the period set out in item 6 above. Subscription shall in such cases be made on a certain subscription list. Payment for convertible bonds subscribed for without pre-emptive right shall be made in cash not later than three (3) banking days after the dispatch of a contract note entailing information regarding allotment of convertible bonds.
8. The board of directors shall be entitled to extend the subscription period and the time for payment.
9. The convertible bond may be converted into shares of class B during the period commencing the date of registration of the resolution regarding the issue at the Swedish Companies Registration Office up to and including 30 June 2019 at a conversion price of SEK 22.
10. 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.
11. Other terms and conditions according to Appendix A.
12. 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.

#### **Holders of warrants**

In order for holders of warrants in the company to be granted a right to participate in the pre-emption rights issue based on shares originating from subscription on the basis of warrants, such subscription shall be effected, i.e. the shares shall be recorded in the share register kept by Euroclear Sweden, no later than 5 December 2014. This means that complete and correct application for subscription must be the company at hand no later than 21 November, at 5 p.m. CET. To the extent that such subscription is made, the resolution shall be deemed to comprise a corresponding additional increase of the company's share capital, by not more than SEK 9,516 by way of an issue of convertible loan in the amount of not more than SEK 418,723.71, 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 13,205.50, to the extent that subscription is effected.

To the extent that subscription is effected at such time that no right to participate in the new issue arises, a recalculation will be made pursuant to the terms and conditions of the warrants.