

Update on reverse acquisition – PMD completes private placement and major shareholder receives exemption from mandatory bid requirements

Promore Pharma AB (publ) (the "Company" or "Promore") announced on 29 November 2023 the reverse acquisition of PMD Device Solutions AB ("PMD" and the "Reverse Acquisition") and PMD's intended private placement of shares in PMD prior to the Reverse Acquisition. PMD has now resolved on the private placement of approximately SEK 26.5 million through an issue of shares to certain existing shareholders and new investors (the "Directed Issue"). In addition, PMD's largest shareholder Myles Murray has received conditional exemption from the obligation to submit a public takeover offer for all shares in Promore, which Myles Murray would otherwise be subject to following completion of the Reverse Acquisition.

The Directed Issue

PMD has resolved in the directed Issue on the terms announced in Promore's press release announced on 29 November 2023 with the heading "Promore Pharma AB intends to carry out a reverse acquisition of PMD Device Solutions AB". The Directed Issue was directed to certain existing shareholders and new investors at a subscription price of SEK 6.81 per share, corresponding to a pre-money valuation of PMD of approximately SEK 125 million. Through the Directed Issue, PMD receives approximately SEK 26.5 million before transaction costs. The purpose of the Directed Issue is to secure working capital to grow market share in the United Kingdom and to undertake market access activities in Germany and the United States. The investors include PMD's board member Christer Ahlberg (former CEO of Sedana Medical).

Prior to the decision on the Directed Issue, the board of directors thoroughly examined alternative financing solutions, including the conditions for conducting a rights issue. However, after careful consideration and an overall assessment, the board concluded that an issue deviating from the shareholders' preferential rights is the most favorable option for PMD and its shareholders. All existing PMD shareholders had the opportunity to make additional investments through participation in the Directed Issue. The possibility of expanding the shareholder base with new investors interested in the PMD's development strengthens the conditions for stability for both PMD and its shareholders. Furthermore, the Directed Issue contributes to meeting the share liquidity requirements that become applicable in connection with the Reverse Acquisition.

The subscription price in the Directed Issue was determined through a bookbuilding procedure and market sounding conducted by Redeye AB. The subscription price corresponds to a pre-money valuation of PMD of approximately SEK 125 million. The board of directors believes that the subscription price is market-based and reflects current market conditions.

In addition to what is needed to cover the working capital for the next 12 months and due to end-of-year time constraints, it has been proposed for the extraordinary general meeting on 29 December 2023 to resolve on a specific issue authorisation. The specific issue authorisation will be aimed at enabling the new board of directors of Company to carry out an additional capital raise, on corresponding terms as in the Share Issue (calculated taking into account the Reverse Acquisition and the proposed reverse share split) up to an amount not exceeding SEK 11.5 million in order to accommodate further interest in participation in the capital raise.

Through the Directed Issue, the share capital in PMD increases with SEK 116,886 and the number of shares in PMD increases with 3,896,200. As previously announced and in accordance with the proposed resolutions for the extraordinary general meeting in Promore to be held on 29 December 2023, the Reverse Acquisition will entail an increase in the amount of shares in the Promore from 60,713,936 to 2,635,175,865 and an increase in the Company's share capital from SEK 2,428,557.44 to SEK 105,407,034.60. Following the proposed

reverse split of shares, the number of shares will be 20,587,314.

Exemption from mandatory bid requirements

Through the Reverse Acquisition, the majority shareholder in PMD, Myles Murray, will acquire an ownership stake in Promore equivalent to at least 30 percent of the total voting rights for the total number of shares in Promore. Myles Murray has received a conditional exemption from the obligation to submit a public takeover offer for all shares in Promore, which Myles Murray would otherwise be subject to, pursuant to applicable takeover rules for certain trading platforms. The exemption from the mandatory bid requirement is conditional on the Reverse Acquisition being approved by a general meeting in Promore with a two-thirds majority. The extraordinary general meeting will be held on 29 December 2023. For more information about the decision on the exemption, please refer to the Swedish Securities Council's decision, AMN 2023:58.

Advisors

Redeye AB acted as financial advisor to PMD in connection with the Directed Issue and Eversheds Sutherland Advokatbyrå AB acted as legal advisor to PMD in connection with the Directed Issue.

Information about PMD

PMD develops and sells medical products for respiratory monitoring. Its primary product is RespiraSense™, a solution used for monitoring respiratory rate to detect deterioration of a patient's general condition early and to avoid preventable respiratory failure and adverse patient outcomes. RespiraSense™ is, to the PMD's knowledge, the world's only continuous, motion-tolerant respiratory rate monitor delivering class-leading reliability in measuring respiratory rate. PMD received FDA approval for RespiraSense™ in 2022. RespiraSense™ is a novel technology and today used in 25 hospitals across United Kingdom and Ireland. PMD seeks to continue increasing its market share in the United Kingdom, with Germany and the United States to follow with initial market access activities.

For additional information, please contact

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Promore Pharma's Certified Adviser is Redeye

Promore Pharma in brief

Promore Pharma is a biopharmaceutical company specialized in the development of locally administered first-in-category pharmaceuticals for indications with high unmet medical needs, where very few efficacious prescription pharmaceuticals are available. The company is listed on Nasdaq First North Growth Market.

Attachments

[Update on reverse acquisition – PMD completes private placement and major shareholder receives exemption from mandatory bid requirements](#)