

Karolinska Development AB AGM 2019

Item 19 Complete proposal: “LEO approval”

Proposal from the Board of Directors’ of Karolinska Development AB (publ) for approval of *issue of warrants to a board member in subsidiary*.

It is proposed that the annual general meeting approves the proposal for approval of issue of warrants to a board member in a subsidiary.

“LEO-approval”

According to Chapter 16 of the Swedish Companies Act (the “**LEO Law**”) new issues of warrants in subsidiaries directed to directors or employees of the issuer or another group company, must in some cases be approved by the general meeting of the parent company.

New issue of warrants to board member in Umecrine Cognition AB

A general meeting of Umecrine Cognition AB (“**Umecrine**”), which is a subsidiary of Karolinska Development AB (publ), decided on June 30, 2017, to issue 88,495 warrants to director Thomas O Blackburn of Umecrine. The purpose of the issuance and the implementation of the incentive program was to create a common interest for the company’s shareholders and key individuals to work for and aim at the company achieving the best development possible with respect to its business and value. The warrants are issued at price of SEK 0.35 per warrant. The price has been based on the warrants market value in accordance with Black & Scholes valuation model. Each warrant entitles to subscription of one new share in Umecrine at a price of SEK 40. Subscription for new shares by exercise of warrants may take place during the period as from March 8, 2022 up to and including April 8, 2022 or the earlier date set forth in the terms of the warrants. The new shares subscribed for by exercise of a warrant has a right to dividends resolved after allotment has been made. Shares subscribed for by exercise of warrant will be subject to post-transfer purchase rights.

The number of shares in Umecrine is currently 12,279,208.

The Board of Directors proposes that the Annual General Meeting approves the issue of warrants described above.

A resolution in accordance with the Board of Directors’ proposal requires support from shareholders with not less than 9/10 of votes cast as well as shares represented at the meeting.