

## Update of Karolinska Development rights issue outcome

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**STOCKHOLM - January 16, 2015.** Karolinska Development AB today announces that the company, after the end of the subscription period, has received applications to subscribe for convertibles without subscription rights to an aggregate amount of SEK 39 million. In order to be able to allot convertibles, the Karolinska Development Board of Directors decided to extend the subscription period until January 15, 2015. The rights issue of convertibles has hereafter been subscribed to approximately 94 percent and will, together with the completed directed issue of convertibles, generate proceeds to Karolinska Development of approximately SEK 386.9 million before transaction costs. Karolinska Development has also been informed that payment of SEK 100 million that were allotted in the rights issue of convertibles has been delayed due to administrative constraints.

As previously announced, the rights issue of convertibles was preliminary subscribed to approximately 77 percent. Including the subscription of SEK 39 million by Paradigm Capital Value Fund SICAV ("Paradigm Capital") and EMF Europäische Marketing und Finanzmanagement AG ("EMF"), the rights issue is subscribed to approximately 94 percent.

In order to increase the subscription of convertibles, the Board of Directors of Karolinska Development yesterday decided, by the mandate granted on the Extraordinary General Meeting on December 4, 2014, to extend the subscription period of the rights issue of convertibles until January 15, 2015. The decision enables allotment of convertibles to Paradigm Capital and EMF. The extension of the subscription period is not expected to affect the time table for registration and listing of the convertibles which have been subscribed and paid for in accordance with the original timetable and these convertibles will be listed on Nasdaq Stockholm today, January 16, 2015.

The convertible loan with a nominal amount of SEK 214,000,882.01 through the rights issue of convertibles and the completed directed issue of convertibles with a nominal amount of SEK 172,858,294.11 to Thai Charoen Pokphand Group ("CP Group")<sup>1</sup> will provide Karolinska Development with proceeds of approximately SEK 386.9 million before transaction costs.

Karolinska Development has also been informed that payment of SEK 100 million allotted to CP Group in the rights issue of convertibles has been delayed due to administrative constraints. CP Group has stated that payment of this amount will take place no later than February 28, 2015.

### Financial and legal advisor

Danske Bank A/S, Danmark, Sverige Filial is acting as financial advisor and Roschier Advokatbyrå AB is acting as legal advisor to Karolinska Development in connection with the issues of convertibles.

<sup>1</sup>"CP Group", in this press release, is used to describe the units included in Thai Charoen Pokphand Group.

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**TO THE EDITORS****About Karolinska Development AB**

Karolinska Development aims to create value for patients, researchers, investors and society by developing innovations from world class science into differentiated products that can be partnered. The business model is to: SELECT the most commercially attractive medical innovations that can potentially satisfy unmet medical needs; DEVELOP innovations to the stage where the greatest return on investment can be achieved; and COMMERCIALIZE the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading universities, delivers a continuous flow of innovations. For more information, please visit [www.karolinskadevelopment.com](http://www.karolinskadevelopment.com).

*Karolinska Development is listed on NASDAQ OMX (KDEV). Karolinska Development may be required to disclose the information provided herein pursuant to the Securities Markets Act.*

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