

## **PRESS RELEASE FROM CONTINUED ANNUAL GENERAL MEETING OF KARO BIO AB (PUBL)**

**Stockholm, May 4<sup>th</sup>, 2011 – The Annual General Meeting of Karo Bio AB (publ) on April 27<sup>th</sup>, 2011 resolved to adjourn before the election of Board of Directors. The Annual General Meeting was resumed on May 4<sup>th</sup>, 2011 at 17.00 CET. The resumed Annual General Meeting resolved, among other things, on election of Board of Directors, Chairman of the Board and nominating committee as well as on authorisation for the Board of Directors to issue new shares.**

### **Adjourned Annual General Meeting April 27<sup>th</sup>**

The Annual General Meeting on April 27<sup>th</sup> resolved to adjourn after the nominating committee's proposal for a new Board of Directors was met with alternative proposals at the meeting. To allow for a proper presentation of the Directors nominated by Jan Lundberg, representing the shareholders Johan Edlund and Anders Edlund, the Annual General Meeting decided to adjourn and that the Annual General Meeting was to be resumed on Wednesday May 4<sup>th</sup> at 17.00 CET.

Before the Annual General Meeting on April 27<sup>th</sup> was adjourned, the Annual General Meeting resolved, among other things, on the following.

#### *Allocation of profit or loss etc.*

The Annual General Meeting decided to adopt the income statement and the balance sheet as well as the group consolidated income statement and the consolidated balance sheet. It was furthermore decided that no dividend is to be paid for the financial year 2010.

#### *The Board of Directors' and the CEO's discharge from liability*

The Annual General Meeting discharged the Board of Directors and the CEO from liability for the financial year 2010.

#### *Board of Directors and remuneration*

The remuneration to the Board of Directors shall be SEK 495,000 to the Chairman of the Board and SEK 180,000 to each of the other Directors. For work within the audit committee, the remuneration shall be SEK 30,000 to the Chairman and SEK 20,000 to each of the other members. For work within the compensation committee, the remuneration shall be SEK 20,000 to the Chairman and SEK 15,000 to each of the other members. The Annual General Meeting decided that the remuneration for committee work decided upon by the Annual General Meeting in 2010 of a total of SEK 120,000 shall be divided equally among the Directors of the Board, with the exception of the Chairman of the Board. The Annual General Meeting further decided that consulting fees to the Director Birgit Stattin Norinder and to Chori Pars AB, which is owned by the Director Johan Kördel, shall be paid with SEK 160,000, exclusive of VAT, each.

### **Resumed Annual General Meeting May 4<sup>th</sup>**

A right to participate at the resumed Annual General Meeting applied for those who had been listed as a shareholder in the share register kept by Euroclear Sweden AB relating to the circumstances on April 19<sup>th</sup>, 2011 and who had given the company notice of

his/her intention to participate at the Annual General Meeting no later than on April 19<sup>th</sup>, 2011 at 16.00 CET. Shareholders who had been listed as shareholders in the share register relating to the circumstances on April 19<sup>th</sup>, 2011, but who had not given the company notice of his/her intention to participate at the Annual General Meeting and others who wished to participate, could register as guests at the resumed Annual General Meeting.

The Chairman of the Board Bo Håkansson opened the resumption of the Annual General Meeting of Karo Bio AB.

Attorney at law Henrik Karlström was elected as chairman of the meeting as proposed by Jan Lundberg, representative for shareholders Johan and Anders Edlund.

Attorney at law Peter Oscarsson, representative for shareholder Farstorp Invest AB, proposed for the Annual General Meeting to be adjourned until June 7, 2011, in order to give opportunity to all shareholders to register for the Annual General Meeting and vote on the proposals made by shareholders after the last date for registration. Following a vote among the shareholders, the meeting decided against the proposal.

Out of the total number of shares in the company, approximately 17 % of the shares were represented at the meeting.

#### *Election of Board of Directors and Chairman of the Board*

Regarding item 14 and 15 on the agenda, election of Board of Directors and Chairman of the Board, the Chairman of the nominating committee, Bengt Belfrage, presented the committee's proposal, which on March 25<sup>th</sup> was presented in connection with the notice to the annual general meeting on April 27<sup>th</sup>. Jan Lundberg, representative for shareholders Johan and Anders Edlund, proposed election of new Directors Göran Wessman, Per Bengtsson, Christer Fåhraeus, Elisabeth Lindner, Jan Sandström and Anders Waas, and proposed Göran Wessman as Chairman of the Board. Following a vote among the shareholders Göran Wessman, Per Bengtsson, Christer Fåhraeus, Elisabeth Lindner, Jan Sandström and Anders Waas were elected as Directors and Göran Wessman was elected Chairman of the Board. Information regarding the elected Directors was presented in Karo Bio's press release of May 4<sup>th</sup>.

#### *Election of auditor*

Regarding item 16 on the agenda, election of auditors, the auditing firm PricewaterhouseCoopers was elected as auditors for the period until the Annual General Meeting 2012.

#### *Principles for the nominating committee*

Regarding item 17 on the agenda, resolution on guidelines regarding the appointing of nomination committee, the Chairman of the nominating committee, Bengt Belfrage, presented the committee's proposal which on March 25<sup>th</sup> was presented in connection with the notice of the annual general meeting on April 27<sup>th</sup>. The meeting decided on the principles for the nominating committee as proposed by the nominating committee. The nominating committee had also proposed for Adam Bruce, Thomas Josefsson, Mikael Lönn and the Chairman of the Board to be appointed as members of the nominating committee until the Annual General Meeting 2012, and that if it, as a result of ownership changes, is deemed appropriate, the nominating committee shall invite

additional shareholders to the committee, however, the total number of members shall not exceed six. Jan Lundberg, representative for shareholders Johan and Anders Edlund, instead proposed Johan Claesson, Bo Håkansson, Jan Lundström, Mikael Lönn, Lars Magnusson and the Chairman of the Board to be appointed as members of the nominating committee. Following a vote among the shareholders, Johan Claesson, Bo Håkansson, Jan Lundström, Mikael Lönn, Lars Magnusson and the Chairman of the Board were elected as members of the nominating committee.

*Principles for remuneration of executive management*

Regarding item 18 on the agenda, resolution on principles for remuneration of executive management, the Annual General Meeting decided on principles for remuneration of executive management in line with the proposal from the Board of Directors.

*Authorization of the Board of Directors to issue new shares*

Regarding item 19 on the agenda, Authorization of the Board of Directors to issue new shares, the Annual General Meeting decided in accordance with the proposal presented in advance. The Annual General Meeting authorized the Board of Directors to resolve to issue new shares with the right to subscribe to Azimuth Opportunity Ltd, on one or more occasions prior to the next annual general meeting, without regard to shareholders' pre-emption rights. It shall be possible to make issues for cash payment or set-off. The number of shares possible to issue pursuant to the authorization shall not be limited in a way other than as is prescribed by the Articles of Association applicable from time to time concerning limits on the number of shares and share capital. The reason for deviating from the shareholders' pre-emption rights shall be that the Company should be able to utilize the financing in accordance with the financing agreement that the Company has entered into with Azimuth Opportunity Ltd. The subscription price shall be determined in accordance with what is stated in the aforementioned agreement.

Verified minutes from the Annual General Meeting will be available on the Company's website [www.karobio.se](http://www.karobio.se)

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**About Karo Bio**

Karo Bio is a pharmaceutical company focused on the research and development of innovative drugs for unmet medical needs. Karo Bio's vision is to become a pharmaceutical company with sustainable profitability, commercial products and a competitive project portfolio.

Karo Bio runs a number of development projects within the indication areas cardiovascular and metabolic diseases, neuropsychiatry, inflammatory conditions, autoimmune diseases, cancer and women's health. An important foundation for the company's activities is its unique knowledge of nuclear receptors as target proteins for the development of novel pharmaceuticals, as well as related mechanisms of action. Important processes and competencies within the company include structurally based research, drug discovery, preclinical and clinical development, and medical and regulatory expertise.

Karo Bio has the capacity to process select compounds for niche indications through the whole development chain, while compounds addressing large patient groups require development collaborations or out-licensing at some stage in the process. In addition to proprietary projects, Karo Bio has three strategic collaborations with international pharmaceutical companies.

Karo Bio, headquartered in Huddinge, has 70 employees, and is listed on NASDAQ OMX Stockholm since 1998 (Reuters: KARO.ST).

*Karo Bio publishes this information in accordance with the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was published on May 4<sup>th</sup>, 2011, at 22:00 CET.*

This press release is also available online at: [www.karobio.se](http://www.karobio.se) (<http://www.karobio.se/>) and [www.newsroom.cision.com](http://www.newsroom.cision.com)