

NOTICE OF EXTRAORDINARY GENERAL MEETING OF KARO BIO AB (PUBL)

The shareholders of **Karo Bio AB (publ)** are hereby given notice to attend the extraordinary general meeting on Friday 27 April 2012, at 3.00 pm CET at Karo Bio's premises, Hälsovägen 7 in Huddinge, Sweden.

Right to participate

A right to participate at the extraordinary general meeting applies for those who have been recorded in the share register kept by Euroclear Sweden AB on 20 April 2012, and who gives the Company notice of intention to participate at the extraordinary general meeting no later than 23 April 2012, at 4.00 pm CET.

Shareholders whose shares are registered under the name of a nominee must temporarily register their shares in their own names with Euroclear Sweden to be entitled to participate in the meeting. Such registration must be effected no later than 20 April 2012 and should be requested with the nominee well in advance.

Notice of intention to participate

Notice of intent to participate should be made in writing to Karo Bio AB, att: Eva Kruse, Novum, SE-141 57 Huddinge, Sweden, by fax +46 8 774 82 61, by e-mail to stamma@karobio.com or on Karo Bio's website, www.karobio.com/stamma. When notifying, the shareholders should state name, personal identity number or registration number, daytime telephone number as and the number of shares. If applicable, the number of advisors (maximum two) must also be stated. Shareholders who wish to be represented by proxy should attach power of attorney and any other authorization documents to the notification. Such documents must be available in original for presentation at the general meeting. Power of attorney forms are available at the Company and will be sent upon request to any shareholder who states his postal address. The power of attorney form will be available on the Company's website, www.karobio.com, no later than three weeks prior to the general meeting.

Proposal of 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 one or two persons to confirm the minutes
6. The determination as to whether the meeting has been duly convened
7. Presentation of balance sheet for liquidation purposes and resolution that the company shall not enter into liquidation
8. (a) Resolution regarding amendment of the Articles of Association (the limits for the share capital)
(b) Resolution regarding reduction of the share capital to cover losses
9. Closing of the meeting

Presentation of balance sheet for liquidation purposes and resolution that the company shall not enter into liquidation (item 7)

The Board of Directors has, pursuant to Chapter 25 Section 13 of the Swedish Companies Act, prepared and caused the company's auditors to examine a balance sheet for liquidation purposes. The balance sheet for liquidation purposes showed that the company's shareholders' equity, calculated pursuant to Chapter 25 Section 14 of the Swedish Companies Act, is less than one-half of the registered share capital. By consequence thereof the Board of Directors has resolved to convene an extraordinary general meeting for the purpose of presenting the balance sheet for liquidation purposes and for determination of whether the company shall go into liquidation.

If the general meeting resolves to reduce the share capital, in accordance with the proposal of the Board of Directors, the company is expected to have fully recovered the registered share capital. Against this background, the Board of Directors proposes that the general meeting resolves that the company shall continue its business and not go into liquidation.

Resolution regarding amendment of the Articles of Association (the limits for the share capital) and reduction of the share capital (item 8 (a) – (b))

In order to be able to resolve on reduction of the share capital in accordance with the proposal of the Board of Directors, the Board of Directors proposes that the Articles of Association's provision regarding the limits for the share capital is amended according to the following.

<i>Present wording</i>	<i>Proposed wording</i>
§ 4 Share capital and number of shares	§ 4 Share capital and number of shares
The share capital shall be no less than SEK 75,000,000 and no more than SEK 300,000,000. The number of shares shall be no less than 150,000,000 and no more than 600,000,000.	The share capital shall be no less than SEK 7,000,000 and no more than SEK 28,000,000. The number of shares shall be no less than 150,000,000 and no more than 600,000,000.

The Board of Directors further proposes that the company's share capital is reduced with an amount of SEK 185,790,707, to cover part of the losses, and that the reduction is effectuated without the retirement of shares to the effect that the quota value of the share after the reduction will amount to SEK 0,02 and the share capital to SEK 7,741,279.

The Board of Directors proposes that the resolutions are taken as one joint resolution. Resolution in accordance with the proposal of the Board of Directors will be valid only where supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

Information at the meeting

The Board of Directors and managing director shall, at the request of any of the shareholders, and provided that the Board of Directors finds this appropriate without causing any material damage to the company, at the meeting inform about circumstances that may affect the assessment of a matter on the agenda. The same duty of disclosure applies to subsidiaries. The duty of disclosure also applies to the company's relationship with another group company and group financial statements.

Available documents

The Board of Director's complete proposals for resolutions, together with a copy of the annual report of 2010 with the general meeting's resolution regarding the company's losses, a copy of the auditor's report for the year 2010, the statement by the Board of Directors pursuant to Chapter 25 Section 4 of the Swedish Companies Act concerning events of material significance for the company's financial position that have occurred subsequent to the presentation of the annual report of 2010 and a statement regarding the report by the company's auditor, will be available at the company and on the company's website during a period of no less than three weeks prior to the general meeting. Copies of the documents shall be sent upon request to any shareholder stating his postal address free of charge.

Number of Shares and Votes in the Company

At the time of the issuing of this notice, the total number of shares and votes in the company amounts to 387,063,972. The company does not hold any shares in the company.

Huddinge, March 2012

Karo Bio AB (publ)

The Board