

Stockholm April 29, 2020

To Karo Pharma (“Karo”) business partners, customers and end-users

The COVID-19 pandemic has had deep impact on societies across the globe, and the situation continues to be fluid and highly uncertain.

Karo’s purpose is to provide smart choices for everyday healthcare. As a healthcare company our focus during this crisis has been, and still is, two-fold: To secure the safety and wellbeing of our employees and help reduce further spread of the virus and to stay operational and keep products available to consumers and patients who are relying on Karo’s products.

Karo is a networked company and reliant on our trusted partners across the value chain to deliver on our promise. We are deeply impressed by the conduct of our partners in this difficult situation. Each one of them has stepped up to the challenge and kept the entire chain intact from the production plants to the pharmacies. **WE OWE OUR PARTNERS A BIG THANK YOU!**

Through these difficult times, Karo’s supply chains have proven robust and resilient. In tight collaboration with our *contract manufacturing partners* our teams have managed to secure supply performance and secure supplies of product, and in tight collaboration with our *third-party logistics partners* we have been able to secure deliveries to wholesalers, pharmacies and ultimately to our consumers and patients.

In terms of our commercial operations our teams have been in continuous dialogue with our *commercial partners and customers*. Karo has sales teams on ground in more than ten European markets and we export our products to more than 60 countries. The relationships we have with our *local partners* are critical to our business, and we keep a close dialogue to keep them informed of any potential issue as soon as we become aware of them.

During this crisis, we are monitoring the markets closely. It is too early to make any conclusions on mid-to-long term effects of the COVID-19 on spending and consumption patterns, though we see a shift towards online channels becoming increasingly important. In order to prepare appropriate responses to different outcome scenarios, we have conducted an extensive stress test of the business with different sales, cost and cash flow assumptions. The stress test has helped identify key risks, and a response plan has been put in place. Furthermore, we have ensured that cash reserves are sufficient. Karo continues to evaluate the situation on a daily basis, and we are prepared to take further action if the situation should deteriorate. Karo’s business is very robust and fit to tackle the challenges brought forth by COVID-19.

In line with guidelines and keeping safe, most of our employees have been working from home these last many weeks, which has made it more challenging to connect and coordinate the everyday tasks. Regardless, we have been able to move forward and execute on our long-term strategy and vision, which you can read more about in recent press releases as well as in the Q1 report, which was released today.

Thank you for your support and business!

Christoffer Lorenzen
CEO

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About Karo Pharma

Karo Pharma delivers smart choices for everyday healthcare. We own and commercialise 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.