

Announcement of the Final Terms and Conditions of Karolinska Development's Set-off Issue

STOCKHOLM – 6 March 2017. Karolinska Development AB (publ) (Nasdaq Stockholm: KDEV) announces that its Board of Directors has resolved on the final terms and conditions of the Company's set-off issue

Karolinska Development AB (publ) (the "**Company**") announced on 6 February 2017 that the Board of Directors of the Company has resolved on, subject to approval by the Extraordinary Shareholder Meeting, a new issue of B-shares to the Company's convertible holders, with payment by set-off (set-off issue) (the "**Offer**"). The Board of Directors of the Company today announces the final terms for the set-off issue.

The subscription price shall be SEK 6.17 for each B-share, which corresponds to the higher of the volume weighted average share price (VWAP), of the Company's share, 90 trading days ending (i) two trading days prior to announcement of the board's resolution to convene the Extraordinary Shareholder Meeting (SEK 6.17 per share), or (ii) two trading days before the Extraordinary Shareholder Meeting (SEK 6.06 per share).

Not more than 73,133,313 new B-shares will be issued, corresponding to an increase of the share capital of not more than SEK 36,566,656.50. Assuming that all convertible holders have the possibility to accept the Offer, it will result in a set-off of in total SEK 451 million of the outstanding convertible debt.

The resolution requires approval by the Extraordinary Shareholder Meeting to be held on Wednesday 8 March 2017 at 17:00 (CET), at Tomtebodavägen 23 A in Solna, Sweden. For further information about the Extraordinary Shareholder Meeting, please see the separate press release with the notice to the Extraordinary Shareholder Meeting announced on 6 February 2017.

For further information on the Offer, please see the press release announced on 6 February 2017.

Indicative timetable for the Offer

The timetable below is preliminary and may be subject to changes.

2017

8 March	Extraordinary Shareholder Meeting in the Company
17 March	Preliminary date for publication of the prospectus
	Information letter and application form is distributed to the holders of convertibles
20 March–31 March	Subscription period
5 April	Result of the Offer is published
11 April	The new shares are admitted to trading on Nasdaq Stockholm

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TO THE EDITORS

About Karolinska Development AB

Karolinska Development AB (Nasdaq Stockholm: KDEV) is a Nordic life sciences investment company. The company focuses on identifying breakthrough medical innovations in the Nordic region that are developed by entrepreneurs and leadership teams. The Company invests in the creation and growth of companies that advance these assets into commercial products that are designed to make a difference to patients' lives while providing an attractive return on investment to shareholders.

Karolinska Development has access to world-class medical innovations at the Karolinska Institutet and other leading universities and research institutes in the Nordic region. The Company aims to build companies around scientists who are leaders in their fields, supported by experienced management teams and advisers, and co-funded by specialist international investors, to provide the greatest chance of success.

Karolinska Development has established a portfolio of nine companies targeting opportunities in innovative treatment for life-threatening or serious debilitating diseases.

The Company is led by an entrepreneurial team of investment professionals with a proven track record as company builders and with access to a strong global network.

For more information, please visit www.karolinskadevelopment.com

This information is information that Karolinska Development AB (publ) (Nasdaq Stockholm: KDEV) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Jim Van heusden, at 6:30 pm CET on 6 March 2017.