

KARO PHARMA

ANDERS LÖNNER AND PER-ANDERS JOHANSSON HAVE IRREVOCABLY UNDERTAKEN TO ACCEPT THE PUBLIC CASH OFFER ANNOUNCED BY EQT VIII, THROUGH KARO INTRESSETER AB, ON OCTOBER 29, 2018

STOCKHOLM 9 November 2018

Background

On October 29, 2018, EQT VIII (“EQT VIII”)¹, through the wholly owned subsidiary Karo Intressenter AB² (“Karo Intressenter” or the “Offeror”), announced a public cash offer to the shareholders of Karo Pharma Aktiebolag (“Karo Pharma” or the “Company”) to transfer all of their shares in Karo Pharma to Karo Intressenter for a consideration of SEK 36.90 in cash per Karo Pharma share (the “Offer”). After a careful evaluation, the Board of Directors of Karo Pharma unanimously recommended the shareholders of Karo Pharma to accept the Offer.

Post announcement of the Offer, EQT VIII, through Karo Intressenter, has acquired 20,880,874 shares in the Company, corresponding to 12.9 per cent of the total number of outstanding shares and votes in Karo Pharma.

Undertakings to accept the Offer

The Chairman of the Board of Directors of Karo Pharma, Anders Lönner, and the member of the Board of Directors Per-Anders Johansson, through Nomic Aktiebolag, have, through separate agreements entered into on 7 November 2018, undertaken to, subject to certain conditions, accept the Offer. The undertakings cover in total 21,942,140 shares in Karo Pharma, corresponding to approximately 13.6 per cent of the total number of outstanding shares and votes in Karo Pharma. The undertakings are subject to the condition that no other party announces a competing offer to acquire the shares in Karo Pharma and that Karo Intressenter decides not to, within ten working days, match the competing offer by increasing the Offer Price.

¹ The fund known as EQT VIII, comprising of EQT VIII SCSp acting by its alternative investment fund manager (gestionnaire), EQT Fund Management S.à r.l. EQT Fund Management S.à r.l. is a private limited liability company (société à responsabilité limitée), incorporated and existing under Luxembourg law, having its registered office at 26A, Boulevard Royal, L-2449 Luxembourg, registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B 167.972, acting as manager (gérant) of EQT VIII SCSp, a Luxembourg special limited partnership (société en commandite spéciale) with its registered office at 26A, Boulevard Royal, L-2449 Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B 217.293.

²A newly formed company wholly owned by EQT VIII, under name change from Fund VIII Swe Bidco AB.

Anders Lönner comments:

“Following the unanimous recommendation by the board, I have irrevocably undertaken to accept the offer for Karo Pharma put forward by EQT. There is a strong industrial logic in this transaction as EQT will be able to support the company with both expertise and capital, which will be crucial to execute on the company’s strategy going forward.”

Karo Intressenter's current shareholding in Karo Pharma, together with the shares covered by the irrevocable undertakings to accept the Offer, comprises in aggregate 42,823,014 shares, corresponding to approximately 26.5 per cent of the total number of outstanding shares and votes in Karo Pharma.

Conflicts of interest

Subsequent to their undertakings to accept the Offer, neither Anders Lönner nor Per-Anders Johansson have participated in the Board of Directors' continued administration of the Offer.

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About Karo Pharma

Karo Pharma is a specialty pharma company that develops and markets products to pharmacies and directly to healthcare providers. The share is listed on Nasdaq Stockholm in the Mid Cap segment.

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