

## APRIL-JUNE 2020\*

- Net sales amounted to 34 263 TSEK (30 331), an increase of 13%
- Operating profit (EBIT) amounted to 3 049 TSEK (-6 027)
- Profit after tax amounted to 2 483 TSEK (-4 848)
- Sales of technology based product amounted to 498 TSEK (0)

\* April-June 2020 compared to April-June 2019

## JANUARY-JUNE 2020

- Net sales amounted to 73 057 TSEK (61 596), increase of 19%
- Operating profit (EBIT) amounted to 3 235 TSEK (-5 181)
- Profit after tax amounted to 2 893 TSEK (-4 205)
- Equity ratio is 59% (30%)
- Sales of technology based products amounted to 2 196 TSEK (0)

\* January-June 2020 compared to January-June 2019

## SIGNIFICANT EVENTS

- Magle Chemoswed announced the appointment of Petra Sjölin as chief financial officer
- Magle Chemoswed completed the move onto First North Growth Market

## COVID-19

The COVID-19 outbreak has had a serious impact on the markets that we operate in. There is a high level of uncertainty in customer forecasting for the remainder of 2020 and the availability of key materials for manufacturing of pharmaceutical ingredients. These areas are being monitored and solutions are being negotiated with customers and suppliers.

## KEY FIGURES Q2

	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Full Year 2019
Net sales, TSEK	34 263	30 331	73 057	61 596	127 569
EBITDA, TSEK	6 694	-3 556	9 548	-47	13 393
EBITDA margin, %	20%	-12%	13%	0%	11%
Operating profit, TSEK	3 049	-6 027	3 235	-5 181	136
Net profit/loss for the period, TSEK	2 483	-4 848	2 893	-4 205	747
Earnings per share, SEK	0,25	-9 696	0,29	-8 410	1 494
Operating cash flow, TSEK	-4 532	18 088	3 092	20 624	-7 085
Operating cash flow per share, SEK	-0,45	36 176	0,31	41 248	-14 170
Equity ratio, %*	59%	30%	59%	30%	54%
Equity at period end, TSEK*	116 223	46 549	116 223	46 549	113 659
Net debt, TSEK*	-31 432	-64 618	-31 432	-64 618	-27 821

\*Denotes: April- June 2020 and April-June 2019 are equivalent as year to date.

# CEO COMMENT

## April-June 2020

**The second quarter of 2020 has been in equal parts exciting and challenging. Moving the company to the stock exchange has been a highlight. Maintaining our strong sales and operational growth alongside it has been a truly remarkable accomplishment, especially given the uncertainty caused by COVID-19.**

A significant event in the quarter was the completion of the initial public offering and entering the stock exchange. The focus of my team and I has been on delivering the IPO and implementing the processes and systems to support our obligations as a public company with the least amount of operational disruption. I am pleased that we accomplished our objective and delivered on the plan of ensuring business continuity without any adverse effect on our on-going operations.

We continue to drive towards our strategic objectives which have been the basis for the successful formation of the Magle Chemoswed brand as a CDMO. Our 2019 acquisition of Adroit Science AB is delivering as per our expectation, and we realise revenue and cost synergies. The final phases of integration will continue over the coming months. The on-going need to adapt our business to respond to COVID-19 is by far the most significant challenge we have had in the period. There is no doubt that the global effects of the COVID-19 pandemic are a major influencing factor. Although our substantial operational investments and deep customer relationships have helped us deliver 34 263 TSEK in sales and 20 per cent in EBITDA the impact of responding to the escalating COVID-19 situation has presented challenges.

In manufacturing, sporadic customer forecasting and increased raw material costs proved challenging to balance. We have been working tirelessly to tie down suppliers to ensure continuity of supply; at times, this security has a premium on pre-COVID-19 pricing. In contract development services, customers in clinical trials have been affected by recruitment and continuation of their clinical programs requiring us to be flexible and innovative in our support of these programs and customers. Despite the COVID-19 situation, we have maintained all our pre-COVID-19 contract development projects and have seen a steady growth of new projects coming into the business for the second half of the year.

The sale of one of our medical device technology products declined as a result of the COVID-19 situation as surgical procedures across Europe were down-prioritised and deferred to later dates. We have started to see demand return as the European lockdown restrictions begin to ease. In the slightly longer term, I believe that procedures deferred will be carried out by healthcare providers

at a later date. I expect us to continue the efforts in line with our strategy for increased market expansion and market penetration of our approved and in regulatory approval phase technology products.

Our technology pipeline and internal research and development have continued as planned. We are on track with two of our advanced products, Emb M and Emb L. The regulatory filing for CE Mark and European approval of our SmartGel and SmartPan™ products are proceeding according to schedule, and my teams are delivering our response to the European Notified Body following their audit earlier in 2020 following which I expect both devices to proceed on the normal regulatory pathway.

Despite the on-going COVID-19 pandemic, we have mainly remained operational turning to higher use of electronic meetings with customers, regulatory authorities and suppliers. We have taken steps to reduce unnecessary expenses without disrupting operations, including introducing shortened working hours for non-operational staff. Apart from the effects of the pandemic, the quarter further confirmed that our competitive service offering and ever-increasing operational integration strategy is working.

**Justin Pierce (CEO) Malmö, June 2020**





**Magle Chemoswed offers commercial active pharmaceutical ingredients and medical device manufacturing with speed, efficiency and dedication to quality based on right first time approach as a contract manufacturer for owned products and customer products.**

## MANUFACTURING

We undertake GMP and ISO manufacturing with a broad range of chemistries at all scales required for Pre-Clinical, Phase I, II, III studies and commercial supply. Our in-house analytical and quality control teams support our manufacturing operations, ensuring the highest quality. Production of drug substances and medical devices on an exclusive contract manufacturing basis and for products owned by the Company provide stable and on-going revenues. In 2020 organic growth has been achieved through the introduction of a medical device based on our technology platform. Manufacturing in the period remained strong despite the on-going COVID-19 situation. Higher pricing of critical materials and increased logistic and transport costs have negatively impacted average operating margins. Importantly we have succeeded in remaining operational and continue to supply to our customers according to expectations.

## APRIL-JUNE 2020

Sales for the period showed a decrease of 47 per cent compared with the corresponding period last year, a reduction to SEK 13,557 million compared to SEK 25,4 million in 2019. Higher manufacturing revenues in the 2019 period resulted from an increased material order for a customer undertaking validation of a new API. There was no expectation for the income in 2020. Also, the ceased production of a derivative of a generic API in 2020 has reduced manufacturing revenue in the first half of 2020. Customers will receive substitute materials in the latter parts of 2020 as a replacement for the ceased derivative.

## JANUARY-JUNE 2020

Sales for January - June showed a decrease of 29 percent compared with the corresponding period last year, to SEK 33,1 million compared to SEK 46,3 million in 2019. The revenues include organic growth of SEK 2,2 million from sales of product (O) based on the company technology. Such seasonal fluctuations are in line with expectations.





**Our analytical development and quality control teams have in-house access to a comprehensive range of state-of-the-art analytical techniques. We provide full stability studies alongside our analytical and quality control teams. Our teams are experienced in both small and large molecule and are experts in method development and method validations.**

## **DEVELOPMENT SERVICES**

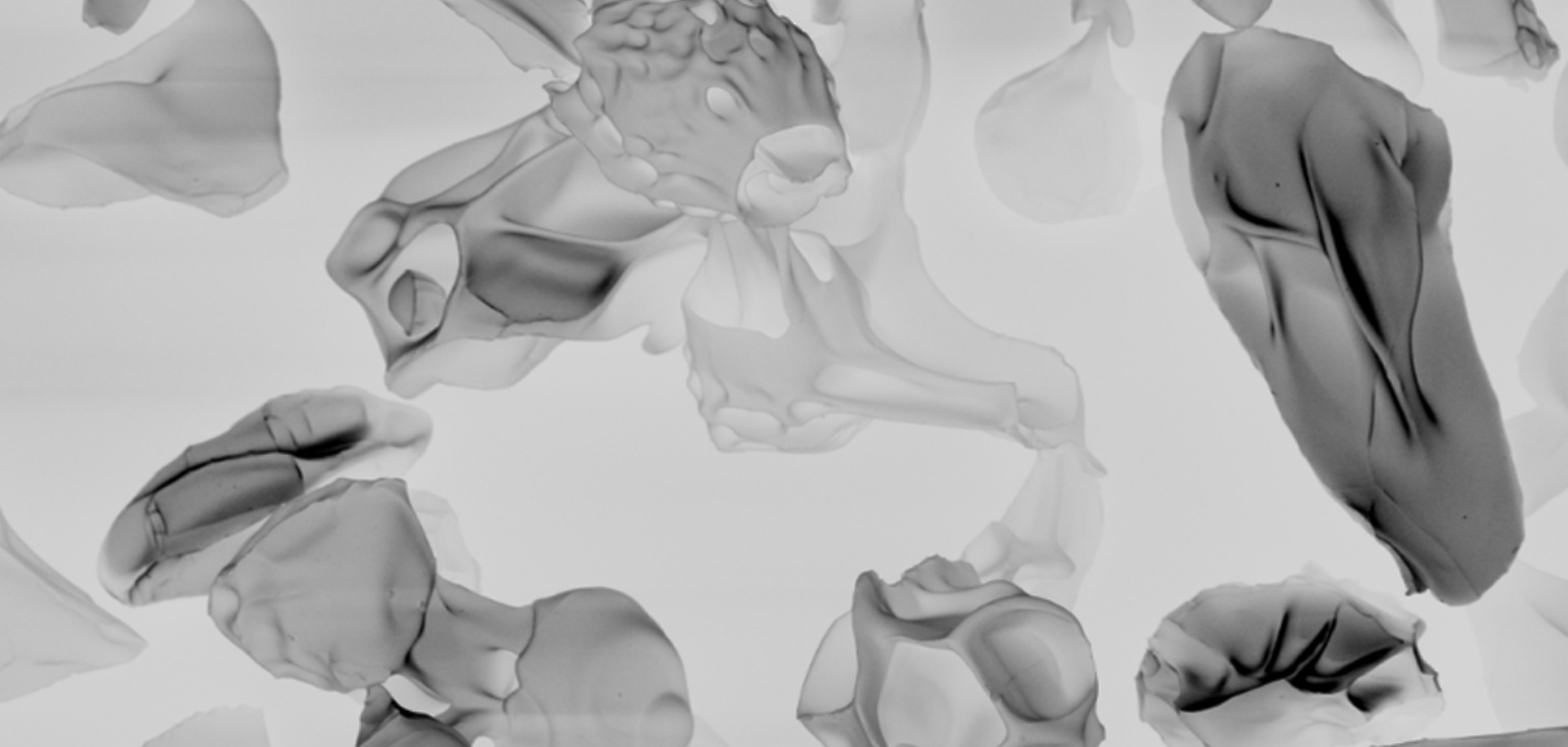
Our integrated group of scientists provides a seamless transition for API and drug substances from the initial discovery stages of the program to more in-depth process development. Our teams have extensive experience in route or step rebuild, process optimization and impurities assessment and synthesis. Provision of services in the analysis and process development of drug and medical device candidates on a contract services basis provides on-going revenues. In 2020 growth has been achieved through the introduction of the increased integrated services from the acquisition of Adroit Science AB. Demand for development services has been constant in the quarter. We have onboarded two new projects in the period. The need for development and analytical services remains steady with our business development team working hard to generate future opportunities.

## **APRIL-JUNE 2020**

Demand for development and support services remained high in the period both in new and existing projects. We have experienced an upward trend in interest in our small scale fill and finish capabilities. Sales for the period showed an increase of 56 per cent compared with the corresponding period last year, increasing to SEK 7,5 million compared to SEK 4,8 million in 2019.

## **JANUARY-JUNE 2020**

Sales for the period showed an increase of 42 per cent compared with the corresponding period last year, an increase of SEK 6 million to SEK 20,4 million compared to SEK 14,4 million in 2019. Our portfolio of contract development projects is a mix of early-stage exploratory clients and late-stage pre-validation clients.



**Magle Chemoswed has a long-term license agreement with Medafor Inc. a Becton Dickinson Inc. company. Magle Chemoswed receives a royalty in return for the use of its technology in a hemostatic medical device.**

## **TECHNOLOGY ROYALTY**

Generation of royalty revenues is a result of a long term agreement with Medafor Inc. owned by Becton, Dickinson & Company (BD) on a technology out-license basis for exclusive and sole use in surgical procedures for secondary hemostasis. The royalty is in line with expectations for the quarter, generating a substantial revenue contribution for the period. There is an anticipated reduction in demand for products intended for use in surgical procedures in 2020 as a result of COVID-19. The technology royalty is paid quarterly in arrears.

## **APRIL-JUNE 2020**

The technology royalty for the period showed an increase compared with the corresponding period last year, an increase of SEK 13,1 million to SEK 13,1 million compared to SEK 0 in 2019.

## **JANUARY-JUNE 2020**

The technology royalty for the period showed an increase of 2 314 per cent compared with the corresponding period last year, an increase of SEK 18,6 million to SEK 19,5 million compared to SEK 842 thousand in 2019. Revenue recognition adjustment is applied to the first 750,000 USD of the received royalty under IFRS 15.



**We have invested heavily in a team of experts specializing in formulating the microsphere technology, and we currently have formulations with medical device applications in Advanced Wound Care, Surgical and Diagnostics as well as in the Drug Delivery segment.**

## TECHNOLOGY PLATFORM

Our technology base is microporous polysaccharide microspheres, derived from purified plant starch transformed through a unique chemical process developed in-house, which allows the control of microsphere size from 10  $\mu\text{m}$  to 2000  $\mu\text{m}$ . The microspheres are naturally bioabsorbable and biodegradable.

## RESEARCH AND DEVELOPMENT

Research and development activities are proceeding according to plan and following the pipeline. We have a dedicated and highly experienced research and development team, supported through the integration of the services we offer as a company. Expedited development is due to our ability to develop in parallel with analytic, formulation and manufacturing expertise.

### SMARTGEL™

The medical device technical file is under review by a European Notified Body for approval to market the medical device under the CE certification for medical devices in Europe. The device is indicated for the treatment of chronic wounds and will be manufactured entirely in-house and distributed through a marketing partner.

### SMARTPAN™

SmartPan is indicated for use in pancreatic surgeries and is used to detect and indicate where pancreatic fluid leakage is occurring following suturing. The technical file is under review by a European Notified Body

for approval to market the medical device under the CE certification for medical devices in Europe.

### EMB M

EMB M is a medical device comprised of a suspension containing a specially developed biodegradable starch microsphere intended for artery embolisation for treatment of benign prostatic hyperplasia. Development is in the advanced stages, and the first confirmatory manufacturing has been completed. The team has moved the product into the regulatory phase and is preparing for filing for CE mark.

### EMB L

EMB L is a unique microsphere encompassing a newly developed manufacturing method to ensure a highly flexible and viscoelastic microsphere that is capable of regaining their sphericity after catheter passage when used for embolization of uterine fibroids. The product is in late stage development and final process validations are underway.

## COLLABORATIONS

In conjunction with our research and development projects, we have recently been awarded funding from Swelife in collaboration with Qure-Tech Bio under which we will combine our technology with the new drug candidates developed by QureTech Bio. In partnership with University Malmö, we have a funded project investigating the use of our coated amorphous cross-linked starch microparticles as drug delivery vehicles for therapeutic proteins commencing in late April 2020. In this project, we will examine the compatibility of our technology as a protein delivery system.

# Financial Overview

## April-June 2020

### net sales

Net sales amounted to TSEK 34 263 (30 331), an increase of 11 per cent compared with the same period the previous year. The API revenues decreased by 47 per cent to TSEK 13 557 (25 450). Sales in CDMO services increased by 55 per cent to TSEK 7 571 (4 881). Medical device sales were at TSEK 1 376 (0). The technology royalties for the period were TSEK 13 135 (0). The currency translation effect was negative by TSEK 611 (positive by 626 TSEK).

### other external expenses

Raw materials and consumables amounted to TSEK 3 208 (11 094), which resulted in a gross margin of 91 percent (58).

### other external expenses

Other external expenses amounted to TSEK 13 320 (6 573). External costs include costs associated with the listing of the company.

### personnel costs

Staff costs totaled to TSEK 13 683 (16 600). Personnel costs decreased by 22 percent to TSEK 13 683.

### research and development

Research and development costs amounted to TSEK 2 799 (2 276), an increase of 18 percent. Staff costs corresponded to TSEK 1 264 (1 544). Other expenses totaled TSEK 1 536 (732).

### other operating income, expenses

Other operating income and expenses consisted mainly of exchange gains and losses on operating assets and liabilities and sale of media to neighboring business. Other operating income amounted to TSEK 2 642 (-256) and other operating expenses amounted to TSEK 0 (0) for the quarter.

### operating result

Operating profit amounted to TSEK 3 049 (-6 027).

### net financial items

Net financial items amounted to TSEK 126 (-305). Interest was charged in the quarter amounting to TSEK 136. The corresponding period last year was charged with interest expenses of TSEK 305.

### profit/loss for period

For the reasons explained above, the profit/loss for the second quarter amounted to TSEK 2 483 (-4 848), which corresponds to earnings per share of SEK 0,25 (-9 696).

Financial Position	Jan.-June 2020	Jan.-June 2019
<b>TSEK</b>		
Cash & cash equivalents	2 386	3 610
Interest-bearing debt	33 818	68 228
Net debt	-31 432	-64 618
Equity	116 223	46 549

Cashflow	Apr.-June 2020	Apr.-June 2019	Jan.-June 2020	Jan.-June 2019
<b>TSEK</b>				
Operations	-4 532	18 088	3 092	20 624
Investing activities	-4 694	-14 653	-6 609	-21 808
Financing activities	8 928	-1 074	2 609	2 778



# Condensed consolidated Magle Chemoswed Group income statement

	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
<b>TSEK</b>					
<b>Revenues</b>					
Net sales	34 263	30 331	73 057	61 596	127 569
Work performed by the company for its own use and capitalized	0	636	0	1 991	4 214
Other revenues	2 642	-256	5 210	785	7 706
<b>Total</b>	<b>36 905</b>	<b>30 711</b>	<b>78 267</b>	<b>64 372</b>	<b>139 489</b>
<b>Expenses</b>					
Raw materials and consumables	-3 208	-11 094	-16 835	-20 323	-27 576
Other external expenses	-13 320	-6 573	-21 617	-15 182	-38 416
Personnel costs	-13 683	-16 600	-30 267	-28 914	-57 345
Depreciation and amortization	-3 645	-2 471	-6 313	-5 134	-13 257
Other operating expenses	0	0	0	0	-2 759
<b>Total operating expenses</b>	<b>-33 856</b>	<b>-36 738</b>	<b>-75 032</b>	<b>-69 553</b>	<b>-139 353</b>
<b>Operating profit/loss</b>	<b>3 049</b>	<b>-6 027</b>	<b>3 235</b>	<b>-5 181</b>	<b>136</b>
<b>Profit/loss from financial items</b>					
Financial income	263	0	706	266	1 473
Financial expenses	-137	-305	-228	-599	-546
<b>Profit before tax</b>	<b>3 175</b>	<b>-6 332</b>	<b>3 713</b>	<b>-5 514</b>	<b>1 063</b>
<b>Taxes for the period</b>	<b>-692</b>	<b>1484</b>	<b>-820</b>	<b>1309</b>	<b>-316</b>
<b>Net profit/loss for the period</b>	<b>2 483</b>	<b>-4 848</b>	<b>2 893</b>	<b>-4 205</b>	<b>747</b>

# Condensed consolidated Magle Chemoswed Group statement of comprehensive income

	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
<b>TSEK</b>					
<b>Profit/loss for the period</b>	<b>2 483</b>	<b>-4 848</b>	<b>2 893</b>	<b>-4 205</b>	<b>747</b>
<b>Other comprehensive income</b>					
Items to be reclassified to profit or loss in subsequent periods					
Exchange differences					72
<b>Total comprehensive income for the period</b>	<b>2 483</b>	<b>-4 848</b>	<b>2 893</b>	<b>-4 205</b>	<b>819</b>



## Earnings per share

	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
<b>TSEK</b>					
<b>Equityholders of the parent</b>					
Earnings per share before dilution	0,25	-9 696	0,29	-8 410	1 494
Earnings per share after dilution	0,25	-9 696	0,29	-8 410	1 494
Profit/loss for the period TSEK	2 483	-4 848	2 893	-4 205	747
Average number of shares, thousands	10 000	0,5	10 000	0,5	0,5

## Condensed consolidated Magle Chemoswed group balance sheet

	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
<b>TSEK</b>			
<b>ASSETS</b>			
Intangible assets	27 427	14 558	27 998
Tangible assets	104 827	86 778	102 090
Deferred tax asset	0	1 432	1 437
Other non-current assets	55	0	3 277
<b>Total non-current assets</b>	<b>132 309</b>	<b>102 768</b>	<b>134 802</b>
Inventories	17 756	24 178	27 243
Trade receivables	22 572	10 113	18 424
Other operating receivables	20 920	13 713	28 515
Cash and cash equivalents	2 386	3 610	3 294
<b>Total current assets</b>	<b>63 634</b>	<b>51 614</b>	<b>77 476</b>
<b>TOTAL ASSETS</b>	<b>195 943</b>	<b>154 382</b>	<b>212 278</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent	116 223	46 549	113 659
Liabilities to credit institutions	28 938	4 875	4 750
Leasing debt	4 114	2 468	3 057
Deferred tax liability	2 087	5 018	4 992
<b>Total non-current liabilities</b>	<b>35 139</b>	<b>12 361</b>	<b>12 799</b>
Liabilities to credit institutions	4 880	1 250	10 365
Leasing debt	1 513	1 071	800
Trade payables	9 544	15 387	17 190
Other operating liabilities	28 644	77 764	57 465
<b>Total current liabilities</b>	<b>44 581</b>	<b>95 472</b>	<b>85 820</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>195 943</b>	<b>154 382</b>	<b>212 278</b>

## Consolidated Magle Chemoswed Group statement of changes in equity

	Share capital	Other paid in capital	Reserves	Retained earnings incl. P/L for year	Total equity
TSEK					
As at 1 January 2019	50	36 834	-72	13 860	50 672
Profit/loss as at 31 March 2018				-4 205	-4 205
Other comprehensive income as at 31 March 2019				82	82
Equity as at 31 March 2019	50	36 834	-72	9 737	46 549
As at 1 January 2020	50	98 927	0	14 682	113 659
Profit/loss as at 31 March 2020				2 893	2 893
Other comprehensive income as at 31 March 2020		431			431
Warrants		861		-1 620	-759
Equity as at 31 March 2020	50	1 292	0	15 955	116 223

## Consolidated Magle Chemoswed Group statement of cashflows

	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
TSEK					
Operating profit/loss	3 049	-6 027	3 235	-5 181	136
Non-cash adjustments:					
- Sale of subsidiary company					290
- depreciation	3 645	2 471	5 134	5 134	13 257
Interests received	263	0	706	266	266
Interests paid	-137	-305	-228	-599	-274
Income tax paid	2 473	-538	2 172	-879	931
Net cash flows from operating activities before changes in working capital	9 292	-4 399	11 019	-1 259	14 606
Changes in working capital	-13 824	22 487	-7 927	21 883	-21 691
Net cash flow from operating activities	-4 532	18 088	3 092	20 624	-7 085
Acquisition of subsidiary company					-11 733
Investments in intangible assets	-368	-432	-386	-2 072	-3 160
Investments in tangible assets	-4 326	-14 221	-6 223	-19 736	-51 707
Net cash flows from investing activities	-4 694	-14 653	-6 609	-21 808	-66 600
Loans raised	24 938		24 938	4 938	14 948
Repayments of bank loan	0	-479	-5 940	-896	-1 917
Repayment of shareholder loan	-16 000	0	-16 000	0	0
Repayments of leasing	-441	-595	-820	-1 264	-386
Shareholders contribution	431		431		62 093
Net cash flow from financing activities	8 928	-1 074	2 609	2 778	74 738
Net cash flow	-298	2 361	-908	1 594	1 053
Cash and cash equivalents at beginning of period	2 684	1 249	3 294	2 016	2 241
Cash and cash equivalents at end of period	2 386	3 610	2 386	3 610	3 294

## Parent company income statement

	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
TSEK					
Net sales		7 192		7 226	45 220
Other revenues	1 100	2 153	1 173	4 127	233
<b>Total</b>	<b>1 100</b>	<b>9 345</b>	<b>1 173</b>	<b>11 353</b>	<b>45 453</b>
Other external expenses	-1 617	-643	-1 769	-1 108	-2 586
Personnel costs	-5	-1611	-1 159	-3 217	-6 901
Depreciation and amortization	0	-41	0	-82	
Other operating expenses					-82
<b>Operating profit/loss</b>	<b>-522</b>	<b>7 050</b>	<b>-1 755</b>	<b>6 946</b>	<b>35 884</b>
Net financial items	-4	-249	-11	-500	-168
<b>Profit loss after financial items</b>	<b>-526</b>	<b>6 801</b>	<b>-1 766</b>	<b>6 446</b>	<b>35 716</b>
Appropriations					-35 650
Taxes for the period	0	-1 455	0	-1 379	-27
<b>Net profit/loss for the period</b>	<b>-526</b>	<b>5 346</b>	<b>-1 766</b>	<b>5 067</b>	<b>39</b>

## Parent company balance sheet

	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
TSEK			
<b>ASSETS</b>			
Non-current assets	44 647	32 275	44 627
Other receivables	38 277	95 178	127 423
Prepaid expenses	35	455	11 983
Cash and cash equivalents	537	165	2
<b>TOTAL ASSETS</b>	<b>83 496</b>	<b>128 073</b>	<b>184 035</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	500	50	50
Unrestricted equity	69 495	14 216	71 283
<b>Total equity</b>	<b>69 995</b>	<b>14 266</b>	<b>71 333</b>
<b>Current liabilities</b>	<b>13 501</b>	<b>113 806</b>	<b>112 702</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83 496</b>	<b>128 072</b>	<b>184 035</b>

## note 1

### GENERAL INFORMATION, ACCOUNTING PRINCIPLES

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company's reporting has been prepared in accordance with RFR 2, Reporting for Legal Entities, and the Swedish Annual Accounts Act. Accounting principles have been applied as reported for the Annual Report per 31 December 2019. New or amended standards or interpretations of standards effective as of 1 January 2020 have not had any significant impact on Magle Chemoswed's financial statements.

## note 2

### SIGNIFICANT RISKS AND UNCERTAINTIES

The Group is exposed to various financial risks. The business is impacted by many factors that could affect the Group's result and financial position. It is Magle Chemoswed's strategy to continuously identify and manage risks. Financial risk management is described in the Prospectus.

## note 3

### TRANSACTIONS WITH RELATED PARTIES

The financial reports include costs related to the following transactions between Magle Chemoswed and related parties.

Related Party	Service	January-June 2020	January-June 2019
Crowberry Group AB (Hedda Lidgard, board member)	Consultancy	563 (TSEK)	0

## note 4

### FINANCIAL ASSETS AND LIABILITIES

Fair values of current financial assets and liabilities are assessed agree with values accounted for.

## note 5

### SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Magle Chemoswed Group, the CEO has been identified as the chief operating decision maker who evaluates the Group's financial position and performance and makes strategic decisions. The CEO analyzes and monitors the business performance based on the Group as a whole. The assessment is thus that the Group's operations consist of one operating segment.

By nature of income	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
<b>TSEK</b>					
API revenues	12 181	25 450	30 053	46 321	69 520
Services revenues	7 571	4 881	20 441	14 433	28 195
Medical device	1 376	0	3 073	0	581
License revenues	13 135	0	19 490	842	29 273
<b>Total</b>	<b>34 263</b>	<b>30 331</b>	<b>73 057</b>	<b>61 596</b>	<b>127 569</b>

By country	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
<b>TSEK</b>					
Sweden	1 105	1 622	5 476	5 829	4 114
Europe excluding Sweden	13 111	5 279	27 905	20 186	34 863
Other territories	20 047	23 430	39 676	35 581	88 592
<b>Total</b>	<b>34 263</b>	<b>30 331</b>	<b>73 057</b>	<b>61 596</b>	<b>127 569</b>

By company	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
<b>TSEK</b>					
Magle Chemoswed AB	33 385	30 331	70 650	60 720	96 991
Magle Chemoswed Holding AB				876	29 273
Adroit Science AB	878	0	2 407	0	1 305
<b>Total</b>	<b>34 263</b>	<b>30 331</b>	<b>73 057</b>	<b>61 596</b>	<b>127 569</b>



**Magle Chemoswed uses Alternative Performance Measures (APM) to enhance understandability of the information in the financial reports, both for external analysis and comparison and internal performance assessment.**

Alternative Performance Measures are key figures not defined in financial reports prepared according to IFRS. The following key figures are used:

## **sales growth**

The difference in net sales between two periods in relation to net sales for the earlier period. Shows the operations sales performance.

## **interest bearing debt**

Borrowings from banks, financial institutions and lease liabilities, short and long term. Shows the debt level of the group and forms the base for interest expenses.

## **net debt**

Interest bearing debt minus cash and cash equivalents. Shows the group's net debt and is used to measure the leverage level of the group and future funding needs.

Sales Growth	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
Net sales, TSEK	34 263	30 331	73 057	61 596	127 569
Sales growth, %	11%	-19%	16%	1%	20%
Gross profit, TSEK	31 275	17 492	56 253	35 519	86 263
Gross margin, %	91%	58%	77%	58%	68%

Indicators	April-June 2020	April-June 2019	Jan.-June 2020	Jan.-June 2019	Jan.-Dec. 2019
Non-current borrowings, TSEK	28 938	4 875	28 938	4 875	4 750
Current borrowings, TSEK	4 880	1 250	4 880	1 250	10 365
<b>Interest bearing debt, TSEK</b>	<b>33 818</b>	<b>68 228</b>	<b>33 818</b>	<b>68 228</b>	<b>31 115</b>
Cash and cash equivalents, TSEK	2 386	3 610	2 386	3 610	3 294
<b>Net debt, TSEK</b>	<b>-31 432</b>	<b>-64 618</b>	<b>-31 432</b>	<b>-64 618</b>	<b>-27 821</b>

## note 6

### NUMBER OF SHARES

Ordinary Shares	Number of shares	Potential shares
31 December 2019	500	
30 June 2020	10 000 000	300 000

Share split was made on 27th of March 2020.

## note 7

### WARRANTS

At period end, there is one warrant program.

Warrant program

The warrant program was executed in 2020. Warrants give the holder the right to acquire 1 ordinary share.

Warrant program	Number of options	Equals number of shares
Balance January 1, 2020	0	
Balance March 30, 2020	0	
Balance June 30, 2020	225 000	225 000

# DECLARATION OF THE BOARD OF DIRECTORS AND THE CEO

The undersigned Board members assure that this Interim report provides a true and fair view of the development of the Group's and Parent Company's operations, position and performance as well as describing material risks and uncertainties faced by the companies being part of the Group. This interim report has not been reviewed by the Company's auditors.

Justin Pierce (CEO)	Hans Henrik Lidgard (Chairman)	Sven Christer Nilsson
Mats Pettersson	Malin Malmsjö	Hedda Lidgard
Ingela Fritzon	Simon Mårtensson	

**Malmö July 14, 2020**

*This information is information that Magle Chemoswed Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below 2020-07-14, at. 07.00.*

## FORTHCOMING DISCLOSURES OF INFORMATION

FINANCIAL CALENDAR	DATE
INTERIM REPORT Q3, 2020	5TH NOVEMBER 2020
FULL YEAR AND Q4, 2020 RESULTS	25TH FEBRUARY, 2021
ANNUAL REPORT 2020	14TH APRIL, 2021

## CONTACT INFORMATION

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