

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SINGAPORE, SOUTH AFRICA, THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

Correction: PAXMAN carries out a directed issue of 1,600,000 shares and hereby receives approximately SEK 59 million

The board of directors of Paxman AB (publ) (“PAXMAN” or the “Company”) has, based on the authorization from the annual general meeting on 27 May 2020, resolved on a directed issue of 1,600,000 shares at a subscription price of SEK 36.60 per share (the “Share Issue”).

Through the Share Issue, the Company receives approximately SEK 59 million before transaction costs. The subscribers in the Share Issue are the well reputable institutional investors Creades AB (publ) and Alcur Fonder.

“We would like to welcome our new investors to joining our fight in changing the face of cancer globally. We are excited to forge ahead with our expansions plans ensuring cancer patients globally have access to this important treatment.”, says Richard Paxman, CEO

The subscription price per share corresponds to the closing price of the Company’s share on Nasdaq First North Growth Market on 2 February 2021, and has been determined based on negotiations with institutional investors. The Company’s board of directors hence assesses that the subscription price fairly reflects the current market conditions and demand.

The Share Issue was directed to the well reputable institutional investors Creades AB (publ)[1] and Alcur Fonder. The reasons for deviation from the shareholders’ preferential rights is to enable for the Company to raise capital in a time- and cost-efficient manner as well as to bring in well reputable investors and to broaden the institutional shareholding in the Company.

PAXMAN intends to use the net proceeds from the Share Issue to strengthen its financial position and continue to execute on the Company’s commercialisation strategy. This includes:

- i. strengthen the Company’s sales organization with direct presence as well as new and established distribution partners in key regional markets including in China, India, Europe and Middle East, supported by enhanced marketing support from the UK.
- ii. advance the Company’s reimbursement strategy in the USA capitalising on the recent positive CPT III code publication.
- iii. invest in R&D pipeline through the development of the miniature cryocompression device for the prevention of chemotherapy induced peripheral neuropathy.
- iv. general corporate purposes and financial redistributions.

The Share Issue entails an increase of the number of shares in the Company by 1,600,000, from 16,012,500, to 17,612,500 and the share capital increases by SEK 1,600,000. The Share Issue entails a dilution of approximately 9.1 per cent of the number of votes and shares in PAXMAN, based on the total number of shares after the Share Issue.

In connection with the Share Issue, the Company has undertaken not to, subject to customary exceptions, issue shares for a period of 180 days after the settlement date. In addition, the board members and members of the senior management have undertaken not to, subject to certain exceptions, divest any shares in the Company for a period of 180 days from the settlement date.

The Company has appointed Carnegie Investment Bank AB (publ) as sole bookrunner and Advokatfirman Delphi as legal advisor in connection with the Share Issue.

For further information, please contact:

Richard Paxman, CEO
Phone: +44 7968 020641
Email: richard@paxmanscalpcooling.com
www.paxman.se

Responsible party

This information is such information PAXMAN is obliged to make public in accordance with the (EU) Market Abuse Regulation 596/2014. The information in this press release has been made public through the agency of the responsible person set out above for publication at the time stated by PAXMAN's news distributor Cision at the publication of this press release.

About PAXMAN

The Paxman Scalp Cooling System has been developed by the Paxman family to reduce hair loss in breast cancer patients undergoing chemotherapy. The concept behind the system came when the mother of four, Sue Paxman, experienced first-hand the trauma of chemotherapy-induced hair loss. With close to 3,500 systems delivered in to hospitals, clinics and treatment centres around the world, PAXMAN is the leading supplier of Scalp Cooling technology. PAXMAN's scalp-cooling cap is made from lightweight, biocompatible silicone that is soft and flexible, providing a snug yet comfortable fit during treatment. PAXMAN AB (publ) has its headquarters in Karlshamn (Sweden), with subsidiaries in Huddersfield (UK) and Houston, Texas (US).

The PAXMAN share is listed on Nasdaq First North Growth Market. FNCA Sweden AB is the company's Certified Adviser and can be contacted via info@fnca.se and +46 (0) 8 528 003 99.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in PAXMAN in any jurisdiction, neither from PAXMAN nor from someone else.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Transaction must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Carnegie Investment Bank AB (publ) ("Carnegie"). The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Carnegie is acting for the Company in connection with the Transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Transaction. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. PAXMAN has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Transaction. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49 (2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market’s rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65 /EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in PAXMAN have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible

counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in PAXMAN may decline and investors could lose all or part of their investment; the shares in PAXMAN offer no guaranteed income and no capital protection; and an investment in the shares in PAXMAN is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Transaction. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Carnegie will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in PAXMAN.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in PAXMAN and determining appropriate distribution channels.

[1] Indirect through an endowment insurance.

Contacts

Richard Paxman, CEO
Tel: +44 7968 020641
Email: richard@paxmanscalpcooling.com
www.paxman.se

About Us

The Paxman Scalp Cooling System has been developed by the Paxman family to reduce hair loss in breast cancer patients undergoing chemotherapy. The concept behind the system came when the mother of four, Sue Paxman, experienced first-hand the trauma of chemotherapy-induced hair loss. With close to 3,500 systems delivered in to hospitals, clinics and treatment centres around the world, PAXMAN is the leading supplier of Scalp Cooling technology. PAXMAN's scalp-cooling cap is made from lightweight, biocompatible silicone that is soft and flexible, providing a snug yet comfortable fit during treatment. PAXMAN AB (publ) has its headquarters in Karlshamn (Sweden), with subsidiaries in Huddersfield (UK) and Houston, Texas (US).

The PAXMAN share is listed on Nasdaq First North Growth Market. FNCA Sweden AB is the company's Certified Adviser and can be contacted via info@fnca.se and +46 (0)8 528 003 99.

This information is information that PAXMAN 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 above, at 2021-02-02 19:42 CET.

Attachments

Press Release
02 February 2021 19:42:00 CET

PAXMAN^o
PIONEERS IN SCALP COOLING

[Correction: PAXMAN carries out a directed issue of 1,600,000 shares and hereby receives approximately SEK 59 million](#)