



STOCKHOLM, November 20th 2019

Further clarification regarding the ROR-gamma project

On November 5, 2019, Karo Pharma Aktiebolag ("Karo Pharma") issued a press release regarding the Pfizer collaboration and license agreement related to ROR-gamma ("the Pfizer agreement"). The press release informed of Pfizer's decision to terminate a specific development project, PF-06763809. Karo Pharma has now decided to issue further clarifications on the matter. The supplementary information provided below is fully consistent with the previously issued press release:

- The development project, PF-06763809, was run internally by Pfizer. Pfizer managed and manages all decisions with regards to the project. There has been no involvement from Karo Pharma in the project nor the decision to terminate was made by Pfizer at Pfizer's sole discretion.
- Neither PF-06763809 nor any other intellectual property related to the project will be transferred back to Karo Pharma as a result of Pfizer's termination of the project.
- In May 2018 Karo Pharma communicated theoretical milestones of up to 200 MUSD related to the Pfizer agreement. These potential milestone payments were all related to the specific project, PF-06763809. Given the termination of PF-06763809, none of these milestone payments will materialize.
- The Pfizer agreement is still active, and Pfizer retains the rights to explore substances that hamper the activity in the nuclear hormone receptor ROR-gamma for treatment of autoimmune diseases. Future projects may theoretically materialize; however, Karo Pharma does not have any knowledge of such future projects and considers the probability of new projects materializing low. Consequently, Karo Pharma also considers new milestone payments or other revenue streams related to the Pfizer agreement very unlikely.
- The termination of the project has no impact on the running operations nor the business outlook of Karo Pharma.

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About Karo Pharma

Karo Pharma is a pharmaceutical company specialized in sales and marketing of prescription pharmaceuticals and over-the-counter products sold in pharmacies and retail. Karo Pharma is listed on Nasdaq Stockholm Mid Cap.

This information is such information that Karo Pharma is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 11:00am CEST on 20 November 2019.