

Press release

Stockholm, 6 May 2021

Karo Pharma to sell its treasury shares

Karo Pharma ("Karo") pursues a growth strategy, which combines geographical expansion with an active acquisition strategy. To execute on this strategy, Karo needs capital and a strong financial position. The treasury shares represent an unutilized resource in the company and a sale of the shares enhances Karo's financial flexibility. On October 30, 2020 Karo communicated its intentions to sell its treasury shares for the above purpose. This process has now been completed and Karo today announces the sale of all remaining (1,375,417) treasury shares, representing approximately 0.6% of the total number of shares and votes in Karo, to Karo Intressenter AB¹.

The Board of Directors has carefully considered the decision and has concluded that it is in the Karo's best interests to implement a bilateral transaction rather than divesting the shares on Nasdaq Stockholm.

- Selling the treasury shares in a single transaction is both time- and cost effective compared to selling the shares on Nasdaq Stockholm.
- Attempts have already been made to sell the treasury shares on Nasdaq Stockholm. However, because of low liquidity in the Karo Pharma share, these attempts take time and have therefore not been as successful as anticipated.
- Furthermore, the Board of Directors has considered and safeguarded that the sale takes place at a price that is attractive to the company. The price of SEK 53.3601 per share represents the volume weighted average price over the last 30-day period of trading on the Stockholm stock exchange and a discount of approximately 3.07% to the share price on May 5, 2021 at the end of trading, which is customary for comparable large block trades².
- The Board of Directors acts based on the authorization granted to the Board of Directors by the Annual General Meeting held on April 21, 2021. Representatives from EQT, who control Karo Intressenter AB, did not take part in the resolution to sell the treasury shares.

The treasury shares shall be transferred on one occasion on May 6, 2021. The transaction will strengthen Karo Pharma's cash position with an aggregate of approximately SEK 73,392,388.7.

For further information, please contact:

Christoffer Lorenzen, CEO, +4673-501 76 20, christoffer.lorenzen@karopharma.com

Jon Johnsson, CFO, 073-507 88 61, jon.johnsson@karopharma.com

Notes: 1) After the mandate received at the Annual General Meeting on April 21, 2021 and as announced in the Karo press release published on April 28, 2021 Karo has sold 392,583 shares on Nasdaq Stockholm at an average price of approximately SEK 53.7. 2) For comparison, a 6.1% median discount and 7.4% average discount versus latest share price was observed in the 25 latest secondary ABBs in the Nordics (source: SEB/Dealogic, April 21, 2021)

About Karo Pharma

Karo Pharma delivers smart choices for everyday healthcare. We own and commercialize branded, original over-the-counter products and prescription medicines. Our products are available in more than 60 countries, with Europe and the Nordic region as our core markets. Karo Pharma is headquartered in Stockholm, Sweden and listed on Nasdaq Stockholm Mid Cap.