



KARO PHARMA PUBLISHES PROSPECTUS SUPPLEMENT

STOCKHOLM, 23 May 2018

Karo Pharma AB ("Karo Pharma") has prepared a prospectus supplement, in addition to the prospectus regarding the fully guaranteed rights issue announced on 11 May 2018, which has today been approved and registered by the Swedish Financial Supervisory Authority. The prospectus supplement is available on Karo Pharma's website www.karopharma.se, on SEB's website www.sebgroup.com/prospectuses and on Swedbank's website www.swedbank.se/prospekt.

The Supplementary Prospectus has been prepared due to Karo Pharma's press release on 21 May 2018 regarding the receipt of a milestone payment regarding the RORgamma project from Pfizer.

Investors who prior the publication of this Supplementary Prospectus have applied for or otherwise consented to subscribe for shares in the Offer are pursuant to Chapter 2, Section 34 of the Swedish Financial Instruments Trading Act entitled to withdraw their application or consent within two business days from the publication of the Supplementary Prospectus, i.e., until 25 May 2018. Revocation must be made in writing to Swedbank AB (publ), Emissioner C85, SE-105 34 Stockholm, Sweden, or by e-mail to emissioner@swedbank.se. Investors who have subscribed for shares through a nominee shall contact their nominee for revocation. Application that is not withdrawn within the specified time frame will remain binding and investors who do not wish to withdraw their application for subscription of shares do not have to take any action.

Financial and legal advisors

SEB Corporate Finance and Swedbank Corporate Finance are Joint Global Coordinators and Hamilton Advokatbyrå is legal advisor to Karo Pharma in relation to the rights issue.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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The information was submitted for publication, through the above contact person's agency, at 17:30 CEST on 23 May 2018. This press release is also available at www.karopharma.se and www.newsroom.cision.com.

ABOUT KARO PHARMA

Karo Pharma is a Specialty Pharmaceutical company, which develops and markets products for pharmacies as well as directly to the healthcare sector. Karo Pharma is listed on Nasdaq Stockholm, Mid Cap.

IMPORTANT INFORMATION

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in Karo Pharma AB. Any invitation to the persons entitled to subscribe for shares in Karo Pharma AB is made solely through the prospectus which Karo Pharma AB publishes on 11 May 2018.

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