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Magle Group resolves on a rights issue of approximately SEK 36.8 million

The Board of Directors of Magle Chemoswed Holding AB ("Magle Group" or the "Company") has today, on 22 November 2024, resolved, based on the authorization granted by the annual general meeting held on 25 April 2024, to carry out a new issue of a maximum of 1,226,794 shares with preferential rights for the Company's existing shareholders (the "Rights Issue"). The subscription price has been set to SEK 30.00 per share. The Rights Issue, which is fully covered by subscription and guarantee commitments, will, upon full subscription, provide Magle Group with approximately SEK 36.8 million before transaction costs.

Summary of the Rights Issue

- The Rights Issue will provide Magle Group with proceeds of up to approximately SEK 36.8 million before transaction costs.
- Existing shareholders in Magle Group, as of the record date on 2 December 2024, will receive one (1) subscription right for each existing share. Fifteen (15) subscription rights entitle to subscription of one (1) new share.
- In total, a maximum of 1,226,794 new shares may be issued in the Rights Issue.
- The subscription price has been set to SEK 30.00 per share.
- The record date for the Rights Issue is 2 December 2024 and the subscription period will run from and including 4 December 2024 up to and including 18 December 2024.
- The last day of trading including the right to participate in the Rights Issue is on 28 November 2024.
- Magle Group has received subscription commitments of approximately SEK 22.4 million, corresponding to approximately 61 percent of the Rights Issue. In addition, Magle Group has received a guarantee commitment of approximately SEK 14.4 million, corresponding to approximately 39 percent of the Rights Issue. Accordingly, the Rights Issue is fully covered by subscription and guarantee commitments.

Background and rationale

The health and pharmaceutical industries are evolving rapidly and require new approaches and strategic partnerships to remain competitive and meet emerging market needs. During the second half of 2024, Magle Group has merged with both Amniotics and pK Chemicals to create a larger player that offers contract development and manufacturing services (CDMO) and sales of the group's medical devices.

The mergers with Amniotics and pK Chemicals have combined resources and expertise, which is opening up new growth opportunities and operational efficiencies. Magle Group will be able to offer a broad portfolio of products and services, which includes technical dextran, dextran derivatives, DSM-based products, active pharmaceutical ingredients, tailor-made pharmaceutical and medical solutions. This strategic path will lead to an expanded presence globally, addressing new markets and customer segments, further diversifying the combined group's revenue sources and increasing market penetration and potential revenue growth.

Furthermore, the mergers are expected to create value for the shareholders of Magle Group through synergies in the form of, among other things, increased production capacity, improved CDMO capacity, management expertise, expertise in business development and broadened service offering. In addition, synergies are expected in the form of reduced overhead and financing costs. In total, the value of synergies from such cost savings is estimated to amount to between SEK 13 and 24 million annually and will be released within 12 to 36 months. These mergers, although they are expected to contribute synergies and cost savings over time, have resulted in increased debt in Magle Group, whereby the Board of Directors believes that it would be advantageous for the Company to optimize the capital structure through a new issue of shares to finance the repayment of outstanding loans.

Upon full subscription in the Rights Issue, Magle Group will receive approximately SEK 36.8 million before deduction of transaction costs. The transaction costs are expected to amount to approximately SEK 3.1 million. The net proceeds of approximately SEK 33.7 million are expected to be used to optimize the capital structure through repayment of outstanding loans, either by set-off or cash repayment, depending on allotment in the Rights Issue, in accordance with the following:

- Maria Magle Holding AB, SEK 16.6 million (approximately 49 percent), of which at least SEK 16.0 million is intended to be repaid by set-off,
- PRS1 ApS, SEK 14.4 million (approximately 43 percent), of which at most SEK 14.4 million is intended to be repaid by set-off, and
- Mats Pettersson, SEK 2.7 million (approximately 8 percent), of which at least SEK 0.4 million is intended to be repaid by set-off.

Terms and conditions for the Rights Issue

Shareholders who, on the record date on 2 December 2024, are registered shareholders in Magle Group's share register kept by Euroclear Sweden AB have preferential rights to subscribe for shares in relation to the number of shares held on the record date. The shareholders will receive one (1) subscription right for each share held on the record date. Fifteen (15) subscription rights entitle to subscription of one (1) new share. Through the Rights Issue, the Company's share capital will increase by not more than SEK 61,339.70 through the issuance of not more than 1,226,794 shares.

The subscription price has been set to SEK 30.00 per share and thus, upon full subscription in the Rights Issue, Magle Group will receive approximately SEK 36.8 million before transaction costs.

In the event that not all shares are subscribed for with the support of subscription rights, the Board of Directors shall, within the maximum amount of the Rights Issue, resolve on the allotment of shares to those who have subscribed for shares without the support of subscription rights in accordance with the following allotment principles:

- Firstly, allotment shall be made to those who have subscribed for shares through subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event of oversubscription, in proportion to the number of subscription rights each subscriber exercised for subscription and, to the extent this is not possible, by drawing lots.
- Secondly, allotment shall be made to others who have subscribed for shares without the support of subscription rights, and, in the event that they cannot receive full allotment, in proportion to the number of shares each subscriber subscribed for and, to the extent this is not possible, by drawing lots.
- Thirdly and finally, any remaining shares shall be allotted to guarantors who have entered into guarantee commitments in proportion to the size of the guarantee commitment and, to the extent this is not possible, by drawing lots.

Upon full subscription the Rights Issue entails a dilutive effect of approximately 6.25 percent of the total number of shares and votes in the Company after the Rights Issue. However, the shareholders have the possibility to be partly financially compensated for this dilution by selling their received subscription rights.

Preliminary timetable

28 November 2024	Last day of trading in the Company's shares including the right to participate in the Rights Issue
29 November 2024	First day of trading in the Company's shares excluding the right to participate in the Rights Issue
2 December 2024	Record date for the Rights Issue
2 December 2024	Preliminary date for publishing of the prospectus
4 December 2024 – 13 December 2024	Trading in subscription rights
4 December 2024 – 18 December 2024	Subscription period
4 December 2024 – until the new shares have been registered with the Swedish Companies Registration Office	Trading in paid subscribed shares (BTA)
20 December 2024	Announcement of the outcome of the Rights Issue

Subscription and guarantee commitments

Magle Group has received subscription commitments of approximately SEK 22.4 million, corresponding to approximately 61 percent of the Rights Issue, from a consortium of three board members in the Company; Hans Henrik Lidgard, Mats Pettersson and Sven-Christer Nilsson. In addition, Magle Group has received a guarantee commitment of approximately SEK 14.4 million, corresponding to approximately 39 percent of the Rights Issue, from the Company's chairman of the Board, Hans Henrik Lidgard. Accordingly, the Rights Issue is fully covered by subscription and guarantee commitments.

No consideration is paid for the subscription commitments that have been entered into. For the guarantee commitment entered into, a cash consideration of 8 percent of the guaranteed amount will be paid.

The subscription and guarantee commitments are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Further information regarding the received subscription and guarantee commitments will be found in the prospectus that will be published by the Company.

Prospectus

Complete terms and conditions for the Rights Issue as well as other information regarding the Company will be provided in the prospectus that the Company will publish before the commencement of the subscription period. The prospectus will be available on the Company's website, maglegroup.com.

Advisors

Vator Securities is the financial advisor and issuer agent and Advokatfirman Schjødt is the legal advisor to Magle Group in connection with the Rights Issue.

For enquiries, please contact:

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About Magle Group

The Magle Group aims to establish itself as a leader in high-quality life-changing healthcare innovations to meet medical needs through scientific excellence. The Magle Group is founded on strategic acquisitions aimed at driving growth and diversifying risk. Today, the Group includes three operational areas. Magle Chemoswed – a contract development and manufacturing organization (CDMO) with a strong reputation for its high-quality development and manufacturing expertise, Magle PharmaCept – an established sales and marketing company for development and direct sales of the Group's medical technology products and Magle Biopolymers A/S – a specialized manufacturing organization of Dextran technology. Learn more on www.maglechemoswed.com, www.maglegroup.com, www.maglepharmaceut.com and www.maglebiopolymers.com.

Vator Securities is the Company's certified adviser on Nasdaq First North Growth Market and can be reached at ca@vatorsec.se or +46 (0)8-580 065 99.

Important information

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This press release is not a prospectus according to the definition in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be prepared by the Company and published on the Company’s website after the prospectus has been reviewed and approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

This press release does not constitute an offer or solicitation to buy or subscribe for securities in the United States. The securities mentioned herein may not be sold in the United States without registration, or without an exemption from registration, under the U.S. Securities Act from 1933 (“**Securities Act**”), and may not be offered or sold within the United States without being registered, covered by an exemption from, or part of a transaction that is not subject to the registration requirements according to the Securities Act. There is no intention to register any securities mentioned herein in the United States or to issue a public offering of such securities in the United States. The information in this press release may not be released, published, copied, reproduced or distributed, directly or indirectly, wholly or in part, in or to United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Singapore, South Africa, South Korea or any other jurisdiction where the release, publication or distribution of this information would violate current rules or where such an action is subject to legal restrictions or would require additional registration or other measures beyond those that follow from Swedish law. Actions in contravention of this instruction may constitute a violation of applicable securities legislation.

Forward-looking statements

This press release contains forward-looking statements related to the Company’s intentions, estimates or expectations with regard to the Company’s future results, financial position, liquidity, development, outlook, estimated growth, strategies and opportunities as well as the markets in which the Company is active. Forward-looking statements are statements that do not refer to historical facts and can be identified by the use of terms such as “believes,” “expects,” “anticipates,” “intends,” “estimates,” “will,” “may,” “implies,” “should,” “could” and, in each case, their negative, or comparable terminology. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on further assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there is no guarantee that they will occur or that they are correct. Since these assumptions are based on assumptions or estimates and involve risks and uncertainties, actual results or outcomes, for many different reasons, may differ materially from those what is stated in the forward-looking statements. Due to such risks, uncertainties, eventualities and other significant factors, actual events may differ materially from the expectations that expressly or implicitly are contained in this press release through the forward-looking statements. The Company does not guarantee that the assumptions which serve as a basis for the forward-looking statements in this press release are correct, and each

reader of the press release should not rely on the forward-looking statements in this press release. The information, opinions and forward-looking statements that expressly or implicitly are stated herein are provided only as of the date of this press release and may change. Neither the Company nor any other party will review, update, confirm or publicly announce any revision of any forward-looking statement to reflect events that occur or circumstances that arise with respect to the contents of this press release, beyond what is required by law or Nasdaq First North Growth Market Rulebook.

This information is information that Magle Chemoswed 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 2024-11-22 08:30 CET.

Attachments

[Magle Group resolves on a rights issue of approximately SEK 36.8 million](#)