

January 18, 2019

Exchange Notice

Flexible Derivatives Products 01/19

Anticipated adjustment in Karo Pharma due to offer

The following information is based on the press release from Karo Pharma AB (Karo Pharma) published on January 2, 2019 and may be subject to change.

EQT VIII AB has announced a voluntary cash offer to acquire all outstanding shares of Karo Pharma, whereby every one (1) Karo Pharma share held entitles their holder to a cash payment of SEK 38.00 per share. Note that offer price was increased from SEK 36.90. If Karo Pharma, as a result of the offer, requests for a de-listing of the underlying share or if the trading in the same is considered to be insufficient to support related derivatives trading, NASDAQ Derivatives Markets will (1) set a new expiration day for options and forwards/future contracts in Karo Pharma (KAROB) and (2) settle the contracts at Fair Value according to below.

Please note that the historic volatility and dividend estimates determined when the bid was announced are fixed variables for the Fair Value calculation. The underlying share price and interest rate can change until the time of the adjustment and will be published in an Exchange Notice at the time of the adjustment.

Conditions	Cash offer, SEK 38.00 per share
Adjustment	New Expiration day and settlement of Fair Value
New exercise and forward/future price	Unchanged exercise and forward/future price
New contract size	Unchanged contract size
New Expiration Day	TBD
Variables used in Fair Value Method	
Historic volatility	0,3146
Dividend estimates	None
Interest rate	Applicable STIBOR rate on the day of re-calculation
Underlying share price	VWAP ¹ on the new expiration day
Time to expiration	Number of days between the new expiration day and the original expiration day
Date for calculation of Fair Value	After 19.30 (CET), New Expiration day



Rules and Regulations of NASDAQ
Derivatives Markets

3.5.3.7 and Appendix 5

1 VWAP = volume weighted average price

Following an adjustment, an ordinary Expiration procedure shall be performed on the New Expiration Day and, in addition, there will be a cash settlement of the difference between the contracts theoretical value (Fair Value) and intrinsic value.

Members are encouraged to ensure that clients are aware of the above-mentioned adjustment.

For further information concerning this exchange notice please contact Julius Simulionis or Karolina Pridotkaite, telephone +46 8 405 69 70.

NASDAQ Derivatives Markets

Julius Simulionis
Product Management

Karolina Pridotkaite
Product Management