

KARO BIO CLOSES ACQUISITION OF PRODUCT FOR TREATMENT OF COMMON COLD THROUGH A DIRECTED ISSUE

STOCKHOLM, 27 April 2015 – As previously informed, Karo Bio has signed an agreement to acquire 100 % of the shares in Tanomed AB against payment in shares in Karo Bio AB. Based on the authorization of the annual general meeting and as part of the closing of the transaction, the board of Karo Bio has resolved to issue 13,480,392 new shares in Karo Bio to the shareholders of Tanomed AB at an issue price of SEK 1.48 per share and in total 20 MSEK, which is equal to the agreed purchase price. The new issue entails an increase of the share capital by SEK 269,605 and has been fully subscribed and paid for by the owners of Tanomed AB by set-off of the purchase price.

For further information, please contact:

Henrik Palm, CFO, email henrik.palm@karobio.se, telephone +46 70 540 4014

About Karo Bio

Karo Bio is a development company focused on broadening its operations to include projects and products closer to market. Karo Bio has several projects approaching clinical phase. Karo Bio is based in Huddinge, Sweden and is listed on Nasdaq Stockholm.

The information was published on April 27, 2015 at 08:30 am CET.

This press release is also available on www.karobio.se and www.newsroom.cision.com