

KARO PHARMA

STOCKHOLM, 19 September 2019

Karo Pharma's planned rights issue is intended to amount to approximately SEK 2 billion

As communicated on 12 September 2019, Karo Pharma Aktiebolag ("Karo Pharma") has completed its acquisition of Trimb Holding AB. The acquisition was mainly financed through a new credit facility and a new bridge loan facility provided by SEB and Swedbank. As previously communicated, Karo Pharma intends to repay the bridge loan facility of MSEK 1,500 with proceeds from the rights issue intended to be completed during the fourth quarter of 2019.

In the light of Karo Pharma's leverage and for the purpose of strengthening its financial capacity to continue carrying out acquisitions of companies and product portfolios, Karo Pharma intends to increase the planned rights issue in excess of what is required to repay the bridge loan facility, and raise total proceeds of approximately MSEK 2,000. A larger rights issue also allows more room for manoeuvre to capture market opportunities and continue the efforts related to internalisation of the sales organisation, which have already been initiated in Germany.

As communicated on 28 August 2019, an extraordinary general meeting will take place on 20 September 2019, at which the shareholders will resolve on an authorisation for the Board of Directors to resolve on the rights issue. The rights issue is planned to be completed as soon as possible during the fourth quarter of 2019 and the final terms of the rights issue will be determined by the Board of Directors based on the authorisation from the extraordinary general meeting.

The rights issue will be fully guaranteed by Karo Pharma's two largest shareholders – Karo Intressenter AB (67.0 per cent) and Venture Holding S.Å R.L. (4.1 per cent) – together holding 71.1 per cent of the number of outstanding shares in Karo Pharma.¹

Advisors

SEB Corporate Finance and Swedbank Corporate Finance are Joint Global Coordinators. White & Case is legal advisor to Karo Pharma in connection with the planned rights issue.

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About Karo Pharma

Karo Pharma is a pharmaceutical company specialised 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.

The information was submitted for publication, through the agency of the contact persons set out above, at 17:30 CEST on 19 September 2019.

¹ Based on shareholding as of 30 August 2019. The number of outstanding shares in Karo Pharma amounts to 161,867,792 shares. The number of outstanding shares is calculated as the total number of shares in Karo Pharma, amounting to 164,332,782 shares, less shares held by Karo Pharma, amounting to 2,464,990 shares.