

## **NOTICE OF EXTRAORDINARY GENERAL MEETING IN KARO BIO AB (PUBL)**

Shareholders in Karo Bio AB (publ) are hereby called to an extraordinary general meeting on Monday, May 25, 2015 at 3:00 p.m. in Hörsalen, Novum Science Park (4th floor, elevator E), Hälsovägen 7 in Huddinge.

### ***Right to attend***

Entitled to attend the extraordinary general meeting are those who are both registered shareholders in the share register held by Euroclear Sweden AB at the record date May 19, 2015 and have given notification to the company of their intention to attend the general meeting not later than May 19, 2015, at 4.00 p.m.

Shareholders with nominee-registered shares must temporarily register their shares in their own name with Euroclear Sweden to attend the meeting. Such registration must be completed by May 19, 2015 and should be requested well in advance to this date to the nominee of the shares.

### ***Notification to attend***

Notification to attend the meeting shall be submitted in writing to the address Karo Bio AB, att: Henrik Palm, Novum, SE-141 57 Huddinge, Sweden, or by email to [henrik.palm@karobio.se](mailto:henrik.palm@karobio.se). Name, personal identification number or corporate identity number, phone number and number of shares held shall be included in the notification to attend. Where applicable, the number of advisors (maximum two) shall be stated. If a shareholder intends to be represented by proxy, power of attorney and other authorization documents should be attached to the notification. The original authorization documents must be able to be presented at the meeting. Proxy forms are available from the company, at the company's website and will be sent to shareholders who provide their postal address.

### ***Proposal for Agenda***

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of persons to confirm the minutes
6. Determination as to whether the meeting has been duly convened
7. Approval of the Board's resolution on a new share issue (rights issue)
8. Resolution on the authorization of the Board to resolve on a new share issue at over-subscription (over-allotment option)
9. Closing

## ***Proposals of the Board***

### *Item 7 – Rights issue*

The Board proposes that the meeting approves the resolution by the Board on April 28, 2015 on a rights issue with preferential rights for the shareholders in order to provide the company with rights issue proceeds amounting to approx. MSEK 230 on the following terms.

The share capital shall be increased by a maximum of SEK 4,598,244.337097 by the issuance of a maximum of 229,914,516 new shares. The new shares shall be subscribed for with preferential rights for the company's shareholders in proportion to the number of shares previously held, whereby three (3) existing shares entitle to subscription for one (1) new share. The subscription price for each new share shall be SEK 1.00.

The record date for the determination of which shareholders are entitled to subscribe for new shares with preferential rights shall be June 1, 2015. Subscription for new shares shall take place during the period from June 3, 2015 up to and including June 18, 2015, or such later date to be decided by the Board. Subscription for shares by the exercise of subscription rights shall be made by simultaneous cash payment. Subscription for shares without exercising subscription rights shall be made on a separate subscription list and be paid in cash within three (3) business days from the date when notice of allotment by the Board has been sent to the subscriber, or such later date as the Board may decide.

In the event that not all shares are subscribed for by the exercise of subscription rights, the Board shall decide on allotment of shares without the exercise of subscription rights up to the maximum amount of the rights issue. Such allotment shall be made, firstly, to those who have subscribed for shares by exercising subscription rights and who wish to subscribe for additional shares, pro rata in proportion to their subscription by exercising subscription rights, secondly, to others who have notified their interest to subscribe for shares without exercising subscription rights, pro rata in proportion to their subscription and, thirdly, to those who have guaranteed subscription for shares pro rata in proportion to provided guarantees. For practical reasons, when resolving on allotment, the Board may resolve that the above-mentioned allotment will be made of a certain minimum number of shares only.

A valid resolution requires the support of shareholders with more than half of the votes cast.

### *Item 8 – Over-allotment option*

In order to meet a possible over-subscription in the rights issue, the Board proposes that the Board within thirty days from the last subscription date in the rights issue (however, not later than July 31, 2015), is authorized to resolve on a new share issue of additionally in total 20,000,000 shares at an subscription price of SEK 1.00 per share in order to enable that the company is provided with additional rights issue proceeds of MSEK 20. At full subscription of the rights issue, the over-allotment option is equivalent to approximately 2% of the share capital.

The reason for deviating from the shareholders' preferential right is to provide the company with additional rights issue proceeds at a possible over-subscription of the rights issue (a so-called over-allotment option) and to be able to increase the number of shareholders of the company. The new share issue can take place without the preferential rights of the company's shareholders in accordance with the principles of allotment applicable to the rights issue.

A valid resolution requires the support of shareholders representing at least two-thirds of the votes cast and the number of shares represented at the meeting.

***Available documents and information***

The Board's complete proposal and resolutions, respectively, together with other documents in accordance with the Swedish Companies Act will be available at the company and on the company's website [www.karobio.se](http://www.karobio.se) as from May 4, 2015 at the latest. Copies of the documents will be sent free of charge to shareholders who so request and state their address.

Shareholders at the meeting are entitled to ask questions concerning the matters to be dealt with at the meeting.

***Number of shares and votes in the company***

At the time of issue of this notice, the total number of shares and votes in the company was 676,263,158. At the record date May 19, 2015, the company's total number of shares and votes will amount to 689,743,550 shares. The company holds no treasury shares.

---

Huddinge in April 2015

**Karo Bio AB (publ)**

*The Board of Directors*

*Karo Bio publishes this information according to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on April 29, 2015, at 8.30 a.m. CET.*